

SECTION A

# OVERVIEW OF 2015/16



# CHAIR'S FOREWORD

The NZ Transport Agency's purpose is to create transport solutions for a thriving New Zealand. It is firmly focused on the Government's priorities for a transport system that supports economic growth and productivity, road safety and value for money. These priorities are delivered on through the Transport Agency's strategic direction for 2015-19 and through the National Land Transport Programme that it develops every three years to shape investment in New Zealand's land transport network.

Once again, the Transport Agency has delivered strongly on the goals and priorities that underpin its strategic direction. Investments made through the 2015-18 National Land Transport Programme, presented in the annual report for the National Land Transport Fund, have been an important part of this success.

A major focus for the Board has been overseeing the delivery of the Roads of National Significance and the Crown-funded programmes that the Transport Agency and its partners deliver on behalf of the Government, namely the Urban Cycleways Programme (\$300 million), the Accelerated Auckland Transport Programme (\$1680 million) and the Accelerated Regional Transport Programme (\$212 million). With only a few exceptions, these programmes continue to run to plan and several major milestones were achieved in 2015/16.

Leveraging its leadership role and close relationships with the sector, the Transport Agency collaborated widely to support Auckland's growth and economic development in New Zealand's regions, trialled innovative approaches to improving road safety, and worked with its partners to better integrate the entire transport system, including public transport and road and rail.

Good progress has been made on improving the efficiency of New Zealand's freight supply chain. A partnership with KiwiRail has established the foundations for greater integration of road and rail networks, and the Transport Agency continued its work to ensure major strategic freight routes are reliable and resilient and that connections between local roads and state highways enable freight to move efficiently.

As the rail safety regulator, the Transport Agency made significant ground with monitoring and interventions supporting and encouraging a strong safety culture in rail operator organisations. In other policy areas, it made good progress in focusing on meeting customer needs by improving regulation and encouraging willing compliance to reduce costs for transport users.

The Transport Agency's commitment to delivering value for money is evident in its work to improve asset management practices for state highways and local roads, reduce transaction times and costs for customers, and invest in new technologies to improve the performance of the land transport system.

This year the Board welcomed three new members, Fran Wilde (Deputy Chair), Chris Ellis and Leo Lonergan, who were appointed by the Minister of Transport on 1 May 2016. I also wish to express the Board's gratitude to Dame Patsy Reddy, Tony Lanigan and Jerry Rickman, whose terms ended in 2015/16, for their significant contribution to New Zealand's land transport system.

The Board also appointed Fergus Gammie as Chief Executive in March 2016. Fergus brings extensive sector experience and a passion for transport and the difference it can make to New Zealand. In addition and on behalf of the Board I would like to thank Dave Brash for ensuring continuity as Acting Chief Executive following Geoff Dangerfield's decision to step down in December 2015. Geoff was the inaugural Chief Executive of the Transport Agency and deserves significant credit for the enviable position that the organisation is in today.

As transport solutions evolve, so too do the needs and expectations of our customers. Looking ahead, the Board is focused on positioning the Transport Agency to respond to these changes and to continue delivering an increasingly connected, safe and efficient transport system for New Zealand.

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*Chris Moller*

**CHRIS MOLLER**

Chair

# CHIEF EXECUTIVE'S OVERVIEW

I feel very privileged to have been appointed as the second Chief Executive of the Transport Agency, and I am honoured to be succeeding Geoff Dangerfield, who in my opinion did an excellent job leading the organisation.

The Government's strong focus on transport is in recognition of the fact that transport plays an important part in the lives of all New Zealanders. It touches all our lives and livelihoods. Transport is critical to the growth and prosperity of our communities and building a better future for the nation. New Zealand requires an integrated national transport system that keeps people and freight moving safely and efficiently.

I am proud to be leading an organisation that over the past 12 months has continued to improve the transport system on behalf of the Government. We achieved 94 percent of the milestones that we committed to in our *Statement of performance expectations 2015/16* and delivered a range of initiatives that contribute to the Government's priorities for land transport – economic growth and productivity, road safety and value for money.

Delivering an improved integrated transport system is not something we can achieve on our own. Our stakeholders and partners are critical to our success in delivering value for New Zealanders. We will continue to work closely with our government colleagues and our local government, public transport and freight stakeholders and partners, to deliver value to New Zealand.

An important area of focus for us has been responding to the impact of growth in the Auckland region. The Transport Agency achieved all its annual deliverables under the Accelerated Auckland Transport Programme and dedicated significant time and resources to planning and collaborating on Auckland's transport issues. We have also focused on playing our part in the Auckland Transport Alignment Project, which brings together a number of organisations to address how we can ensure one integrated system that works for Auckland as it continues to grow. There was good progress too on the Accelerated Regional Transport Programme, where construction began (or continued) on all of the tranche 1 projects, and we worked with local government to support economic development opportunities in our regions through transport planning.

We remain focused on understanding what is important to customers and making transport choices easier. Over the past 12 months we have designed an improvement programme to progressively reduce the cost for small- to medium-sized enterprises to do business with us. In a Better Public Services result 9 survey of businesses, we were rated as requiring the least effort to deal with compared with major government agencies and best-performing private sector providers. We also improved the driver licensing experience and we made it easier for customers to interact with us online.

Many more achievements are outlined in this annual report – from our work to improve safety on the rail network to making cycling a safer and more attractive transport choice – to improving freight productivity through the integration of road and rail.



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We are also focused on the safety of our customers. The number of deaths and serious injuries on open roads increased 2.2 percent this year (and 1.3 percent in 2014/15), after years of decline. Addressing this trend is a significant challenge. We are committed to creating a safe road system and have worked in collaboration with our partners to ensure we continue to work harder towards making the system safer. This includes ensuring that improvements to and maintenance of roads and cycling infrastructure, road policing activities and road safety promotion are delivered in line with the government's Safer Journeys strategy and Safe System approach to create a road system increasingly free of death and serious injuries.

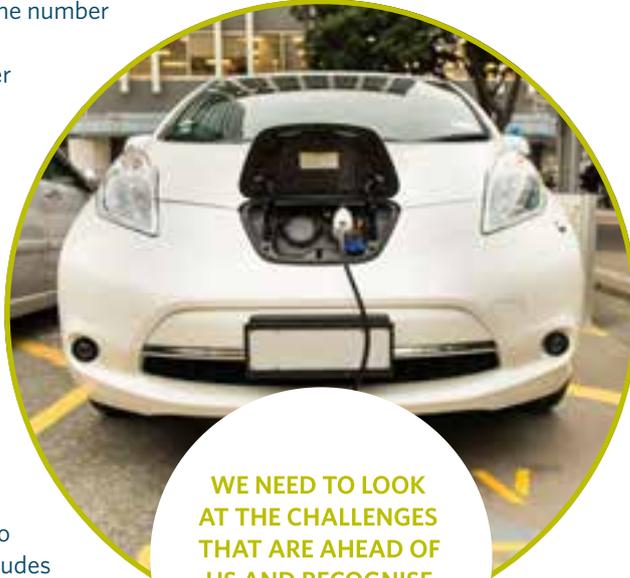
The integrity of the driver licensing system was challenged this year. Since then, we have taken steps to strengthen the integrity of the overall system. This includes strengthening the verification of overseas documents presented by applicants for conversion to a New Zealand licence, improving agent measures for quality assurance and end-to-end quality control and assurance processes.

As an organisation, we have made good progress over the last 12 months – but we have more to do to get to where we want to be.

Turning to the future, we are focused on how the Transport Agency can build on its successful foundation and move to a higher level of performance and delivery. To do this, we need to look at the challenges that are ahead of us and recognise that we live in a rapidly changing world. If we continue to travel on the same path, transport is at risk of lagging behind.

There are key pivot points that we must focus on. Instead of thinking about products and processes, we need to be people centred. It is no longer enough to consider just the roading, rail and public transport networks, we need to be creating a fully integrated transport system. And we must remain focused on delivering value for New Zealand – not just transport outcomes, but social, economic and environmental outcomes that will help shape a better future for New Zealand.

I am looking forward to leading the Transport Agency as we build on our successes and move to a higher level of performance. We will do this by being customer and citizen focused, by focusing on providing an integrated transport system and by being innovative in how we adapt and use new technology.



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**FERGUS GAMMIE**

Chief Executive