
Briefing to the incoming **Associate Minister of Transport**

JANUARY 2017



18 January 2017



Hon David Bennett

Associate Minister of Transport
PARLIAMENT BUILDINGS

Dear Minister

The Transport Agency welcomes you to your role as Associate Minister of Transport with responsibility for transport safety matters.

The Transport Agency is the government's land transport delivery agency and contributes to the regulation of road and rail. Our role is to provide a safe and efficient land transport system that delivers value for money and improved transport services for the benefit of New Zealand. Our work contributes directly to the long term transport sector outcomes set by the Ministry of Transport.

Attached is a briefing outlining our context and work, with an emphasis on safety related issues you may wish to be familiar with in your first 100 days in role. We look forward to hearing from you about any further details you would like to be briefed on.

In the past, the Board Chair and I have had regular meetings with the Ministers of Transport, supplemented by weekly written briefings. Once you are settled into your role we would welcome meeting with you to understand how you would like to work with us in the future.

Yours sincerely

A handwritten signature in blue ink that reads 'Fergus Gammie'.

Fergus Gammie
Chief Executive

CONTENTS

CONTENTS	4
SUMMARY	5
SECTION A : ABOUT US	7
WHAT WE DO	7
1.1 OUR VALUE TO NEW ZEALAND	7
1.2 STATUTORY ROLE	7
1.3 PLANNING FUNCTION	7
1.4 INVESTMENT FUNCTION	8
1.5 STATE HIGHWAY MANAGEMENT FUNCTION	8
1.6 REGULATORY FUNCTION	8
WHO WE ARE & HOW WE WORK	9
2.1 THE TRANSPORT AGENCY BOARD	9
2.2 TRANSPORT AGENCY OPERATING MODEL AND STRUCTURE	11
STRATEGIC CONTEXT	14
3.1 BACKGROUND	14
3.2 OUR REFRESHED STRATEGY	14
OUR OPERATING CONTEXT	16
4.1 FUNDING, PLANNING AND INVESTMENT	16
4.2 DELIVERING VALUE FOR MONEY	21
4.3 MONITORING AND REPORTING PERFORMANCE	22
4.4 ALL OF GOVERNMENT COLLABORATION	22
4.5 WORKING WITH OTHERS	22
SECTION B : SAFETY AND REGULATORY MATTERS	24
5.1 ANNUAL ROAD TRAUMA	25
ROAD SAFETY	25
5.2 SAFER JOURNEYS: NEW ZEALAND'S ROAD SAFETY STRATEGY 2010-2020	26
5.3 SPEED MANAGEMENT - THE SAFER SPEEDS PACKAGE	26
5.4 SAFER JOURNEYS ACTION PLAN 2016-2020: FOUR PRIORITY ACTIONS	28
5.5 VISITING DRIVERS	29
5.6 REVIEW OF OPTIONS FOR THE FUTURE BUSINESS OWNERSHIP AND MANAGEMENT OF THE SAFETY CAMERA SYSTEM	30
RAIL SAFETY	31
6.1 LEVEL-CROSSINGS	31
6.2 TUNNEL SAFETY	32
6.3 WORKER SAFETY	32
6.4 RAIL SAFETY FUNDING AND FEES REVIEW	32
URBAN CYCLEWAYS PROGRAMME AND CYCLING SAFETY	33
REGULATORY CHANGES AND ISSUES	34
8.1 VEHICLE DIMENSION AND MASS RULE CHANGES	34
8.2 DRIVER LICENSING REVIEW	34
OTHER OPERATING MATTERS WITH MEDIA OR PUBLIC ATTENTION	35
9.1 INVESTIGATION OF DRIVER LICENSING FRAUD ALLEGATIONS	35
9.2 TAKATA AIRBAG RECALL	35
GLOSSARY	36
APPENDIX A - SIGNIFICANT INFRASTRUCTURE AND CYCLEWAY DELIVERY	37
APPENDIX B - TRANSPORT AGENCY STRATEGY FRAME	40
APPENDIX C - TRANSPORT AGENCY FOCUS AREAS AND GOVERNMENT PRIORITIES	41
APPENDIX D - ACTS, REGULATIONS AND RULES THAT GOVERN THE TRANSPORT AGENCY	43
ACTS OF PARLIAMENT	43
REGULATIONS	43
RULES	44

SUMMARY

This briefing provides a snapshot of the New Zealand Transport Agency and its main functions, with a focus on land transport safety and regulatory activities, including relevant live issues.

As the government's key land transport delivery agent, the New Zealand Transport Agency (the Transport Agency) focuses on great journeys to keep New Zealand moving.

We aim for an integrated, multi-modal national land transport system that provides all customers with easy, safe and connected journeys. As such, our functions are broad, spanning planning, regulation, investment, maintenance, operation, education and licensing. The people and organisations we work with are diverse: delivering value for money, putting people at the centre of everything we do and using resources sustainably underpin all of our activities.

The Transport Agency's new strategy and operating model reflect the rapid changes occurring within transport and society globally, and position the Transport Agency strongly to embrace these challenges in ways that will benefit customers, communities and the New Zealand economy. We have adopted a new outcome focus, which, when combined with our track record of rigorous performance monitoring, provides a solid platform to deliver enhanced transport services.

Improving the safety performance of the land transport system is central to the Transport Agency's approach. Road and rail safety is a foundation activity for us and is something we must get right. As one player in a complex system, we recognise we have considerable influence and take that responsibility very seriously. The upward trend in the road toll concerns us greatly and reaffirms our commitment to implementing the safe system approach in New Zealand, as part of the government's *Safer Journeys* strategy. Sustained implementation of *Safer Journeys* is essential if New Zealand is to lessen the burden of unnecessary road trauma.

We take a whole of system approach and work closely with the Ministry of Transport, the New Zealand Police, the Accident Compensation Corporation and Local Government New Zealand, as part of the National Road Safety Committee. The Transport Agency is particularly focused on improving the safety of New Zealand's roads and roadsides (which are generally unforgiving of human error), as well as managing the speeds at which vehicles travel, to ensure they move at safe and efficient speeds that suit the conditions and the road's function, design, and use. We also focus on road user behaviour and vehicle safety through various regulatory and education initiatives. Approximately 23% of the current \$13.9 billion National Land Transport Programme is invested in road safety, including road policing.

Rail safety is also integral to the Transport Agency's work programme and as the rail safety regulator we strive to ensure the system is performing effectively and safely at all times. Our new operating model brings road and rail safety work together, along with sound environmental management, as there are synergies to be gained from focusing on reducing land transport harms as part of one overall system.

Both road and rail safety require comprehensive regulation. Digital technology, innovation and new market players are increasingly challenging existing regulatory paradigms. We anticipate this is an area that will require considerable attention in the next few years. The Transport Agency works closely with the Ministry of Transport to ensure New Zealand's regulatory framework is fit for purpose.

We look forward to discussing this briefing with you in more detail at your convenience.



SECTION A : ABOUT US

1 WHAT WE DO

1.1 OUR VALUE TO NEW ZEALAND

The NZ Transport Agency is focused on providing one integrated land transport system that helps people get the most out of life and supports business with easy, safe and connected journeys. In simple terms, the unique value we offer to our customers and to all of New Zealand is:

Great journeys to keep New Zealand moving

This represents and describes the difference we make every day to people's lives and livelihoods, to society and the economy.

We keep New Zealand moving by investing in innovative transport solutions in urban growth areas, providing regional and inter-regional connections to enable regional development, keeping access to markets open, maintaining key tourist routes, managing national data registers and implementing safety regulations. We work with communities to help shape great places to live, work and play, and we provide multi-modal transport choices.

Forming effective partnerships, taking a long-term system view, focusing on sustainability and embracing innovation and new technology are integral to the way we operate.

The transport system is a key determinant of social outcomes – providing access to healthcare, education and employment opportunities. Our approach makes sure transport is an enabler of opportunities not a barrier – so all New Zealanders can live well.

1.2 STATUTORY ROLE

The Transport Agency is the government's land transport delivery arm. We invest in, manage and regulate most aspects of New Zealand's land transport network. Our functions are set out in the Land Transport Management Act 2003 and include planning, investment, state highways and regulation.

Under the Land Transport Management Act 2003, our primary function is to promote an affordable, integrated, safe, responsive and sustainable land transport system. The Act also sets out the instruments that define the relationship between the Minister of Transport and the Transport Agency, including the Government Policy Statement on Land Transport.

The Crown Entities Act 2004 provides the framework for the governance and operation of all Crown entities such as the Transport Agency. Crown entities are legal entities in their own right. However, Crown entities remain instruments of the Crown and the Transport Agency is required to give effect to government policy.

The Transport Agency's statutorily independent functions are outlined in the Land Transport Management Act 2003 and include (among other things) the approval of procurement procedures, determining whether particular activities are to

be included in a National Land Transport Programme and all decisions on funding of activities from the National Land Transport Fund, as well as its regulatory functions. These are statutorily independent functions which the Transport Agency must carry out.

1.3 PLANNING FUNCTION

Through our planning function, the Transport Agency engages nationally with stakeholders and partners to ensure customers have easy, safe, and connected journeys and to contribute to the long-term prosperity of New Zealand. We take a 30 to 50-year view of what is needed for an effective land transport system – across all modes and all regions of New Zealand. This requires a clear focus on integrating land use and transport planning at the regional level and a clear understanding of future requirements on national road and rail networks and their connections to sea ports and airports. It also requires awareness of the changes happening within society that affect transport, such as digitalisation and greater demand for personalised services.

We are guided by what the government wants to achieve and its national strategic direction for the land transport sector as set out in the Government Policy Statement on Land Transport.

The Transport Agency is a full member of each of the 15 regional transport committees. We bring our expertise to these local government forums, which are responsible for developing regional transport plans – the building blocks of the whole of New Zealand network development plan and implementation programme. We are also a member of the Board of Auckland Transport and work in partnership to address Auckland's long-term transport challenges. We are an active partner in the Auckland Transport Alignment Project that sets out a clear direction for the development of Auckland's transport system over the next 30 years. Our partners in the Auckland Transport Alignment Project are Auckland Council, Auckland Transport, Ministry of Transport, State Services Commission and Treasury.

As well as these regional and national planning functions, we have established specific sector forums to develop long-term plans for public transport and the freight sector.

The Transport Agency's planning function seeks to integrate land use with transport networks to achieve greater state highway resilience and better levels of service for our customers, while providing smarter travel connections and modal choices. Adopting an integrated planning approach acknowledges that even the most localised transport decisions can affect a diverse range of citizens, customers and stakeholders. In shaping New Zealand's land transport system, we look beyond the debate of expansion versus intensification, and focus on the outcomes we need to achieve for communities and the country as a whole. This requires a deep understanding of the wider social and economic context and how this interacts with movement needs.

1.4 INVESTMENT FUNCTION

The Transport Agency is responsible for investing the National Land Transport Fund. This is a dedicated fund for the maintenance and development of local and national transport services. It receives all the land transport revenue raised from fuel excise duty on petrol and road user charges and motor vehicle registration and licensing fees. We are required to make independent investment decisions that will deliver the results set out in the Government Policy Statement on Land Transport. It is critical that we make investments that not only contribute to the government's identified priorities of economic growth, productivity and safety, but also represent the best value for money in the use of the fund.

The National Land Transport Programme investment programme has a 10-year focus and is developed and renewed every three years. The current 2015-18 National Land Transport Programme outlines the activities for the investment of \$13.9 billion over this period (this figure represents all funding sources, including \$10.5 billion from the National Land Transport Fund). This investment makes a significant contribution to local economic growth, as well as contributing to national prosperity.

The Transport Agency is classified as a tier 1 investment-intensive agency under the Investor Confidence Rating introduced by *Cabinet Office Circular CO15(5) - Investment Management and Asset Performance in the State Services*. Our first Investor Confidence Rating was a strong 'B' rating. The next assessment is scheduled for February-July 2018.

1.5 STATE HIGHWAY MANAGEMENT FUNCTION

The state highway network is one of the country's most important pieces of infrastructure that contributes to economic activity. This strategic network makes up 13 percent of New Zealand's total road network, but carries 49 percent of the vehicle traffic and 72 percent of the kilometres driven by heavy vehicles. The state highway network connects with all sea ports and airports and fulfils a key role alongside the national rail network to manage New Zealand's increasing freight demand.

The Transport Agency actively manages the operation of the state highway network to provide safe, easy, reliable journeys for people and goods, and to maximise the value of the network for all of New Zealand. We have developed strong expertise in capital works procurement and have a good track record in the effective delivery of major projects. Our procurement expertise is a capability that we share widely with our partners in the transport and infrastructure sector.

The Transport Agency's infrastructure improvement programme is focused on providing adequate capacity for New Zealand's heavily trafficked major metropolitan and high growth areas, as well as key regional infrastructure to support regional development and improve road safety. The delivery of the Roads of National Significance component of the improvement programme is well on track – see Appendix A for more details.

1.6 REGULATORY FUNCTION

The Transport Agency implements land transport regulations, with a focus on safety and efficiency. We set the standards for safe vehicles and how they are to be operated, we issue driver licences to those who demonstrate they can drive safely and we develop the road policing programme with the New Zealand Police, which provides funding to the New Zealand Police of about \$300 million per year for the enforcement of the road rules.

A key part of our role is informing and shaping people's transport choices. We do this by providing customers with clear standards and good information, as well as encouraging everyone to travel safely and efficiently. We also work collaboratively with other network operators to make existing networks safer and more efficient.

We collect land transport revenue through administering the Road User Charges system as well as the annual vehicle registration and licensing systems. We successfully manage the registration of 4.8 million vehicles and 3.4 million individual driver licences across the country. We are making it easier for our customers to interact with us, with 51 percent of our transactions conducted digitally in the first quarter of 2016-17. Our contribution to Better Public Services Key Result Area 10 is demonstrated through continuing growth in customers paying for their vehicle licenses digitally (36.6 percent in the first quarter of 2016-17).

The Transport Agency is also the rail safety regulator for New Zealand.

2 WHO WE ARE & HOW WE WORK

2.1 THE TRANSPORT AGENCY BOARD

The Transport Agency Board is our governing body. Board members are accountable to the Minister of Transport for performing their duties. The Minister appoints up to eight independent non-executive members to the Board. These appointments are typically for a two or three-year period that might be extended. The Board selects the membership of its three committees and has appointed the Secretary for Transport as a member of the Audit, Risk and Assurance Committee. This is consistent with the Ministry of Transport's role as the monitoring department and adviser to the Minister of Transport on our performance.

The Transport Agency Board supports the Minister of Transport by performing six functions which govern the operations and performance of the Transport Agency:

- setting the direction of the Transport Agency;
- setting plans and targets for services and financial performance;
- reviewing and reporting on the Transport Agency's performance against plans and targets;
- providing quality assurance of key operational policies, systems and processes;
- making significant planning, investment and funding decisions; and
- influencing and contributing to the land transport sector.

The Board works to ensure that the Transport Agency and our supply chain strive for better economic value in the interests of achieving the government's objectives. The Board advises the Minister of Transport every quarter on the performance of the Transport Agency in meeting its targets. It also provides advice on the implications of changes to the operating environment, and the emerging risks and opportunities for the Transport Agency and the transport sector as a whole.

Transport Agency Board members

CHRIS MOLLER, CHAIR (WELLINGTON)



Chris is a non-executive director who chairs the boards of Meridian Energy Ltd and SKYCITY Entertainment Group Ltd.

He is also a director of Westpac New Zealand Ltd. He was previously Chief Executive of the New Zealand Rugby Union, Deputy Chief Executive of Fonterra Co-Operative Group Ltd, and a director of a range of joint venture and subsidiary organisations within the New Zealand dairy industry, both domestically and internationally.

Chris Moller was recently named 2016 Chairperson of the Year in the Deloitte Top 200 Awards.

DAME FRAN WILDE, DEPUTY CHAIR (WELLINGTON)



Fran is a non-executive director who chairs the Remuneration Authority and is a director of other enterprises. Fran was previously a Cabinet Minister, Mayor of Wellington and Chair of the Wellington Regional Council.

She was CEO of the NZ Trade Development Board, has chaired Housing NZ Ltd, Wellington Waterfront Ltd, the Food Safety Advisory Board and the NZ International Arts Festival and has been a director on other diverse companies – listed, privately held and government owned. Fran also chaired the Government's Expert Advisory Group on Local Government Infrastructure Efficiency.

NICK ROGERS (AUCKLAND)



Nick Rogers is a geotechnical specialist with expertise in land stability, foundation support and natural disaster assessment.

He has more than 34 years' experience on major infrastructure projects and in conducting land damage assessments for the Earthquake Commission in New Zealand.

He has also worked on projects across the Asia-Pacific region. Nick has been a director for Tonkin and Taylor, and the international development consulting firm ANZDEC Ltd.

Nick was made a Companion of the Queen's Service Order for his services in natural disaster assessment throughout New Zealand, and in the recovery work in Christchurch during and after the Canterbury earthquakes.

ADRIENNE YOUNG-COOPER (AUCKLAND)



Adrienne Young-Cooper is a businesswoman, full time professional director and a Chartered Fellow of the Institute of Directors.

She had a 30-year career in resource management and planning specialising in spatial planning, metropolitan growth and management (including infrastructure planning and large projects). Adrienne was the Deputy Chair of the Auckland Regional Transport Authority and was a Board member of Maritime New Zealand. Her experience and contribution in transport governance is extensive. She also served as Deputy Chair of Waterfront Auckland.

She is Chair of Housing New Zealand Corporation and a Director of the Hobsonville Land Company Limited. She also serves on several charitable trusts. Adrienne is based in Auckland and Wellington and has family ties to Taranaki.

CHRIS ELLIS (AUCKLAND)



Chris' background spans the manufacturing, heavy construction and engineering sectors.

He is currently chairman of Energyworks Holdings Ltd, and Highway Group Ltd and serves on the board of directors of

Worksafe New Zealand and Horizon Energy Ltd.

He has held CEO roles with Brightwater Group, and prior to that at Fletcher Building Ltd where he was Chief Executive of the Building Products Division.

Earlier he held general management roles in Winstone Aggregates and Fletcher Construction.

Chris has a Bachelor of Engineering degree from the University of Canterbury and a master's degree (Engineering Science and Management) from Stanford University in California.

LEO LONERGAN (WELLINGTON)



Leo Lonergan returned to New Zealand in 2013 after a 36-year career with Chevron Corporation including executive assignments in North America, Europe, Middle East and Asia.

He was elected an Officer of Chevron in 2005 and most recently led Chevron's worldwide procurement and supply chain organisations with a team of 5,000 people and global spend of \$US 50 billion per year.

GILL COX (CHRISTCHURCH)



Gill is a chartered accountant and non-executive director. He chairs MainPower NZ Ltd, Transwaste Canterbury Ltd and Ngāi Tahu Farming Ltd.

He is also a director of a number of privately held companies involved in various industries including manufacturing, warehousing and distribution, infrastructure, property development, medical services and fishing.

Gill is a member of the CERA Community Forum in Christchurch and the Canterbury Earthquake Recovery Advisory Board. Gill is currently Chair of the Committee for Canterbury.

MARK OLDFIELD (TIMARU)



Mark is a director of Brenchley Farms Ltd in South Canterbury. He has more than 30 years of experience working with businesses and communities in the Canterbury Region.

He also has interests in Christchurch, Nelson/Tasman and Queenstown.

From 1997 to 2010 he was a member of the Canterbury Regional Council (including Regional Land Transport, Public Passenger Transport and Road Safety committees).

Mark has been a board member and Vice President of the South Canterbury Chamber of Commerce as well as a board member of the Energy Efficiency Conservation Authority from 2010 to 2014.

2.2 TRANSPORT AGENCY OPERATING MODEL AND STRUCTURE

New operating model – takes effect 1 July 2017

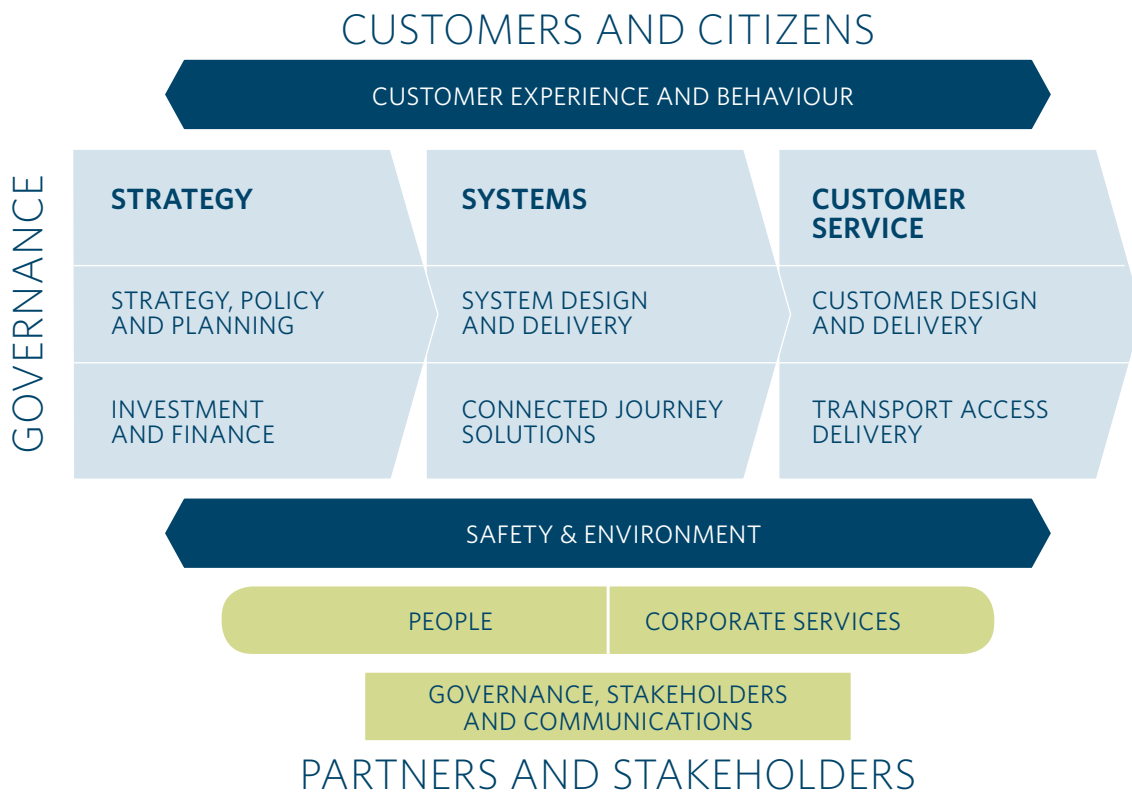


Figure 1 Transport Agency Operating Model (fully operational 1 July 2017)

On 1 July 2017, the Transport Agency will move to a new value-chain operating model and organisational structure based around the core elements: Plan the system, Deliver the system and Operate the system. The model includes enduring customer experience, safety and environmental components. Value-chain operating models emphasise customer focus, clarity of accountability and interdependence. Together, the new model and structure will:

- Break down existing functional silos to support and drive integrated system thinking.
- Position us to realise the full potential of the Transport Agency and deliver the Transport Agency's new strategy through:
 - › a stronger focus on being one agency delivering integrated outcomes;
 - › becoming truly customer and citizen focused; and
 - › enabling innovation and fully leveraging new technology.

WHY A CHANGE?

A Performance Improvement Framework self-review in March 2016, which included engagement with customers, stakeholders and staff identified that, while successful, the Transport Agency's current operating model does not position it well to meet future challenges and pressures facing the transport system. The current operating model is a collection of legacy organisations and functional models aimed at delivering diverse outcomes under a broad strategic intent.

Aspects of the current organisational arrangements, including decision making, structure and key processes, contribute to our challenges of working effectively across the Transport Agency and to putting the right resources in the right place. The review concluded that a change to how we think, act and organise is necessary if we are to provide a fit-for-purpose transport system that meets the needs of customers and supports a productive New Zealand.

Our change story has three key elements: strategy, culture and structure. All three are being progressed in a sequenced way, with the structure being the third element to help lock in our focused planning and desired behaviour attributes.

WHAT STAGE ARE WE AT NOW?

The new operating model and high level structure have been confirmed and the Tier 2 appointment process is nearing completion. Staff consultation will be completed in the first quarter of 2017 with appointments soon after, and the new structure will be established in June 2017.

Set out below are diagrams of our new Tier 2 organisational structure and regional model.

TRANSPORT AGENCY CHIEF EXECUTIVE

Fergus Gammie is a former Chief Executive of Auckland Regional Transport Authority, Chief Operating Officer of Auckland Transport, Deputy Director General Transport Services of Transport for New South Wales and was Deputy Secretary Infrastructure & Services with the same organisation. In this latter capacity he was responsible for leading a team of 1,300 staff, managing an annual operating budget of \$A5 billion and infrastructure and systems projects totalling \$A11 billion.



ORGANISATIONAL STRUCTURE

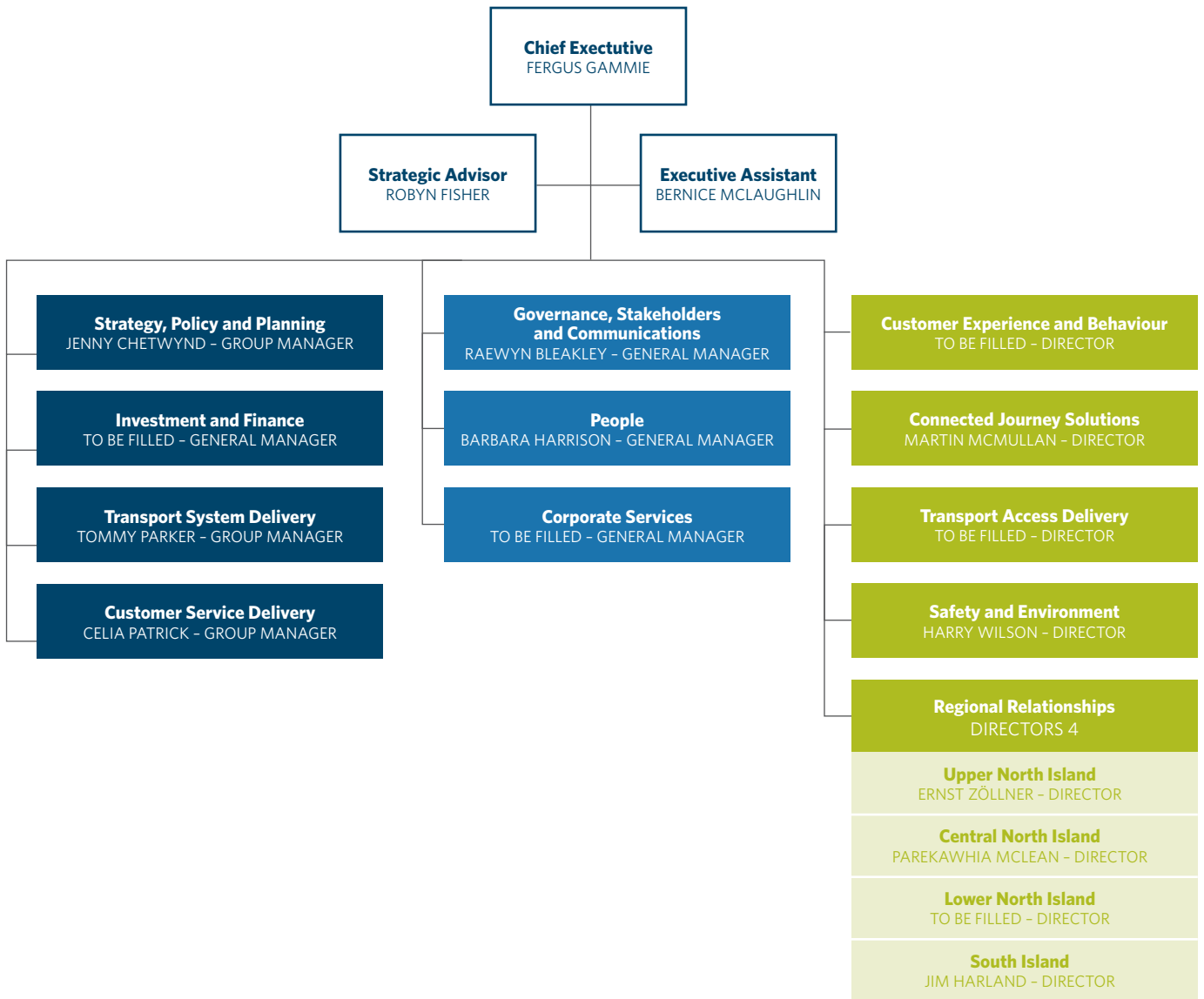
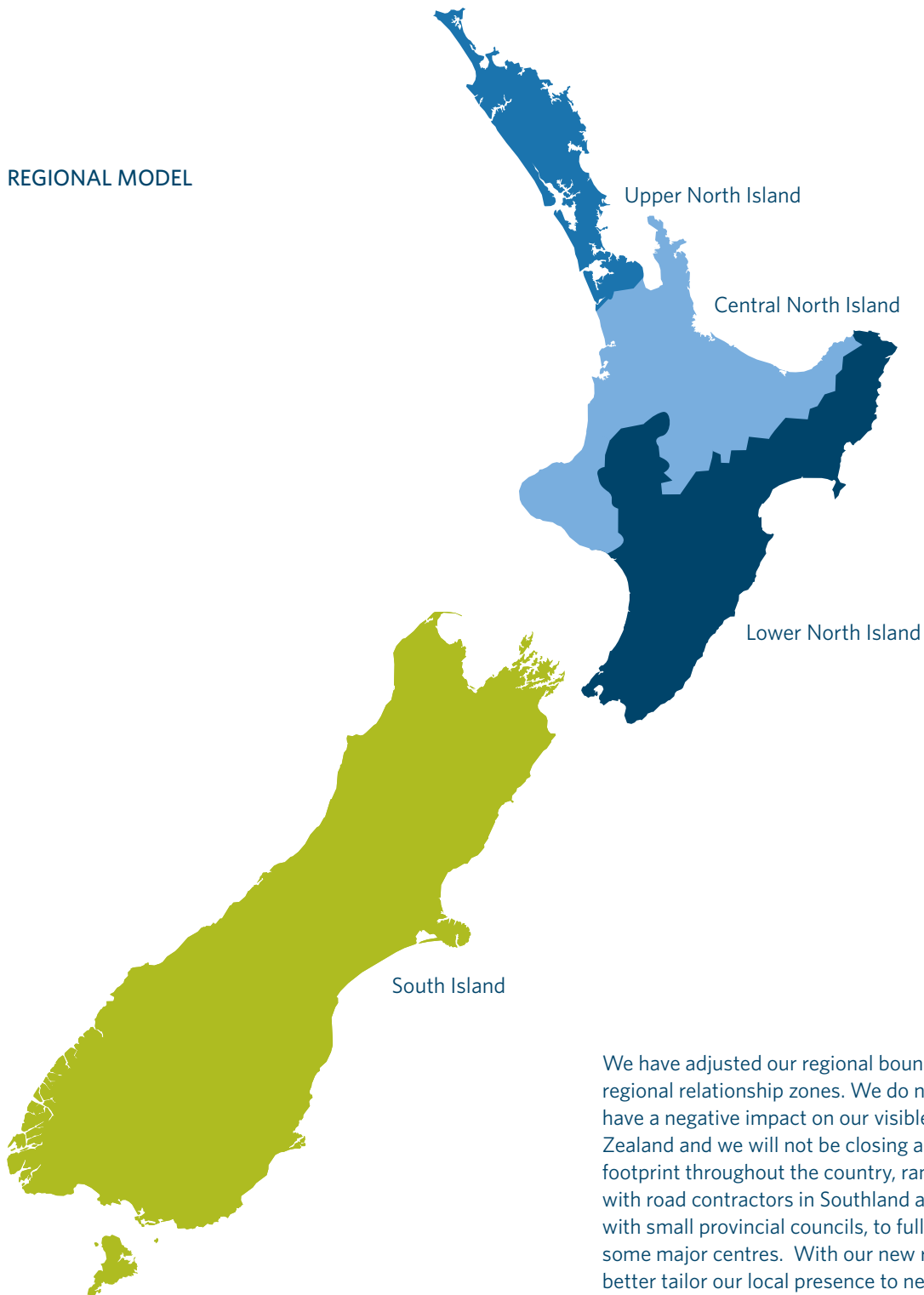


Figure 2 Transport Agency organisation leadership structure (fully operational 1 July 2017)



We have adjusted our regional boundaries and introduced regional relationship zones. We do not expect the change to have a negative impact on our visible presence around New Zealand and we will not be closing any offices. We have a footprint throughout the country, ranging from staff embedded with road contractors in Southland and delivery partnerships with small provincial councils, to full-service offerings in some major centres. With our new regional approach, we will better tailor our local presence to need and value. This means our local presence will be more clearly based on delivery of nationally planned and managed services.

Figure 3 Transport Agency Regional Relationship Model

3 STRATEGIC CONTEXT

3.1 BACKGROUND

The Transport Agency’s strategic context is defined by a number of internal and external drivers. The external drivers include formal statutory obligations, a clearly defined government policy direction in the Government Policy Statement on Land Transport and ministerial expectations, combined with identified future trends and challenges such as climate change, reduced fossil fuel use and an aging population. The internal drivers include findings from the recent Performance Improvement Framework self-assessment.

We have synthesised the external pressures and expectations of the Transport Agency into broad categories and assessed them alongside internal drivers to inform and guide our new strategic direction. When combined, these can be summarised into nine categories of expectation:

- Better access to social and economic opportunities
- Transport system integration
- Reduced road trauma
- Innovation and smarter use of technology
- Citizen centred design and better connection with customers
- Transport’s contribution to all of government outcomes
- Value for money and regulatory stewardship
- A more resilient transport system
- Reduced harms to health and the environment.

Further to these expectations, there are four key, related challenges that the Transport Agency must address in order to continue to provide a quality public service. These were distilled from the Performance Improvement Framework process to define the Transport Agency’s Four-Year Excellence Horizon:

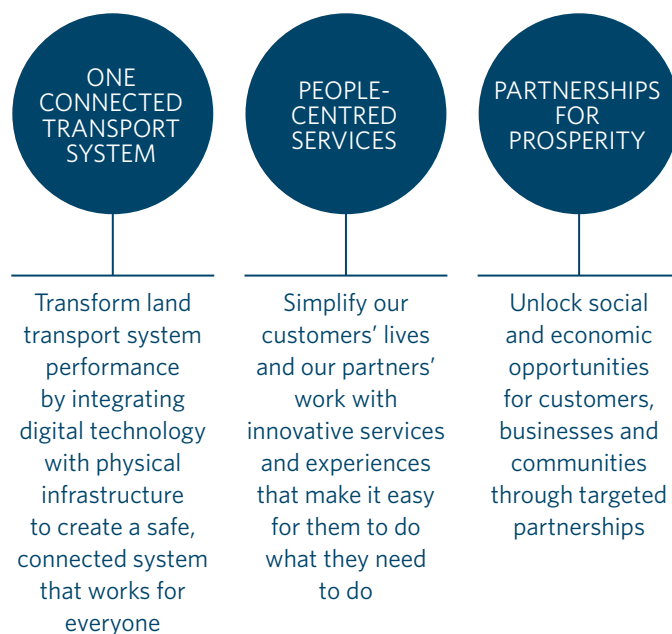
- We must meet rising service expectations from the government and from our customers
- We must balance Auckland growth with regional expectations, considering social and economic outcomes
- We must consider the impact of disruptive technology on the transport system and adapt accordingly
- We must contribute to all-of-government requirements and opportunities.

3.2 OUR REFRESHED STRATEGY

To adapt to the rapidly changing strategic context, we recently refreshed our strategic direction. This new strategy was endorsed by the Transport Agency Board on 9 December 2016 and positions us strongly to deliver value to the country in the near and long term. Our new strategy frame can be found in Appendix B.

STRATEGIC RESPONSES

Our three Strategic Responses - a system response, a service response and a community response - are the big changes we need to make in the next five years to deliver all that is expected of us and ensure customers and citizens benefit from the rapid changes happening in transport.



One connected transport system

We are no longer thinking about transport networks disconnected from the services they enable. The change is to one connected transport system that works for people and businesses and keeps everyone safe. We have a good track record of delivering road networks – but now we need to be just as good at integrating those physical networks with digital networks.

An integrated transport system keeps everything connected, keeps everyone safe and supports easy information and transport connections. New digital tools and players create new interactions between all parts of the system, realising new opportunities for transport and mobility services and new tools for managing and regulating the system - getting the very best out of it.

People-centred services

We are moving away from processes and transport ‘products’ to focusing on innovative, customer focused services that make it easy for people to do what they need to do. We can achieve this by co-designing and collaborating with customers and partners.

The transport system exists to serve people – our customers, as well as our planning, investment and delivery partners. For our customers, a transport-as-a-service approach starts with understanding customer needs and mining rich customer information and interactions to design better transport experiences for and with customers. Service offerings are differentiated to create the most value for customers and for New Zealand. Transport operations and demand management are critical in helping people get the best real-time experience. For our partners, we work to understand their needs and design our approach to support both their needs and our responsibilities.

Partnerships for prosperity

In the past we have focused on transport solutions to improve transport outcomes. Now we are targeting partnerships that harness our transport offerings to help unlock wider social and economic opportunities for customers, businesses and communities.

Through our strategic responses, we will deliver the wider benefits that transport initiatives and resources can unlock. Activities will be more joined up as we support the plans of others to help improve lives and livelihoods. This supports the broad ambitions of central and local government so everyone in New Zealand can live well.

FOCUS AREAS

Implementing these three Strategic Responses will occur through eight focus areas that collectively deliver the big changes needed. Everything we do is captured within these eight focus areas and they drive our business (see Figure 4 below). They confirm where we will direct our efforts and resources to deliver measurable outcomes for customers and citizens, and are underpinned by a new business planning process, operating model and structure that turns strategy into action.

SHAPE THE LAND TRANSPORT SYSTEM

Shape New Zealand’s land transport system and influence its delivery

TARGET RAPID GROWTH

Balanced solutions for customers in high growth urban areas

CONNECT AND DEVELOP REGIONS

Partner for tailored transport solutions that play their part in supporting wider outcomes for the regions and New Zealand

KEEP PEOPLE SAFE

Solutions that contribute to improved safety and public health outcomes and reduce environmental harms

IMPROVE CUSTOMER EXPERIENCES

Deliver innovative services and transport experiences our customers and citizens value

DELIVER CONNECTED JOURNEYS

Lead the integration of a digitally connected land transport system

ACHIEVE ORGANISATIONAL EXCELLENCE

Provide exceptional services and activities that are designed to meet Transport Agency needs

TRANSFORM THE TRANSPORT AGENCY

Create one strategy led, people centred organisation that is fit for the future

Figure 4 Transport Agency focus areas

For more detail on the focus areas and how they will deliver the government’s priorities, please refer to Appendix C.

4 OUR OPERATING CONTEXT

4.1 FUNDING, PLANNING AND INVESTMENT

Annually, about \$3.5 billion of road user revenue is dedicated into the National Land Transport Fund. This is invested in land transport activities by the Transport Agency on behalf of central government. The National Land Transport Fund invests in 100 percent of state highway activities nationwide; about 50 percent of local programmes and activities (including public transport, local roads maintenance and improvements) and a number of other national programmes (such as research and road policing). The Transport Agency works with local government and other key stakeholders to plan activities that may receive investment from the National Land Transport Fund, including any state highway activity in their regions, and then shape the investment of an additional \$900 million annually of local share in local transport activities.

In recent years, the National Land Transport Fund and local share have been supplemented by significant additional Crown grants and loans for specific projects – to accelerate construction of economically important regional state highways, improve Auckland's transport network and encourage uptake of cycling in urban areas.

NATIONAL LAND TRANSPORT FUND

The National Land Transport Fund is a fully hypothecated (ring-fenced) transport fund made up of fuel excise duty, road user charges, a portion of the annual vehicle licensing fee, and income from the sale and lease of property. This means that all the revenue collected from transport users (except traffic infringements) is dedicated to investment in land transport.

The Transport Agency Board has independent statutory responsibilities for the allocation and investment of the National Land Transport Fund. If the Transport Agency seeks to borrow funds, it must seek the approval of the Minister of Finance. Short-term borrowing arrangements have been put in place to allow the Transport Agency to smooth out the cash flow demands of the delivery programme – to balance out the uneven flows of revenue and expenditure over the course of the year.

NATIONAL LAND TRANSPORT PROGRAMME

The National Land Transport Programme is essentially a financial plan and delivery programme for land transport investment, developed and delivered in a partnership between the Transport Agency, local authorities, the New Zealand Police and transport sector stakeholders. It covers 10 years, but focuses on the first three years, and sets out the programme of transport activities that will be funded to give effect to the Government Policy Statement on Land Transport.

The National Land Transport Programme co-invests the funds from the National Land Transport Fund, local government and the Crown and includes all land transport activities that might be considered for investment during the three-year programme under activity classes for: public transport, the Road Policing Programme, road safety promotion, walking and cycling, and state highway and local road construction and maintenance. No transport activity can be funded from the National Land Transport Fund unless it is in the National Land Transport Programme.

The Transport Agency and the New Zealand Police jointly prepare the Road Policing Programme, which the Minister of Transport approves in consultation with the Minister of Police and the Minister of Finance. The Transport Agency monitors delivery on results, or intermediate outcomes, to which the New Zealand Police make a significant contribution. In turn, the New Zealand Police have the operational flexibility to adjust activities and resources to deliver and to ensure outcome trends are positive. The Transport Agency works with the New Zealand Police to ensure that road policing delivery targets to risk, that the improvement programme is delivered and overall the investment represents value for money.

INVESTMENT STRATEGY

The government sets the strategic direction for the development of the National Land Transport Programme through the Government Policy Statement on Land Transport and determines the funding range allocations to each activity class. This shapes investment across modes and the transport system. The Transport Agency's role is to work with partners and co-investors to provide a regionally responsive and nationally consistent planning and investment system – one that ensures resources are targeted where they will deliver optimal outcomes and benefits.

When developing the National Land Transport Programme, the Transport Agency uses an Investment Assessment Framework to ensure that we deliver on government priorities and to determine which activities will receive funding within the overall funding ranges.

The Investment Assessment Framework is a prioritisation tool to help optimise the mix of investments that represent the best value for money and contribute to the government's priorities. When approved organisations, including parts of the Transport Agency and regional partners, develop proposals for the National Land Transport Programme, they are expected to follow a four-stage business case approach. At each stage, the Investment Assessment Framework is used to ensure the proposal identifies the right issues and opportunities and puts forward appropriate responses that are eligible for investment through the National Land Transport Programme.

For the 2015-18 National Land Transport Programme, currently all proposals are assessed against three criteria:

- **Strategic fit** assesses whether the benefits identified from a proposal's business case align with the desired results of the Government Policy Statement. This reinforces a focus on results and acts as the initial gateway for further development of the business case.
- **Effectiveness** assesses the consistency of a proposal's business case and how well it delivers on the results identified in the strategic fit assessment.
- **Cost benefit** appraisal of projects that reach the detailed business case stage. This quantitatively assesses the whole-of-life benefits and costs of the proposal based on the Transport Agency's Economic Evaluation Manual, allowing projects to be ranked according to priority. Those with the highest cost benefit ratio for the results being sought are funded first. All projects from local government and the Transport Agency's state highway activities are assessed in this way to ensure a consistent approach.



FUNDING AND ASSESSMENT SYSTEM

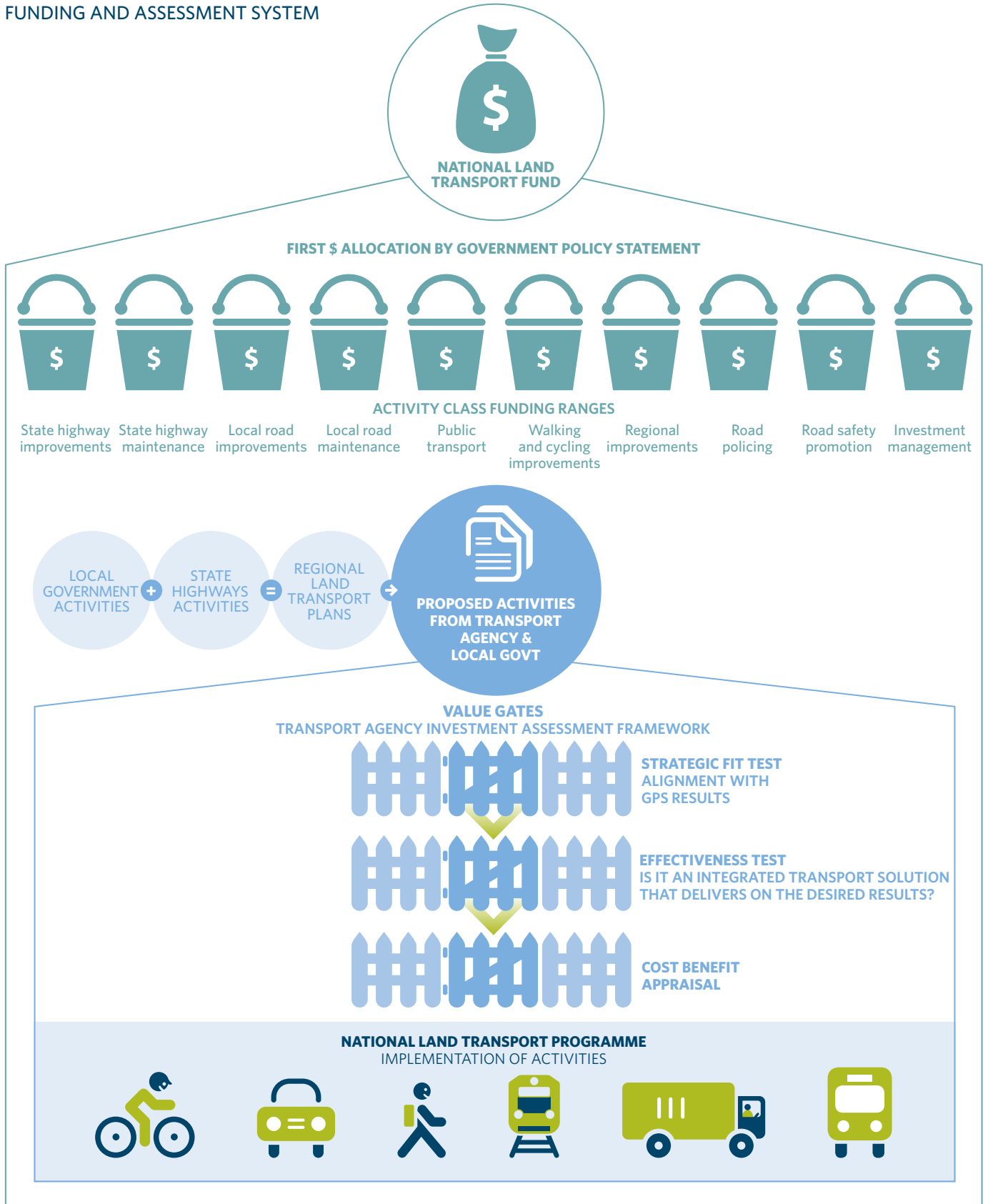


Figure 5 Transport Agency Funding and Assessment System

THE 2015-18 NATIONAL LAND TRANSPORT PROGRAMME - DELIVERY UPDATE

The current 2015-18 National Land Transport Programme outlines the projects and programmes for the investment of \$13.9 billion over this period. Delivery of the 2015-18 programme is on track and the forecast expenditure from the National Land Transport Fund (\$10.56 billion) by the end of the 2015-18 period mirrors the forecast (\$10.50 billion) when the programme was published in 2015.

The impact of the Kaikoura earthquake on 14 November 2016 will be to increase spending over the next two to three years on emergency works to reinstate State Highway 1 and the local road network, and on urgent improvements to detour routes required to cope with the significant increase in traffic. Currently there is an agreement in principle with the Government for a Crown grant for the reinstatement and improvement of State Highway 1 (in line with Cabinet decisions of 5 December 2016), with the National Land Transport Fund contributing to costs not met by the Crown grant.

Of the ten activity classes set out in the Government Policy Statement on Land Transport 2015/16 – 2024/25, two have experienced issues relating to forecast expenditure falling outside their funding ranges by the end of 2015-18: the walking and cycling and local road improvements activity classes. Both issues are being addressed, as explained below.

Under the Government Policy Statement, the upper funding limit of the walking and cycling activity class was initially set at \$103 million. Expenditure forecasts indicated that the walking and cycling activity class would be overspent by \$60 million to \$70 million above the upper limit by the end of the current National Land Transport Programme period. The reason for the projected overspend is that the activity class ranges in the Government Policy Statement on Land Transport were set before the co-investment model of the Urban Cycling Programme was confirmed and have proven insufficient to deliver the Urban Cycling Programme. On 12 December 2016, Cabinet approved a recommendation from the Minister of Transport to increase the upper limit of the Government Policy Statement on Land Transport range for the walking and cycling activity class by \$65 million (ie from \$103 million to \$168 million) to resolve this issue.

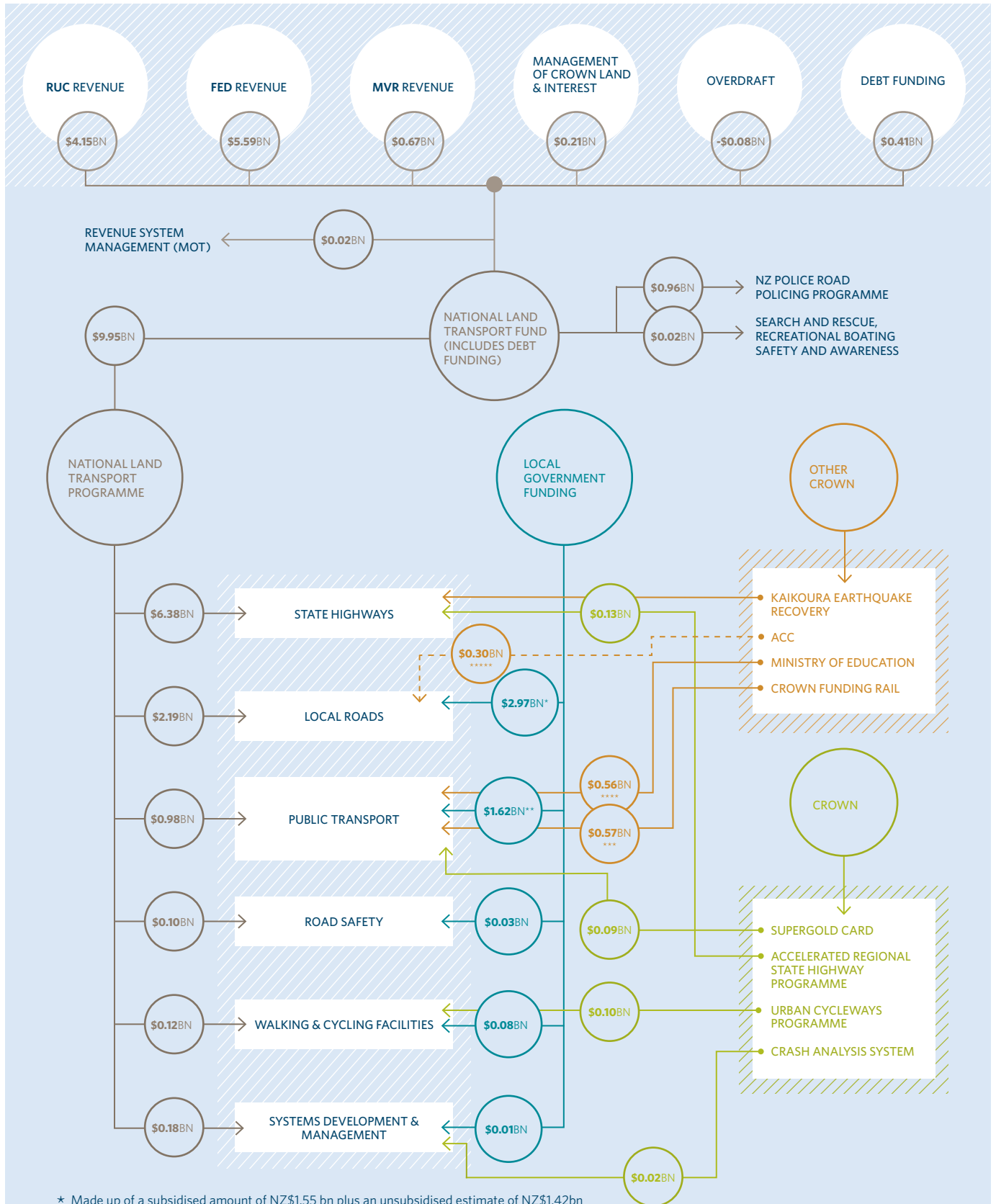
Expenditure in the local road improvements activity class is forecast to be around \$65 million below the \$465 million minimum of the Government Policy Statement on Land Transport funding range by the end of 2015-18. Some major councils have diverted funding from local road improvements to cycling due to the Urban Cycling Programme incentive, while others have targeted non-road priorities (such as the three waters – fresh water, wastewater and storm water). Auckland Transport's delivery of its local road programme is key to achieving expenditure within the Government Policy Statement on Land Transport funding range. The Transport Agency is encouraging the Auckland Council to progress projects as soon as possible.

Other recent government decisions affecting National Land Transport Programme delivery (as per Cabinet decisions on 12 December 2016) are:

- Increase the upper funding range for the local road maintenance activity class by \$75m to provide more headroom for increased emergency works arising from the Kaikoura earthquake – the forecast spend is to the very top of the existing range so this is seen as a prudent risk management measure rather than a requirement to accommodate a forecast overspend.
- Increase the upper funding range of the investment management activity class by \$5 million (from \$180 million to \$185 million in the current investment period, with provision for \$3 million more in out years) to implement the NZ Business Number initiative. This is a cross-government initiative to improve the efficiency of agencies' information-sharing and engagement with businesses through use of a unique number for each business. A business case for the Transport Agency's role in implementing this initiative is being developed for consideration by the end of March 2017.
- Accommodate recent decisions in relation to the Housing Infrastructure Fund.

Figure 6 on the next page provides current estimates of the revenue and investment flows for the 2015-18 National Land Transport Programme. Please note these amounts differ slightly from the numbers published in 2015, as the funding system relies on forecasts to account for the fluid nature of revenue collection. Also note that the local government funding figures include both forecasts of subsidised local government funding (local share), as well as forecasts of additional unsubsidised local government funding.

FUNDING FOR 2015-18 NATIONAL LAND TRANSPORT PROGRAMME (CURRENT FORECASTS)



* Made up of a subsidised amount of NZ\$1.55 bn plus an unsubsidised estimate of NZ\$1.42bn
 ** Made up of a subsidised amount of NZ\$0.85bn plus an unsubsidised estimate of NZ\$0.77bn
 *** Assumed rail funding for Kiwirail of NZ\$0.19bn per annum
 **** Ministry of Education expenditure on school buses estimated to be in the region of NZ\$0.19bn per annum
 ***** Estimated ACC expenditure of about NZ\$0.10bn per annum

Figure 6 Funding for 2015-18 National Land Transport Programme (current forecasts)

4.2 DELIVERING VALUE FOR MONEY

Underpinning the delivery of all Transport Agency functions is our drive to deliver value for money. We seek value for money in all that we do and have developed a framework to allow a value for money perspective to be applied to the performance management of our output classes. This will provide a greater understanding of how efficiently the output classes are being delivered. The value for money assessment is under way, with assessments of the efficiency of selected output classes due with the Minister at the end of March 2017.

The sections below outline elements of our value for money approach according to the '4Es' - economy, efficiency, effectiveness and equity.

PROCUREMENT PRACTICES - ECONOMY

The Transport Agency has recently been recognised by the NZ Centre for Infrastructure Development for the excellent work it does in procuring and delivering projects. We have developed strong internal procurement capability and experience within Transport Agency and this has enabled us to continue to procure for the Roads of National Significance and complete the first round of tendering for our new maintenance and operations contracts (Network Outcomes Contracts). We have been able to react quickly to the events in Kaikoura enabling a quick response to the clean-up and reinstatement of road and rail assets.

We continue to share our expertise with the sector, and will work with Auckland Transport to procure the Auckland City Rail Link.

ASSESSING INVESTMENT PRIORITIES - EFFICIENT AND EQUITABLE

By far the most important aspect of our value for money approach is the robust process for assessing priorities to ensure the investment of the National Land Transport Fund yields the best value.

The first step in the investment process is the initial allocation of funding to activity classes. This is undertaken by ministers and outlined as funding ranges in the Government Policy Statement on Land Transport. This sets the approximate amount of funding the government wishes to be invested in each activity class and hence every part of the land transport 'system' (total road maintenance, state highways, public transport, etc). The Government Policy Statement on Land Transport enables the government to define what is 'in the public interest' by identifying the economic, social, cultural and environmental results to be achieved from land transport investment.

We are sharpening our approach to assessing and prioritising programmes and projects for inclusion and possible investment from the National Land Transport Fund (within each activity class). In particular we are going to tighten our strategic fit assessment criteria and retain a very strong focus on cost benefit appraisal. This new assessment framework will ensure better integration with the business case approach.

The Land Transport Management Act 2003 requires us to publish the reasons for every funding decision. We must place a copy of each decision, and the reasons for it, on our website. The Land Transport Management Act 2003 also requires us to give the same level of scrutiny to our own proposed activities as we give to those of local government (and other approved organisations). This is the 'scrutiny principle' and the systems and process that achieve this are subject to an annual independent audit by the Auditor General.

REDUCING TRANSACTION COSTS AND INCREASING ONLINE SERVICES - EFFECTIVE

As a core member of the Better Public Services Result 10, the Transport Agency is committed to the goal of having 70 percent of New Zealanders' most common transactions with government completed in the digital environment by 2017. In 2016 we became a member of Result 9 and have committed to enabling the full use of the NZ Business Number by 2020.

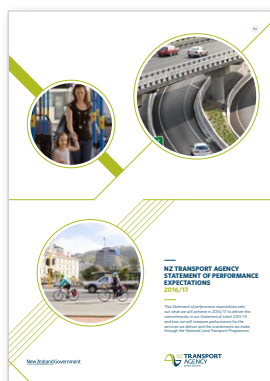
The Transport Agency has an extensive work programme under way to improve our current suite of digital services and are looking at ways to migrate additional services to the digital environment. We have refreshed Annual Vehicle Licensing online, launched a new version of our website and implemented easier ways for customers to pay online. Enabling online services for driver licensing is a focus for the 2017 programme. By making digital the preferred and easiest choice for our customers, we hope to reduce the burden on all our users, increase compliance and reduce operational expenses through greater integration of systems and processes.

4.3 MONITORING AND REPORTING PERFORMANCE

The Transport Agency prepares a statement of intent at least once every three years and statement of performance expectations every year for the Minister of Transport (links below).



Statement of intent 2015-2019



Statement of performance expectations 2016/17

These documents describe our strategic intentions and how they will be delivered and measured. Our financial and non-financial performance against the statement of intent and statement of performance expectations is detailed in our annual report. We also produce an annual report for the National Land Transport Fund, which reports our progress on investing the fund in the National Land Transport Programme to achieve the results of the Government Policy Statement on Land Transport. The 2015/16 Transport Agency Annual Report can be found here: [NZ Transport Agency Annual Report](#)

The Transport Agency Board also assesses performance on a quarterly basis and reports to the Minister of Transport. Quarterly reports provide an early success or warning indicator on progress against our strategy, service delivery and financial performance. They also provide regular updates on risks and organisational capability and health.

4.4 ALL OF GOVERNMENT COLLABORATION

The Transport Agency takes a collaborative approach to partnering with other government agencies to make sure transport contributes to unlocking economic and social outcomes that will benefit all New Zealanders. We play an active role in the delivery of the inter-agency projects in the National Infrastructure Plan and advise ministers participating in the forums of the Government’s Business Growth Agenda. Through the Business Growth Agenda and Regional Economic Development forums we make specific, planned contributions to agreed all of government social and economic outcomes.

Collaborative efforts are also under way amongst transport sector organisations including the Transport Agency, to reduce operational costs through innovative approaches that combine and share internal services. We are working with other transport sector agencies to develop a shared services model to enable capability and capacity to be used across the sector. The Transport Sector Collaboration and Capability programme brings together the Transport Agency, the Ministry of Transport, the Civil Aviation Authority, Maritime NZ, Transport Accident Investigation Commission and MetService to examine how we can innovate together to deliver more cost-effective and efficient services.

4.5 WORKING WITH OTHERS

ENGAGING WITH STAKEHOLDERS

We value and nurture our many relationships with customers and stakeholders. Our stakeholders span local, regional and central government, public and private transport sectors and beyond. Our 2016 survey of stakeholder perceptions shows they feel increasingly positive about their relationships with us. Over the last three years we have seen a 21 percent increase in the number of stakeholders who believe their organisation is engaged with the Transport Agency at a strategic level.

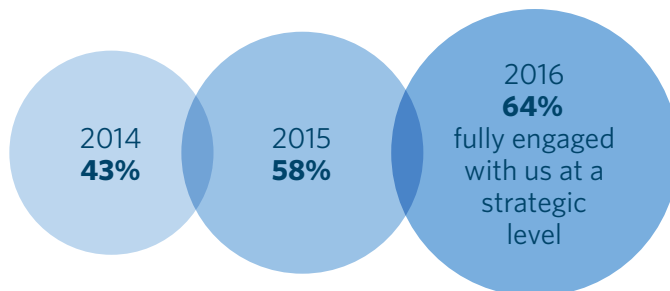


FIGURE 7 Priority stakeholders increasingly engaged and satisfied

While our stakeholders have told us they are looking for better coordination across the various ways we work with them, 80 percent describe their relationship with the Transport Agency as 'open' and 77 percent say the relationship is 'based on mutual respect'.

We are increasingly focused on understanding our customers and seeing the transport system from their many points of view. This includes designing and operating the system in ways that simplify things for our customers. We have increased our customer centred co-design capability recently to support this objective, and will have a much stronger focus on customer insight as we implement our new strategy and operating model.

ENSURING TRANSPARENCY

Every year we hold stakeholder meetings with communities to discuss key issues and how we are performing regionally and nationally. These meetings provide a face-to-face opportunity to discuss the land transport issues which are important to our communities and to share our national insights. Support for this approach is reflected in a Local Government New Zealand report containing the views of 80 percent of mayors and chairs of local authorities. The report states the Transport Agency is 'the most proactive in informing, engaging and providing assistance to local government'.

COLLABORATION

Collaboration enables us to achieve shared outcomes with our stakeholders and for our customers. We have experienced success in collaborating with other organisations in recent years and we are working to refine our collaboration model so that it delivers maximum value for customers and citizens. Examples of where our collaborations have delivered significant results include the Road Efficiency Group's work to reduce maintenance costs and encourage innovation in the management of roads and our work with others on the Auckland Transport Alignment Project.

We enjoy a good working relationship with the Ministry of Transport and look to them to lead on strategic policy initiatives and any legislative reform in the sector which enables us to then implement, enforce and monitor the required regulatory activities. We also continue to work closely with key sector stakeholders such as the Automobile Association and the Road Transport Forum to deliver safety programmes and to optimise the effectiveness and efficiency of transport rules and regulations.

Our 2016 Stakeholder Effectiveness Survey found that 50 percent of respondents believed they have a relationship with us that is based on partnership or collaboration. When asked what kind of relationship they would like to have with us in two years' time, 80 percent of stakeholders expressed a desire to have a relationship of collaboration or partnership. We are

becoming increasingly targeted where we choose to invest our relationship resources to ensure that those relationships yield the most value for our customers.

COMMUNITY ENGAGEMENT

We have a significant responsibility to communities throughout New Zealand. We work closely with people and organisations affected by our work to ensure clear lines of communication and understanding. We consult on significant projects and talk regularly with road users, people living alongside our state highways, consultants and contractors, and other stakeholders including local authorities. We increasingly partner with local government to take a system-wide approach to engaging with communities on the risks on our roads and seek their input on what to do about minimising harm.

IWI ENGAGEMENT

We engage with Māori as a treaty partner. We are committed to giving effect to the principles of the Treaty of Waitangi and fulfilling our obligations under the Land Transport Management Act. We engage with hapu and iwi wherever possible on activities that are likely to affect them or their interests, provide Māori with the opportunity to participate in our decision-making and work with Māori to build their capacity to contribute to our decision-making activities.

HOW WE COMMUNICATE

We are focusing our communications on simple, effective channels where we can have conversation-based dialogue with customers. We are committed to making it easy for customers to share their stories through conversations with us, leading to better solutions for them. We have a range of communication channels that we continue to improve. These include:

- Contact centres: We use innovative approaches to help people get through to us faster and we aim to resolve issues through a single contact. This has decreased total call volumes and improved service levels and quality.
- Online channels: We are making it easier for customers to transact online and online transaction volumes continue to increase.
- Advertising and social media: We are committed to helping people make smart, safe choices. Our road safety advertising and evaluation programme is regarded internationally as best practice. We provide real-time travel information to help people make the best choices in how they use the transport system. We plan to increase the availability of customer information on the go.
- Education: Our innovative learning resources are a popular tool for teachers. The resources are built on a practical, active learning approach to help students apply their learning in real life.

SECTION B : SAFETY AND REGULATORY MATTERS

The Transport Agency's new operating model and strategy will support the step change needed for improved safety and environmental performance.

The Safety and Environment Group (to be fully operational 1 July 2017) will focus on supporting customers to arrive at their destinations safely. The group's purpose will be to embed safety and environmental risk management thinking into the transport system and work with sector partners to develop safety and environmental strategies and policies. It will also be responsible

for directing safety research and ensuring innovation and improvements are evidence-based and provide value for money.

The Transport Agency's new strategy includes eight focus areas, (for the full strategy frame, see Appendix B, and for details on how the focus areas contribute to government priorities, see Appendix C). The Focus Area: 'Keep People Safe' is specifically targeted at improving transport and safety. The outcome for this focus area is a land transport system increasingly free from harm.



5 ROAD SAFETY

This section provides more detail on safety matters, highlighting key issues you may wish to be aware of in the next hundred days. It outlines the concerning number of road deaths and serious injuries and how the Transport Agency is collaborating with partner agencies to reduce them. Safer Journeys: New Zealand's Road Safety Strategy 2010-2020 (*Safer Journeys*) directs our efforts. Current issues are:

- annual road trauma;
- key actions under the Safer Journeys Action Plan 2016-2020 including enabling smart and safe choices on the road, making motorcycling safer, ensuring roads and roadsides support safer travel and encouraging safe vehicles;
- visiting drivers; and
- the joint Transport Agency and New Zealand Police review of options for the future ownership and management of the safety camera system.

5.1 ANNUAL ROAD TRAUMA

The number of deaths and serious injuries on New Zealand roads remains an ongoing concern. In 2015, 319 people were killed on the roads. This was an increase of 26 deaths on the 2014 total of 293. As at 10 January 2017, 328 people died on the roads in 2016 with 2,363 serious injuries recorded in the 12 months to October 2016. The social cost of road crashes (deaths and injuries) in 2014 was \$3.47 billion (latest available figures).

The Transport Agency works with the Ministry of Transport, the New Zealand Police, the Accident Compensation Corporation and local government to implement the *Safer Journeys* strategy, via the Safer Journeys action plans, to reduce the number of deaths and serious injuries on the roads. The reality is there are no quick solutions – sustained action over many years is needed. The Safe System approach, on which *Safer Journeys* is based, is a proven approach to reducing road trauma; sustained implementation is required.

Road toll statistics usually attract media attention during the Christmas and New year holiday period (the 'holiday road toll'). The holiday road toll in 2015/6 was 12 (down four from 16 in 2014/15). The holiday road toll this year was 19, seven more deaths than the 2015/16 toll.

The New Zealand Police run a road safety campaign every summer and are usually the first point of contact for the media. The Automobile Association, which supports the *Safer Journeys* strategy, may also comment. Other commentators include road safety charity Brake New Zealand. Its director Caroline Perry recently released a media statement urging road users to support the New Zealand Police's Check your Speed summer campaign. Clive Matthew-Wilson of the online Dog & Lemon Guide frequently comments on road safety issues. While his

comments are sometimes critical of Government road safety policies, some of his positions are similar to those set out in *Safer Journeys*.

As Associate Minister of Transport with responsibility for road safety you might be asked for comment on road trauma. Key talking points that the Transport Agency finds helpful are:

- The Government is committed to making New Zealand roads safer and reducing the number of people injured and killed in crashes.
- Reducing risk for vulnerable road users such as pedestrians, cyclists and motorcyclists is a particular focus for improvement.
- The road toll is not just a number – every figure represents a life lost and family, friends and communities grieving.
- Disappointingly and frustratingly, speed and alcohol continue to feature prominently as contributing factors in many crashes.
- In the last year, 100 vehicle occupants who were not wearing their seatbelts died on our roads. This is an increase of nine deaths over the previous year.
- Organisation for Economic Co-operation and Development research shows a link between a drop in total vehicle kilometres travelled following the economic downturn from 2009 onwards and reduced road deaths and serious injuries. As economies have improved in more recent years and travel has increased, this dampening effect appears to be tapering off. The Australian government, for instance, reported a 7.1 percent increase in 2016 road deaths compared to the total for the 12-month period ended November 2015.
- State highway vehicle kilometres travelled in New Zealand increased by 4.4 percent in the period and this might account for some of the increase in deaths and serious injuries. The increase in exposure has certainly contributed to the increase in the number of deaths and serious injuries. However, the research outlined above would suggest this is only part of the picture and the Ministry of Transport has recently commissioned research into the increase in deaths and serious injuries in recent years.

5.2 SAFER JOURNEYS: NEW ZEALAND'S ROAD SAFETY STRATEGY 2010-2020

The Transport Agency is a key partner with the Ministry of Transport, the New Zealand Police and the Accident Compensation Corporation in implementing the *Safer Journeys* strategy. This strategy is based on the world leading Safe System approach (refer Figure 8 below), which recognises that people make mistakes and are vulnerable when using the road. It rejects any assumption that serious road trauma is inevitable and it does not blame drivers for crashes. It promotes shared responsibility to design, operate and maintain a forgiving road system that minimises error and trauma when crashes occur.

The *Safer Journeys* strategy applies the Safe System approach. The Safe System looks beyond the road user and examines the entire road system to improve safety by creating safer roads and roadsides, safer speeds, safer vehicles and safer road use.

To protect people from death or serious injury, the Safe System's objectives are to:

- make the road transport system more forgiving to allow for human error;
- reduce the forces that injure people in a crash to a level the human body can tolerate without serious injury; and
- minimise the level of unsafe road user behaviour.

The Safe System is underpinned by the following four principles: people make mistakes; people are vulnerable; we need to share responsibility; and we need to strengthen all parts of the system.

Safer Journeys has been implemented through a series of three action plans. The Transport Agency, Ministry of Transport, the New Zealand Police and the Accident Compensation Corporation (as the National Road Safety Committee Agencies) are working together to implement the third and final action plan: the Safer Journeys Action Plan 2016-2020.

Where specific actions from the plan need policy or regulatory changes, the Minister of Transport is advised in detail by the Ministry of Transport and/or Transport Agency on the proposals and implications to inform decisions. Apart from the regulatory changes affecting speed management explained on p.27, there are no immediate issues, but an example of a possible change is whether new safety standards such as Electronic Stability Control should be mandated for heavy vehicles (Ministry of Transport lead).

Key stakeholders include the Automobile Association and the Road Transport Forum (from a freight perspective). The Automobile Association seeks to represent the views of the ordinary motorist and is generally supportive of measures to improve safety, provided these are seen as fair (for instance speed enforcement). The Road Transport Forum is also supportive but concerned about any measures that might increase operating costs for freight businesses.



Figure 8 The Safe System Approach

5.3 SPEED MANAGEMENT - THE SAFER SPEEDS PACKAGE

Speed that is too fast for road conditions affects the likelihood of a crash and the severity of the outcome. Driving too fast for the conditions resulted in 618 deaths and serious injuries in the 12 months to June 2016. Achieving safe speeds that are right for the road is a key pillar of the Safe System approach, and was particularly highlighted in the 2013-2015 Action Plan. During 2013-15 and continuing through to the present, the Transport Agency has worked closely with the partners to develop the Safer Speeds Package. It is a multi-dimensional approach, incorporating infrastructure improvements, speed limit setting, influencing driver behaviour, greater use of safety technology in vehicles, enforcement and supporting community engagement to improve uptake of speed management interventions.

On 7 November 2016, Cabinet agreed to the Safer Speeds Package, including consultation on changes to the Setting of Speed Limits Rule that will allow the introduction of a 110 km/h limit for roads meeting specified standards, as well as the use of the Speed Management Guide and associated tools developed by the Transport Agency.

Until the regulatory changes come into effect, road controlling authorities can use the Speed Management Guide under the current rules. Below is more information on the regulatory changes, the Speed Management Guide and the community engagement programme.

SETTING OF SPEED LIMITS RULE

The policy changes to Land Transport Rule: Setting of Speed Limits 2003 approved by Cabinet in November 2016:

- enable the setting of a 110km/h speed limit on roads where it is safe and appropriate to do so
- replace the current assessment methodology for setting speed limits with the Speed Management Guide developed by the Transport Agency
- allow for a more flexible and efficient, outcomes based approach to the provision of speed limit signs.

Cabinet agreed the Transport Agency be instructed to draft the changes and that public consultation on a draft Rule would be undertaken in 2017. Drafting of the Rule is now underway.



There is a high likelihood of public comment and debate as the proposal for 110km/h speed limits in particular has previously generated significant public and media comment. Ministers may need to provide public comment on this proposal.

Following consideration of submissions, a final Rule will be provided to Ministers for signature to make the Rule. The timeframe for signing the Rule is yet to be determined, but is likely to be mid-2017.

SPEED MANAGEMENT GUIDE

The Speed Management Guide modernises the approach to managing speed in New Zealand to ensure a consistent sector-wide approach to speed management that is appropriate for road function, design, safety, use and the surrounding environment (land use), ensuring both safety and efficiency high benefit opportunities on the network are addressed. This includes identifying where investment in safety infrastructure should be targeted to support existing travel speeds, and where speed limits should be reduced. Encouraging effective community engagement on road risk is an integral part of the guide.

There is general support from key stakeholders, including road-controlling authorities, the New Zealand Police and industry bodies like the Automobile Association, for the new approach to speed management as embodied in the Speed Management Guide. There has been some concern in rural communities that the Guide would result in widespread reductions to speed limits. The piloting of the approach in the Waikato in 2016 shows this is not the case. There are divergent views about allowing a speed limit of 110km/h, with some stakeholders believing this will have a negative impact on road safety. The criteria for 110km/h speed limit will ensure the higher limit can only be applied to the safest roads – generally recently built State Highways and toll roads which have been built with the Safe System approach in mind.

BETTER CONVERSATIONS ON ROAD RISK

The regulatory changes for speed noted above are complemented by the Transport Agency's programme Better Conversations on Road Risk (originally called Changing the Conversation on Speed). This programme uses direct community engagement on high benefit speed management opportunities, including where speed limit changes are being considered, to help people understand the risks on the roads they use and the ways the risks can be reduced. When speed management is discussed in this context, people are often more receptive to changing speed limits and behaviour.

NEW ADVERTISING CAMPAIGN

The big challenge with reducing behavioural risks associated with speed is to stop people defending their perceived right to speed. The Transport Agency has undertaken comprehensive qualitative research to gain in-depth understanding of speeding drivers and search for any weaknesses in their arguments that can be teased out.

Based on this research the Transport Agency launched a new safe speed advertising campaign on 15 January 2017. The campaign aims to get competent drivers, who like driving fast and see the speed they choose to travel as a personal thing, to realise speed is not just a personal choice – because other people get hurt as well. It puts a twist on previous campaigns that have focused on the consequences of more speed, and this time looks at the benefits of less speed. This campaign may cause media and public comment because it challenges some firmly held views.

5.4 SAFER JOURNEYS ACTION PLAN 2016-2020: FOUR PRIORITY ACTIONS

Significant progress has been made under the previous two Safer Journey Action Plans, particularly in improving the safety of young drivers, and reducing impaired driving. Many of the initiatives will continue as they have become a core part of the policies and decision making of various agencies. However, there still remain several issues where progress towards a safe road system would benefit from more momentum. The Safer Journeys Action Plan 2016-2020 is designed to renew focus on these areas:

- Enable smart and safe choices on the road
- Make motorcycling safer
- Ensure roads and roadsides support safer travel
- Encourage safer vehicles

Increasing the use of technology to improve safety outcomes in all aspects of the road system is a theme that runs throughout the Safer Journeys Action Plan 2016-2020. The four priority actions are outlined below:

ACTION 1: ENABLE SMART AND SAFE CHOICES INCLUDING DEVELOP AN AUTOMATED COMPLIANCE STRATEGY

Action one aims to create an environment where technology enables smart and safe choices, resulting in fewer deaths and serious injuries for all road users. Within this context automated compliance means using automated technology to guide behaviours and manage risks when developing a safe and efficient land transport system. It includes technology used for advisory purposes (often through GPS or smart devices) as well as enforcement technology (eg speed cameras). The Transport Agency is leading the development of the automated compliance strategy with the Ministry of Transport, the New Zealand Police, Accident Compensation Commission and the Ministry of Justice. Automated compliance sits within the framework of Intelligent Transport Systems, so the strategy development is also included in the Intelligent Transport Systems Action Plan 2014-18. A related issue is the joint Transport Agency and New Zealand Police review of options for the future business ownership and management of the safety camera network (see p.30).

Two automated compliance workshops with selected stakeholders including the Automobile Association and Auckland Transport were held in October and November 2016. These were helpful in understanding expectations and concerns about extending the use of automated compliance. A progress report to the Minister of Transport is due by 31 March 2017, with a full draft strategy being submitted to the National Road Safety Management Group in late May 2017. We will then advise Ministers about the recommended strategy and any policy or regulatory implications for progression through the usual processes.

An emerging Zero Harm link with road safety is managing risk around construction sites, particularly from vehicles exceeding the posted speed limits. Consideration is being given to enhancing enforcement through the use of point-to-point cameras to minimise this risk. Point-to-point cameras provide enforcement of an average speed limit over a stretch of road. It is achieved by measuring the time it takes a vehicle to drive between two points and calculating the average speed of vehicle over this length. Point-to-point enforcement promotes area wide suppression of speeding because speed enforcement is sustained over a length of road rather than just a single spot.

Other enabler actions under smart and safe choices are:

- Engage with the public on the value of new safety technologies and encourage their uptake (eg electric vehicles);
- Pilot in-vehicle technologies that offer better real-time information to road users about road risk, speed limits and current road conditions;
- Encourage industry innovation in road safety technology and train people how to use it; and
- Increase use of technologies to support road user education and training, in and out of the vehicle.

ACTION 2: MAKING MOTORCYCLING SAFER

Studies have shown that motorcyclists are more likely to survive an impact with a flexible road safety barrier than an impact with trees, poles or oncoming vehicles, which the barrier prevents them striking in a crash. Despite this, many motorcyclists are opposed to flexible road safety barriers because they think the steel ropes will act like a 'cheese cutter' when hit by a rider.

Motorcyclists have a significantly higher rate of deaths and serious injuries from road crashes than any other user group. A motorcyclist is 21 times more likely to be killed than a car driver travelling the same distance (Ministry of Transport 2010-14 data). As at 10 January 2017, 50 motorcycle riders and two pillion passengers have died in road crashes in 2016.

The Accident Compensation Commission is the lead agency for motorcycle safety under the Safer Journeys Action Plan, working closely with the Transport Agency. Other important partners include the New Zealand Police and the Ministry of Transport. Through the Accident Compensation Commission, the collaboration extends to motorcycle industry and customer groups through the Motorcycle Safety Advisory Council. Investment funds from the National Land Transport Programme and the Motorcycle Safety Levy (administered by Accident Compensation Commission) are pooled to maximise reductions in trauma using Safe System principles.

There may be some media or stakeholder interest in the comprehensively updated Safer Journeys for Motorcycling Guide. Originally released in 2012, a draft of second edition of the guide was placed on the nzta.govt.nz website on 22 December for feedback from road controlling authorities and other stakeholders. The guide will help road controlling authorities plan motorcycling safety initiatives for the 2018–21 National Land Transport Programme. The Transport Agency will work with road controlling authorities to prioritise investment on roads identified as high-risk routes.

The guide references Accident Compensation Commission maps that align popular motorcycle routes with network risk, based on a usage survey of motorcyclists and motorcycle crash data.

ACTION 3: ENSURE ROADS AND ROADSIDES SUPPORT SAFER TRAVEL (TRANSPORT AGENCY LED)

This action aims to create safer roads and roadsides to reduce the likelihood of crashes, and to minimise the trauma when crashes occur. The areas of specific focus are:

- Urban arterial roads;
- Head-on, run off-road crashes and intersection crashes;
- Vulnerable road users such as pedestrians and cyclists; and
- Open road crashes (speed limits 80km/h or more).

The two specific actions during 2016–2020 are:

- Develop and implement a national programme of safety improvements on specified highest risk local urban arterials that focuses on all modes and on vulnerable road users.
- Develop and implement a national programme of lower-cost safety improvements on high-risk local rural roads.

These programmes will be developed by 2017 and implemented during the 2018–2021 National Land Transport Programme, or earlier where possible. The Transport Agency is leading this work and will partner with local government where local roads are involved.

Other roads and roadsides actions continuing from the Safer Journeys Action Plan 2013–2015 are the State Highway road safety improvement programme, extending the use of risk mapping tools, increasing the use of sensor technology, and ensuring future infrastructure has the flexibility to support the uptake of roadside technology.

ACTION 4: ENCOURAGE SAFE VEHICLES

This action aims to maximise the benefit that New Zealand receives from increasing levels of international vehicle safety, including new vehicle safety technology. The Ministry of Transport is leading the specific action to undertake initial investigation by 2017 on the value of mandating a range of safety standards or technology for vehicles entering the fleet. These include electronic stability control for heavy vehicles and autonomous emergency braking for all vehicles except motorcycles.

The Transport Agency is working with other agencies on enabler actions to support safer vehicles. These include:

- Improving the availability and quality of vehicle safety information to consumers, and encouraging buyers to buy and maintain the safest vehicle they can (eg electric vehicles);
- Assisting vehicle dealers to publicise safety information at the point of sale;
- Working with fleet buyers, importers, and operators to encourage incentivise safer vehicle purchasing decisions;
- Investigating the earlier adoption of international vehicle safety standards; and
- Setting up the technology platform for future uptake of vehicle-to-vehicle communication, and vehicle-to-road communication.

5.5 VISITING DRIVERS

The Visiting Drivers Project, established in 2014 under the previous Safer Journeys Action Plan, aims to improve road safety for domestic and international visitors, while maintaining New Zealand's reputation as an attractive and safe tourist destination. The project is led by the Transport Agency on behalf of the government and involves several organisations, including central and local government, and the tourism and rental vehicle industries. The focus is on improving road safety on key visitor routes in Otago, Southland and the West Coast which have had the highest percentage of crashes involving overseas license holders compared to other regions.

The project partnership is well-established with a generally strong alignment of views. Some partners would like to see project initiatives rolled out across the country, however, many project initiatives are targeted at visitors before they arrive, regardless of where they are travelling to, and many initiatives have been rolled out in other regions.

Periodically there is a call for testing overseas licence holders before they can drive here. This subject was considered by the Transport and Industrial Relations Select Committee in 2015, which concluded that there are more effective ways of improving road safety, such as those in the Visiting Drivers programme, than requiring overseas drivers to sit a test.

Several actions are underway this summer, including an education campaign aimed at providing key road safety messages to visitors while they are on their journey here, and several road improvements in the project regions.

5.6 REVIEW OF OPTIONS FOR THE FUTURE BUSINESS OWNERSHIP AND MANAGEMENT OF THE SAFETY CAMERA SYSTEM

The Transport Agency maintains oversight of the Road Policing Programme on behalf of the Minister of Transport. Under the Road Policing Programme (part of the National Land Transport Programme), the New Zealand Police are funded to operate the safety camera network of speed and red light cameras.

Speed cameras attract controversy because some sections of the driving public see them as 'revenue gathering' tools for the New Zealand Police. This is incorrect, as all revenue goes to the Crown as part of the Consolidated Fund.

Speed cameras are seen as more acceptable if people understand they are targeted to reducing the risk of death and serious injury. The Automobile Association supports speed cameras on this basis, if there is signage to ensure motorists know cameras may be used.

Larger road controlling authorities would like to see greater use of red light cameras, but several funding and regulatory issues affect increased deployment. These will be considered while developing the Automated Compliance Strategy.

In early 2016 the Transport Agency and the New Zealand Police agreed to review options for the future business ownership and operation of the safety camera network. Factors leading to this review included:

- upcoming major investment decisions about information and communication technology and operational resources to support the imminent increase in the number of safety cameras (increasing from 20 to over 50 in the next two years); and
- the changing environment and needs of the transport sector, including increased focus on technology to address network efficiency and productivity as well as road safety.

The Ministers of Transport and Police were briefed on this review in September 2016.

[REDACTED]

[REDACTED]

Any changes to current arrangements would need to be approved by ministers and incorporated in the 2018-21 NLTP.

During the review the New Zealand Police have expressed concern that the effectiveness of speed cameras is affected by the relatively low penalties for speeding, and the fact that demerit points do not apply to camera generated infringement offences. This is also of concern to the Transport Agency. Where speeding is detected by an officer on patrol demerit points will apply. This issue was considered by Cabinet in 2015 and proposals to harmonise the penalties were rejected.

6 RAIL SAFETY

The Transport Agency is the Rail Safety Regulator as set out by the Railways Act 2005. Our role is to secure the safety of rail workers, passengers and the public when in, or in the vicinity of, New Zealand's rail transport networks. We carry out this role through licensing and monitoring rail operators, ensuring compliance with safety requirements and collaborating with the sector to promote safety on and around the rail network. Throughout the past years the number of rail operators has remained fairly constant at about 97-100.

We take a risk-based approach to our rail safety regulatory activities, with a particular focus on mitigating catastrophic risk. Rail operators are required to manage their risks through 'safety cases', which must be approved by the Transport Agency in order to obtain a license. When deemed necessary, we can require operators to vary their 'safety cases' in order to comply with safety standards and requirements.

The Transport Agency conducts assessments of rail operators' activities to monitor and ensure ongoing safety of rail operations. We use a risk-based assessment framework to differentiate between low and high-risk operators as well as risk areas, and allocate resources accordingly.

When required, there are a range of compliance interventions available to the Transport Agency, including the ability to impose conditions and prohibitions, issue formal warnings and issue statutory remedial action notices. The Transport Agency also maintains the capability to investigate serious accidents.

Our promotional activities range from promoting safe driving behaviours around level crossings to discouraging people from trespassing on and around railways. The Transport Agency supports the promotion of rail safety education through providing financial support to TrackSAFE NZ, a trust which runs awareness campaigns including Rail Safety Week. Transport Agency Chief Executive, Fergus Gammie is a member of the TrackSAFE NZ Board.

In 2015 there were 3868 reported safety incidents within the rail network resulting in 16 deaths and 99 injuries.

With the aim of getting licensed rail operators to manage critical risks on a business-as-usual basis, in May 2016, the Transport Agency initiated the Critical Risks Programme which targets six, industry-wide, critical risks areas: level crossings; tunnel safety; rail worker safety (including drug, alcohol and fatigue management); signals passed at danger (when a train passes a stop signal without authority to do so); The National Train Control Centre (failures caused by fatigue, communication issues); and public safety (trespass, suicide, etc.).

We have recently designated two of the Critical Risk Programme areas – tunnel safety and worker safety – as 'national priorities'. Each of these will be the subject of focused initiatives during the next 12 to 18 months.

6.1 LEVEL-CROSSINGS

In New Zealand there are over 2,500 rail crossings including public roads, footpaths, cycle paths and private access ways that have the potential for causing serious crashes. On average, each year three people die, six people suffer a serious injury and there are 140 reported near-miss incidents at railway level crossings. Due to their size and the time it takes to clear a crossing, trucks are over-represented in these near-misses.

Our role is to ensure that KiwiRail and road controlling authorities work together to assess the risk arising from level crossings and take coordinated action to improve safety. As the industry regulator, we are well placed to help all parties resolve safety issues at level crossings through the facilitation of practical actions. We also work closely with the Transport Accident Investigation Commission to ensure its recommendations on level crossing safety are properly implemented by rail operators.

The Transport Agency and KiwiRail have started work to trial a new approach to safety on rail level crossings. Together we are looking at ways to reduce both the risk and the number of deaths and injuries at level crossings.

A trial is under way at nine sites across the country; five on state highways and four with 'short-stacking' issues on local authority roads. Short-stacking occurs when a road intersection and rail line are close together, so that long vehicles like trucks, when required to stop, may block either the crossing or the road.

Trial solutions for these sites are being looked at by an Auckland-based Safe Roads Alliance team, who will look at evaluating a range of options across the different level crossings.

The Transport Agency and TrackSAFE NZ also developed a recent campaign designed to improve driver behaviour at rural and semi-rural level crossings throughout the country. The campaign involves a locomotive-sized billboard and associated signage being placed near and along the approach to a level crossing. The life-sized locomotive billboard aims to prompt drivers to slow down and check for trains as they approach level crossings.

6.2 TUNNEL SAFETY

The Transport Agency has a broad view of risk management for tunnels, focused more on system-wide safety standards, rather than requiring minimum standards for specific sections. Working closely with WorkSafe New Zealand, we now require rail operators whose activity includes using long tunnels to comply with a set of standard operating conditions.

The Transport Agency, in conjunction with WorkSafe New Zealand, has had a strong focus on tunnel safety following tunnel inspections and incidents that led to workers being harmed - one incident was subsequently prosecuted by WorkSafe New Zealand. Tunnels are recognised as inherently risky environments, as a safety event in a tunnel has the potential to escalate and cause significant harm or fatalities.

A risk assessment of all tunnels on the national rail system has highlighted that there are seven Category 1 (high risk) tunnels, which require additional safety measures, such as fire suppressed locomotives and specific emergency evacuation plans.

Following a locomotive fire incident in the Otira tunnel the Transport Agency imposed a preventative requirement on KiwiRail that allows only fire suppressed locomotives to travel through the tunnel due to its length (making rescue complex), and its highly combustible features.

6.3 WORKER SAFETY

The Transport Agency has a Safe System view of rail worker safety. An analysis of rail worker incidents during the past three years revealed a number of common risks to workers, such as unsafe use of hi-rail vehicles (vehicles that can be used both on road and on rail tracks), improper positioning or ignoring of compulsory stop boards and machinery used too close to an open rail line. As a result, all safety assessments carried out during the next 18 months, will require assessors to verify the management of rail worker safety.

Worker safety has been selected as a national priority since worker safety incidents continue to reflect poor operator performance and safety risks.

[REDACTED]

6.4 RAIL SAFETY FUNDING

Several thorough independent reviews and studies undertaken in 2013 and 2014 identified rising safety risks in the rail sector, primarily due to passenger growth in urban areas leading to increased frequency of trains, and that the Transport Agency, as the regulator, was not configured and resourced at that time to manage these risks.

Following the reviews the Transport Agency committed to significantly improve its performance as a modern risk-based regulator. The importance of the change is reflected in the Minister of Transport's Letter of Expectations 2014/15, which says 'I would like NZTA to focus on improving the implementation of regulation of the rail sector'.

[REDACTED]

7 URBAN CYCLEWAYS PROGRAMME AND CYCLING SAFETY

Cycling delivers on a range of government outcomes including transport, tourism, and health. To achieve these outcomes the Transport Agency is managing the delivery of the Government's Urban Cycleways Programme. This integrates the investment of the Government's \$100 million Urban Cycleways Fund with local and National Land Transport Fund investment to deliver an overall \$333 million programme spanning currently 54 projects across 22 local authorities.

The Urban Cycleways Programme aims to make urban cycling a safer and more attractive transport choice. We are working to improve safety, and perceptions of safety, for cyclists. This includes safer cycle networks in all main urban centres, improving attitudes towards cycling, and building mutual respect between cyclists and other road users.

The Urban Cycleways Programme complements a range of other investment in cycling, including state highway upgrades that include cycle facilities and the Great Rides (Nga Haerenga) through Vote Tourism. The Transport Agency is working closely with the Ministry of Business, Innovation and Employment to optimise this investment to achieve tourism and regional economic development outcomes.

The Urban Cycleways Programme is generally progressing well and is now over 40 percent complete. It is moving into a significant construction phase. There will be a number of high profile events and opportunities to celebrate the start or completion of Urban Cycleways Programme and other cycling activities in 2017.

Forecast spend for the delivery of the Urban Cycleways Programme is high, leading to changes to the current Government Policy Statement on Land Transport to increase the Walking and Cycling activity class range by \$65 million.

While the majority of Urban Cycleways Programme projects are on track for delivery by June 2018, it has been necessary to further develop or review the scope of some projects to ensure these are pragmatic, sensible and can be delivered in a reasonable timeframe. The most notable of these has been the Wellington City Council cycling plan refresh. The Transport Agency is also working closely with Dunedin and Nelson councils to ensure their projects can be delivered as part of wider transport programmes. There are also some major projects that are likely to be completed in later 2018 due to delivery challenges including consenting, bridge construction and land acquisition (e.g. Auckland City's Skypath proposal).

In early 2017, the government will also need to consider options for maintaining the momentum of the Urban Cycleways Programme and policy options relating to potential rules changes to make cycling safer.

8 REGULATORY CHANGES AND ISSUES

This section outlines upcoming changes to the Vehicle Dimension and Mass rule and driver licencing improvements.

For regulatory related information relating to the Setting of Speed Limits Rule, refer pg.27.

For a full list of acts, regulations and rules that govern Transport Agency activities, refer to Appendix D

8.1 VEHICLE DIMENSION AND MASS RULE CHANGES

The reformed Land Transport Rule: Vehicle Dimension and Mass comes into effect on 1 February 2017. This will change the rules governing heavy vehicle size and operating weight limits (including buses and trucks).

The reformed Rule enables a number of changes to further manage the risks that heavy vehicles present to other road users, and their greater impact on road infrastructure, against the need to allow for the productive use of heavy vehicles to move people and freight.

These changes include incremental increases in allowable dimensions and operating weights of certain types of heavy vehicles, without the need for a permit. This change will help manage increases in freight and passenger demand as well as provide safety and productivity benefits.

The Transport Agency is working with the Ministry of Transport, the New Zealand Police, local government and the heavy vehicle industry to ensure the changes are understood and the systems that are required for it to operate are in place by 1 February 2017. This includes an awareness campaign aimed at heavy vehicle owners and operators.

Concerns have been raised by some stakeholders that the increases in allowable heavy vehicles dimensions and mass might have negative impacts on road safety and road infrastructure, including the cost of road maintenance.

For some stakeholders, these concerns are likely to be linked to concerns with the overall increase in heavy vehicle movements in recent years, the introduction of high productivity motor vehicles in 2010 and a number of high profile crashes involving heavy vehicles.

The Vehicle Dimension and Mass reform has addressed these concerns and background information and [FAQs are available here](#).

While the new Rule has been signed into effect, it is likely there will be some public and media attention on the changes when they come into effect.

Your action may be required to reiterate the key features of the Rule reform and the anticipated public benefits of the changes, including improved road safety, better utilisation of existing infrastructure and economic productivity benefits.

8.2 DRIVER LICENSING REVIEW

In December 2014, the Government initiated a review of the driver licensing regulatory system. The review was a response to the Government's commitment to achieve a more efficient transport regulatory system and better public services.

The review concluded that the current system is working adequately but there are opportunities for improvement predominantly focused on supporting a more productive commercial driving sector and reducing unnecessary prescription or compliance costs, while maintaining road safety.

In December 2016 the Associate Minister of Transport asked Cabinet to approve changes grouped in four areas:

- Reducing repeated vision testing for class 1 (car) and 6 (motorcycle) drivers because there is evidence that repeated vision testing does not have significant safety benefits (this is an important enabling step towards increasing online transactions).
- Streamlining aspects of the heavy vehicle licensing system eg by removing Class 3 licences and the learner licences for Classes 4 and 5.
- Standardising some regulatory requirements for different vehicle types and by reducing unnecessary compliance costs.
- Improving the levels of oversight of approved course providers by allowing the Transport Agency to take into account the prior performance of course providers and any criminal offence history.

Some redundant driver licensing fees will also be removed and a review of the remaining fees is proposed to commence early in 2017.

Reducing the frequency of the vision testing is likely to be controversial. This is despite the evidence that repeated vision testing does not have significant safety benefits.

Reducing the need for eyesight testing at licence renewal will enable the introduction of online licence renewal, which is widely supported by the public and is consistent with the government's Better Public Services goals. The Road Transport Forum has the expressed goal of getting drivers to Class 5 before the age of 19 and it may consider that the proposed changes to streamline the heavy vehicle licensing system do not go far enough.

9 OTHER OPERATING MATTERS WITH MEDIA OR PUBLIC ATTENTION

This section outlines safety related operating matters that have had media and public attention, in addition to those already raised.

9.1 INVESTIGATION OF DRIVER LICENSING FRAUD ALLEGATIONS

In March 2016 it was identified that individuals working for contracted driver licensing agents (Vehicle Testing New Zealand and the Automobile Association) were accepting money from candidates in order to bypass driver licensing requirements and that the New Zealand Police had opened an investigation. The Transport Agency immediately began working with the New Zealand Police and our agents to terminate the practice, identify wrongfully issued licences and take action to cancel them or require drivers to undergo further testing. Action has been taken in respect of all wrongfully issued licences and the New Zealand Police are awaiting approval to lay charges against the alleged fraudsters.

The Transport Agency promptly commissioned two reviews (an external review by KPMG and an internal review) to identify system vulnerabilities that might have enabled the suspected fraud. We then initiated a programme of actions to address the gaps identified and all short-term actions have been completed. Ongoing actions to improve the integrity of Transport Agency regulatory systems include:

- strengthening internal assurance through a programme of internal checks to ensure regulatory systems are robust and fit for purpose;
- strengthening external assurance by increasing the quantity and scope of external audits;
- building regulatory stewardship by developing governance and decision making frameworks and supporting tools and processes; and
 - › building regulatory capability by developing a learning and qualification programme on regulatory practice.

9.2 TAKATA AIRBAG RECALL

Vehicles have recently been imported to New Zealand with their Takata manufactured front-passenger airbags disabled. The Transport Agency is working with vehicle manufacturers to identify potentially affected vehicles. Public interest has increased significantly since the issue was covered by Fair Go in October 2016.

We are urging owners of potentially affected vehicles to get their vehicles checked by manufacturers' New Zealand representatives and we are making information available on the Rightcar website.

Since becoming aware of the issue, the Transport Agency urgently amended the entry certification inspection requirements for used imported vehicles from Japan. From October 2016, these vehicles have been required to undergo a visual check of the airbag connection, which in most cases involves physically dismantling part of the vehicle to sight it.

We are working with individual vehicle manufacturers, the Motor Industry Association, and the Imported Motor Vehicle Industry Association, to gather more information and identify individually affected vehicles.

We are also developing a process for Warrant of Fitness inspectors to distinguish vehicles with disconnected airbags on the Transport Agency's database. These vehicles will not pass the Warrant of Fitness and the owner will be advised to contact a dealer of their vehicle's make to have the issues fixed.

GLOSSARY

Consolidated Fund: The common term for all money received by or on behalf of the Crown (taxes, fees, interest, etc), which includes the GST paid on the purchase of petrol and road user charges.

Fuel Excise Duty: An excise duty paid on fuels at source. This includes petrol, compressed natural gas and liquefied petroleum gas.

Government Policy Statement on Land Transport: The government's investment strategy issued under the Land Transport Management Act 2003. The Government Policy Statement on Land Transport sets the strategic direction for investment in the land transport sector and sets funding ranges for individual 'activity classes' over the next three years within a 10-year financial forecast.

High-Productivity Motor Vehicle: A new class of vehicle allowed after the 1 May 2010 amendment of the Land Transport Rule: Vehicle Dimensions and Mass 2002. Previously the maximum mass limit for a vehicle combination carrying a divisible load was 44 tonnes. High-productivity motor vehicles can be permitted to operate with a heavier and/or longer configuration on suitable routes.

High-Productivity Motor Vehicle 50MAX: A type of high-productivity motor vehicle that can operate at a total weight of up to 50 tonnes. These vehicle combinations are designed to access most of the road network compared to heavier HPMVs. They are issued network permits that include state highways and local roads where the local authority has approved access.

Hypothecation: Dedication of revenue collected mainly through fuel excise duty and road user charges from land transport users exclusively to the National Land Transport Fund. Under the Land Transport Management Act 2003 all of this revenue is directed to the National Land Transport Fund and must be used to fund land transport to give effect to the Government Policy Statement on Land Transport.

Land Transport Management Act 2003; amended in 2008 and 2013: This Act provides the legal framework for managing and funding land transport activities and establishes the objectives and functions of the Transport Agency. The purpose of the Land Transport Management Act 2003 is to contribute to the aim of achieving an effective, efficient and safe land transport system in the public interest.

National Land Transport Fund: A funding source for New Zealand's transport infrastructure and services funded through the National Land Transport Programme. The revenue for the fund comes from a number of sources including fuel excise duty, road user charges, motor vehicle registration and licensing fees.

National Land Transport Programme: The programme collated by the Transport Agency containing all the land transport activities, such as public transport and road construction and maintenance, which may receive funding from the National Land Transport Fund.

Public-Private Partnership: A long-term contract between the public and private sectors covering the financing, construction and operation of a public infrastructure and services.

Roads of National Significance: Seven essential state highways which are linked to New Zealand's economic prosperity. As lead infrastructure projects they enable economic growth rather than simply responding to it. The Roads of National Significance are focussed on moving people and freight between and within New Zealand's main population centres more safely and efficiently.

Road User Charges: A road user levy paid by owners of vehicles over 3.5 tonnes of the manufacturer's gross laden weight, or a vehicle which uses diesel or other fuel not taxed at source.

APPENDIX A

SIGNIFICANT INFRASTRUCTURE
AND CYCLEWAY DELIVERY

PROVIDE SIGNIFICANT TRANSPORT INFRASTRUCTURE

ROADS OF NATIONAL SIGNIFICANCE – MILESTONES FOR 2016/17

Pūhoi to Wellsford

Auckland to Whāngārei programme business case completed to confirm long-term management response and programme for SH1 between Pūhoi and Whāngārei.

Pūhoi to Warkworth

- Preferred bidder announced and contract awarded for public private partnership Warkworth to Wellsford detailed business case completed and consultants procured for route protection

Western Ring Route

- Waterview Connection and SH16 Causeway Widening open to traffic.

Waikato Expressway

- Longswamp section contract awarded and construction started
- Hamilton sections construction started
- Rangiriri section open to traffic

Wellington Northern Corridor

- Ōtaki to Levin consents lodged
- Ngauranga to Airport business case under development
- Peka Peka to Ōtaki construction started
- Transmission Gully construction under way
- Mackays to Peka Peka construction complete

Christchurch Motorways

- Northern Arterial with QE2 construction started
- Groynes to Sawyers and Memorial Ave Interchange open to traffic
- Christchurch Southern Motorway Stage 2 construction contract awarded and construction under way

AUCKLAND'S ACCELERATED TRANSPORT PROGRAMME – MILESTONES FOR 2016/17

Northern Corridor Improvements

- Consents lodged

Southern Corridor Improvements

- Southbound lane open to public

State Highway 20A to Airport

- Construction complete and road open to traffic

Auckland Manukau Eastern Transport Initiative

Our investment processes and collaborative whole-of-network planning facilitate the progress of Auckland Transport's implementation plan for its Auckland Manukau Eastern Transport Initiative, which is:

- Stage 2a resource consents obtained (Panmure to Pakuranga)
- Stage 2b consents lodged (including Pakuranga Town Centre works)
- Sylvia Park Bus improvements, resource consents obtained and construction commenced

East West Connections

- Stage 1 construction completed; assessment of environmental effects lodged with the Environmental Protection Agency

ACCELERATED REGIONAL ROADING PROGRAMME - MILESTONES FOR 2016/17

Kawarau Falls Bridge (Otago)

- Construction under way

Mingha Bluff to Rough Creek Realignment (Canterbury)

- Construction complete and road open to traffic

Akerama Curves Realignment and Passing Lane (Northland)

- Construction complete and road open to traffic

Normanby Overbridge Realignment (Taranaki)

- Construction complete and road open to traffic

Whirokino Trestle Bridge Replacement (Manawatu - Whanganui)

- Design and construction contract awarded

Motu Bridge Replacement (Gisborne)

- Construction started

Ōpawa Bridge Replacement (Marlborough)

- Design started

Taramakau Road/ Rail Bridge (West Coast)

- Design started

Loop Road North to Smeatons Hill Safety Improvements (Northland)

- Consents lodged

Mt Messenger and Awakino Gorge Corridor (Taranaki)

- Design started

Awakino Tunnel Bypass

- Consents lodged

Mt Messenger Bypass (Taranaki)

- Design completed

Napier port access package (Hawkes Bay)

- This project is under investigation and next steps are to be reviewed

Nelson Southern Link

- This project is under investigation and next steps are to be reviewed

URBAN CYCLEWAYS PROGRAMME - MILESTONES FOR 2016/17**Auckland: City Centre Network**

- (City Centre Quay Street completed; Ian McKinnon Drive Cycleway construction started; K Road Cycleway construction started)

Auckland: Eastern Connections to City Centre

- Construction underway

Auckland: Western Connections to City Centre

- Construction started

Auckland: links to public transport

- Construction underway

Melling to Petone

- Construction started

Wellington CBD route package

- No 2016/17 milestones

Rapanui-Shagrock Cycleway (Christchurch)

- Construction started

Heathcote expressway (Christchurch)

- No 2016/17 milestones

Papanui Parallel (Christchurch)

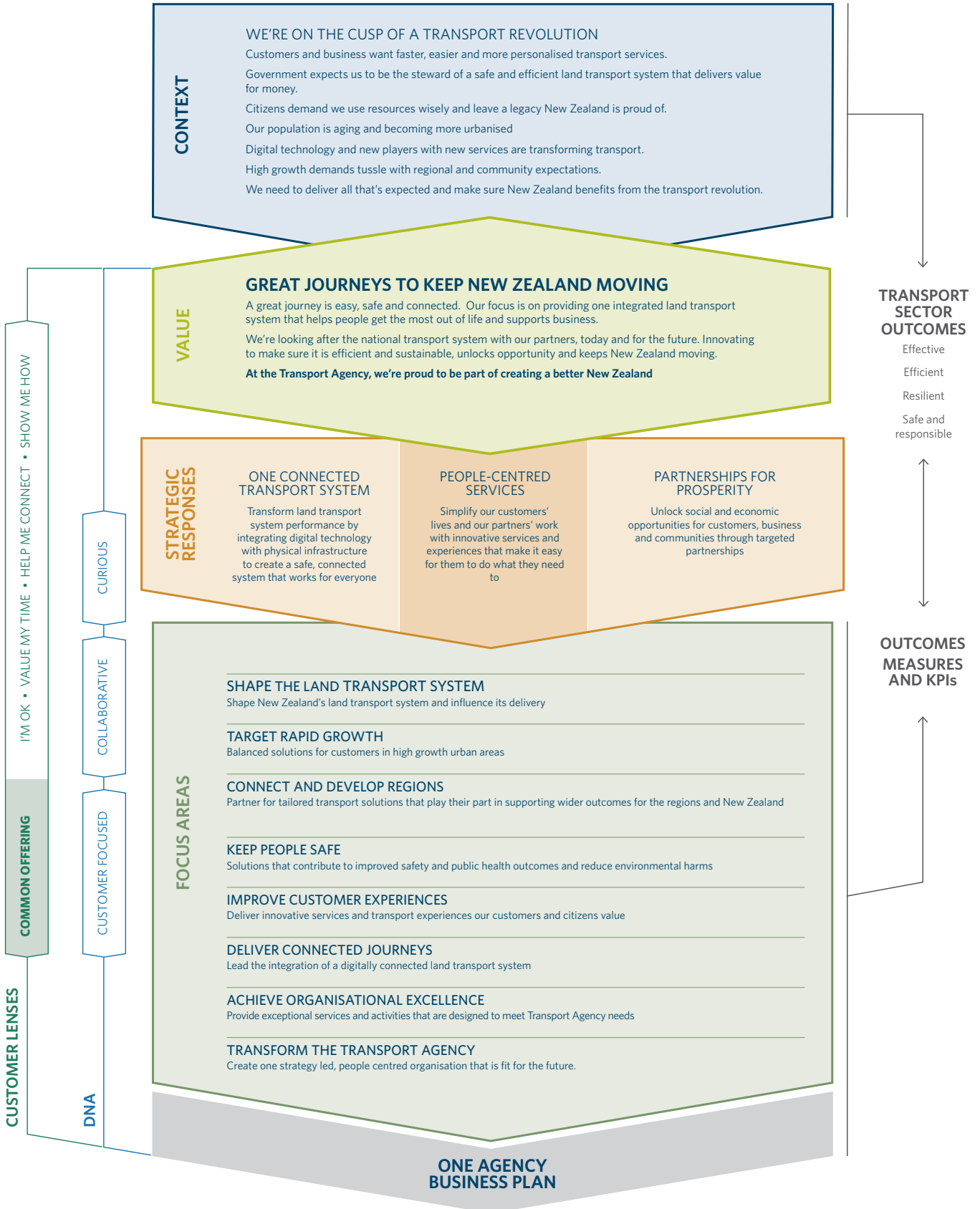
- Construction underway

Nelson Coastal Route

- No 2016/17 milestones

APPENDIX B

TRANSPORT AGENCY STRATEGY FRAME



APPENDIX C

TRANSPORT AGENCY FOCUS AREAS AND GOVERNMENT PRIORITIES

SHAPE THE LAND TRANSPORT SYSTEM

Shape New Zealand's land transport system and influence its delivery

This focus area engages with the sector to lead the development of a shared, national and integrated long term view of the land transport system. This will inform GPS 2018 development, shape the National Land Transport Programme and guide the State Highway Asset Management Programme. It includes consideration of the regulatory settings needed to support economic growth and productivity, maintain safety, enable new technologies (e.g. Intelligent Transport Systems and autonomous vehicles) and ensure fit for purpose rules and regulations (e.g. VDAM).

TARGET RAPID GROWTH

Balanced solutions for customers in high growth urban areas

This focus area tackles the transport challenges facing high growth urban areas identified by the National Policy Statement: Urban Development Capacity. Significant infrastructure signalled in the National Infrastructure Plan, the Business Growth Agenda: Infrastructure and the NLTP is provided for, including the Auckland Accelerated Programme, RoNS, the Christchurch Rebuild and Urban Cycleways. It also commits us to the broader optimisation and demand management approach in the Auckland Transport Alignment Project. We will collaborate with others to improve the planning, provision and intelligent management of the transport system to support improved access to jobs and housing affordability. We will also lend our expertise to our local government partners to ensure the prudent use of resources, such as by supporting the procurement of Auckland Transport's City Rail Link.

CONNECT AND DEVELOP REGIONS

Partner for tailored transport solutions that support wider outcomes for communities, regions and New Zealand

This focus area supports Regional Economic Development and resilience. We will work with others to integrate transport solutions with regional programmes that address economic and social needs where transport has a role to play. Significant infrastructure signalled in the NIP, the BGA: Infrastructure and the NLTP is provided for, including the Accelerated Regional Rooding Package, Wellington Northern Corridor, Ngauranga to Airport and cycleways. We will also partner with other organisations to support the BGA: Safe and Skilled Workforce by addressing barriers to driver licensing. Additionally, with a strong focus on resilience, this focus area will support the Kaikoura Earthquake Response.

KEEP PEOPLE SAFE

Solutions that contribute to improved safety and public health outcomes and reduce environmental harms

This focus areas improves road and rail safety, reduces environmental harms and improves public health outcomes related to transport. It captures our continued partnership with the sector to deliver the Safer Journeys Action Plan and also addresses improved rail safety through better regulation. Our environmental and public health activities are aligned to the NZ Energy Strategy and include our programme of work to support the increased uptake of electric vehicles.

IMPROVE CUSTOMER EXPERIENCES

Deliver innovative services and experiences customers and citizens value

This focus area improves the customer and citizen experience of land transport services, making it simpler to interact how and when they want. It harnesses digital technology and innovative design approaches signalled in the BGA: Innovation and Better Public Services Results 9 and 10, to make it easier for customers and businesses to transact online and find the information they need. We will modernise our service offerings with improved online real-time processing, as well as streamline our processes for driver licensing, driver passenger endorsements and the small passenger services sector

DELIVER CONNECTED JOURNEYS

Lead the integration of a digitally connected land transport system

This focus area harnesses technology and data to deliver a smart, digitally connected transport system. We will partner with others to enable new and emerging technologies that support mobility as a service and automated and connected vehicle trials. We will also collaborate across the sector to deliver on the ITS Action Plan and make the most of new and existing technologies to support the Auckland Transport Alignment Project. Technological innovation is at the heart of this focus area, supporting the ambition set out in the BGA: Innovation and the BGA: Infrastructure.

ACHIEVE ORGANISATIONAL EXCELLENCE

Provide exceptional services and activities that are designed to meet Transport Agency needs

This focus area lifts our capability to meet the governance, performance and accountability expectations of a mature Crown Entity. We will pay particular attention to improving our data management and information capability. We will also ensure that our internal processes and systems are efficient and effective and that our people are supported to deliver. Delivering value for money for customers and citizens underpins our strategy and this focus area drives our management and accountability of value for money across all our functions and deliverables.

TRANSFORM THE TRANSPORT AGENCY

Create one strategy-led, people-centred organisation that is fit for the future

This focus area pays particular attention to our culture, business planning and business intelligence. Our data management capability will be transformed to enable more sophisticated business intelligence, analytics and insight, aligning with the Government's ICT Strategy. Our business planning will be transformed to demonstrate the principles of alignment and efficiency contained in the Operating Expectations Framework for Statutory Crown Entities. Our culture will be transformed to ensure our people exemplify the behaviours expected of a trusted Crown Entity.

APPENDIX D

ACTS, REGULATIONS AND RULES THAT GOVERN THE TRANSPORT AGENCY

There are many acts, regulations and rules that govern what we do and how we do it.

Listed below are just some of the main pieces of legislation that shape our business and activities.

ACTS OF PARLIAMENT

- **Land Transport Management Act 2003** sets out the requirements and processes for local authorities to obtain funding for road construction and maintenance, and for the funding of the New Zealand Police on-road enforcement. As amended in 2013, it sets out the requirements for regional councils to contract for the provision of public transport services. As amended in 2008, it is also the act that establishes the NZ Transport Agency.
- **Land Transport Act 1998** promotes safe road user behaviour and vehicle safety; provides for a system of rules governing road user behaviour, the licensing of drivers and technical aspects of land transport; recognises reciprocal obligations of persons involved; consolidates and amends various enactments relating to road safety and land transport; and enables New Zealand to implement international agreements relating to road safety and land transport. It now includes the registration and licensing of motor vehicles and the regulation of commercial transport services and the limits on driving hours.
- **Railways Act 2005** sets out the requirements for the licensing of rail operations in New Zealand. It covers monorails, and both light and heavy railways. It also includes basic safety obligations of operators and the general public when near a railway, as well as the powers the railway operators have to protect and manage the railway corridor.
- **Government Roading Powers Act 1989** provides the necessary powers for the Transport Agency and ministers to build, maintain and manage roads. It was originally passed as the Transit New Zealand Act 1989.
- **Road User Charges Act 2012** imposes charges for road use by heavy and other vehicles, such as diesel powered vehicles.
- **Land Transport (Offences and Penalties) Regulations 1999** details the offences for breaching land transport rules and the penalties for those offences.
- **Traffic Regulations 1976** Land transport rules now cover nearly all of these requirements. A few obligations, such as requirements on towing trailers by passenger service vehicles, power to require inspection of motor vehicles after accidents, and restrictions on motor vehicle reliability trials, still remain in these regulations.
- **Transport Services Licensing Regulations 1989** provides for fees payable for transport service licences (except rail services), and a few exemptions from operator licensing.
- **Heavy Motor Vehicle Regulations 1974** allows road controlling authorities to restrict the movement of heavy vehicles to prevent damage to roads and bridges of limited strength.
- **Land Transport (Infringement and Reminder Notices) Regulations 1998** sets out the format for infringement offence notices and reminder notices from traffic law enforcement.
- **Land Transport (Administration Fees for Recovery of Unpaid Tolls) Regulations 2008** authorises a toll operator to recover the administrative costs of collecting unpaid tolls.
- **Land Transport (Certification and Other Fees) Regulations 1999** sets the fees payable by organisations wishing to be authorised to inspect motor vehicles and a standards development levy payable by owners of heavy motor vehicles.
- **Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011** sets out vehicle registration and licensing requirements; including requirements for motor vehicle registration plates (number plates), such as colour and character combinations, and the way they must be displayed. Also includes specific offences and penalties.
- **Land Transport (Ordering a Vehicle off the Road) Notice 1999** prescribes the format for notices issued to vehicles too unsafe to be on the road or not complying with vehicle standards. It also specifies who may inspect the vehicle and issue a new warrant of fitness or certificate of fitness.
- **Railways Regulations 2008** sets the fees applying to licensed railway operations, declares which narrow gauge railways the act covers, and specifies exemptions.
- **Road User Charges Regulations 2012** details the information required for applications for road user charges licences, specifies display requirements for distance licences and the fitting of hubodometers, and prescribes road user charges vehicle types.

REGULATIONS

- **Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent duty) Regulations 2004** provides for the refund in certain circumstances of a proportion of the fuel tax paid on motor spirits and lists types of vehicles for which a refund may be available.
- **Land Transport Management (Road Tolling Scheme for ALPURT B2) Order 2005** authorises the establishment of the toll road on State Highway 1A north of Auckland.

RULES

Land Transport (Driver Licensing) Rule 1999 sets out the requirements for which class of driver licence is needed for each type of vehicle, the restrictions for novice drivers, and the steps for obtaining a driver licence.

Land Transport (Road User) Rule 2004 establishes the rules under which traffic operates on roads. The rule applies to all road users, whether they are drivers, riders, passengers, pedestrians, or leading or droving animals.

Land Transport Rule: **Dangerous Goods 2005**

Land Transport Rule: **Door Retention Systems 2001**

Land Transport Rule: **External Projections 2001**

Land Transport Rule: **Frontal Impact 2001**

Land Transport Rule: **Fuel Consumption Information 2008**

Land Transport Rule: **Glazing Windscreen Wipe and Wash and Mirrors 1999**

Land Transport Rule: **Head Restraints 2001**

Land Transport Rule: **Heavy Vehicle Brakes 2006**

Land Transport Rule: **Heavy Vehicles 2004**

Land Transport Rule: **Interior Impact 2001**

Land Transport Rule: **Light-vehicle Brakes 2002**

Land Transport Rule: **Operator Licensing 2007**

Land Transport Rule: **Operator Safety Rating 2008**

Land Transport Rule: **Passenger Service Vehicles 1999**

Land Transport Rule: **Seatbelts and Seatbelt Anchorages 2002**

Land Transport Rule: **Seats and Seat Anchorages 2002**

Land Transport Rule: **Setting of Speed Limits 2003**

Land Transport Rule: **Steering Systems 2001**

Land Transport Rule: **Traction Engines 2010**

Land Transport Rule: **Traffic Control Devices 2004**

Land Transport Rule: **Tyres and Wheels 2001**

Land Transport Rule: **Vehicle Dimensions and Mass 2016**

Land Transport Rule: **Vehicle Equipment 2004**

Land Transport Rule: **Vehicle Exhaust Emissions 2007**

Land Transport Rule: **Vehicle Lighting 2004**

Land Transport Rule: **Vehicle Repair 1998**

Land Transport Rule: **Vehicle Standards Compliance 2002**

Land Transport Rule: **Work Time and Logbooks 2007**

