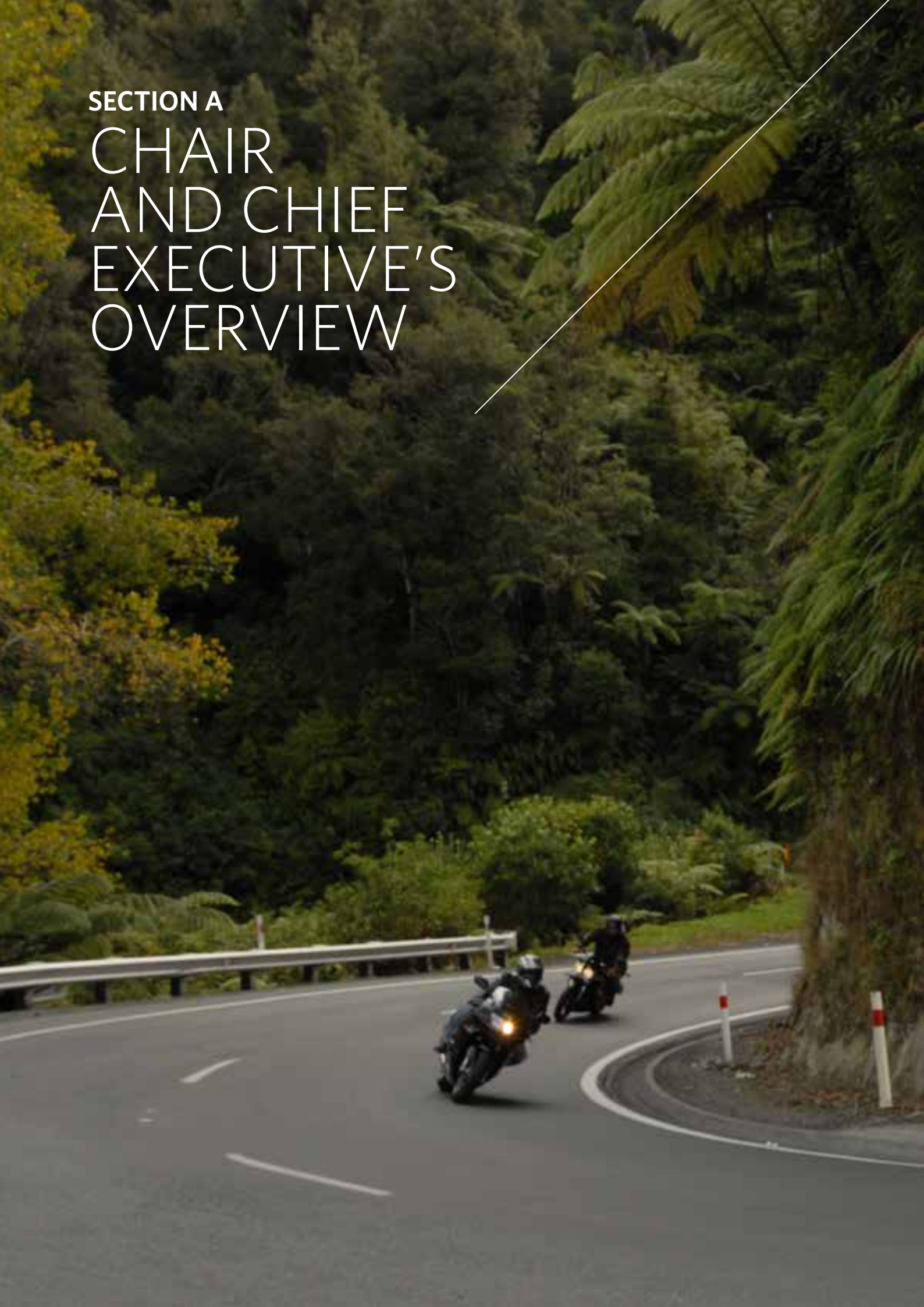


SECTION A

CHAIR AND CHIEF EXECUTIVE'S OVERVIEW



INVESTING IN TRANSPORT SOLUTIONS FOR NEW ZEALAND'S FUTURE

This year is the first of three to be delivered under the 2015–18 National Land Transport Programme: the largest and most ambitious yet. The \$13.9 billion forecast expenditure for 2015–18 marks a 15 percent increase compared with the previous 2012–15 programme and includes a direct Crown contribution of \$226 million to accelerate the delivery of regionally important state highways and improve cycling networks in urban areas, as well as borrowing of \$338 million from the Government to advance critical state highway projects in Auckland.

In 2015/16, total investment from the National Land Transport Fund was \$3.3 billion, representing 96 percent of the published National Land Transport Programme. Of the total estimated 2015/16 National Land Transport Programme investment of \$4.5 billion, 53 percent was invested in economic growth and productivity outcomes, 22 percent in safety outcomes and 25 percent in travel choice, health, environment and resilience outcomes.

State highway programmes, including the Roads of National Significance, made significant progress this year with investment above planned levels. On the Waikato Expressway, for example, the Cambridge section was opened ahead of schedule and construction began on the Hamilton and Huntly sections. The expressway will be the key strategic transport corridor for the Waikato region, connecting Auckland to the agricultural and business centres of Waikato and Bay of Plenty.

Work to reinstate earthquake-damaged roads in Christchurch is coming to an end, but the city's growth continues to be supported through investment in the Christchurch Roads of National Significance programme and local authority activities. This year, funding was confirmed for stage 2 of the Christchurch Southern Motorway, which aims to address increased travel demand and congestion in the south of Christchurch and Canterbury.



\$3.3
BILLION NLTF
INVESTMENT

53%

INVESTED IN
ECONOMIC
GROWTH AND
PRODUCTIVITY
OUTCOMES*



Auckland's growth has and will continue to require significant investment to meet the city's transport needs. Investment in transport planning activities this year has supported extensive collaboration between central and local government on the Auckland Transport Alignment Project and the Transport for Urban Growth project.

Outside the major metropolitan areas, under a new programme of regional improvements, investment was focused on developing business cases to increase the safety, resilience and efficiency of the regional state highway network.

Investment in improving local roads has been lower than expected; gaining momentum over the next two years will be important to achieve the current forecasts. Most local road improvements delivered this year were in Auckland, but significant improvements were made in other areas, for example, the construction of the Hamilton Ring Road and improvements to Otago Peninsula coast road for vehicles and to create space for cycling.

*National Land Transport Programme investment to outcomes.

The Urban Cycleways Programme boosted walking and cycling activity this year. Investments made to expand and improve New Zealand’s urban cycling network saw nine of the 54 Urban Cycleways Programme projects completed, with a further 13 under construction and the remainder in the investigation or design stage.

To support more efficient and attractive public transport networks, investment continued in public transport infrastructure, especially in Auckland. Key public transport projects that started in 2015/16 include Auckland’s Otahuhu bus interchange and an upgrade to the Half Moon Bay ferry terminal. National public transport patronage grew 2.6 percent over the year.

Targeted investment in safety outcomes remains critical to reducing the number of deaths and serious injuries on New Zealand’s roads, which increased over the past two years. A \$550 million increase in funding is being applied to achieve road safety outcomes over the 2015–18 National Land Transport Programme. Improvements to and maintenance of roads and cycling infrastructure, road policing activities and road safety promotion are all being delivered in line with the Safer Journeys strategy and the Safe System approach to create a safe road system increasingly free of death and serious injury.



22%
INVESTED IN
SAFETY
OUTCOMES*

Looking ahead to the remaining two years of the 2015–18 National Land Transport Programme and beyond, the Transport Agency is committed to working with its investment partners to improve New Zealand’s transport system for all users, in all of New Zealand’s regions and cities.



25%
INVESTED IN TRAVEL
CHOICE, HEALTH,
ENVIRONMENT AND
RESILIENCE OUTCOMES*

CHRIS MOLLER
Chair
NZ Transport Agency

FERGUS GAMMIE
Chief Executive
NZ Transport Agency

*National Land Transport Programme investment to outcomes.

TRANSPARENT AND ROBUST INVESTMENT DECISIONS

The Transport Agency operates in a transparent and robust way to invest the National Land Transport Fund. An investment assessment framework prioritises investment in activities that give effect to the outcomes sought in the Government Policy Statement on Land Transport and, where the Transport Agency plans to invest in its own activities, the same level of scrutiny is applied to its investment proposals as to those put forward by other organisations.¹

To ensure the National Land Transport Fund is sustainable over the longer term and that investment levels can meet the expenditure ranges within the Government Policy Statement on Land Transport, the Transport Agency has developed a 10-year view of revenue and expenditure.² Expenditure from the National Land Transport Fund is balanced with the revenue expected from fuel excise duty, road user charges, motor vehicle registry fees and state highway surplus property sales and property income.

The 2015-18 National Land Transport Programme brings in two initiatives to improve transport investment and decision-making and deliver increased value for money. Funding assistance rates for local government activities have been reviewed and updated to better reflect the needs of rural and provincial areas and to make the system fairer between different types of transport activities. The One Network Road Classification is being embedded to establish consistent, fit-for-purpose levels of service for all roads in every part of the country. This enables consistent and fair investment decisions in partnership with local councils for the funding of road maintenance activities.

¹ A report on the scrutiny principle (including assurance information) is included in the *NZ Transport Agency annual report* (pages 149).

² Available at www.nzta.govt.nz/planning-and-investment/2015-18-national-land-transport-programme/about-the-2015-18-national-land-transport-programme/looking-forward-a-ten-year-view/