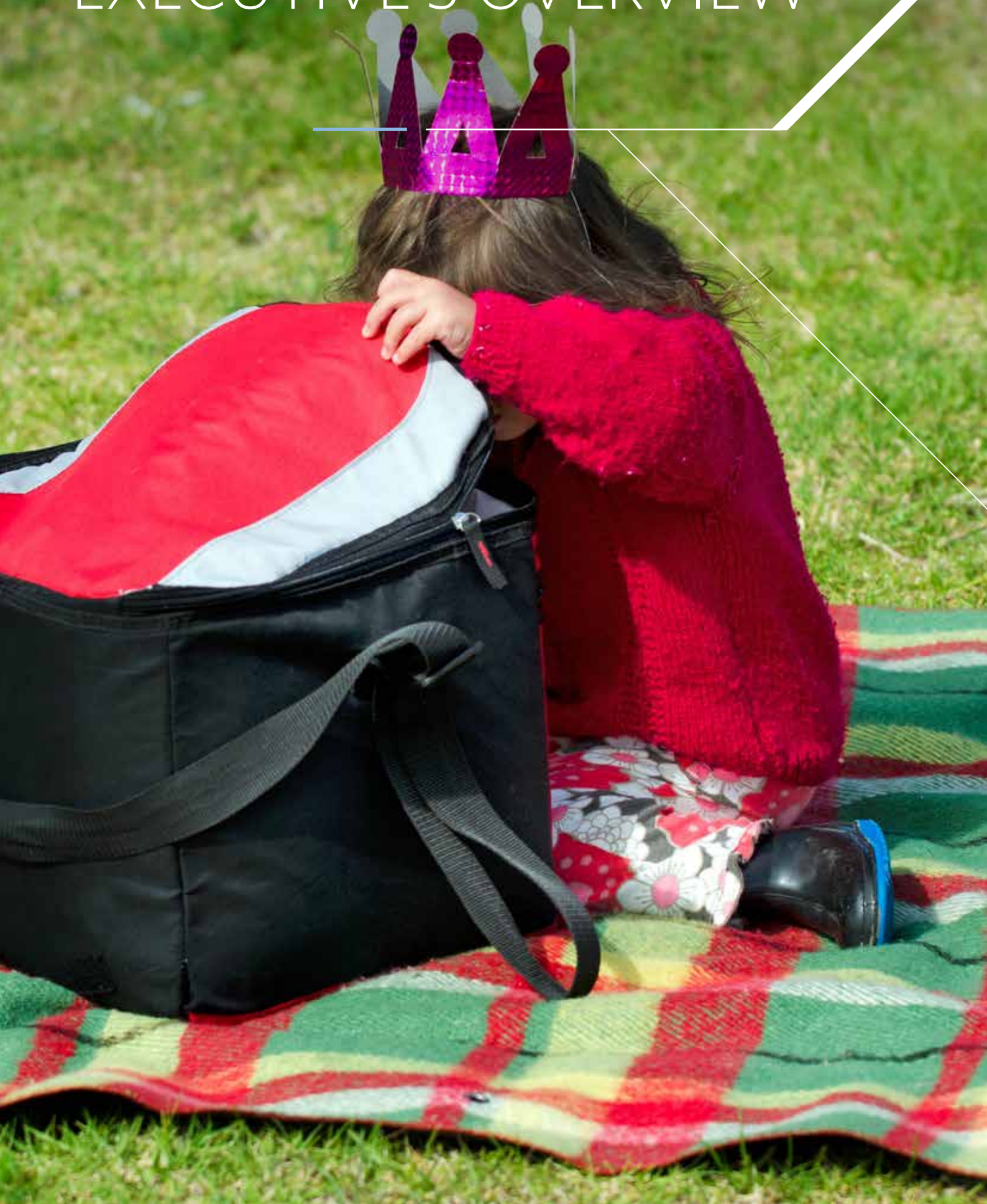


SECTION A

CHAIR AND CHIEF EXECUTIVE'S OVERVIEW



INVESTING IN TRANSPORT SOLUTIONS FOR NEW ZEALAND'S FUTURE

This year was the second year of delivery for the three-year 2015-18 National Land Transport Programme, which is forecast to invest \$13.9 billion in New Zealand's transport system. This investment includes a direct Crown contribution of \$226 million to accelerate the delivery of regionally important state highways and improve cycling networks in urban areas, as well as borrowing \$338 million from the Government to advance critical state highway projects in Auckland.

In 2016/17, the total investment from the National Land Transport Fund was \$3.4 billion, which represents 97 percent of the planned amount published in the 2015-18 National Land Transport Programme. Of the National Land Transport Fund investment this year, 50 percent was invested in economic growth and productivity outcomes, 26 percent in safety outcomes and 24 percent in travel choice, health, environment and resilience outcomes.

In response to the devastating November 2016 Kaikōura earthquake, rapid progress was made in increasing the National Land Transport Fund investment to improve alternative routes following the closure of State Highway 1. To provide a safe, resilient alternative for travellers, significant investment was made to improve the Picton to Christchurch Alternate Route.

State highway programmes, including the Roads of National Significance, made significant progress this year. In Auckland, the Waterview Tunnel — one on the country's largest infrastructure projects ever — was completed and has significantly improved the way people and freight move around the city. Work on the Wellington Northern Corridor also made progress, as the Mackays to Peka Peka section was opened to traffic in February 2017 and construction continues on Transmission Gully.



\$3.4
billion national
land transport
fund investment

Work to reinstate earthquake-damaged roads in Christchurch is almost complete and the completion of the Stronger Christchurch Infrastructure Rebuild Team's Roading Repair Programme represents a significant milestone in the city's recovery. Investment also continued in the Christchurch Roads of National Significance programme. The Groynes to Sawyers Arms section of Christchurch's Western Corridor was opened to traffic and sod turnings were held for the Northern Arterial and Southern Motorway stage 2 sections.

Outside the major metropolitan areas, under a new programme of regional improvements, investment was focused on developing business cases to increase the safety, resilience and efficiency of the regional state highway network. The programme of regional improvements significantly increased in the second year of the National Land Transport Programme. This strong progress is expected to continue in 2017/18.



50%
invested in
economic
growth and
productivity
outcomes*



The Urban Cycleways Programme continued to accelerate walking and cycling activities this year. At the end of 2016/17, two-thirds the Urban Cycleways Programme projects were complete (16 projects) or under construction (20 projects), and the remaining 18 were all either in the investigation stage or design stage.

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

26%
to safety
outcomes

Significant investments from the National Land Transport Fund continued to support the provision of attractive and efficient public transport options for commuters in urban areas. In 2016/17, this included the ongoing implementation of the Public Transport Operating Model and the introduction of new services in Auckland.

As we enter the final year of the 2015-18 National Land Transport Programme, the Transport Agency is well positioned to continue to collaborate with our co-investment partners to meet our investment objectives. These efforts will see us working together to create a transport system that works for everyone and keeps New Zealand moving.



24%
to travel
choice, health,
environment
and resilience

Chris Moller *Fergus Gammie*

CHRIS MOLLER

Chair
NZ Transport Agency

FERGUS GAMMIE

Chief Executive
NZ Transport Agency

TRANSPARENT AND ROBUST INVESTMENT DECISIONS

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

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

The 2015-18 National Land Transport Programme brings in two key initiatives to improve transport investment and decision-making and deliver increased value for money as follows:

- Funding assistance rates for local government activities have been reviewed and updated to better reflect the needs of rural and provincial areas and to make the system fairer between different types of transport activities; and
- The One Network Road Classification is being embedded to establish consistent, fit-for-purpose levels of service for all roads in every part of the country. This enables consistent and fair investment decisions in partnership with local councils for the funding of road maintenance activities.

¹ A report on the scrutiny principle (including assurance information) is in the *NZ Transport Agency annual report* (page 151).

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