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# Briefing to the incoming Associate Minister of Transport

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February 2013



NZ TRANSPORT AGENCY  
WAKA KOTAHI

New Zealand Government

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## Glossary

**CERA (Canterbury Earthquake Recovery Authority):** The agency leading and coordinating the ongoing recovery effort following the Christchurch earthquakes.

**CERF (Christchurch Earthquake Recovery Fund):** A fund to track the response costs as well as the recovery costs of the Christchurch earthquakes. The fund will be wound up several years after the final costs of the earthquake-related work are realised.

**CoF (certificate of fitness):** a regular check to ensure that vehicles meet required safety standards. It is required for heavy vehicles, all passenger service vehicles and rental vehicles.

**Farebox recovery:** is a measure of the fares paid by passengers on public transport systems. It is normally described as a ratio of operating expenses paid by passengers.

**FAR (Funding Assistance Rates):** Funding assistance is provided by the NZTA to approved organisations such as councils for investment in the land transport system. These rates determine the NZTA and approved organisations' shares of the cost of activities. The approved organisation is responsible for providing the remaining portion that is its local share of the total cost.

**FED (Fuel Excise Duty):** an excise duty paid on fuels at source. This includes petrol, compressed natural gas (CNG) and liquefied petroleum gas (LPG).

**GPS (Government Policy Statement):** the government's statement issued under the Land Transport Management Act 2003 that sets the strategic direction for investment in the land transport sector and provides funding ranges for individual 'activity classes'.

**HPMV (high-productivity motor vehicles):** a new class of vehicle allowed after the amendment in 1 May 2010 of the weight and dimensions rules for vehicle combinations. Previously the maximum mass limit for a vehicle combination carrying a divisible load without a permit was 44 tonnes. HPMVs will be able to go over that limit and some will be able to be longer than current trucks.

**LTMA (Land Transport Management Act 2003):** this Act provides the legal framework for managing and funding land transport activities. The purpose of the LTMA is to contribute to the aim of achieving an affordable, integrated, safe, responsive and sustainable land transport system.

**MVR (Motor Vehicle Register):** this register records information about vehicles used on New Zealand roads and the persons responsible for their use.

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

**NLTP (National Land Transport Programme):** The programme developed and implemented by the NZTA which contains all the land transport activities, such as public transport services and road construction and maintenance, which are expected to receive funding.

**PPP (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. Full ownership of the public infrastructure remains with the public sector.

**RLTC (Regional Land Transport Committee):** committees established under the LTMA that prepare regional land transport strategies and regional land transport programmes and provide advice as requested by the regional council.

**RLTP (Regional Land Transport Programme):** a programme required by the LTMA that collates and prioritises land transport activities in a region.

**RLTS (Regional Land Transport Strategies):** high-level plans required by the LTMA that provide a strategic link between transport activities at a national level and those at a local level (as set out in regional land transport programmes).

**RoNS (roads of national significance):** seven essential state highways that are linked to New Zealand's economic prosperity.

**RUC (road user charges):** a road user levy paid by vehicles over 3.5 tonnes manufacturer's gross laden weight, or a vehicle that uses diesel or other fuel not taxed at source.

**SuperGold card:** a discounts and concessions card for seniors and veterans, in recognition of their contribution to New Zealand society. One of the concessions included is free off-peak public transport.

**TOCs (Transport Operating Centres):** centres which manage traffic and incidents. There are three centres currently operating or being established. The Auckland or Joint Transport Operations Centre (JTOC) is a partnership with Auckland Transport. There is also a Wellington Transport Operation Centre and a Christchurch Transport Operations Centre, a newly created partnership between Christchurch City Council and the NZTA.

**UNISA (Upper North Island Strategic Alliance):** a long-term collaboration between Auckland Council, Bay of Plenty Regional Council, Northland Regional Council, Waikato Regional Council, Hamilton City Council, Tauranga City Council and Whangarei District Council for responding to and managing a range of inter-regional and inter-metropolitan issues.

## 1.0 Summary

Better infrastructure and transport services are at the core of the government's economic agenda. The NZ Transport Agency (NZTA) has made significant progress implementing the policy direction set out in the Government Policy Statement on Land Transport Funding and the Safer Journeys road safety strategy through the development of successive National Land Transport Programmes.

The last year has seen a number of significant decisions that now provide us with a platform to focus on delivery and implementation in 2013. These include Cabinet decisions on vehicle licensing reform and future revenues for the National Land Transport Fund.

Set against this overall theme of delivery and implementation, this briefing identifies the areas of focus for the NZTA over the next 3-6 months, and the next 1-3 years. Specific briefings are available on these topics if required.

During the next 3-6 months, our key areas of focus include implementing the vehicle licensing reforms, continuing the work on the rebuilding of Canterbury and procuring the Transmission Gully project as a public-private partnership. We will also be working to advance business improvement projects to ensure value for money in the delivery of our activities, including identifying opportunities for shared services with other public sector entities.

Looking at the next 1-3 years, our key areas of focus include delivering the National Land Transport Programme 2012-15, continuing to address the key risks for road safety, improving and operating the state highway network, supporting Auckland's growth and managing the investment in road policing. Improving the effectiveness of public transport and the efficiency of freight movement and working on better transport network planning will also be a focus for us. We are reviewing the financial assistance rates that we use when co-investing with local authorities as we head towards the development of the 2015-18 National Land Transport Programme.

The value that the NZTA brings to the government and the transport sector is to provide a whole-of-network view to the land transport planning, investment and delivery tasks. This 'one network' perspective ensures a portfolio of land transport investments across the regions that balances major local benefits with a significant contribution to national benefit. Our one network perspective also positions us to ensure best value for money in National Land Transport Fund investment that maximises the value of the current network and activities, and ensures that further capital and operational investment is directed into those areas that provide the greatest value.

We see a big opportunity to work more closely with other network providers – such as local government road providers, regional transport service providers, KiwiRail and ports and airports – to achieve synergies that generate improved economic and social benefits from their investment.

We also seek to play our part in achieving a public sector that is more focused, efficient and productive and that delivers services differently, effectively and more efficiently. Therefore, improving customer service, reducing compliance costs and improving value for money continue to be key drivers of our activities.

## 2.0 Introduction to the NZ Transport Agency

### 2.1 Who we are

The NZTA is the government's transport delivery arm. We invest and manage the transport network as set out in the Land Transport Management Act 2003. We do this through four main functions:

- planning the land transport networks
- investing in land transport
- managing the state highway network
- providing access to and use of the land transport system.

Detail of how we deliver these functions is provided in Attachment C.

#### **The NZTA's role under the Land Transport Management Act**

The Land Transport Management Act (LTMA) outlines the role and functions of the NZTA and the instruments that define the relationship between the Minister and the Agency, including the Government Policy Statement on Land Transport Funding (GPS).

The LTMA sets out the NZTA's statutorily independent functions that include (among other things) the approval of procurement procedures, determining whether particular activities are to be included in a National Land Transport Programme (NLTP) and the decisions on the activities that qualify for payments from the National Land Transport Fund (NLTF).

The Crown Entities Act also provides the framework for the governance and operation for the NZTA. Crown entities are legal entities in their own right. A decision to assign a government activity or function to a Crown entity indicates that the function should be carried out at 'arm's length' from the government. Crown entities remain, however, instruments of the Crown.

### 2.2 The NZ Transport Agency Board

The Board is the governing body of the Agency. Board members are accountable to the Minister of Transport for performing their duties as members. The Minister appoints up to eight independent non-executive members to the Board. These appointments are for a two or three-year period that may 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.

The NZTA Board supports the Minister by performing six functions that govern the operations and performance of the NZTA:

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

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

The biographies of the seven Board members are set out in Attachment A of this briefing. An overview of our organisational structure and the Senior Leadership Team is provided in Attachment B.

## 2.3 Government objectives for the NZTA

The government's long-term outcomes for transport are:

- an efficient transport system that supports high levels of economic productivity, provides strong international connections for freight, business and tourism, and meets international obligations
- a sustainable funding basis for transport infrastructure investments and use
- a high-quality transport system for Auckland, the nation's economic hub
- supporting Canterbury's economic recovery
- an accessible and safe transport system that contributes positively to the nation's economic, social and environmental welfare.

The government's immediate priorities for transport are better quality regulation, investment in infrastructure, a safer transport system, opening domestic and international markets, and better public services.

### Minister of Transport's 2012/13 expectations for the NZTA

The Minister of Transport's letter of expectation (26 March 2012) to the NZTA outlines a number of specific objectives for 2012/13. These are:

Areas of focus	Minister of Transport's 2012/13 expectations for NZTA	Progress
Better quality regulation: Regulation that supports a high-performing transport system and minimises costs for households and businesses	Review and identify ways to modernise and improve the warrant/certificate of fitness and vehicle and operator licensing systems in collaboration with the Ministry of Transport	Approved by Cabinet in January 2013, see page 13
	Continue to contribute to the review of licensing requirements for agricultural vehicles, including leading work streams where appropriate	Completed
	Implement the modernised road user charges system in line with the Road User Charges Act 2012	Implemented in 2012
	Work with the Ministry of Transport and the other Crown entities as appropriate on the regulatory reform programme, including the development and implementation of the Regulatory Policy Statement and the redesigned rules process	Ongoing
Investment in infrastructure: Transport infrastructure that contributes to New Zealand's economic growth and supports Canterbury's economic recovery	Develop and release the next National Land Transport Programme, consistent with the Government Policy Statement on Land Transport Funding 2012/13-2021/22 released in July 2011	Completed in 2012, see page 17
	Continue to deliver the roads of national significance (RoNS) programme	Ongoing, see pages 15 and 18
	Continue to contribute towards the rebuilding of Canterbury's transport infrastructure	Ongoing, see page 13
	Work with Auckland Transport to ensure that funding is prioritised to ensure that Auckland has effective and efficient transport infrastructure	Ongoing, see details on page 20
	Retain flexibility in the National Land Transport Programme until final decisions in relation to Canterbury funding are made	Cabinet decisions made December 2012, see page 16

Areas of focus	Minister of Transport's 2012/13 expectations for NZTA	Progress
Safer transport system: A safer transport system that contributes to economic and social wellbeing	Deliver the aspects of the Safer Journeys 2011/12 Action Plan for which the NZTA has responsibility and play an active role with partner agencies as part of the National Road Safety Committee	Ongoing, see page 17
	Contribute towards the development of the Safer Journeys 2013-15 Action Plan	See page 17
	Manage the funding of community-based road safety activities in line with the previous Minister of Transport's letters of expectations to the chair of the Road Safety Trust and the chair of the NZTA	Ongoing
Opening markets: Transport operators and users have opportunities to access more domestic and international markets	Continue to work with regional councils and the Ministry of Transport to implement the public transport operating model	Ongoing, see page 21
	Work with Auckland Transport on the implementation of the integrated ticketing and fares project	Stage 1 completed, see page 21
	Continue to work with councils in the upper North Island and key industry players to implement a freight plan, and to inform and promote integrated transport planning in the upper North Island	Ongoing, see page 22
Better public services	Work (with the Ministry of Transport) to explore shared services and other opportunities to ensure Crown entities collectively deliver both value for money and the desired outcomes for the sector	Ongoing, see page 15
	Continue to focus on enhancing the quality of its customer services	Ongoing
	Plan on no Crown funded increases for the next three to five years, and adopt appropriate strategies	Incorporated
A resilient transport sector	Continue to be prepared to deal with future transport emergencies, eg Christchurch earthquakes	Ongoing



## 2.4 The NZTA's priorities

Our 2012-15 *Statement of intent* reflects the Government's objectives and longer-term goals as set out in the *Connecting New Zealand* policy direction document.

### Desired long-term impacts

- Better use of existing transport capacity
- More efficient freight supply chains
- A resilient and secure network
- Ease severe congestion
- More efficient vehicle fleets
- Reduction in death and serious injury from road crashes
- More transport mode choices
- Reduction in adverse environmental effects from land transport.

### Strategic priorities for 2012-15

- Improve customer service and reduce compliance costs
- Embedding the Safe System approach
- Improve the efficiency of freight
- Planning for and delivering the roads of national significance programme
- Improve the effectiveness of public transport.

### Areas of focus

#### *Value for money*

- Financial management: reduce operating expenditure (excluding transfers for third party research, training and road safety advertising) as a percentage of total expenditure; reduce cost of administrative and support functions as a percentage of total operating running costs.
- Delivery of core functions: maintain cost of management of the funding allocation system at 1% of NLTP expenditure; reduce the unit cost of transaction for licensing and regulatory compliance activities and motor vehicle registrations; reduce the cost of renewing, maintaining and operating the state highway network (excluding emergency works) per lane km.
- Investment that maximises return for New Zealand.

*Growing Canterbury* - We are helping create the conditions for growing the Canterbury economy by reconstructing and planning for future transport infrastructure in the city and region.

*Growing Auckland* - Because a strong and dynamic Auckland is good for New Zealand, we are working closely with Auckland Council and Auckland Transport to support a thriving Auckland.

#### *Organisational health and capability*

- Ensure 100% availability of core systems.
- Further reduce the cost of administrative and support services as a percentage of total expenditure (and remain in top New Zealand quartile).
- Increase the levels of staff engagement and stakeholder satisfaction.

## 2.5 Financial overview

The NZTA has budgeted revenue of \$2.9 billion in 2012/13. We use the revenue to fund the following:

- Investment in land transport (\$2.6 billion), which includes investment in the state highway network and funding that is provided to approved organisations (usually a regional council, a local authority or another public organisation) for the delivery of services.
- Road safety and enforcement activities of the NZ Police through the Road Policing Programme that is negotiated between the NZTA and NZ Police and recommended to the Minister of Transport for approval. The value of NLTF investment in the Road Policing Programme in 2012/13 (\$300 million) is not included in the table below because NZ Police delivers the programme and the investment is included in Vote Police.
- The NZTA's budget for operating activities is \$262 million.

### FUNDING SOURCES AND EXPENDITURE 2012/13

FUNDING SOURCES			OPERATING & CAPITAL EXPENDITURE					
			Investment in land transport			NZ Transport Agency operating activities		
			PLANNING & INVESTING IN LAND TRANSPORT	MANAGING THE STATE HIGHWAY NETWORK	SPECIFIC CROWN PROJECTS	PLANNING & INVESTING IN LAND TRANSPORT	ACCESS TO & USE OF LAND TRANSPORT	MANAGING THE STATE HIGHWAY NETWORK
Revenue from the National Land Transport Fund	Operating	\$1,857.227m	\$1,041.407m	\$316.265m		\$61.168m		\$8.735m
	Capital	\$707.564m		\$1,147.316m				\$39.900m
	Borrowing	\$50.000m						
Revenue from third parties		\$128.392m					\$126.917m	\$0.865m
Revenue from the Crown		\$137.031m			\$112.305m	\$0.775m	\$23.370m	\$0.095m
<b>Totals</b>		<b>\$2,880.214m</b>	<b>\$1,041.407m</b>	<b>\$1,463.581m</b>	<b>\$112.305m</b>	<b>\$61.943m</b>	<b>\$150.288m</b>	<b>\$49.500m</b>
This table includes operating and capital			\$2,617.293m			\$261.826m		

The \$29 million cost of managing the NLTF funding allocation system, including procurement procedures and our advice and assist role with local government, now represents less than 1% of the NLTF's annual expenditure. We have progressively managed this cost down. The budget range for managing the NLTF was further reduced in the July 2011 GPS and we have implemented cost-efficiency improvements in our business to reflect this reduction.

The National Land Transport Programme (NLTP) is funded by payments into the National Transport Fund (NLTF) – from fuel excise duty (FED), road user charges (RUC) and motor vehicle registration and licensing fees (MVR). Each year, the payments received into the NLTF are used to pay for the capital and operating costs of state highways, local roads and public transport, as well as other costs including road policing, management and planning, road user safety and walking and cycling.

## 2.6 Ensuring value for money

We are implementing the results of business improvements across a range of service areas following several significant internal reviews last year. These internal reviews are expected to deliver improved organisational efficiency and better outcomes from our land transport investments.

In addition, we are implementing the results of a joint transport sector efficiency review of road maintenance and operations, the aim of which is to achieve best value for money in these activities.

We have also completed regulatory reviews of the road user charges business model, driver licensing and testing business model, and land transport fees. The results of these reviews have resulted in amendments to the Road User Charges Act and to the annual vehicle licensing and motor vehicle registration administration fees. Further regulatory transformation reviews include a substantive review of the driver licensing business model in advance of the main service provider contracts ending in 2014.

We have also undergone two broader organisation performance reviews:

- Performance Improvement Framework (PIF) review – This independent assessment was undertaken in October 2010 with a follow-up in mid-2012. The review considered alignment of priorities and core services with government objectives and organisational management dimensions (leadership, external relationships, people development, financial and resource management). The initial review found the NZTA to be a relatively strong performer, well led and well governed, with cited areas for improvement on our radar already.

The 2012 follow-up review found that we had made good progress in addressing recommendations and concluded that our business model, organisational structure and capacity to change are fit for purpose. The PIF reviewers stated that we have developed or are developing excellent organisational approaches to most of the current strategic issues facing our organisation, and they noted that our procurement approach for major capital projects is among the best they could identify. From an expenditure perspective the reviewers said our decision-making process is well developed and sophisticated by public sector standards.

The review did highlight areas requiring a concerted effort to ensure that we continue to achieve the government's objectives. These included working closely with the Ministry of Transport to provide a better regulatory environment for transport operators and users, working effectively with local government towards integrated networks, and lifting our capacity to lead and manage in a more complex environment. The reviewers also identified areas for further development, including our involvement and responsibilities in relation to NLTF revenue forecasting, engagement with Ministers regarding policy for potential debt funding for major capital projects, and the opportunities for more collaborative arrangements with local authorities to manage roading networks. We are working to address these recommendations.

- Better Administrative and Support Services (BASS) benchmarking reviews – These annual reviews test the efficiency of five key administrative and support areas (human resources, corporate and executive services, information systems, finance and procurement). While we have performed very well against most metrics, we continue to use the results to benchmark services and improve our performance. We can offer efficient back-office support to other transport agencies and are keen to develop a shared services approach where there is a business case.

## **3.0 Areas of focus for the NZTA over the next 6 months**

### **3.1 Vehicle licensing reforms to reduce costs for transport users**

We have been working closely with the Ministry of Transport on a joint project to deliver a simpler and more efficient vehicle licensing system that reduces costs and time delays for transport users. This includes:

- warrant of fitness (WoF) and certificate of fitness (CoF)
- annual vehicle licensing (commonly known as registration)
- transport services licensing.

Stakeholders have been involved since the beginning of the project and the public were consulted on proposed reforms in September 2012.

On 23 January 2013 Cabinet decided to change the WoF to include:

- no inspection for light vehicles until they are three years old
- annual inspections for light vehicles first registered on or after 1 January 2000 (if more than three years old)
- six-monthly inspections for light vehicles first registered before 1 January 2000.

These changes will be matched with information and education measures to encourage New Zealanders to keep their vehicles roadworthy, additional enforcement activities, and monitoring to assess any effects on road safety.

Other vehicle licensing system changes that Cabinet agreed to include:

- retaining the current six-monthly CoF default inspection frequency for heavy vehicles
- increasing the CoF variable inspection frequency range to 3-12 months (from the current 3-9 months)
- enabling opportunities for a broader range of inspection delivery options, including allowing new providers who also provide vehicle maintenance services
- further exploring measures to encourage annual vehicle licence payment and reduce fines.

Changes to the WoF and CoF systems are expected to be in place by 1 July 2014 or earlier.

Changes to annual vehicle licensing and transport services licensing will be explored further to see whether the system can be more targeted and improved to make it as easy as possible for motorists to pay their registration on time and to focus the transport services licensing system on operators who need it most. Advice on these changes will be reported to Cabinet by 30 September 2013.

### **3.2 Contributing to the rebuilding of Canterbury**

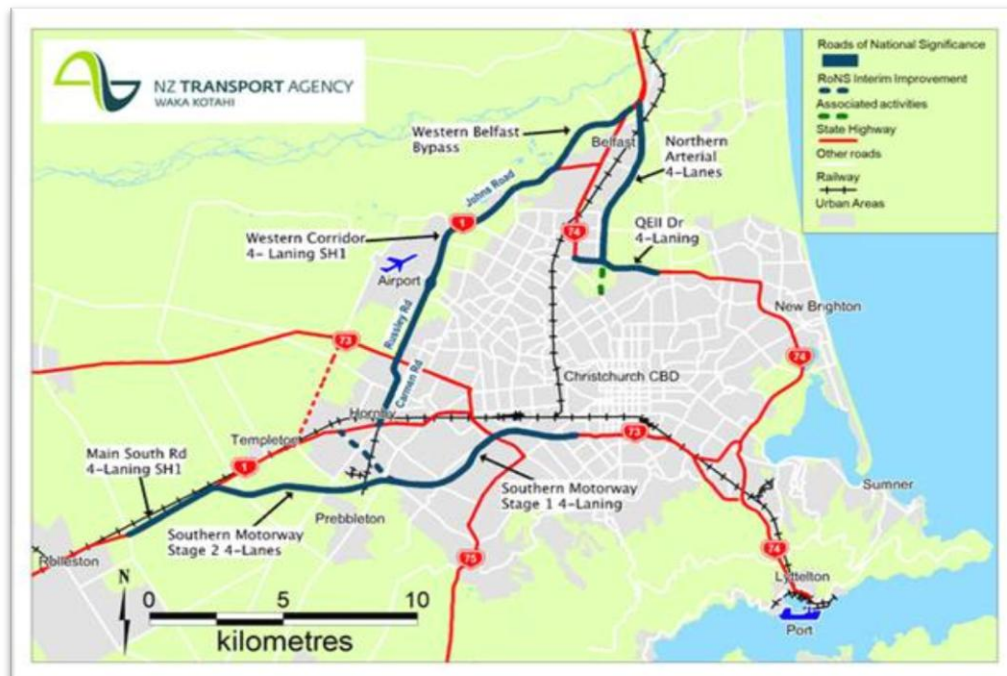
We are assisting the planning and funding of earthquake recovery works for Canterbury in conjunction with contributions from the Christchurch Earthquake Recovery Fund (CERF) and local authorities. By far the largest component is required for reinstatement work in Christchurch city.

We are utilising skills gained as New Zealand's major public infrastructure provider to help local agencies with management and procurement of the rebuild.

Based on recent and forecast cash flows from Christchurch City Council, the gross transport spend for 2012/13 will be approximately \$125-140 million. Based on this forecast and at an 83% financial assistance rate, we will fully expend the \$50 million NLTF contribution cap agreed by Cabinet plus \$59-72 million of the available \$154 million additional Crown provision.

Separate from this amount, our contribution to the rebuilding of Canterbury also includes the construction of the Christchurch roads of national significance projects – the extension to the Southern Motorway, the Northern Arterial and the Western Corridor (see figure 1).

**Figure 1: Map of state highways in Christchurch**



Stage 1 of the Christchurch Southern Motorway is now open and the project will assist in the region’s recovery and provide improved access from the south of Christchurch to Lyttelton Port and the new Christchurch CBD. Stages 2 and 3 are progressing through investigation and preliminary design, as is the Northern Arterial.

The Western Corridor is partially underway with a number of sections under construction. We are working with Christchurch Airport and other stakeholders on a solution along Russley Road/Johns Road (State Highway 1) and the connectivity to local roads and the airport. This section of the Western Corridor still requires consenting.

The Canterbury earthquakes have had a major impact on public transport patronage in the region, with 11.2 million passenger trips for 2011/12 financial year compared with about 17 million passenger trips in 2009/10. The proportion of operating costs covered by fare revenue dropped significantly from approximately 43% in September 2010 to 28% in September 2011, but recovered to 36% in September 2012. Environment Canterbury is monitoring cost recovery closely.

The NZTA contributed an additional \$750,000 to help fund a temporary public transport interchange in the central city to adapt services to land use and business location changes that have evolved post-earthquake.

### 3.3 Transmission Gully and tolling

The Transmission Gully state highway project has a long history, with the proposal for an inland alternative route for State Highway 1 between Wellington city and the Kapiti Coast having been investigated for several decades. It is one of six projects which form the Wellington Northern Corridor RoNS.

In 2012, the NZTA Board approved the procurement of Transmission Gully as a public-private partnership (PPP), subject to the approval of both the Minister of Transport and the Minister of Finance. In November, Cabinet and the Ministers of Transport and Finance agreed that the NZTA could borrow to pursue the procurement of the Transmission Gully project as a PPP. This approval allows us to borrow up to the estimated cost.

The Ministers of Transport and Finance will report back to Cabinet to confirm the value for money proposition and the borrowing limit under the Crown Entities Act 2004.

To help offset some of the demand on the NLTF in servicing the project and free up funding for other NLTP investments, the Minister of Transport asked us to investigate the potential for tolling on the Transmission Gully route. We are currently completing the tolling strategy and business case and, depending on the result, will undertake a wider consultation exercise in 2013. While the procurement process is being managed by the NZTA, we require the Minister's and Cabinet's approval for any tolling proposal.

We have completed a market sounding and registration of interest process, and have issued Expressions of Interest for the project to 17 organisations on 21 January this year, which will close on 5 March. We expect a shortlist of consortia to be announced in April 2013.

The provisional key dates in the procurement process for Transmission Gully are summarised below:

Description	Key dates
Expression of interest invitation issued	21 January 2013
Respondent briefing and Transmission Gully route visit	23 January 2013
Expressions of interest close	5 March 2013
Short list of respondents announced	April 2013
Request for proposals issued	May 2013
Target date for naming preferred bidder	January 2014
Target date for financial close	June 2014

### 3.4 Delivering value for money

We have a number of business improvement reviews underway that aim to enhance the effectiveness and efficiency of our end-to-end business, from planning to delivery of projects to ensure value for money in NLTF investment. The key projects are described below:

#### Road Efficiency Group

Together with Local Government NZ, we are leading the Road Efficiency Group that was formed in 2012 to implement the recommendations of the State Highway Maintenance and Operations Review and the broader Road Maintenance Taskforce, which was initiated by the Minister of Transport in 2010. The aim is to drive value for money and seek opportunities to reduce costs for roading authorities around the country in road maintenance, operations and renewals.

The group has four areas of focus:

- Collaboration with the industry and local government to share information, staff and management practices.
- Procurement, including bigger and longer maintenance contracts, and guaranteed work to protect smaller contractors.
- Asset management to better direct maintenance and operations funds to highways where they are needed most.
- National road classification to standardise data and create a local road classification system which identifies the level of service, function and use of local road networks.

We are also working with local government to ensure that opportunities to improve performance are identified. This integrated approach includes liaising with representatives from an industry advisory group. Working teams are now being set up to progress the initiatives, and consultation with the industry will continue as the teams deliver their reports during the year. Once the framework for the governance of the roading assets has been finalised, the first roading contracts will be issued in 2014.

### **Transport planning and project development programme**

The transport planning and project development programme is focused on ensuring that we have a connected end-to-end improvement process to align delivery across the NZTA, as well as providing clear and consistent engagement with external stakeholders. Key actions being implemented include:

- Adaption of the Treasury's Better Business Case approach to our processes, with a greater focus on problem definition, value for money, and the efficiency and safety benefits we are trying to achieve.
- Adaption of Melbourne's 'Smartroads' approach to give greater focus on collaborative working between agencies to integrate and speed up delivery, including achieving greater productivity from our existing network.
- Streamlining our project consenting processes to make the most of government's legislative reforms in resource management, local government and land transport.

The programme is currently testing and refining a range of processes, tools and systems with the aim to implement from mid-2013.

### **Shared services**

We are working with other public sector transport entities to identify opportunities within our respective administration and support services that can help the other participating agencies better meet their needs more efficiently. The four functions being assessed for their shared service potential are ministerial servicing, risk and assurance, human resources and communications. Work is continuing on finance, IT and information management functions, and they will be evaluated in 2013.

## 4.0 Areas of focus over the next 1 to 3 years

### 4.1 Delivering the National Land Transport Programme 2012–15

The 2012–15 NLTP delivers the investment direction in the Government Policy Statement on Land Transport Funding (GPS). Under the LTMA, the NZTA is charged with the responsibility of preparing three-yearly National Land Transport Programmes that give effect to the direction of the GPS.

The 2012–15 NLTP was developed over 2011 and 2012, and adopted by the NZTA Board in August 2012. The Minister of Transport launched the programme in early September. The NLTP brings together land transport investments developed by the NZTA, local authorities, NZ Police and other organisations across the country and involves a total investment of \$12.28 billion over three years. The NLTF contribution amounts to around \$9.5 billion, including the recently announced increases in fuel excise duty and road user charges. Approximately 80% of the 2012–15 NLTP has already been committed to investments ranging from road maintenance programmes to roads of national significance.

We will assist the Ministry of Transport with the development of the next GPS during 2013/14, which must be published before the end of the current NLTP. The next GPS will also need to accommodate the proposed amendments in the Land Transport Management Amendment Bill. Under these amendments, the GPS will broaden in scope and we will provide analysis to support the longer-term outlook and the investment choices to maximise value for money.

#### Securing funding for the roads of national significance

To achieve the aims of the GPS, we have prioritised the NLTP to enable the delivery of the seven roads of national significance (RoNS). To help manage the NLTP expenditure, Cabinet agreed in December 2012 to a package of measures to address a number of revenue and expenditure issues that were impacting on the delivery of the RoNS programme. These issues included: the need to fund the NZTA's share of the Canterbury rebuild; lower than expected revenue inflows from petrol tax and road user charges; a deficit starting position for the NLTF; and a high level of carry-forward commitments for major roading projects.

The measures agreed by Cabinet in December include:

- increases in petrol excise duty and road user charges equivalent to three cents a litre on 1 July 2013, 2014 and 2015, noting that further increases may be required to meet the government's investment intentions if revenue projections are not achieved
- that the NLTF contribution to the Canterbury rebuild be capped at \$50m a year
- establishing a public-private partnership for the delivery of the Transmission Gully section of the Wellington Northern Corridor RoNS.

These measures will place the delivery of the government's transport investment programme on a secure and sustainable basis for the long term.

### 4.2 Addressing the key risk areas for road safety

In 2010, the government released *Safer Journeys: New Zealand's road safety strategy 2010–20*. This strategy introduced a 'Safe System' approach which specifies that the road transport system should be designed to recognise that human error is inevitable, and to minimise trauma when crashes do occur. We have embedded this Safe System approach in our business and we are using our investment tools to ensure this approach is understood and accepted throughout the land transport sector. The NLTP 2012–15 includes investing in Safe Systems as an investment priority.



The activities required to deliver the Safer Journeys road safety strategy are set out in a series of action plans. The first action plan covered the 2011/12 period, and significant progress was achieved during that time including:

- strengthening driver licence tests and raising the driving age
- introducing a zero blood alcohol limit for under 20 year olds
- developing and applying high-risk guides for rural roads, intersections and motorcycle routes to direct investment to areas of greatest risk
- constructing each road of national significance to 4 or 5 star KiwiRAP standards
- implementing changes to the give way rule
- increasing demand for and understanding of the importance of safer vehicles
- introducing variable speed zones around high-risk rural schools
- working with police to extend the current speed camera programme (the addition of demerit points to speed camera infringements would greatly enhance the effectiveness of this tool)
- conducting New Zealand specific research on how driving performance is affected as blood alcohol levels rise (the results of the research are imminent and will generate significant debate on the safe blood alcohol limit for drivers in New Zealand)
- increasing media coverage of road safety issues and in particular the key message that saving lives on the roads is a shared responsibility between central and local government and every New Zealander.

While road fatalities and serious casualties continue to trend downwards, with a 2012 provisional road toll of 308 people and an associated social cost of \$1.2 billion, New Zealand performs poorly when compared internationally. To help deliver the Safer Journeys vision of 'a safe road system increasingly free of death and serious injury' we are currently supporting the Ministry of Transport and partners to develop the 2013-15 action plan.

The 2013-15 draft action plan focuses on safer speeds, safer vehicles and reducing impaired driving because there are still big gains to be made in these areas. This work complements our existing efforts to improve the level of safety provided by New Zealand roads and roadsides and to influence public attitudes and behaviour. We expect the process of aligning urban and rural travel speeds to the road function and use, and risk will generate much public interest and we will be working closely with transport partners on this issue during 2013.

### **4.3 Improving, maintaining and operating the state highway network**

We invest around \$1.5 billion in the state highway network each year. Of this total, around \$1.0 billion is spent on improvements of the network. Over the next 10 years an average of around 65% of this funding will be spent on RoNS projects each year. The remaining \$500 million is allocated to renewals, maintenance and operations. We continue to invest in safety-focused initiatives, in line with the Safer Journeys strategy, and technology-based solutions to optimise performance of the existing network at minimal cost. Funding for state highway improvements over the next two years is now largely committed and there is little scope to accommodate new investment proposals.

Our target milestones for the six remaining RoNS projects are below:

**Figure 2: Forecast milestones for the roads of national significance projects**

Project	2012/13	2013/14	2014/15
<b>Puhoi to Wellsford</b>	Scheme assessment	Document development and lodgement of designation and consent applications	Hearings and decision on designation and consents
<b>Western Ring Route</b>	Construction continues on Waterview Connection Tender for SH16 Causeway works	Construction continues on Waterview Connection Construction of SH16 Causeway Construction of Te Atatu I/C commences	Construction continues
<b>Waikato Expressway</b>	Construction continues on Te Rapa and Ngaruawahia sections	Construction of Cambridge and Rangiriri sections commence	Construction of Cambridge and Rangiriri sections continues
<b>Tauranga Eastern Link</b>	Construction continues	Construction continues	Construction continues
<b>Wellington Northern Corridor</b>	Commence national consenting process Wellington Inner City Improvements	Construction of Mackays to Peka Peka commences	Construction of Transmission Gully commences
<b>Christchurch Motorways</b>	Construction completed of Southern Motorway Stage 1	Construction of Western Corridor continues	Construction of Memorial Ave I/C commences

Given the size and complexity of the RoNS programme and the increasing costs of operating and maintaining these improvements, targeting investment for the national roading network is increasingly important. We now have a significant number of high-cost projects in the programme, such as the Waterview Connection (now under construction), Transmission Gully (approved for delivery as a PPP), Huntly and Hamilton sections of the Waikato Expressway, and the Kapiti sections of the Wellington Northern Corridor. Projects of this scale are carefully monitored at every stage of development to ensure delivery can be matched to the available funding.

We are continuing to identify further opportunities for efficiencies in the delivery of the state highways programme. This includes the work being undertaken by the Road Efficiency Group to identify how we best deliver road maintenance, operations and renewals activities.

In managing the state highway network, we are working to set up an interagency working group to consider resilience of New Zealand's core infrastructure. We expect that this work will help us develop a common understanding and methodology for assessing and maintaining resilient networks.

#### **4.4 Coordinating planning for national networks**

To help deliver on economic growth targets, we are focused on providing seamless end-to-end journeys for freight and long-distance people movements. We aim to deliver on a 'one network' approach that views all modes and networks as being part of a larger, integrated transport system. This involves working with key players such as KiwiRail and port companies to ensure that transport planning and investment is joined up and mutually beneficial.

Key upcoming challenges in improving the national network include development of a commercial case for the Clifford Bay ferry terminal concept, which would provide for a faster and more efficient

connection between the North and South Islands across Cook Strait. The project is led by the Ministry of Transport with assistance from the NZTA.



We have also been working to ensure that new infrastructure, such as the RoNS, are integrated into and aligned with existing transport network as well as land use planning. This includes other modes, such as public transport, rail, and access to air and sea ports. As the RoNS are all on key freight routes, we are looking at how these routes can provide safer and more efficient access to areas of significant freight production, distribution, trade and storage. These network plans will also ensure better integration across highways and local roads, rail, air, sea and coastal freight infrastructure and services.

#### **4.5 Supporting Auckland's growth**

The efficiency of Auckland's land transport infrastructure will continue to be a major focus.

Our investment priorities include giving high priority to nationally significant solutions, a focus on supporting public transport solutions that alleviate congestion in the major urban areas and emphasis on integrated planning approaches (closely aligned with Auckland Council's Auckland Plan) which will enable Auckland to achieve economic and productivity improvements.

Future NLTPs will likely be insufficient to fund the land transport system which Auckland aspires to and which would drive economic growth and productivity improvements in the region and the broader economy. Estimates suggest Auckland may need between \$40 billion and \$60 billion over the next 30 years, although verified costings are required. If this scale of investment is required in Auckland's transport system, our opinion is that new or modified revenue sources will need to be considered. We note that discussion on new revenue options is occurring in the public domain following the 2012 release of proposals from Auckland Council, which considers Auckland's future infrastructure requirements and how they could be paid for and Auckland Council is undertaking further work in this area during 2013.

#### **4.6 Improving the effectiveness of public transport**

To reflect the government's priorities we have focused the 2012-15 NLTF investment in public transport to where the greatest productivity benefits can be achieved, in particular the alleviation of severe congestion in major urban areas.

We are seeking to enhance the value of the co-investment we make with local authorities in public transport services and infrastructure to derive greater economic and productivity benefits. To this end, we have developed a Public Transport Effectiveness Plan in collaboration with the sector. Currently 83% of our expenditure in public transport services (exclusive of SuperGold funding) is being spent in Auckland and Wellington. Further investment is required in both cities, primarily for rail service and planned rolling stock upgrades, and to support the implementation of a bus review in Auckland.

Cabinet has approved the new policy framework for the public transport operating model (PTOM), which aims to increase competition for public transport service contracts and foster partnerships between regional councils and industry that incentivise both parties to deliver improved public transport services, thereby driving value for money benefits. We are currently updating our operational policy to reflect new tools and requirements of the new model and working to support regional councils and industry to ensure correct application. A public consultation phase is planned for early 2013.

The high-level components of PTOM are contained in the Land Transport Management Amendment Bill 2012, which is currently before the Transport and Industrial Relations Select Committee. This committee is due to report back to Parliament in March 2013.



Integrated ticketing (eg smart cards), and related technology-enabled improvements to public transport information systems have the potential to create a significant improvement in public transport service delivery. We are leading this work with regional councils to optimise investment. A major achievement in 2012 was the initial roll-out of the HOP ticketing system on Auckland's rail and ferry service. We expect Auckland's bus services will be using the HOP system in 2013.

While patronage continues to have positive trends, the proportion of costs recovered through fares has decreased in the last year as a result of increased rail costs, increased services in Auckland and a decline in ridership following the Christchurch earthquake. We are reviewing our farebox recovery policy, currently with a target to reach 50% nationally by 2018, largely in light of the increased rail costs. In the medium term and beyond, we are expecting farebox trends to become positive as wider transport network benefits from additional investment.

#### **4.7 Reviewing the funding assistance rates**

We co-invest a significant proportion of the NLTF with local authorities in local land transport activities, including local roads and public transport services. The NZTA funds on average (across the nation) 50% of the capital and maintenance costs of local roads, although the funding assistance rate (FAR) for local roads varies from district to district. We will invest approximately \$12.28 billion over the three years of the 2012/15 NLTP in local authority transport projects, with about half of this investment directed to local road maintenance, operations and renewals.

We have initiated a substantive review of FAR (including the rates themselves and potentially the underlying mechanism). We have indicated to the sector that any changes in the FARs resulting from the review would be implemented through the NLTP 2015–18.

The Land Transport Management Act specifies that it is the role of the NZTA to set FARs and this must be consistent with any criteria provided by the Minister of Transport.

## 4.8 Improving the efficiency of moving freight to market

More efficient freight supply chains are recognised internationally as a major contributor to economic growth and greater productivity. Improving the efficiency of freight movements is particularly important to New Zealand's economy, which relies on the export of large volumes of freight (including time-critical freight like chilled meat) to distant markets.

Based on growth in GDP and population, current forecasts indicate that the number of freight movements are likely to double over the next 30 years. This growth will be experienced across the country but will be heaviest in the upper North Island, particularly within the Auckland, Waikato and Bay of Plenty regions, which already have more than 55% of New Zealand's freight.

With the majority of New Zealand's import and export freight moved in and out of 13 sea ports, pressure on the network will be greatest on the routes to and from these ports, particularly on the key routes to New Zealand's busiest export ports in Auckland, Tauranga, Lyttleton and Port Chalmers. Currently around 70% of New Zealand's freight task (by tonnes/kilometres) is moved by road, 15% by rail and 15% by coastal shipping. While the volume is low, a significant amount of high-value freight is also exported and imported through Auckland International Airport, with most regional airports contributing to this growing volume of time-sensitive air freight.

### Working with the Upper North Island Strategic Alliance

We are working with KiwiRail, Auckland Transport and the Upper North Island Strategic Alliance on initiatives to reduce the costs of doing business in New Zealand through an upper North Island lens – called the 'Upper North Island Freight Story'. The Alliance is made up of the Northland Regional, Whangarei District, Auckland, Waikato Regional, Hamilton City, Bay of Plenty Regional, and Tauranga City Councils.



All organisations involved recognise the need to work together, with industry and ports, on the critical priorities that will add the most value in this key region. To date this teamed-up approach has included multiple workshops and conversations with project partners, local government, industry, operators and

ports to prioritise critical issues that could benefit from a collective partner focus. A shared evidence base is being used to prioritise issues and enable informed decision making.

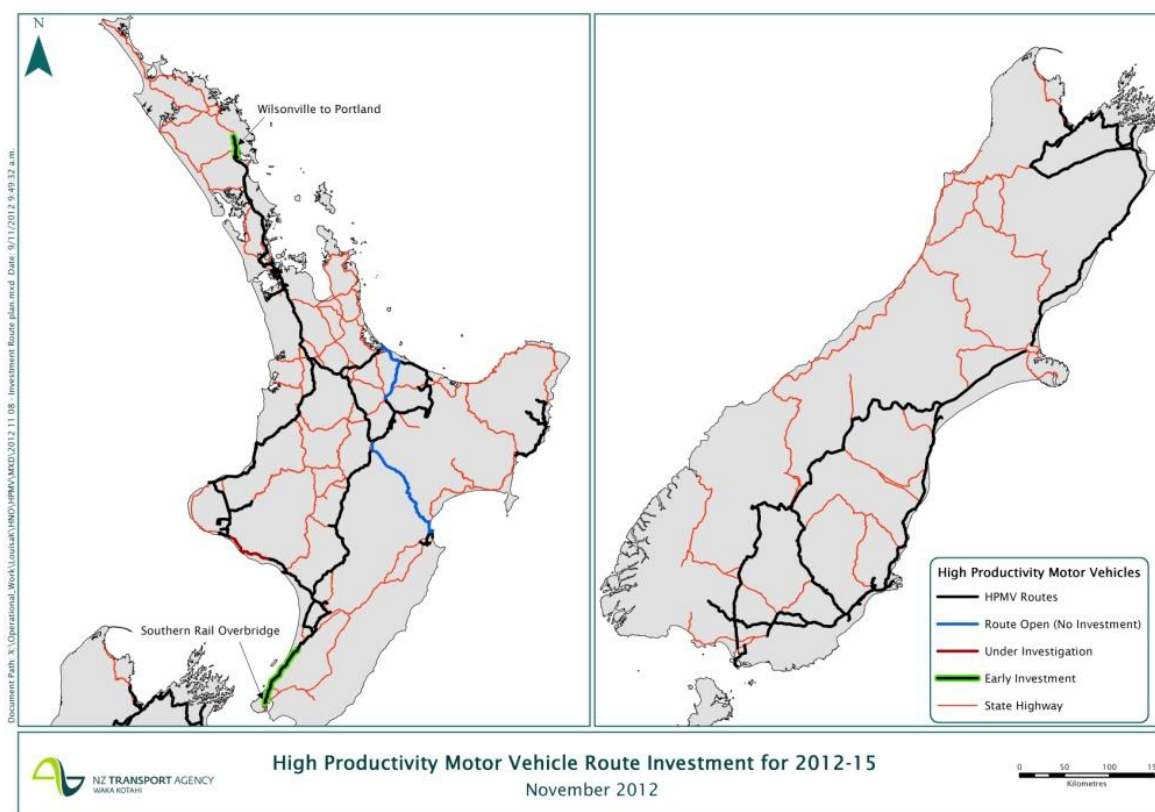
Phase 1 of the Upper North Island Freight Story is due for completion in April 2013. Key actions agreed from Phase 1 will be included in the partner organisations' work programmes for 2013.

### High-productivity motor vehicles

A key freight efficiency project underway is opening up access for high-productivity motor vehicles (HPMV). These are heavier and/or longer trucks that have been permitted to carry additional volumes of freight under the Land Transport Rule: Vehicle Dimensions and Mass 2002. Only those trucks capable of safely carrying the additional freight loads are approved as HPMVs, and then only on routes that are suitable for these vehicles.

The use of HPMVs provides the opportunity to significantly improve efficiency by moving more freight with fewer truck trips. Providing more HPMV routes is a priority for us and the current NLTP will see investment focused on opening up a network of key freight routes to HPMVs (see figure 3).

**Figure 3: High-productivity motor vehicle route investment for 2012-15**



The uptake of HPMVs is also encouraging industry to invest in newer trucks that in general have more advanced safety features built into them than the trucks they are replacing, such as anti-lock braking systems and electronic stability control.

## **Freight plan development**

Because the complexity of freight supply chains and the large number of players involved in investing in and operating New Zealand's freight system, we are working directly with the owners and movers of freight to plan for future freight demands. The private sector has been very supportive of this approach. Private sector decision makers have indicated that to make better long-term decisions and innovate their freight operations, they need a better understanding of the public sector's long-term plans for freight. These freight plans are being developed with representatives from local government, private sector freight owners and transport operators, ports and KiwiRail.

Our focus has been concentrated in the upper North Island. The four regions in this area face some of the biggest freight challenges and opportunities ahead due to the volume of freight produced and moved in these regions and the potential for growth in this area. This work is incorporated in the Upper North Island Freight Story.

Work on freight plans for the central North Island and South Island is also underway, and will involve significant engagement with public and private sector representatives. It will contribute to better-aligned planning across the public and private sectors through a sector-led freight forward plan.

## **Operator Rating System**

We are working to implement an Operator Rating System that will rate commercial transport operators based on their compliance with relevant land transport safety legislation. The Operator Rating System will have significant safety benefits, some of which have started to be realised already, and it represents an example of an incentive-based initiative that is consistent with the Safe System approach. Benefits that have already been realised in the heavy vehicle area are contributions to improved certificate of fitness pass rates, reduced vehicle defects detected at roadside stops and a reduction in open road speed, all of which improves safety and freight efficiency.

## **4.9 Investing in road policing**

Road policing is delivered by the NZ Police and funded from the NLTF. The 2012/13 investment is \$300 million, about 11% of the annual NLTF expenditure and approximately 20% of NZ Police's annual operating budget.

Under the Land Transport Management Act, the NZTA is responsible for recommending a Road Policing Programme to the Minister of Transport, who in consultation with the Minister of Police must approve or decline the NZTA's recommended programme (but cannot separately determine the programme).

The focus of the 2012–15 Road Policing Programme is targeting to risk and delivering value for money. We continue to work with Police on a joint work programme to develop stronger road policing outcome measures, benchmark NZ Police costs to allow greater transparency and scrutiny of the value for money of the range of services, and how these can be best delivered.

As part of the Road Policing Programme, we are working with Police to increase compliance and enforcement activities in light of any changes to the warrant of fitness regime.

## **4.10 Improving transport networks planning**

We engage in planning because transport (along with land use) is a fundamental enabler to help achieve integrated economic, social and environmental outcomes. Our planning occurs on a number of levels, and with a range of stakeholders (including local communities, local authorities, developers and other infrastructure providers).

We are involved in the investigation and planning for investments under the LTMA and Local Government Act (including partnering with local authorities on joint transport studies and strategies), strategic growth planning with local authorities, and the development of regional and local land use plans under the Resource Management Act. We engage in land transport networks planning to:

- work collaboratively with stakeholders to get joined-up thinking around the best solutions to deliver the outcomes sought
- achieve value for money for existing and planned investment by aligning growth and land use with infrastructure provision
- promote a long-term, integrated and spatial approach to decision making which in turn provides increased certainty around the timing and nature of our investments
- achieve alignment with stakeholders early, avoiding costly litigation further down the track
- optimise the use of existing infrastructure and services, and clearly identify where there is a need for new investment.

There is a range of other work programmes underway across government that has the potential to significantly enhance the planning system. Better integration of these work streams may also improve how New Zealand plans, delivers and operates its transport network by increasing alignment across key legislation. Significant work streams include:

- Resource Management Act Phase II reforms, including the role of spatial planning outside the current Auckland work
- review of the Local Government Act, including legislative reforms and related work streams
- implementation of new planning frameworks, including Auckland Spatial Plan and Auckland Unitary Plan, and the recovery of Canterbury, including through changes to regulatory plans and long-term plans
- implementation of the government's package of reforms for improving housing affordability
- independent work commissioned by government, including Productivity Commission reports into freight (and housing affordability).

These work streams cover a range of common and interdependent policy issues despite having been developed with a large degree of independence. The majority of the work streams are progressing throughout 2013, allowing an opportunity for work programmes to align with each other. Key areas of interest to us are reducing the number of plans, taking a regional and spatial approach to planning, having greater national planning direction and, refinement of the existing designations process. These matters combine to reduce planning-related processes (and their associated churn and delays), enhance the consistency of planning decisions, and ensure a more long-term integrated and coordinated approach is taken to planning, and enhance investment certainty overall.

### **Transport network planning and housing affordability**

In delivering our planning activities we are also mindful of the government's housing affordability objectives. The location of land transport networks (and the service levels on them) impacts on the value of land and ultimately contributes to housing costs. The long-term costs of owning a property in a given location are also influenced by the availability of local transport infrastructure and services. 'Development contributions', as charged by local authorities for new developments, are also influencing land and housing costs. However, the revenue collected from these contributions also forms part of the 'local share' of funding used to invest in land transport infrastructure (which is co-invested by local authorities along with the NZTA's NLTF revenues to deliver the NLTP).

Through our planning activities, we will continue to work with local authorities and other network providers to shape the best patterns of land use and transport network structure that enable economic productivity and growth and lend themselves to affordability of transport services and other resources like land.



## 5.0 Attachment A – The NZTAgency’s Board members



**Chris Moller** (Wellington)

*Chair*

Chris is a non-executive director who chairs the Meridian Energy Ltd, SKYCITY Entertainment Group Ltd and New Zealand Cricket Inc boards. He is also a director of Westpac New Zealand Ltd, International Cricket Council and Rugby New Zealand 2011 Ltd. Chris is a trustee of the Victoria University Foundation and the Westpac Regional Stadium Trust. He was 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.



**Patsy Reddy**, (Wellington)

*Deputy Chair, Chair of the Remuneration and Human Resources Board Committee*

Patsy is a non-executive director and a qualified lawyer. She is Chair of the New Zealand Film Commission, a director of Payments NZ Ltd and Active Equities Ltd. She is also a chief crown negotiator for Treaty of Waitangi settlements in the Bay of Plenty. Her previous directorships include Telecom Corporation of NZ Ltd, SKYCITY Entertainment Group Ltd, New Zealand Post and Air New Zealand Ltd.



**Gill Cox** (Christchurch)

Gill is a chartered accountant and business consultant. He currently serves on the boards of a number of large privately held companies in Canterbury involved in the manufacturing, warehousing and distribution, and fishing industries. In addition Gill chairs MainPower NZ Ltd, Transwaste Canterbury Ltd and the Advisory Body of Development West Coast. Gill is a member of the CERA Community Forum in Christchurch and the executive of the Canterbury Business Leaders Group, and is a past President of the New Zealand Institute of Chartered Accountants.



**Tony Lanigan** (Auckland)

Tony is a professional civil engineer (FIPENZ), project management consultant and former general manager with Fletcher Construction. Tony was Chancellor of Auckland University of Technology and a director of Infrastructure Auckland. He is currently vice chair of Habitat for Humanity in NZ and chair of NZ Housing Foundation. He is a director of Watercare Services Limited.



**Jerry Rickman** (Hamilton)

*Chair of the Audit Risk and Assurance Board Committee*

Jerry is a chartered accountant and professional director. Jerry currently chairs Alandale Life Care Ltd, EziBuy Holdings Ltd, HG Leach Ltd and Tidd Ross Todd Ltd and is a director of Power Farmer Holdings Ltd. He was a member of Telecom's Independent Oversight Group. He has chaired the boards of Waikato Regional Airport Ltd, Waikato District Health Board, and Innovation Waikato Ltd.



**Alick Shaw** (Wellington)

*Chair of the Investment and Operations Board Committee*

Alick works as an independent commissioner for hearings convened under the Resource Management Act 1991 and as a member of boards of crown entities, council organisations, privately held companies and the cultural sector. He is a member of the New Zealand Parole Board and a former deputy mayor of Wellington city.



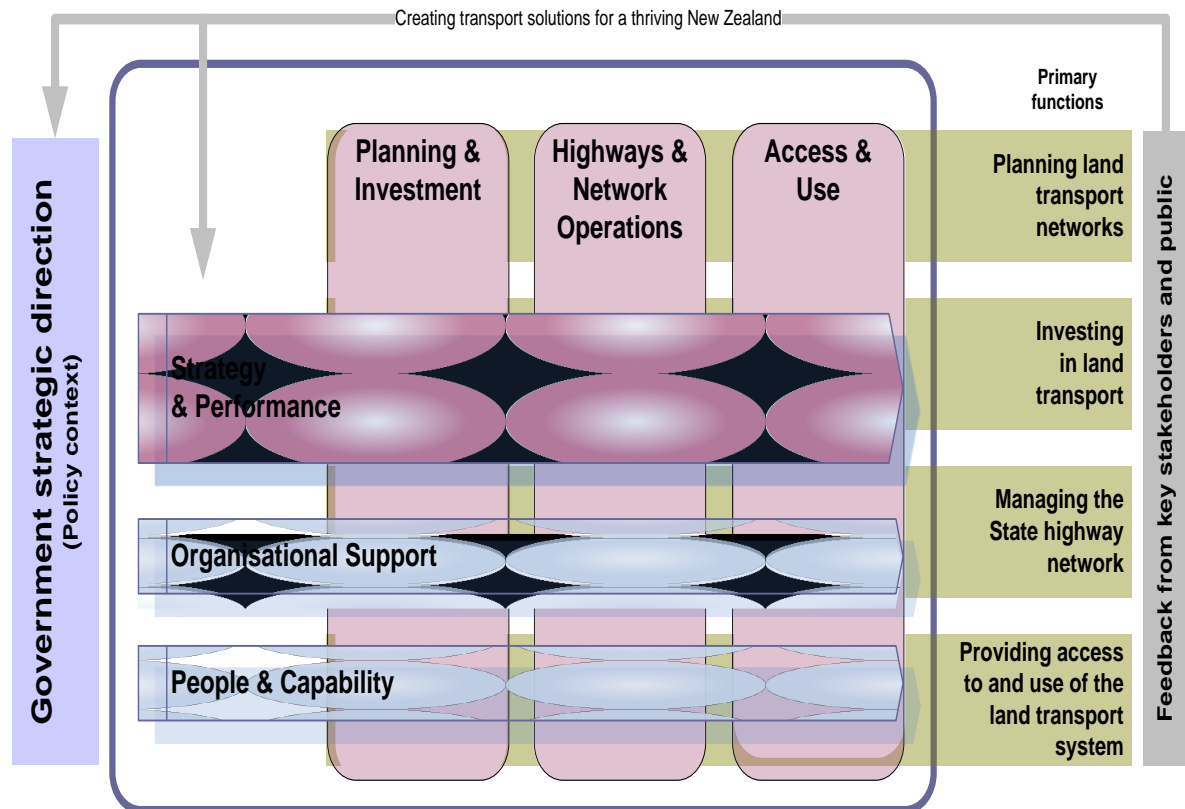
**Adrienne Young-Cooper** (Auckland)

Adrienne is a businesswoman and professional director. She has a 30-year career in resource management and town planning specialising in spatial planning, metropolitan growth management including infrastructure planning and large projects. Adrienne was the Deputy Chair of Auckland Regional Transport Authority (replaced by Auckland Transport) and was a board member of Maritime New Zealand until 2011. Her experience and contribution in transport governance is extensive. She also is Deputy Chair of Auckland Waterfront Development Agency Limited (Waterfront Auckland) and Deputy Chair of Housing New Zealand Corporation.

## 6.0 Attachment B – The NZTA’s organisational structure and management

### NZTA organisational structure

The NZTA is built around three functional business groups and three support groups.



### Functional business groups

- The Access & Use group provides users with access to the transport system (such as driver licences and motor vehicle registration) and regulates transport operators.
- The Planning & Investment group interfaces with local government to work in partnership on regional planning and programming processes.
- The Highways & Network Operations group is responsible for building, maintaining and operating the state highway network.

### Support groups

- The Strategy & Performance group is the primary interface with the Ministry of Transport government themes, objectives and strategies, and is responsible for advising the Board in relation to approval of the National Land Transport Programme.
- The Organisational Support group ensures that the NZTA has corporate strategies and policies to support strategy and organisational performance.
- The People & Capability group ensures that the NZTA can deliver on its outcomes through its people capability.

## NZTA Senior Leadership Team members

	<p><b>Geoff Dangerfield</b>, Chief Executive <i>BSc, MSc (Resource Management)</i></p> <p>Geoff became the first Chief Executive for the NZTA in August 2008 and oversees the development of the new organisation and its approach to integrated transport development. He was previously Chief Executive of the Ministry of Economic Development and Deputy Secretary to the Treasury, and began his public sector career with the Ministry of Works and Development.</p>
	<p><b>Dave Brash</b>, Group Manager Planning &amp; Investment <i>BSc (Hons) (Geography)</i></p> <p>Dave joined the NZTA in December 2008 and was previously General Manager of the Emissions Trading Group with the Treasury. His role at the Treasury was a secondment from the Ministry for the Environment, where he was General Manager responsible for central government policy. Dave has more than 23 years of experience working with central and local government agencies on complex policy reforms and managing change.</p>
	<p><b>Jenny Chetwynd</b>, Regional Director Central <i>Bachelor of Regional Planning (BRP Hons), MBA</i></p> <p>Jenny joined the NZTA in October 2008. Jenny has 20 years of experience in working with local government and businesses in both the policy development and project delivery fields focusing on environmental planning and public engagement.</p>
	<p><b>Colin Crampton</b>, Group Manager Highways &amp; Network Operations <i>BE (Hons), Dip BA, FIPENZ</i></p> <p>Colin has worked in the NZTA since its inception in 2008 and, prior to that, for the legacy agency Transit New Zealand. Colin has over 15 years of experience in the transport sector.</p>
	<p><b>Allan Frost</b>, Group Manager Organisational Support <i>Chartered Accountant</i></p> <p>Allan joined the NZTA in October 2008. Allan has had extensive experience in Chief Financial Officer and Chief Information Officer roles and has worked for 15 years in executive and senior management roles.</p>
	<p><b>Celia Patrick</b>, Group Manager Access and Use <i>Grad. Dip. Business, MBA</i></p> <p>Celia joined the NZTA in October 2011. Celia has more than 20 years of experience working in the financial services sector, including various executive roles with BNZ. Prior to joining the NZTA, Celia worked for Housing New Zealand as Director of Operations for Auckland.</p>



**Jim Harland**, Regional Director Southern

*BA Dip TP MTP(Hons) MNZPI*

Before taking on this position in January 2011, Jim was Dunedin City Council's Chief Executive for 11 years. He has held a variety of senior roles in local government and the private sector, specialising in strategic thinking and change management. Jim also worked as a tourism consultant for several years and initiated a tourism planning course at Auckland University.



**Liz Huckerby**, Group Manager People & Capability

*BA Hons, Post Graduate Certificate in Education, Post Graduate Diploma in Personnel Management, Post Graduate Diploma in Human Resources, Masters in Business Studies*

Liz joined the NZTA in October 2008. Liz has 15 years of experience in leading corporate service and people services in the private and public sector, in the UK, the US and New Zealand.



**Stephen Town**, Regional Director Auckland/Northland

*Master of Business Administration (MBA)*

Stephen joined the NZTA in October 2010 to support the newly established Auckland Council and Auckland Transport. Stephen was previously Chief Executive of Tauranga City Council for eight years and Chief Executive of Franklin District Council for four years. Before that he was in the education sector, having served four years as Chief Executive of Wanganui Polytechnic before entering local government.



**Harry Wilson**, Regional Director Waikato/Bay of Plenty

Harry has had 30 years of professional leadership experience in central and local government. Harry was the Chief Executive of Environment Waikato before taking up this position with the NZTA in November 2008.



**Ernst Zöllner**, Group Manager Strategy & Performance

*Masters in City & Regional Planning, BCom (Hons) in economics*

Ernst has worked for 19 years in consulting, academia and local and central government. Before joining the NZTA in October 2008, Ernst was the Director of Urban Development and Transport at Wellington City Council.

## **7.0 Attachment C – The NZTA’s functions under the Land Transport Management Act**

We contribute to and deliver the land transport network for New Zealand as set out in the Land Transport Management Act 2003. We do this through four main functions:

### **Planning the land transport networks**

We work to integrate land use and transport planning so transport users can make safe and efficient choice when moving themselves and goods around New Zealand. Our planning function enables us to influence the development of a land use and transport network structure that contributes to New Zealand’s economic growth and productivity improvements and to ensure value for money in investments.

As an example of our work in this area, we contributed to the development of the Auckland Unitary Plan which includes as a key principle a ‘one network’ approach. Embedding this approach with Auckland Council and Auckland Transport is progressing well, particularly in the collaborative management and operations of the Auckland Joint Traffic Operations Centre (JTOC). We are working with Auckland Council on the integration of land uses, local road connections to the RoNS, and public transport developments to ensure network efficiency and the realisation of economic benefits. Similarly, we continue to work with CERA and Christchurch City Council on planning for the reconstruction of the city.

### **Investing in land transport**

We are making the optimal set of investments that represent best value for money in the use of the National Land Transport Fund and which deliver on the priorities in the GPS. We work to ensure that investment contributes to economic growth and productivity improvements and to a thriving New Zealand.

We have adopted the 2012–15 NLTP that specifically outlines the projects and programmes for the \$12.28 billion that will be invested over this year and the next two years. The investment in the NLTP gives effect to the GPS and makes a significant contribution to local economies and net national benefit.

### **Managing the state highway network**

The state highway network is one of the country’s most important pieces of economic infrastructure. This strategic network is 12% of New Zealand’s total road network but carries 50% of the vehicle traffic and around two-thirds of the kilometres driven by heavy vehicles. We are the network operator and take a whole-of-life approach to optimum asset management throughout the network. Over time, we want to improve the experiences of drivers on state highways and provide service levels according to road function and to reflect the needs and expectations of freight movers, commuters, tourists, businesses and leisure travellers.

Delivering the RoNS programme focused on the heavily trafficked areas of our major metropolitan areas is a key part of our state highway development and management function.

### **Providing access to and use of the land transport system**

Our work under this function includes regulatory, licensing, registration and enforcement activities and the provision of information to land transport users. It is a key part of informing and shaping people’s transport choices by providing them with clear standards and with good information, and encouraging them to travel safely and efficiently. We also work collaboratively with other network operators to make existing networks safer and more efficient.