

2019/20 QUARTER ONE PERFORMANCE REPORT

01 July to 30 September 2019

VERSION FOR BOARD AND MINISTER

Copyright information

Copyright ©. This copyright work is licensed under the Creative Commons Attribution 4.0 International licence. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/>.

Disclaimer

The NZ Transport Agency has endeavoured to ensure material in this document is technically accurate and reflects legal requirements. However, the document does not override governing legislation. The NZ Transport Agency does not accept liability for any consequences arising from the use of this document. If the user of this document is unsure whether the material is correct, they should refer directly to the relevant legislation and contact the NZ Transport Agency.

Contents

| | |
|--|----|
| PERFORMANCE AT A GLANCE..... | 2 |
| SAFETY | 5 |
| ACCESS | 14 |
| ENVIRONMENT..... | 16 |
| VALUE FOR MONEY AND CAPABILITY..... | 17 |
| FINANCES | 20 |
| APPENDIX 1 – DETAILED RESULTS FOR SIGNIFICANT ACTIVITIES AND OUTPUT CLASSES..... | 25 |
| APPENDIX 2 – SIGNIFICANT CAPITAL PROJECTS..... | 34 |

What this report covers

We report quarterly on the progress we are making against the commitments and plans in our *Amended statement of intent 2018–22* and our *Statement of performance expectations 2019/20*.

This report provides unaudited non-financial and financial performance as at 30 September 2019 and includes the position statement and target state measures (where available), significant activities, output class measures and significant capital projects.

This report also provides an update on key areas of interest to the Minister.

PERFORMANCE AT A GLANCE

Delivery against Government Policy Statement on land transport and ministerial priorities

Safety

- **Deaths and serious injuries remain high** – there were 2,906 deaths and serious injuries across the land transport system (12-month rolling total for 1 July 2018 to 30 June 2019)
- The **road policing delivery plan is complete** and has been launched within NZ Police.
- We are working closely with the Ministry of Transport to **prepare the new road safety strategy and action plan** - release scheduled before the end of 2019.
- The development of a **new regulatory strategy** has begun and is on track. Requirements for a regulatory management system have been drafted and are currently being reviewed. We are on track to have the Transport Agency Board approve the new strategy in March 2020.
- **Incident and near miss reporting** by Transport Agency staff has increased over Q1, related to improved reporting capability. **Total reportable injury frequency rates** rose for contractors.

Access

- Implementation has started on the **mode shift National Action Plan**, Auckland Action Plan and preparing the Transport Agency Readiness Plan to grow the mode share of public transport, walking and cycling.
- **Resilience national business case is underway** and due to be considered by the Transport Agency's Board in March 2020.
- We have delivered our **Highways National Emergency Response Framework** and plan. Trained and available staff can be mobilised to form a national emergency response team if required.

Environment

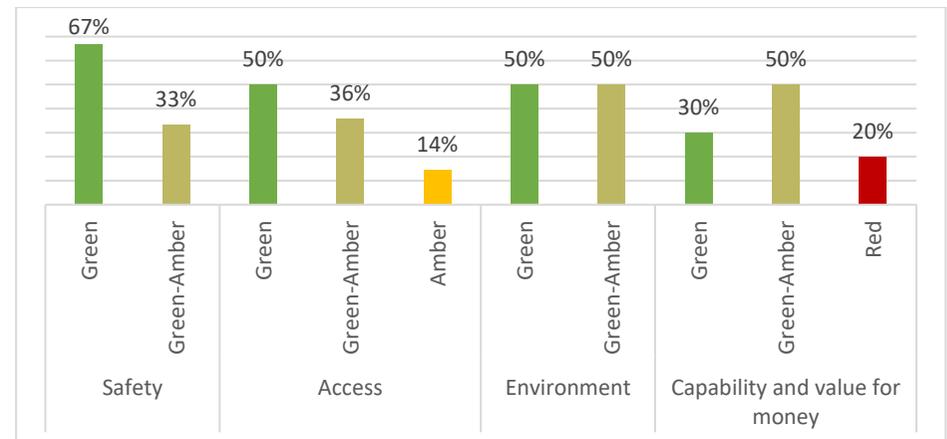
- In June 2019, we drafted a **Sustainability Action Plan** and associated implementation packages and developed a **Sustainability Action Plan Monitoring Framework**. The next steps for implementing the draft action plan will be presented to the Transport Agency's Board in Q2.
- We have also conducted a review of modelling work and research to understand future land transport greenhouse gas emission scenarios.

Value for money and capability

- The **Revitalising the Transport Agency work programme** aims to improve the Transport Agency's capability through a programme of prioritised initiatives that will improve the gaps in the Transport Agency's capabilities. Our next steps are to prioritise each proposed initiative so that a cohesive, achievable plan can be presented to the Transport Agency Board in late 2019.

- Developing a **new approach to improving engagement** with local government and other key stakeholders. We are also developing regional stakeholder plans, going back to stakeholders with the results of the recent stakeholder survey, and providing more regular updates to approved organisations.
- Progress is underway with the design changes to the **Investment Decision Making Framework**. Engagement with stakeholders on design changes is planned to occur either in Q2 or Q3 to align with broader consultation timing by the Transport Agency and the Ministry of Transport. Progress is on track to complete the design phase by December, with adoption of the new design changes after consultation.
- The **benefits management framework** and tools are being piloted with a selection of Christchurch-based councils and staff to test whether the concept works in practice. This pilot is scheduled for completion by Christmas.
- We are **expanding our existing assurance and risk management programme**, including developing an assurance programme for our regulatory function, expected to be approved in Q2.

Delivery confidence for significant activities

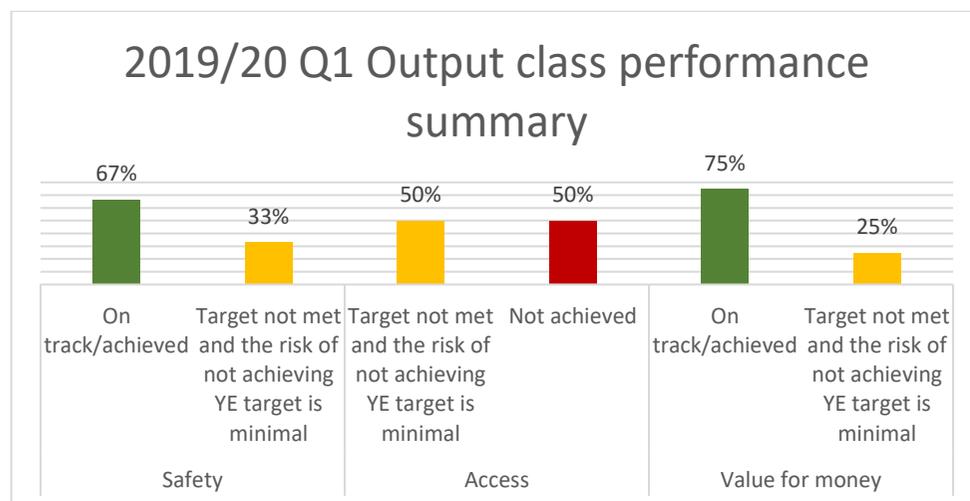


Key to year-end delivery confidence assessment of significant activities

| | | | | | |
|----------|---|----------------------|--|----------|---|
| G | Successful delivery highly likely | G A | Delivery probable but constant attention needed | R | Delivery unfeasible and significant issues exist that appear unresolvable |
| A | Delivery appears feasible but significant issues exist that appear resolvable with prompt attention | A R | Delivery in doubt with major issues requiring immediate attention and whether a solution is feasible | | |

| Rating | Significant activity |
|--------|--|
| R | 4.1 and 4.2 Programmes to invest in high priority technology solutions have insufficient funds. Funds for transport related projects are progressing through the National Land Transport Fund (see page 32 for details). |

Performance of output class measures



Full output class results are included on pages 25–33.

| Rating | Ref | Measure | Variance |
|--------|------|--|--|
| R | SG1 | Proportion of 'on time' payment of Crown SuperGold bulk allocation to approved organisations | 'On time' is defined as in the first quarter. SuperGold funding allocation levels for 2019/20 were approved on 25 September 2019, so no claims were submitted by councils at the end of the quarter and no payments were made. We expect to receive and pay claims in the coming months. (see page 30) |
| A | SHM6 | Availability of state highway network: proportion of unplanned road closures resolved within standard timeframes | Q1 has seen the full impact of winter affect the availability of our network, particularly in the lower South Island, which was affected by prolonged snow and ice and avalanche hazards. Later in the quarter, wet weather has caused flooding and slips in the North Island, which have also taken a long time to re-open (see page 31). |

| | | | |
|---|------|---|---|
| A | REV5 | Proportion of road user charges operators that are investigated or audited against target | No new assessments were started in Q1, but work continues on assessments in progress. This measure has a target of eight new assessments annually (see page 28). |
| A | IM1 | Total cost of managing the funding allocation system as a percentage of National Land Transport Programme expenditure | At the start of the financial year, the spend in managing the funding allocation system is typically ahead of National Land Transport Programme spend. We expect the programme spend to catch up later in the year (see page 33). |

Key

| | |
|-----|---|
| G | On track/achieved |
| A | Target not met and the risk of not achieving year-end target is minimal |
| R | Target not met and will not achieve year-end target |
| N/A | Not available |

Significant capital projects

This quarter, nine significant capital projects are experiencing issues with budget, schedule or quality. Six of these projects are in the implementation phase (Puhoi to Warkworth, Western Ring Route, SH1 WEx Hamilton section, Transmission Gully, Peka Peka to Ōtaki and Christchurch Southern Motorway (Stage 2)).

Full details of progress against significant capital projects are included on pages 34–44.

Urban Cycleways Programme

| Programme progress over 54 projects ^a | | | | \$ | ⌘ |
|--|-----------------------------|-------------------------------|----------------------|----|---|
| 33 completed projects | 18 projects in construction | 1 project in pre-construction | 2 de-scoped projects | ● | ● |
| All the remaining Auckland Transport cycleways projects have reported delays and large potential cost increases. | | | | | |

^a Funding for the urban cycleways programme was extended to 30 June 2021.

Financial performance

| | |
|--|--|
| National Land Transport Fund Revenue | NLTF revenue is 4% (\$40.9 million) below budget due to lower revenue received from fuel excise duty (FED). |
| National Land Transport Programme | NLTP and Crown funded expenditure is 6% (\$50.0 million) below budget primarily due to lower spending on state highway maintenance (\$20.9 million), local road maintenance (\$9.0 million), Accelerated Regional Roding Programme (\$10.5 million) and Kaikōura earthquake response (\$9.8 million). Additional projects that are planned to be funded in full include the state highway component of the Safe Networks Programme, as well as a programme of essential bridge replacements. NLTP funding is now largely committed. The Transport Agency Board has approved re-allocating rapid transit funding of \$313 million to other activity classes. |
| NZ Transport Agency operational expenditure | Operational expenditure is 5% (\$4.5 million) below budget due to business initiatives that are yet to start, and underspend in IT costs due to timing of software licensing and migration to the cloud. While costs to date are under budget, the full-year operational budget is likely to be under significant pressure. Key cost pressures relate to additional cost for regulatory resources. The Transport Agency is preparing the funding and fees review with the goal of a Cabinet paper in March 2020. In the meantime, we are working with Treasury and Ministry of Transport on capital injections to cover the recertification costs and regulatory deficit including the 'back to basics' costs |
| NZ Transport Agency capital expenditure | Transport Agency capital expenditure is 44% (\$2.8 million) below budget due to delays to project spend on the corporate initiative programme, primarily the Auckland regional office relocation |
| Memorandum accounts | Memorandum account balances are \$2.8 million higher than budget due to lower costs paid to agents and lower overheads incurred. |
| Funding and long-term liabilities | The total long-term funding liability at 30 September is \$2,305.7 million incorporating specific loan packages, public-private partnership commitment and the other derivatives. The Transport Agency is compliant with all loan conditions. The notional cash balance in the National Land Transport Fund is \$417.2 million. Given the underspends in the National Land Transport Programme to date, we do not expect to utilise the short-term revolving facility in the 2019/20 |

SAFETY

GPS priority Our position

A land transport system that is free of death and serious injury

Transport safety

It is unacceptable for anyone to be killed or seriously injured while travelling or working on the land transport system

Regulatory

Our systems should be intuitive and clear to ensure people make good transport choices, while harmful behaviour is swiftly dealt with.

Summary

Highlights

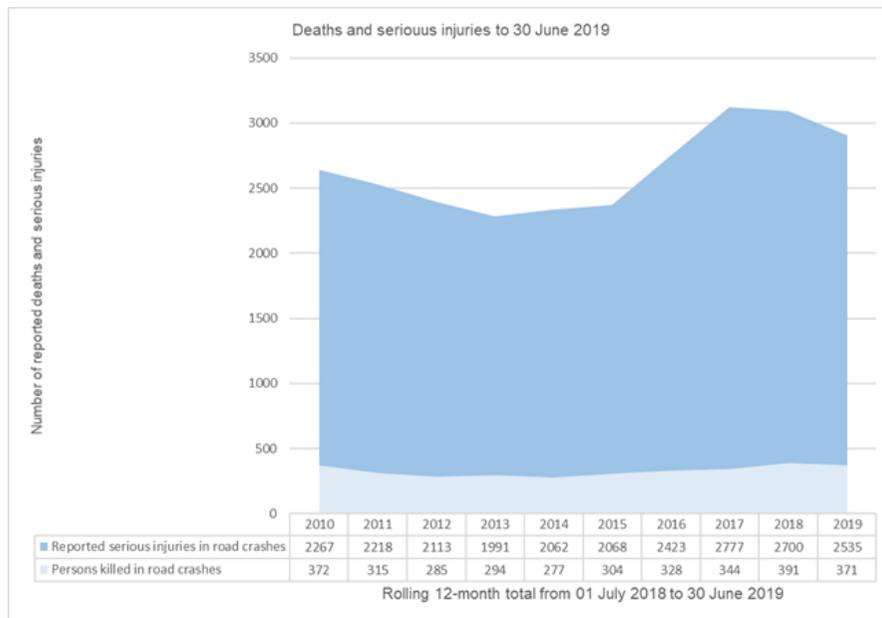
- We have circulated safe and appropriate speed limits to accelerated regions for feedback.
- The Road Policing delivery plan has been completed and launched, and the 2019/21 Road Safety Partnership Programme has been approved by the Minister of Transport.
- A new suite of health and safety dashboards was rolled out across our operations this quarter to allow project managers and management to monitor contractor health and safety performance.

Challenges

- Work is underway on the 'Tackling Unsafe Speeds' package with MoT. Progressing this package and the accelerated regional speed management plans is dependent on rule changes as a result of the pending Cabinet decision.
- The roll out of health and safety tools was delayed due to changes from the new organisation structure and human resources reporting systems.

Position statement performance measures

Safety: Deaths and serious injuries to 30 June 2019



For the period 01 July 2018 to 30 June 2019, the total reported deaths and serious injuries were 2,906 (12-month rolling total). Deaths and serious injuries remain high.

We are working with the Ministry of Transport to support the development of a new road safety strategy and with the New Zealand Police to deliver effective enforcement to reduce road deaths and serious injuries.

Regulatory: Proportion of reviewed non-compliance actions that are in line with Transport Agency regulatory intervention guidelines

Performance of output class measures

| | |
|--|-------------|
| On track (see pages 27 – 28) | 68% (15) |
| Target not met and the risk of not achieving year-end target is minimal <ul style="list-style-type: none"> Seven regulatory output class measures that have not met target this quarter. There is no known risk to year-end delivery (see pages 27 – 28) | 31% (7) |

Setting baseline this year

Significant activities mapped to safety (see page 26)

| | |
|--|------------|
| On track for successful delivery | 67% (6) |
| Probable successful delivery but requires attention <ul style="list-style-type: none"> 1.1 Support the proposed new approach to safe speeds (being developed by the Ministry of Transport) 1.3 Facilitate more automated enforcement, for example safety cameras (with New Zealand Police) 8.2 Implement the health and safety management system to ensure the health and safety of our people and contractors through workplace best practice | 33% (3) |

Road Safety Partnership Programme

An initial performance framework has been developed and included within the Road Safety Partnership Programme. This performance framework aligns to the emerging Road to Zero outcomes framework. The desired outcome is that the proposed activity levels and measures link directly to the Road to Zero intervention, system performance, and outcome indicators.

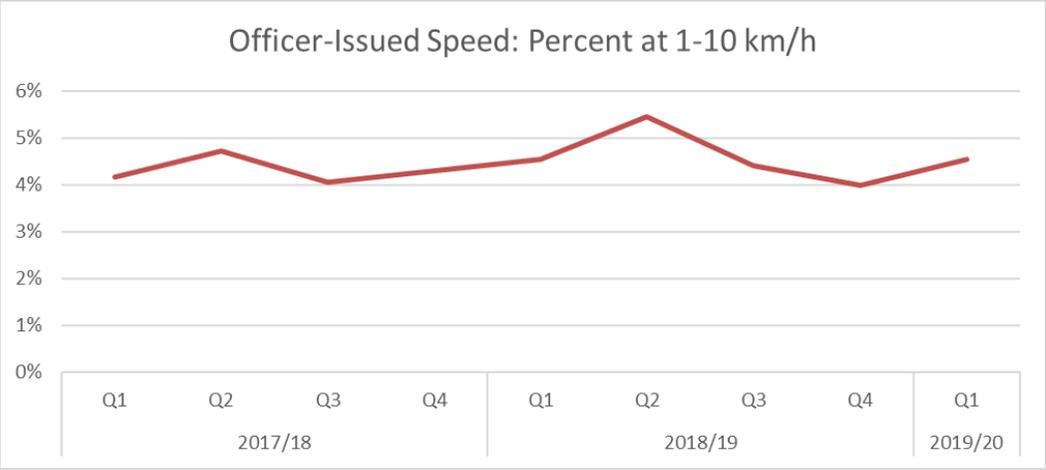
Targets have been developed (where appropriate) for key activities that provide a network wide general deterrence effect and contribute directly to achieving safety outcomes and a reduction in deaths and serious injuries.

The Transport Agency and NZ Police are currently developing a joint reporting framework across both the Road Safety Partnership Programme and Road to Zero outcomes framework to provide assurance and monitor performance.

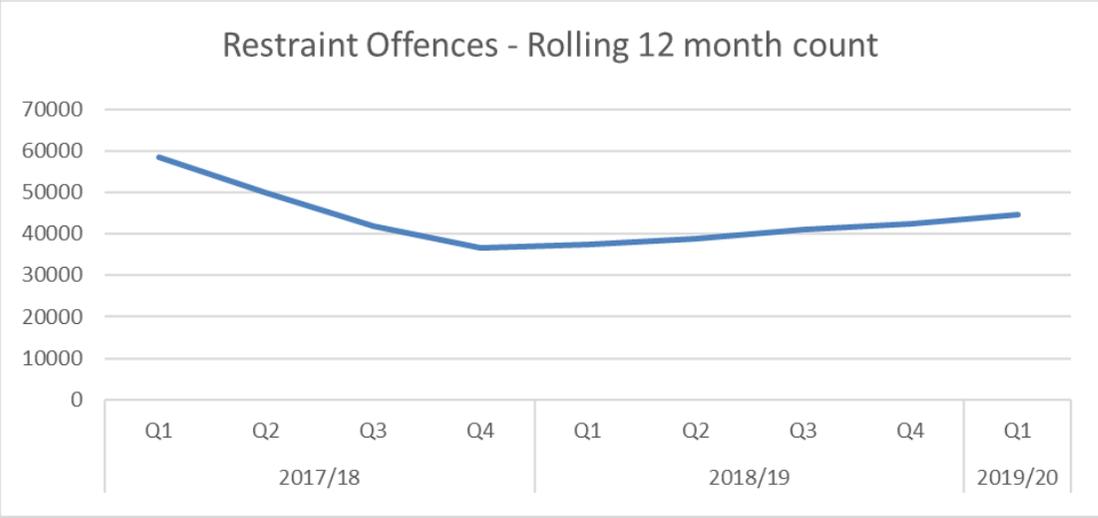
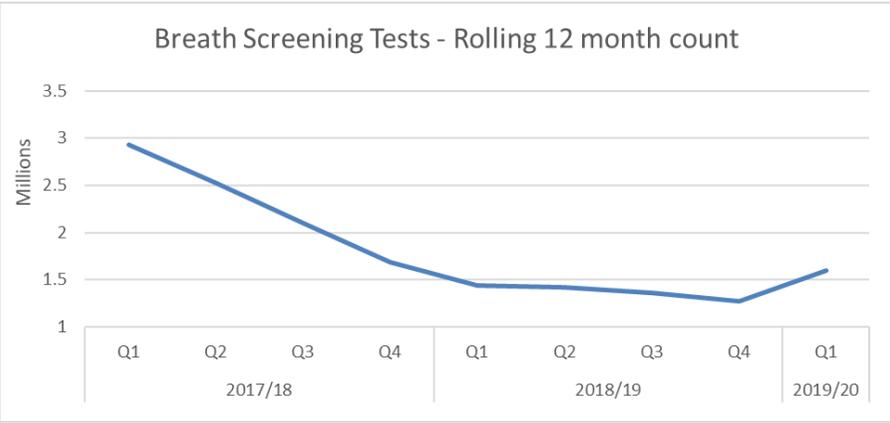
Q1 Road Safety Partnership Programme results

| Operational Priority | Results to which New Zealand police significantly contributes | Annual target | Results to end September 2019 | Variance commentary |
|----------------------|---|---------------|-------------------------------|---|
| Speed | Mobile camera deployment activity (hours) | 80,000 hours | 15,172 hours | In the 12 months to 30 September 2019, 60,668 hours of mobile speed camera hours was delivered by Police. |

| Operational Priority | Results to which New Zealand police significantly contributes | Annual target | Results to end September 2019 | Variance commentary |
|----------------------|--|---------------|-------------------------------|--|
| | | | | <div data-bbox="880 284 1868 703" data-label="Figure"> <p>The chart displays the 12-month rolling total of mobile camera deployment hours. The y-axis ranges from 50,000 to 85,000 in increments of 5,000. The x-axis shows quarters from Q1 2017/18 to Q1 2019/20. The data points are approximately: Q1 2017/18: 80,000; Q2 2017/18: 78,000; Q3 2017/18: 75,000; Q4 2017/18: 63,000; Q1 2018/19: 63,000; Q2 2018/19: 62,000; Q3 2018/19: 61,000; Q4 2018/19: 61,000; Q1 2019/20: 60,000.</p> </div> <p>The trend for mobile safety camera hours is currently static and behind Polices' delivery commitment. This is primarily because of increasing equipment repair requirements and ongoing recruitment of new traffic camera operators. Subject to these factors, it is anticipated that the delivery hours will increase in line with the summer seasonal risk profile.</p> |
| | Number of 1-10km/h officer issued Infringement Offence Notices | 15% | 4.54% | <p>Note: this is a new measure.</p> <p>In the 12 months to 30 September 2019, Police issued 254,907 speed offence notices for speeds exceeding the posted limit by less than 11km/h. Police expect to see an increase in delivery during Labour weekend and the summer season as enforcement increases to ensure safe speeds on our roads.</p> |

| Operational Priority | Results to which New Zealand police significantly contributes | Annual target | Results to end September 2019 | Variance commentary |
|----------------------|--|---------------|-------------------------------|--|
| | | | |  <p>This currently represents 4.54 percent of all officer issued speed notices and is behind the Police commitment of 15 percent by the end of 2019/20. Now the 2019/21 Road Safety Partnership Programme has been approved and this measure confirmed, we expect to see an increase in this percentage as Police increase focus in this area.</p> |
| | Percentage of officer issued [speed] offence notices which are rural | 66% | 57.1% | <p>Note: this is a new measure.</p> <p>In the 12 months to 30 September 2019 the number of officer issued notices in rural areas with a speed limit of greater than 70km/h was at 57.1 percent. This measure is not currently increasing, and the data is being analysed by Police to understand why results are tracking down.</p> |

| Operational Priority | Results to which New Zealand police significantly contributes | Annual target | Results to end September 2019 | Variance commentary | | | | | | | | | | | | | | | | | | | | |
|----------------------|--|---------------|-------------------------------|--|------|----|----|----|----|---------|-------|-------|-------|-------|---------|-------|-------|-------|-------|---------|-------|--|--|--|
| | | | | <table border="1"> <caption>Percent of Speed Notices that are Rural</caption> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>58.5%</td> <td>59.5%</td> <td>59.5%</td> <td>58.5%</td> </tr> <tr> <td>2018/19</td> <td>58.5%</td> <td>57.5%</td> <td>58.0%</td> <td>58.5%</td> </tr> <tr> <td>2019/20</td> <td>57.0%</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | Year | Q1 | Q2 | Q3 | Q4 | 2017/18 | 58.5% | 59.5% | 59.5% | 58.5% | 2018/19 | 58.5% | 57.5% | 58.0% | 58.5% | 2019/20 | 57.0% | | | |
| Year | Q1 | Q2 | Q3 | Q4 | | | | | | | | | | | | | | | | | | | | |
| 2017/18 | 58.5% | 59.5% | 59.5% | 58.5% | | | | | | | | | | | | | | | | | | | | |
| 2018/19 | 58.5% | 57.5% | 58.0% | 58.5% | | | | | | | | | | | | | | | | | | | | |
| 2019/20 | 57.0% | | | | | | | | | | | | | | | | | | | | | | | |
| | Number of Offender Management Plans in place for high risk drivers | 1,700 | 435 | <p>The number of offender management plans is increasing and has increased from 298 at the end of 2018/19.</p> <p>Offender management plans are part of an existing process that collates calls for service into the Police Communications Centres in relation to high-risk driving behaviours. When a number of calls have been received about a particular vehicle, there is intelligence analysis undertaken to ascertain and then profile the likely high-risk driver. This analysis is sent to the relevant district for follow up action with the driver.</p> <p>As the target for this measure has increased to 1700, a new process is being designed that will incorporate the existing process and also include other high-risk behaviour indicators such as demerit suspensions, repeat dangerous or impaired driving.</p> | | | | | | | | | | | | | | | | | | | | |
| Restraints | Number of for restraint offences | 52,000 | 12,345 | <p>Restraint offences are increasing and are generally on track to reach the target.</p> <p>In the 12 months to 30 September 2019 the number of restraint offences was 44,668. This metric is tracking up to the commitment of 52,000 offences detected by the end of the 2019/20 reporting period.</p> | | | | | | | | | | | | | | | | | | | | |

| Operational Priority | Results to which New Zealand police significantly contributes | Annual target | Results to end September 2019 | Variance commentary |
|----------------------|---|---------------|---|---|
| | | | | <p style="text-align: center;">Restraint Offences - Rolling 12 month count</p>  <p>Refer also to the 'Targeted Operations' measure below for additional detail.</p> |
| Impairment | Number of passive breath tests and breath screening tests (BST) conducted | 2,000,000 | 1,519,324 (rolling 12-month total to end September) | <p>In the 12 months to 30 September 2019 1,519,324 passive and breath screening tests were conducted. This is now showing an upward trend and is on target to meet Police's 2019/20 delivery commitment.</p> <p style="text-align: center;">Breath Screening Tests - Rolling 12 month count</p>  <p>It is anticipated that these numbers will continue to increase in line with the targeted operations measure below and also the summer risk focus on impaired driving.</p> |

| Operational Priority | Results to which New Zealand police significantly contributes | Annual target | Results to end September 2019 | Variance commentary | | | | | | | | |
|----------------------------|---|---------------|-------------------------------|---|------------------|---------------------|-------------------|-------|----------------|-------|-------------------------|--------|
| | | | | <p><i>Notes:</i></p> <p><i>There is always a time lag for collating the results of this impairment measure due to the data only being obtained from the yearly calibration of the devices.</i></p> <p><i>The spike this quarter is in part due to over 1,000 devices being returned for calibration (well in excess of the average 600 per quarter), but the average number of tests performed per device has increased.</i></p> <p><i>Data collection solutions that are not based on the annual calibration cycle are being investigated by Police to overcome this issue.</i></p> | | | | | | | | |
| Targeted Operations | Number of RIDS operations | Increase | Increasing | <p>We are still developing the final specification and reporting requirements for this measure, as an operation could be anywhere from a two-person checkpoint to a national operation. However, we consider that national level operations are a more appropriate measure, linked to resultant RIDS offence detection, as reporting on small operations that occur continually is difficult to collate.</p> <p>Since July 2019, Police have been undertaking national monthly thematic RIDS operations. The increase in RIDS offences detected is as a result of these operations for each of the last three months is shown below. The graph shows that distraction offences detected have doubled since the same time last year, with 26 percent and 36 percent increases for speed and restraints detections respectively.</p> <div data-bbox="875 798 2078 1372" data-label="Figure"> <table border="1"> <caption>Improvement from last year</caption> <thead> <tr> <th>Month - Category</th> <th>Percentage Increase</th> </tr> </thead> <tbody> <tr> <td>July - Restraints</td> <td>+ 36%</td> </tr> <tr> <td>August - Speed</td> <td>+ 26%</td> </tr> <tr> <td>September - Distraction</td> <td>+ 105%</td> </tr> </tbody> </table> </div> <p>In the 12 months to September 2019 the number of RIDS offences was showing an upwards trend with the rolling 12 month count at 99,459 up from 85,241 at the same quarter 12 months ago.</p> | Month - Category | Percentage Increase | July - Restraints | + 36% | August - Speed | + 26% | September - Distraction | + 105% |
| Month - Category | Percentage Increase | | | | | | | | | | | |
| July - Restraints | + 36% | | | | | | | | | | | |
| August - Speed | + 26% | | | | | | | | | | | |
| September - Distraction | + 105% | | | | | | | | | | | |

| Operational Priority | Results to which New Zealand police significantly contributes | Annual target | Results to end September 2019 | Variance commentary | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|---|---------------|-------------------------------|---|---------|--------|--------|---------|---------|--|--|--|---------|----|----|----|----|----|----|----|----|----|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| | | | | <div data-bbox="875 276 2069 794"> <h3 style="text-align: center;">RIDS Offences Detected</h3> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <thead> <tr> <th colspan="4">2017/18</th> <th colspan="4">2018/19</th> <th>2019/20</th> </tr> <tr> <th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th> <th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th> <th>Q1</th> </tr> </thead> <tbody> <tr> <td>78,000</td><td>85,000</td><td>70,000</td><td>72,000</td> <td>85,000</td><td>90,000</td><td>80,000</td><td>88,000</td> <td>100,000</td> </tr> </tbody> </table> </div> <p>The themes for the next three months are:</p> <ul style="list-style-type: none"> • October: Impairment • November: Speed • December: Impairment <p>The national operations are continually supported by locally run district operations.</p> | 2017/18 | | | | 2018/19 | | | | 2019/20 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | 78,000 | 85,000 | 70,000 | 72,000 | 85,000 | 90,000 | 80,000 | 88,000 | 100,000 |
| 2017/18 | | | | 2018/19 | | | | 2019/20 | | | | | | | | | | | | | | | | | | | | | | | |
| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | | | | | | | | | | | | | | | | | | | | | | | |
| 78,000 | 85,000 | 70,000 | 72,000 | 85,000 | 90,000 | 80,000 | 88,000 | 100,000 | | | | | | | | | | | | | | | | | | | | | | | |

Health and safety of our people and contractors

Our people – Total recordable injury frequency rates

Current Month : September - 2019

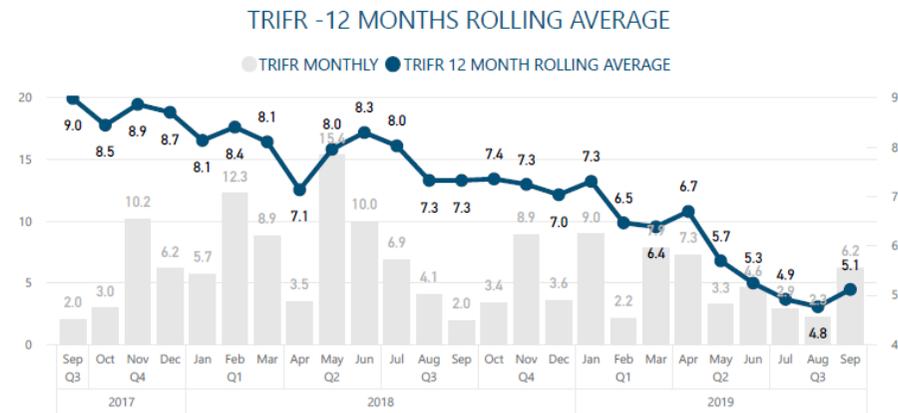


There has been a significant increase in incident and near miss reporting by Transport Agency staff over Q1. This is related to improved reporting capability that has been developed with workplace health and safety representatives and committees.

There was an increase in the report of 'ergonomic discomfort' incidents primarily from displaced staff from the Palmerston North offices.

Contractors – Total recordable injury frequency rates

Current Month : September - 2019



There was a rise in total reportable injury frequency rates (TRIFR) for our contractors. There were six incidents that resulted in workers suffering lacerations or sprains, the primary cause was the use of hand tools and stepping out of mobile plants.

ACCESS

GPS priority

A land transport system that:

- provides increased access to economic and social opportunities
- enables transport choice and access
- is resilient

Our position

Access
Liveable
communities
Resilience

Everyone should have fair and equitable access to the transport system

We will partner to efficiently combine planning and investment for transport and land use and this will result in more vibrant, interactive communities

The resilience of the land transport system is increased by managing risks and long-term resilience challenges and by helping communities quickly recover from disruptions

Summary

Highlights

- Mode shift regional plans are being implemented.
- On-going work continues to progress spatial plans for Queenstown and Northland, including the Greater Waikato-Hamilton spatial plan and ongoing work to influence alignment of the Hamilton to Auckland corridor planning processes.
- Work is underway to identify other areas where urban development could be better supported through transport, for example by improving access to public transport infrastructure and services. We are working with the Local Government New Zealand Transport Special Interest Group on a best practice approach for Regional Land Transport Plan development.

Position statement performance measures

Access to social and economic opportunities – annual +

| Proportion of population within 15 minutes of destination by mode | | | | |
|---|---------|---------|------------------|-----------------|
| | Walking | Cycling | Public transport | Private vehicle |
| Primary schools | 60% | 89% | 69% | 98% |
| Secondary schools | 19% | 71% | 34% | 91% |
| General practitioners | 50% | 83% | 63% | 94% |
| Supermarkets | 38% | 82% | 58% | 94% |

+ most recent result reported 30 June 2019

Proportion of key social and economic corridors with viable alternative routes - annual

Measure under development

Challenges

- There are budgetary pressures to manage for the Auckland Transport Alignment Project due to uncertainty of managing this ten-year programme.
- Funding is not confirmed for the Waiōeka Gorge project to improve resilience and it is still to be determined whether this project will progress within the current NLTP period.

Mode share (proportion of trips by mode) – annual +

| Car or van driver | Car or van driver passenger | Pedestrian | Public transport user (bus, train or ferry) | Cyclist | Other travel mode ¹ | Motorcyclist |
|-------------------|-----------------------------|------------|---|---------|--------------------------------|--------------|
| 59.5% | 24% | 11.9% | 2.5% | 1.3% | 0.6% | 0.2% |

+ most recent result reported 30 June 2019

Mode share (proportion of trips by mode) – annual +

| Proportion of jobs within 45 minutes by mode | | | |
|--|---------|------------------|-----------------|
| Walking | Cycling | Public transport | Private vehicle |
| 7% | 28% | 15% | 45% |

¹ Other travel mode includes aircraft, boats (excluding ferries), mobility scooters and other modes such as horses. Skateboarding and being in a pushchair are included with pedestrians.

Performance of output class results

| | |
|---|--------------------|
| <p>Target not met and the risk of not achieving year-end target is minimal</p> <p>The output class measure Availability of state highway network: proportion of unplanned road closures resolved within standard timeframes did not meet target due to the full impact of winter weather conditions affecting the availability of our network, particularly in the South Island (see page 31, reference SHM6).</p> | <p>50% (1)</p> |
| <p>Target not met and will not achieve year-end target</p> <ul style="list-style-type: none"> The output class measure Proportion of 'on time' payment of Crown SuperGold bulk allocation to approved organisations did not achieve its annual target for 2019/20. SuperGold funding allocation levels for 2019/20 was approved on 25 September 2019. No claims were submitted by councils to pay within Q1 and no payments were made. We expect to receive claim requests in the coming months (see page 30, reference SG1). | <p>50% (1)</p> |

Significant activities mapped to access (see pages 29 – 30)

| | |
|---|--------------------|
| On track for successful delivery | <p>50% (7)</p> |
| <p>Probable successful delivery but requires attention</p> <ul style="list-style-type: none"> 3.1 Partner with the Auckland Transport Alignment Project agencies to implement the indicative package and progress the project's recommendations 3.3.1 Partner with local government and central government agencies to participate in spatial planning, growth strategies, regional and district plans and transport plans, and large multi-modal programmes in Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown, such as the joint approach to integrating urban form and the transport system in the western Bay of Plenty, to ensure integrated land transport planning and investment that supports the Government's transport and urban development outcomes 5.1 Delivering improvements (as detailed in appendix 1) to strengthen and improve the resilience of the land transport system through targeted protection and support works, new roads and assets and asset renewals built to newer design standards. 5.1.4 Mt Messenger and Awakino Gorge Corridor 5.1.1 Kaikōura Coast Earthquake Response. | <p>36% (5)</p> |
| <p>Successful delivery feasible but significant issues exist</p> <ul style="list-style-type: none"> 2.1 Accelerate the shift from private car to public transport, walking and cycling through national system-level initiatives and place-based initiatives in Auckland, Wellington, Christchurch, Hamilton, Tauranga and Queenstown | <p>14% (2)</p> |

ENVIRONMENT

GPS priority
Our position

A land transport system that reduces greenhouse gas emissions, as well as adverse effects on the local environment and public health
Environment We will responsibly manage the land transport system's interaction with people, places and the environment

Summary

Highlights

- We continue to research, assess and prioritise modelling and analytical needs to develop associated evidence base needs and priorities for climate change mitigation, including operational policy work. This review of modelling work and research will enable us to understand future land transport greenhouse gas emission scenarios
- An update on implementing the draft Sustainability Action Plan will be presented to the Transport Agency's board in Q2.

Position statement performance measures

Greenhouse gas emissions from the transport system – annual +

+ most recent result reported 30 June 2019

| Carbon dioxide (kilotonnes) from the road transport network | | |
|---|--------|--------|
| 2016 | 2017 | 2018 |
| 10,800 | 10,800 | 11,500 |

Significant activities mapped to environment (see page 31)

| | |
|---|------------|
| On track for successful delivery | 50% (1) |
| Probable successful delivery but requires attention <ul style="list-style-type: none"> • 6.2 Publish our first annual sustainability monitoring report, focused on climate change mitigation, improving public health (including air pollution) and reducing environmental harm, to establish a baseline from which to measure performance improvements. | 50% (1) |

Proportion of key social and economic corridors with viable alternative routes – annual

Measure under development

VALUE FOR MONEY AND CAPABILITY

GPS priority Our position

A land transport system that delivers the right infrastructure and services to the right level at the best cost

Transport Agency The Transport Agency is respected by partners, stakeholders and customers for its responsive and engaged people and its timely delivery of sustainable transport solutions.

Transport technology We will combine technology and organisational capabilities to enable safer, sustainable and connected journeys

Summary

Highlights

- Work continues to improve and strengthen our risk and assurance function, including developing a risk dashboard for our regulatory function.
- Work continues to close the like-for-like gender pay gap. In Q2, we will seek Transport Agency Bboard approval on the next steps for this work programme.
- We are developing a new approach to improve the way we engage with our stakeholders.
- Progress is on track to complete the Investment Decision Making design phase in Q2, with changes to designs expected to be adopted in Q3 after consultation.

Position statement performance measures

Proportion of Transport Agency partners, stakeholders and customers that report the Transport Agency is responsive, with engaged people and timely delivery of sustainable transport solutions – annual +

45%

+ most recent result reported 30 June 2019

Performance of output class measures

| | |
|--|------------|
| On track (see pages 33 – 34) | 75% (3) |
| Target not met and the risk of not achieving year-end target is minimal | 25% (1) |
| <ul style="list-style-type: none"> • The output class measure <i>Total cost of managing the funding allocation system as a percentage of National Land Transport Programme expenditure</i> did not meet its target this quarter. At the start of the financial year, the spend in managing the funding allocation system is typically ahead of National Land Transport Programme spend. We are expecting the programme spend to catch up later in the year (see page 33 reference IM1). | |

Challenges

- Programmes to invest in high priority technology solutions have insufficient funds. Funds for transport related projects are progressing through the National Land Transport Fund

Customers reporting increased ease of access to transport data and journey choices – annual +

73%

+ most recent result reported 30 June 2019

Significant activities mapped to value for money and capability (see pages 32 – 33)

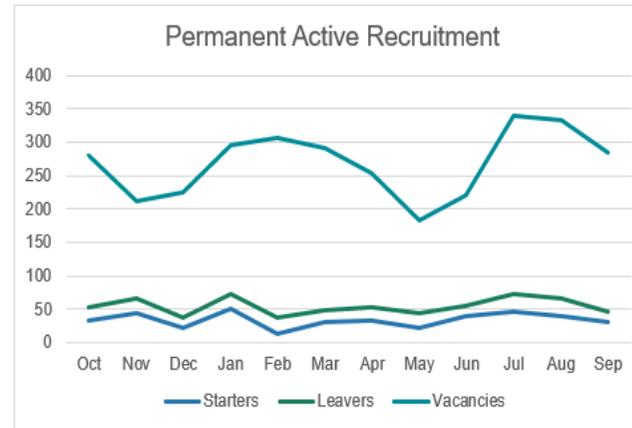
| | |
|--|------------|
| On track for successful delivery | 30% (3) |
| Probable successful delivery but requires attention | 50% (5) |
| Successful delivery appears unachievable: | 20% (2) |
| <ul style="list-style-type: none"> • 4.1 Invest in high priority technology solutions to address risk, resilience and reliability of current technology platforms and provide a modern base that will enhance how we use technology to improve the safety and accessibility of the land transport system • 4.2 Develop an integrated plan to deliver the enabling technology that will support the organisational capabilities needed in the future. | |

Our people metrics

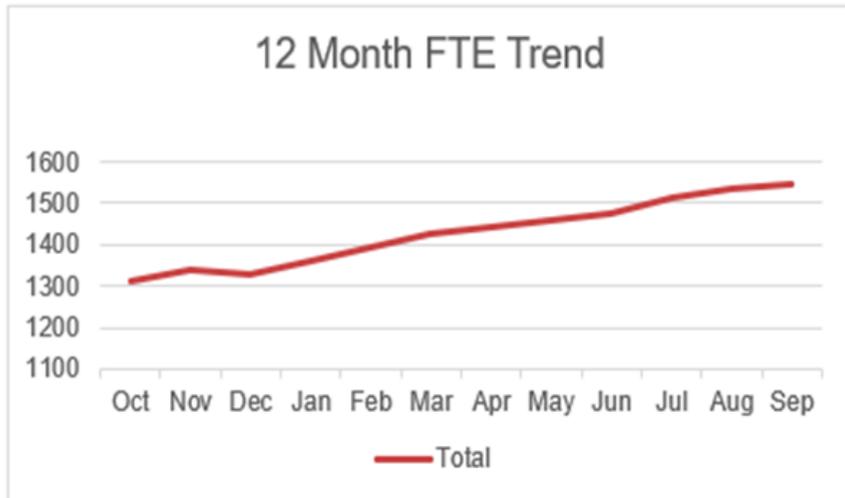
Overview

- There are 1,546.28 full-time equivalent employees (FTEs). Since last quarter, the number of FTEs has grown by 4.95%. This is due to new positions created across the Transport Agency to support delivery and capability.
- As at 30 September 2019 there were 238 permanent, full-time roles in the active recruitment phase
- Voluntary turnover, which includes permanent employees only, sits at 15.3%. This is an increase on the 14.6% from the last quarter.
- Average annual leave balance at the end of Q1 is 11.8 days (entitled leave and accrued leave, less any leave which has been booked for future use). This is a slight increase from the last quarter average of 10.1 days.
- Average sick leave taken over the year is 7.8 days
- Our average annual leave liability as at 30 September 2019 was \$10 million (approximately \$6,280 per person), which about the same as recorded at the same time last year.

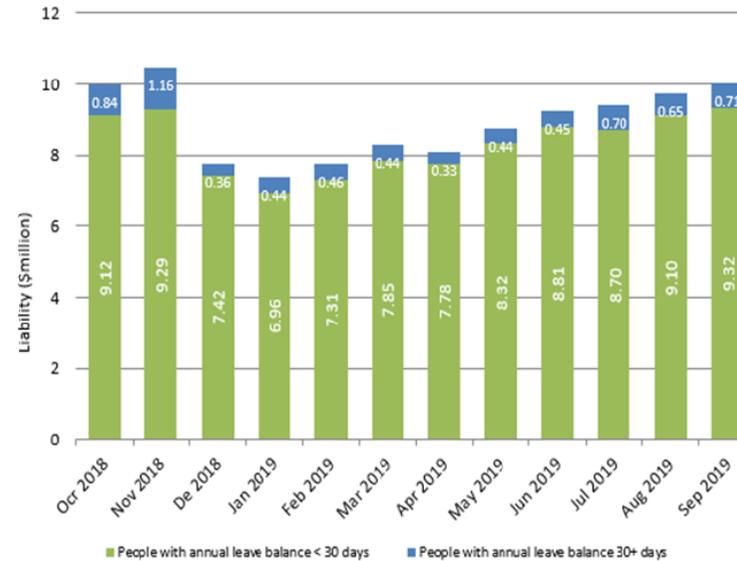
Permanent active recruitment



Full-time equivalent (FTE) employees



Annual leave liability



Urban Cycleways Programme

| Programme progress (54 projects) | | | | \$ | ⌚ |
|----------------------------------|----------------------------------|----------------------------------|---------------------------|---|---|
| Completed (33 projects) | In construction (18 projects) | Pre-construction (1 projects) | De-scoped (2 projects) |  |  |

Highlights

Overall, the Urban Cycleways Programme (UCP) has now completed 84 percent of the project milestones as at 30 September 2019, with \$90 million of the \$100 million in UCF funds spent.

Of the original 54 UCP projects, 19 are still underway. Ten projects are forecast to be completed by 30 June 2020, seven by 30 June 2021, and two projects will be completed after June 2021.

Challenges

In Auckland there continues to be significant delivery risk around the Auckland Transport (AT) cycleways programme. All of the remaining AT projects have reported delays and large potential cost increases. Meetings are being held with AT to resolve programme delivery issues and develop an action plan to agree a realistic and achievable programme within the 30 June 2021 deadline.

Below are projects or project phases that were either completed or started construction in the quarter ending 30 September 2019.

Projects and project stages completed to date in 2019/20

- Completion of the Heathcote Expressway (Ferry Road Section) the final project in the Christchurch Urban Cycleways Programme (Q1)
- Completion of section 3 of the Glen Innes to Tamaki Drive cycleway in Auckland
- Construction completed of the Linton Park Cycle Link in the Rotorua CyWay
- Completion of Te Tuaiwi ('The Spine') in Whanganui
- Completion of stage 1 of the Tahunanui Cycleway in Nelson
- Completion and public opening of sections 4-8 (Plummers Point Loop) of the Omokoroa to Tauranga Cycleway

Projects and Project Stages moved into Construction Phase in 2019/20

- Commenced construction of the Onepoto - Wi Neera shared path in Porirua
- Commenced construction of the Utuhina Cycle Link, the last project in the Rotorua CyWay

FINANCES

Financial performance summary for three months ended 30 September 2019

NATIONAL LAND TRANSPORT FUND REVENUE

\$40 m
below
budget

Revenue year to date is 4% (\$40.9 million) below budget mainly due to lower revenue received from fuel excise duty (FED).

NATIONAL LAND TRANSPORT PROGRAMME (FUNDED FROM THE NATIONAL LAND TRANSPORT FUND) AND CROWN FUNDED EXPENDITURE

\$50.0m
below
budget

Expenditure year to date is 6% below budget primarily due to lower spending on output classes for state highway maintenance (\$20.9 million), local road maintenance (\$9.0 million), Accelerated Regional Roding Programme (\$10.5 million) and Kaikōura earthquake response (\$9.8 million).

The Transport Agency Board has approved re-allocating rapid transit funding of \$313 million to other activity classes.

NZ TRANSPORT AGENCY OPERATIONAL EXPENDITURE

\$4.5m
below
budget

Total operational expenditure is 5% below budget primarily due to business initiatives that are yet to start, and underspend in IT costs due to timing of software licensing and migration to the cloud.

MEMORANDUM ACCOUNTS

\$2.8m
above
budget

Memorandum account closing balances are \$2.8 million above budget, due to lower costs paid to agents and lower overheads incurred.

The rail licensing fee review has been approved by Cabinet and the new fees take effect from 1 January 2020.

The Transport Agency is preparing the funding and fees review with the goal of a cabinet paper in March 2020. In the meantime, we are working with Treasury and Ministry of Transport on capital injections to cover the recertification costs and regulatory deficit including the 'back to basics' costs.

FUNDING AND LONG-TERM LIABILITIES

\$2,305.7
m

The total long-term funding liability at 30 September is \$2,305.7 million incorporating specific loan packages, public-private partnership commitment and the other derivatives. The Transport Agency is compliant with all loan conditions. The notional cash balance in the National Land Transport Fund is \$417.2 million. Given the underspends in the National Land Transport Programme to date, we do not expect to utilise the short-term revolving facility in the 2019/20 financial year.

National Land Transport Fund and National Land Transport Programme for three months ended 30 September 2019

National Land Transport Fund Revenue for three months ended 30 September 2019

| | YEAR TO DATE | | | | 2019/20 | 2019/20 |
|-------------------------------|----------------|----------------|---------------|-------------|----------------|----------------|
| | Actual | Budget | Variance | Variance | Forecast | Budget |
| | \$m | \$m | \$m | % | \$m | \$m |
| Fuel Excise Duty | 504.6 | 533.4 | (28.8) | (5%) | 2,115.1 | 2,063.3 |
| Road user charges | 430.7 | 436.7 | (6.0) | (1%) | 1,757.9 | 1,786.3 |
| MV registration and licensing | 67.8 | 66.3 | 1.5 | 2% | 225.0 | 228.3 |
| Other revenue | 8.5 | 16.1 | (7.6) | (47%) | 26.2 | 70.5 |
| Total NLTF revenue | 1,011.6 | 1,052.5 | (40.9) | (4%) | 4,124.2 | 4,148.4 |

NATIONAL LAND TRANSPORT PROGRAMME (FUNDED FROM THE NATIONAL LAND TRANSPORT FUND) AND CROWN-FUNDED EXPENDITURE FOR THREE MONTHS ENDED 30 SEPTEMBER 2019

| | YEAR TO DATE | | | | 2019/20 | 2019/20 |
|---|--------------|--------------|-------------|------------|----------------|----------------|
| | Actual | Budget | Variance | Variance | Forecast | Budget |
| | \$m | \$m | \$m | % | \$m | \$m |
| State highway improvements* | 271.2 | 280.9 | 9.7 | 3% | 1,278.0 | 1,113.2 |
| Local road improvements | 30.9 | 28.6 | (2.3) | (8%) | 294.0 | 272.0 |
| Road safety promotion and demand mgmt.* | 11.0 | 10.7 | (0.3) | (3%) | 56.0 | 56.8 |
| Road policing | 84.5 | 82.1 | (2.5) | (3%) | 385.0 | 352.1 |
| Regional improvements* | 20.0 | 28.3 | 8.4 | 30% | 162.0 | 134.0 |
| Public transport* | 127.4 | 115.1 | (12.3) | (11%) | 627.0 | 592.7 |
| Walking and cycling* | 7.7 | 15.3 | 7.6 | 49% | 71.0 | 104.5 |
| Rapid transit* | 2.7 | 3.8 | 1.1 | 30% | 40.0 | 180.6 |
| Transitional rail | 11.1 | 3.1 | (7.9) | (253%) | 130.0 | 157.0 |
| State highway maintenance* | 124.8 | 145.7 | 20.9 | 14% | 667.0 | 653.5 |
| Local road maintenance | 99.5 | 108.5 | 9.0 | 8% | 684.0 | 666.0 |
| Investment management* | 17.9 | 15.7 | (2.2) | (14%) | 72.0 | 70.1 |
| NLTP approved expenditure | 808.7 | 837.7 | 29.0 | 3% | 4,466.0 | 4,352.5 |
| Auckland Transport Package* | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 |
| LR (Housing Infrast. Fund)** | 0.9 | 3.5 | 2.6 | 74% | 25.0 | 41.0 |
| NLTF funded expenditure | 809.6 | 841.2 | 31.6 | 4% | 4,491.0 | 4,393.5 |
| Accelerated Regional Roding Programme* | 3.7 | 14.2 | 10.5 | 74% | 50.0 | 54.7 |
| Kaikoura earthquake response* | 6.1 | 15.9 | 9.8 | 62% | 24.0 | 65.0 |
| Provincial Growth Fund | 4.1 | 2.3 | (1.8) | (76%) | 20.0 | 13.5 |
| SuperGold card | 0.3 | 0.0 | (0.3) | 0% | 29.7 | 29.7 |
| Urban Cycleways Programme | 0.5 | 0.8 | 0.3 | 34% | 7.0 | 8.0 |
| Crown funded expenditure | 14.7 | 33.1 | 18.4 | 56% | 130.7 | 170.9 |
| NLTP & Crown expenditure | 824.3 | 874.3 | 50.0 | 6% | 4,621.7 | 4,564.4 |
| * Includes investment in state highways | 445.6 | 505.0 | 59.4 | 12% | 2,447.3 | 2,273.7 |

| | | | | | | |
|--------------------------|--------------|--------------|-------------|-----------|----------------|----------------|
| Operational expenditure | 499.5 | 475.2 | (24.3) | (5%) | 2,795.1 | 2,757.3 |
| Capital expenditure*** | 324.8 | 399.1 | 74.3 | 19% | 1,826.6 | 1,807.1 |
| Total expenditure | 824.3 | 874.3 | 50.0 | 6% | 4,621.7 | 4,564.4 |

** Housing Infrastructure Fund expenditure is being initially funded through Crown borrowings. This has been classified as NLTP expenditure as the debt will ultimately be repaid by the NLTF.

***Excluded from the above numbers are PPPs' and developers' contributions.

National Land Transport Programme (funded from the National Land Transport Fund) and Crown-funded three-year forecast expenditure

| Output Classes | NLTP 2018-21 | | | | GPS FUNDING RANGES | |
|---|-----------------|-----------------|---------------|-------------|--------------------|-----------------|
| | NLTP Forecast | Revised Budget* | Variance | Variance | Lower | Upper |
| | \$m | \$m | \$m | % | \$m | \$m |
| State highway improvements | 3,604.0 | 3,615.0 | 11.0 | 0% | 3,000.0 | 3,850.0 |
| Local road improvements | 877.0 | 753.0 | (124.0) | (16%) | 430.0 | 1,030.0 |
| Road safety promotion and demand mgmt | 157.0 | 188.0 | 31.0 | 16% | 155.0 | 225.0 |
| Road policing** | 1,110.0 | 1,063.0 | (47.0) | (4%) | 980.0 | 1,110.0 |
| Regional improvements | 397.0 | 405.0 | 8.0 | 2% | 200.0 | 530.0 |
| Public transport | 1,797.0 | 1,825.0 | 28.0 | 2% | 1,490.0 | 2,040.0 |
| Walking and cycling | 234.0 | 330.0 | 96.0 | 29% | 235.0 | 360.0 |
| Rapid transit*** | 150.0 | 150.0 | 0.0 | 0% | 150.0 | 760.0 |
| Transitional rail | 376.0 | 376.0 | 0.0 | 0% | 145.0 | 435.0 |
| State highway maintenance | 2,029.0 | 2,007.0 | (22.0) | (1%) | 1,810.0 | 2,130.0 |
| Local road maintenance | 2,021.0 | 2,019.0 | (2.0) | (0%) | 1,800.0 | 2,120.0 |
| Investment management | 215.0 | 215.0 | 0.0 | 0% | 195.0 | 235.0 |
| NLTP approved expenditure | 12,967.0 | 12,946.0 | (21.0) | (0%) | 10,590.0 | 14,825.0 |
| Auckland Transport Package | 12.5 | 12.5 | (0.0) | (0%) | 0.0 | 0.0 |
| Local road improvements (Housing Infrast. Fund) | 80.0 | 80.0 | 0.0 | 0% | 0.0 | 0.0 |
| NLTF funded expenditure | 13,059.5 | 13,038.5 | (21.0) | (0%) | 10,590.0 | 14,825.0 |
| Investment management CAS | 2.3 | 2.3 | 0.0 | 0% | | |
| Accelerated Regional Roding Programme | 83.0 | 82.7 | (0.3) | (0%) | | |
| Kaikoura earthquake response | 154.0 | 189.0 | 35.0 | 19% | | |
| Provincial Growth Fund | 59.0 | 59.0 | 0.0 | 0% | | |
| SuperGold card | 91.0 | 90.0 | (1.0) | (1%) | | |
| Urban Cycleways Programme | 27.0 | 27.0 | 0.0 | 0% | | |
| Crown funded expenditure | 416.3 | 450.0 | 33.7 | 7% | | |
| NLTP & Crown expenditure | 13,475.9 | 13,488.5 | 12.7 | 0% | | |

* Revised budget reflects adjustments made to the original NLTF allocation from reallocating funding from Rapid Transit to other activity classes.

** Subsequent to the revised budget there was additional funding provided to Police, this will need to be funded from other activity classes.

***Expenditure for Rapid transit will be significantly under the \$463 million (original) allocation. Excess funds have been reallocated to other activity classes.

NZ Transport Agency

NZ Transport Agency operational REVENUE; operational AND CAPITAL expenditure for three months ended 30 September 2019

| Operational expenditure | YEAR TO DATE | | | | 2018/19 | 2019/20 |
|---|---------------|---------------|-----------------|---------------|---------------|---------------|
| | Actual \$m | Budget \$m | Variance \$m | Variance % | Actual \$m | Budget \$m |
| Expenditure classified by²: | | | | | | |
| Personnel costs | 48.6 | 49.5 | 0.9 | 2% | 170.7 | 185.4 |
| Operating expenses | 38.8 | 42.2 | 3.4 | 8% | 190.8 | 165.8 |
| Depreciation/amortisation | 3.0 | 3.2 | 0.2 | 6% | 14.7 | 14.2 |
| Transport Agency operational expenditure | 90.4 | 94.9 | 4.5 | 5% | 376.2 | 365.4 |
| Expenditure classified by: | | | | | | |
| NLTP | 44.3 | 46.7 | 2.4 | 5% | 191.4 | 180.0 |
| Regulatory (memorandum account) | 46.1 | 48.2 | 2.1 | 4% | 184.8 | 185.4 |
| Operational revenue | | | | | | |
| Operational revenue (memorandum account) | 43.5 | 42.8 | 0.7 | 2% | 160.9 | 167.3 |
| Capital expenditure | | | | | | |
| Transport Agency capital expenditure | 1.9 | 3.4 | 1.5 | 44% | 14.4 | 14.6 |

² These costs represent the operating costs of the Transport Agency, including some costs that are ultimately allocated to land transport funding activities. Personnel costs include contractors backfilling establishment roles or necessary to address a temporary peak in workload.

MEMORANDUM ACCOUNTS

| Closing Balance | 2018/19 30/06/19 | 30 SEPTEMBER 2019 | | | | 2019/20 30/06/20 |
|-------------------------------|---------------------|-------------------|---------------|-----------------|---------------|---------------------|
| | Actual \$m | Actual \$m | Budget \$m | Variance \$m | Variance % | Budget \$m |
| Border inspection | 4.8 | 4.8 | 4.9 | (0.1) | (1%) | 5.2 |
| Certification review | (2.8) | (3.1) | (3.6) | 0.5 | 12% | (3.5) |
| Driver licensing | (16.0) | (18.9) | (19.3) | 0.4 | 2% | (27.8) |
| Driver testing | 16.1 | 18.3 | 17.2 | 1.1 | 6% | 19.7 |
| Motor vehicle registry | 4.3 | 3.8 | 4.4 | (0.6) | (14%) | 1.7 |
| Over dimension permits | (1.3) | (0.9) | (1.4) | 0.5 | 40% | (1.5) |
| Rail licensing | 0.0 | (1.0) | (0.2) | (0.8) | (519%) | (0.9) |
| RUC collections | 0.3 | (0.1) | (0.5) | 0.4 | 81% | (1.9) |
| Standard development | 4.0 | 4.9 | 4.7 | 0.2 | 4% | 6.7 |
| Transport licensing | 0.3 | (0.8) | (2.0) | 1.2 | 59% | (6.2) |
| Total closing balances | 9.7 | 7.0 | 4.2 | 2.8 | 67% | (8.3) |

Funding and LONG-TERM liabilities

| | BALANCE | | | STATUS | |
|--|-----------------------|------------------|-----------------|------------------------------------|--|
| | September 2019 \$m | June 2019 \$m | Movement \$m | Total Facility Available \$m | Remaining Repayment Period Years |
| Short term revolving facility | 0.0 | 0.0 | 0.0 | 250.0 | N/A |
| Auckland Transport Package loan* | 370.0 | 370.0 | 0.0 | 5.0 | 8 years |
| Tauranga Eastern Link loan | 107.0 | 107.0 | 0.0 | 0.0 | 32 years |
| Housing Infrastructure Fund loan | 3.0 | 3.0 | 0.0 | 357.0 | 10 years |
| Loans | 480.0 | 480.0 | 0.0 | 612.0 | |
| Fair value and other adjustments | (29.6) | (30.8) | 1.2 | | |
| Total loans | 450.4 | 449.2 | 1.2 | 612.0 | |
| Transmission Gully (PPP) | 840.3 | 798.5 | 41.8 | 1,100.0 | 22 years |
| Puhoi to Warkworth (PPP) | 553.3 | 517.9 | 35.4 | 950.0 | 22 years |
| Total public-private partnerships | 1,393.6 | 1,316.4 | 77.2 | 2,050.0 | |
| Derivative financial liability | 461.7 | 461.7 | 0.0 | | |
| Total funding liability | 2,305.7 | 2,227.3 | 78.4 | 2,662.0 | |

*For use by Auckland Transport

APPENDIX 1 – DETAILED RESULTS FOR SIGNIFICANT ACTIVITIES AND OUTPUT CLASSES

Safety

| Key to year-end delivery confidence assessment of significant activities | | | |
|--|---|------------|--|
| G | Successful delivery highly likely by year end | G/A | Delivery probable by year end but constant attention needed |
| A | Delivery appears feasible but significant issues exist that appear resolvable with prompt attention | A/R | Delivery in doubt with major issues requiring immediate attention and whether a solution is feasible |
| R | Delivery unfeasible and significant issues exist that appear unresolvable | | |

Significant activities

| Activity | Budget | Timeline | Intended benefits | Overall year-end delivery confidence |
|--|------------|----------|-------------------|--------------------------------------|
| 1.1 Support the proposed new approach to safe speeds (being developed by the Ministry of Transport) <i>Work is underway on the 'Tackling Unsafe Speeds' package with MoT. Progressing this package and the accelerated regional speed management plans is dependent on rule changes as a result of the pending Cabinet decision. The draft Revision of the Speed Management Guide is delayed to Q2. Safe and appropriate speed limits have been circulated to accelerated regions for feedback.</i> | G | A | A | G/A |
| 1.2 Through the Road Safety Partnership (NZ Transport Agency, NZ Police, Ministry of Transport), develop and maintain a Road Safety Partnership Programme for 2018–21 that: | G | G | G | G |
| 1.2.1 Delivers effective enforcement to reduce road deaths and serious injuries | G | G | G | G |
| 1.2.2 Represents value for money demonstrated through robust monitoring and assurance | G | G | G | G |
| 1.3 Facilitate more automated enforcement, for example safety cameras (with New Zealand Police) <i>The Road Policing delivery plan has been completed and launched within NZ Police and the Automated Compliance programme continues to be developed. The business case (including funding options) is not yet complete and awaits further guidance from the Tackling Unsafe Speeds Cabinet paper which has not yet been presented to Cabinet.</i> | G | A | G | G/A |
| 1.4 Reduce public demand for one-star and two-star safety rated and high-emission light vehicles | N/A | G | G | G |
| 1.5 Support the development and delivery of the new road safety strategy and action plan (with the Ministry of Transport). | N/A | G | G | G |
| 7.1 In 2019/20, we will focus on improving our regulatory processes, systems and capability to enable us to transition towards a best practice regulatory compliance model that delivers to our core regulatory purpose, functions and objectives. | N/A | G | G | G |
| 8.2 Implement the health and safety management system to ensure the health and safety of our people and contractors through workplace best practice <i>The roll-out of the Transport Agency's health and safety incident and event reporting system for staff was delayed to align with the new organisation structure and human resources reporting systems.</i> | G | A | G | G/A |

Output classes

| RAG status key for output class performance | | | | | | | |
|---|--|----------------|---|-----------|---|----------------|---------------|
| G | On track/achieved | A | Target not met and the risk of not achieving year-end target is minimal | R | Target not met and will not achieve year-end target | N/a | Not available |
| Ref | Measure | 2018/19 Actual | 2019/20 Target | Q1 result | Variance | Status | |
| Road safety promotion and demand management | | | | | | | |
| RSP1 | Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria | 89% | ≥80% | 90% | 10% | G | |
| RSP2 | Proportion of road safety education programmes meeting targets for access to road safety information | New measure | Baseline to be set | 50% | N/a | Not applicable | |
| Driver licensing and testing | | | | | | | |
| DLT1 | Unit cost of providing user-facing driver licensing and testing services | New measure | ≤\$25.70 | \$27.25 | -\$1.55 | A | |
| | <i>Target was not met because of lower transaction volumes this quarter.</i> | | | | | | |
| DLT2 | Proportion of driver licence tests booked online | 60% | ≥55% | 63% | 8% | G | |
| DLT3 | Proportion of accuracy of data entry into registers | 97% | ≥97% | 96% | -1% | A | |
| | <i>Target was not met this quarter by an insignificant margin so there is no known risk of not achieving target by year-end.</i> | | | | | | |
| DLT5 | Proportion of audits for driver licence course providers completed against target | New measure | 100% | 100% | 0% | G | |
| DLT6 | Proportion of non-compliance actions for driver licence course providers resolved on time | New measure | 100% | 100% | 0% | G | |
| Vehicle safety and certification | | | | | | | |
| VSC2 | Proportion of motor vehicle licensing completed online | 57% | ≥56% | 58% | 2% | G | |
| VSC3 | Proportion of accuracy of data entry into registers | 97% | ≥97% | 95% | -2% | A | |
| | <i>There has been an increase in unconfirmed owners as part of change of vehicle ownership transactions, affecting a portion of the result..</i> | | | | | | |
| VSC4 | Proportion of vehicles relicensed on time | New measure | ≥98% | 98% | 0% | G | |
| VSC5 | Proportion of audits and reviews for inspecting organisations and vehicle inspectors completed against target | New measure | 100% | 100% | 0% | G | |
| VSC6 | Proportion of non-compliance actions for inspecting organisations and vehicle inspectors resolved on time | New measure | 100% | 100% | 0% | G | |
| Regulation of commercial transport operators | | | | | | | |
| CTO1 | Proportion of commercial operators reviewed or audited against target | New measure | 100% | 100% | 0% | G | |
| CTO2 | Proportion of non-compliance actions for commercial operators resolved on time | New measure | 100% | 100% | 0% | G | |
| CTO3 | Proportion of standard permits issued within approved timeframes (less than or equal to 10 working days) | New measure | 100% | 100% | 0% | G | |
| Regulation of the rail transport system | | | | | | | |
| RTS1 | Proportion of rail participants reviewed or audited against target | New measure | 100% | 86% | -14% | A | |

| Ref | Measure | 2018/19 Actual | 2019/20 Target | Q1 result | Variance | Status |
|--|---|----------------|--------------------|-----------|----------|----------------|
| | <i>We completed 12 out of 14 planned assessments for the quarter. We deferred one planned assessment to undertake an unplanned safety assessment of KiwiRail and deferred another due to resourcing.</i> | | | | | |
| RTS2 | Proportion of non-compliance actions for rail participants resolved on time | New measure | 100% | 100% | 0 | G |
| Revenue collection and administration | | | | | | |
| REV2 | Proportion of chargeable toll trips paid on time | 96% | ≥97% | 97% | 0.00% | G |
| REV3 | Proportion of road user charges licences completed online | New measure | ≥69% | 72% | 3% | G |
| REV4 | Unit cost of providing user-facing road user charges services | New measure | ≤\$3.32 | \$2.85 | \$0.47 | G |
| REV5 | Proportion of road user charges operators that are investigated or audited against target | New measure | 100% | 0% | -100.00% | A |
| | <i>No new assessments started Q1. Work continues on assessments currently in progress. Target of new assessments is eight annually and no known risk of not achieving target by year end.</i> | | | | | |
| REV6 | Proportion of non-compliance actions for road user charges evasion resolved | | 100% | 85% | -15% | A |
| | <i>Currently 3 assessments not active or completed. No known risk of not achieving target by year end</i> | | | | | |
| REV7 | Proportion of identified evaded road user charges repaid ^a | New measure | Baseline to be set | 71% | - | Not applicable |
| REV8 | Proportion of road user charges refund claims processed within 20 working days ^a | New measure | Baseline to be set | 100% | - | Not applicable |
| REV9 | Average number of days taken to process refunds of fuel excise duty | 16 days | ≤20 working days | 20.7 | -0.7 | A |
| | <i>Processing times were affected by the evacuation of the Transport Agency's Palmerston North office building in August when the average processing time went up to 26 days for the month. Processing time improved in September as staff began to settle into new their work environment.</i> | | | | | |
| REV10 | Average number of days to process regional fuel tax rebate claims | New measure | ≤10 working days | 2.0 | 8.0 | G |

^a Although these are new measures where the baseline is to be set for 2019/20, we report quarterly results. The result at year-end will become the baseline.

Access

Significant activities

| Key to year-end delivery confidence assessment of significant activities | | | |
|--|---|------------|--|
| G | Successful delivery highly likely by year end | G/A | Delivery probable by year end but constant attention needed |
| A | Delivery appears feasible but significant issues exist that appear resolvable with prompt attention | A/R | Delivery in doubt with major issues requiring immediate attention and whether a solution is feasible |
| | | R | Delivery unfeasible and significant issues exist that appear unresolvable |

| Activity | Budget | Timeline | Intended benefits | Overall year-end delivery confidence |
|--|--------|----------|-------------------|--------------------------------------|
| <p>2.1 Accelerate the shift from private car to public transport, walking and cycling through national system-level initiatives and place-based initiatives in Auckland, Wellington, Christchurch, Hamilton, Tauranga and Queenstown</p> <p><i>Mode shift work is underway with implementation started on the National Action Plan, Auckland Action Plan and Transport Agency Readiness Plan. Work is underway on an evaluation framework, and the Travel Demand Management Programme is being integrated into the implementation plans. The amber rating reflects the complexity of the different political and planning environments in the six regions, with inconsistent levels of political buy-in to the prioritisation of mode shift. We are working within existing planning processes to focus on mode shift and are building political understanding and support.</i></p> | N/A | A | A | A |
| <p>2.2 As a key partner in the Provincial Growth Fund programme, work with the Provincial Development Unit to advise on investment opportunities and applications and release funding for land transport projects.:</p> | G | G | High | G |
| <p>3.1 Partner with the Auckland Transport Alignment Project agencies to implement the indicative package and progress the project's recommendations</p> <p><i>An Auckland Transport Alignment Project Group, Steering Group and CE Governance Group are in place to effectively deliver ATAP projects. Groups include the Transport Agency, Auckland Council, Auckland Transport, KiwiRail and the Ministry of Transport. The ATAP Project Group has been established to monitor the progress of the ATAP work programme and is a forum where operational issues can be discussed and escalated. The CE Governance Group meets in an oversight capacity to ensure ATAP strategic alignment, funding is secured, and escalated issues are resolved. There are budgetary pressures due to uncertainty of managing this ten-year programme.</i></p> | A | G | High | G/A |
| <p>3.2 Complete the business case for Auckland's light rail project</p> | N/A | N/A | N/A | N/A |
| <p>3.3.1 Partner with local government and central government agencies to participate in spatial planning, growth strategies, regional and district plans and transport plans, and large multi-modal programmes in Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown, such as the joint approach to integrating urban form and the transport system in the western Bay of Plenty, to ensure integrated land transport planning and investment that supports the Government's transport and urban development outcomes</p> <p><i>Overall, year-end successful achievement and delivery looks probable, although with such high-profile partnerships/spatial plans there are many ongoing risks to manage including funding constraints, differences between speed or scope of preferred programmes, and loss of momentum from council governance changes. Risks to the programme will continue to be managed through our work with the Ministry of Housing and Urban Development, Ministry of Transport and other agencies to align our resources across the programme and ensure a joined-up central government approach.</i></p> | G | G | A | G/A |
| <p>3.3.2 Explore areas other than Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown where urban development could be better supported through transport, for example by improving access to public transport infrastructure and services.</p> | G | G | G | G |

| Activity | Budget | Timeline | Intended benefits | Overall year-end delivery confidence |
|---|------------------|------------------|-------------------|--------------------------------------|
| 5.1 Delivering improvements (as detailed in appendix 1) to strengthen and improve the resilience of the land transport system through targeted protection and support works, new roads and assets and asset renewals built to newer design standards. Key projects to deliver this include: <i>We continue to monitor the delivery of the key projects that will deliver resilience outcomes across the land transport system.</i> | A | A | A | G/A |
| 5.1.1 Kaikōura Coast Earthquake Response <i>The reinstatement programme is on track to be substantially complete by the end of 2019. The improvement programme is being worked through with iwi.</i> | G | G | A | G/A |
| 5.1.2 Manawatū Gorge Response | G | G | G | G |
| 5.1.3 Transmission Gully <i>Reasonably good progress was made during the 2019 winter season. Approx. 9.45 million cubic metres of earthworks now complete. Most bridges are now complete, except Takapu Bridge (over Cannons Creek) where work is largely on-schedule, and bridges at Linden/Kenepuru (Bridges 24, 25, 26, 27 and 28), where works are all well advanced. High schedule, scope, budget and engagement risks are being managed closely.</i> | A | A | A | A |
| 5.1.4 Mt Messenger and Awakino Gorge Corridor <i>The Awakino Gorge project is on track with construction to begin in November 2019. We are awaiting a decision from the Environment Court Commissioner on the Mt Messenger Bypass project resulting in delays to ecological mitigation planning and implementation.</i> | A | A | A | G/A |
| 5.1.5 Waiōeka Gorge <i>There is no funding for this project within the current NLTP period.</i> | Unable to report | Unable to report | Unable to report | Unable to report |
| 5.2 Refreshing the Resilience National Programme Business Case to enable us to prioritise where and when to plan and invest in improving resilience for the 2021–24 National Land Transport Programme and beyond | G | A | G | G |
| 5.3 Delivering the Highways National Emergency Response Framework and plan, including training more staff to higher levels in incident management and engaging in internal and external emergency response exercises to increase capability and capacity to respond to significant disruptive events | G | G | G | G |
| 5.4 Investigating the risks of sea level rise to coastal state highways and reviewing and amending asset management plans accordingly | G | A | G | G |
| 5.5 Piloting community engagement projects in Waikato District and Kaikōura District to understand how we can make better decisions before and in response to disruptive events and help communities to be more self-sufficient. | G | G | G | G |

Output classes

| RAG status key for output class performance | | | | | | | |
|---|-------------------|----------|---|----------|---|------------|---------------|
| G | On track/achieved | A | Target not met and the risk of not achieving YE target is minimal | R | Target not met and will not achieve YE target | N/a | Not available |

| Ref | Measure | 2018/19 Actual | 2019/20 Target | Q1 result | Variance | Status |
|--|--|----------------|----------------|-----------|----------|--------|
| SuperGold card - administration of the public transport concessions scheme AND SuperGold card | | | | | | |
| SG1 | Proportion of 'on time' payment of Crown SuperGold bulk allocation to approved organisations | 64% | 100% | 0% | -100% | R |
| <i>We were unable to meet target to make payments within the first quarter due to the late release of SuperGold funding allocation advice to local authorities. The higher than anticipated growth in SuperGold card patronage and increased service cost last year resulted in a funding shortfall in 2018/19. Additional funding requirements meant that there was a need to top-up from the National Land Transport Fund SuperGold contingency. This triggered a review of the shortfall as well as assessment of appropriate</i> | | | | | | |

| Ref | Measure | 2018/19 Actual | 2019/20 Target | Q1 result | Variance | Status |
|--|---|----------------|----------------|-----------|----------|--------|
| | <p><i>funding levels for 2019/20. The review meant collecting data and meeting with some local councils to evaluate evidence and the rationale for spend and forecast. SuperGold funding allocation levels for 2019/20 was approved on 25 September 2019. No claim was received by the end of the quarter and no payments were made. We expect to receive and pay claim requests in the coming months.</i></p> <p><i>As a delay in release of funding allocation is likely to happen again before the end of the current National Land Transport Programme, we will be reviewing the appropriateness of this performance measure for the next financial year.</i></p> | | | | | |
| State highway maintenance | | | | | | |
| SHM6 | Availability of state highway network: proportion of unplanned road closures resolved within standard timeframes | 85% | ≥84% | 79% | -5.40% | A |
| <p><i>Q1 has seen the full impact of winter affect the availability of our network, particularly in the lower South Island which was affected by prolonged snow and ice and avalanche hazards. Later in the quarter, wet weather has caused flooding and slips in the North Island which have also taken a long time to re-open.</i></p> | | | | | | |

Environment

Significant activities

| Key to year-end delivery confidence assessment of significant activities | | | |
|--|---|------------|--|
| G | Successful delivery highly likely by year end | G/A | Delivery probable by year end but constant attention needed |
| A | Delivery appears feasible but significant issues exist that appear resolvable with prompt attention | A/R | Delivery in doubt with major issues requiring immediate attention and whether a solution is feasible |

| Activity | Budget | Timeline | Intended benefits | Overall year-end delivery confidence |
|--|--------|----------|-------------------|--------------------------------------|
| 6.1 | G | G | G | G |
| 6.2 | G | A | G | G/A |
| <p><i>The draft Sustainability Action Plan and indicative implementation packages are under development. Change management plans to enable effective implementation across the Transport Agency were delayed but are now under development. An update on implementing the action plan will be presented to the Transport Agency Board in Q2.</i></p> | | | | |

Value for money and capability

Significant activities

| Key to year-end delivery confidence assessment of significant activities | | | |
|--|---|------------|--|
| G | Successful delivery highly likely by year end | G/A | Delivery probable by year end but constant attention needed |
| A | Delivery appears feasible but significant issues exist that appear resolvable with prompt attention | A/R | Delivery in doubt with major issues requiring immediate attention and whether a solution is feasible |
| | | | R Delivery unfeasible and significant issues exist that appear unresolvable |

| Activity | Budget | Timeline | Intended benefits | Overall year-end delivery confidence |
|---|----------|------------|-------------------|--------------------------------------|
| 4.1 Invest in high priority technology solutions to address risk, resilience and reliability of current technology platforms and provide a modern base that will enhance how we use technology to improve the safety and accessibility of the land transport system <i>The programme has insufficient funds overall as there is a \$9 million shortfall in the funds allocated to the programme. Unless this is funded the overall outcomes will not be achieved. Funds for transport related projects are progressing through the NLTF</i> | G | G | R | R |
| 4.2 Develop an integrated plan to deliver the enabling technology that will support the organisational capabilities needed in the future. <i>The programme has insufficient funds overall as there is a \$9 million shortfall in the funds allocated to the programme. Unless this is funded the overall outcomes will not be achieved. Funds for transport related projects are progressing through the NLTF</i> | G | G | R | R |
| 8.1 Identify ways to improve how the Transport Agency's culture, capability (people, policy, process and technology platforms) and capacity can support its strategic intentions, including: <i>Work is underway, however, there are challenges to manage, specifically in the areas of building a robust assurance and risk management programme and improving internal technology.</i> | G | G/A | G/A | G/A |
| 8.1.1 Continue to develop and implement our workforce strategy and supporting capability plan, focused on identifying future capabilities required and how we might develop, recruit, build or partner with others to bring these skills into the Transport Agency to ensure we have the capability to take a strong leadership role in the investment and delivery of public transport, rail and walking and cycling to achieve government outcomes: | G | G | G | G |
| 8.1.2 Expand our existing assurance and risk management programme over core internal controls, probity, contract management and infrastructure projects. This will provide greater insight and assurance over the delivery of our strategy and monitoring of key risks <i>We are developing an assurance programme to expand our existing assurance and risk management programme, including developing an assurance programme for our regulatory function. The assurance programme is expected to be approved in Q2.</i> | G | A | A | G/A |
| 8.1.3 Identify the organisational capabilities and enabling technology systems we need to improve while, in parallel, addressing immediate technology needs and capability gaps. <i>The Revitalising the Transport Agency is under way. The program has assessed our current state, identified future state capabilities, and completed a gap analysis. We have used an industry reference model to understand the current capabilities that exist. Work is now underway to plan the work program to address the capability gaps. The consolidated plan of how we will deliver the prioritised initiatives to uplift the Transport Agency's capability, including accelerated work streams, will be presented in late 2019.</i> | G | G | A | G/A |

| Activity | Budget | Timeline | Intended benefits | Overall year-end delivery confidence |
|---|--------|----------|-------------------|--------------------------------------|
| 8.1.4 | G | G | G | G |
| 8.3.1 | G | A | G | G/A |
| <p><i>Workshops have been held with councils and central government to progress design changes on prioritisation and assessment design changes to the Investment Decision Making Framework. The emerging design changes are incorporating a mode neutral approach that considers monetised and non-monetised impacts on a wide range of outcomes. Delays have been experienced with some pieces of work, including the prioritisation and update of investment policies. Progress is on track to complete the design phase by December, with adoption of designs in the Q3 after consultation. Engagement with wider stakeholders including iwi and disability representatives is being planned to occur either in the second or third quarter to align with broader consultation timing by the Transport Agency and the Ministry of Transport.</i></p> | | | | |
| 8.3.2 | G | A | G | G/A |
| <p><i>Benefit metrics for the transport system have been confirmed by the Ministry of Transport using data collected by the Transport Agency. The Draft Investment Decision Making Framework (IDMF) has been developed, with the detailed changes being developed during the design phase. Implementation is expected to be rolled out in the third and fourth quarters.</i></p> | | | | |
| 8.4 | G | G | G | G |

Output class measures

RAG status key for output class performance

G On track/achieved **A** Target not met and the risk of not achieving YE target is minimal **R** Target not met and will not achieve YE target **N/a** Not available

| Ref | Measure | 2018/19 Actual | 2019/20 Target | Q1 result | Variance | Status |
|------------------------------|--|----------------|--------------------|-----------|----------|-----------------------|
| Investment management | | | | | | |
| IM1 | Total cost of managing the funding allocation system as a percentage of National Land Transport Programme expenditure <i>At the start of the financial year, the spend in managing the funding allocation system is typically ahead of National Land Transport Programme spend. We are expecting the programme spend to catch up later in the year.</i> | 1.03% | ≤1.1% | 1.23% | -0.13% | A |
| IM2 | Proportion of investments that meet the Transport Agency's investment thresholds level | 89% | 100% | 100.00% | 0.00% | G |
| IM3 | Proportion of planned transport system master planning activities delivered ^a | New measure | Baseline to be set | 11% | - | Not applicable |
| IM4 | Proportion of transport system master planning activities delivered that were not planned ^a | New measure | Baseline to be set | 0% | - | Not applicable |
| IM6 | Proportion of investment audit activities completed | 100% | 100% | 100% | 0 | G |
| IM7 | Average number of days to action new funding approvals | | ≤20 working days | 6.1 | 13.9 | G |

^a Although these are new measures where the baseline is to be set for 2019/20, we report quarterly results. The result at year-end will become the baseline.

APPENDIX 2 – SIGNIFICANT CAPITAL PROJECTS

Capital projects reporting Q1 2019/20

Overview

This report provides a summary of significant capital projects (as outlined in our *2019/20 Statement of Performance Expectations*) that are on track and off-track and key issues. Reporting is against the following keys:

KEY

| Programme budget (overall progress against budget) | | Programme schedule (against overall project and quarterly milestone) | | Programmes risks (overall) | |
|---|----------------|---|-------------------------|---|--|
|  | On budget |  | On schedule |  | No known risks to future delivery, costs or quality |
|  | 5-10% variance |  | Over schedule <3 months |  | There are risks to future delivery, cost increases and quality issues that require constant monitoring |
|  | >10% variance |  | Over schedule >3 months |  | There are significant risks to delivery cost increases and quality that will adversely impact project |

Progress status towards delivery of 2019/20 milestones

| | | | | | |
|---|--|---|--|---|--|
|  | On-track and there are no known risks to achieving the year end milestone. |  | There are some issues/delays but there are no known risks to achieving the year end milestone. |  | There are significant issues/delays and there are risks of not achieving the year end milestone. |
|---|--|---|--|---|--|

Kaikōura earthquake response and Manawatu Gorge response

| | | | | |
|--|---|---|---|---|
| Kaikōura earthquake recovery | |  |  |  |
| <p>Reinstatement programme: The reinstatement programme is on track to be substantially complete by the end of 2019 even with North Canterbury Transport Infrastructure Recovery (NCTIR) taking on the remaining Route 70 repairs and KiwiRail's improved level of service project through Half Moon Bay.</p> <p>Improvement Programme: The implications of the shared path planned as part of the SH Improvement programme are being worked through with local iwi. NCTIR continues to adapt their engagement and communications strategy to respond to feedback that is being received from the community on barriers and the shared path.</p> | | | | |
| 2019/20 milestone | Construction continues | | | |
| Q1 milestone | Construction continues. <ul style="list-style-type: none"> • Debris flow bridge in Half Moon Bay complete • Jacobs Ladder a temporary rail bridge removed • Handover of 50% of projects completed • SUP scope confirmed | | | |
| Te Ahu a Turanga, Manawātū Tarana Highway (Manawātū Gorge Replacement) | |  |  |  |
| <p>Schedule: Alliance awarded, first enabling works consent lodged, Notice of Requirement appeal mediation almost completed although there is still a risk of this ending up in the Environment Court, Interim Project Alliance Agreement signed. Landowner negotiations continue</p> | | | | |

| | |
|--|--|
| Risks | |
| - Regional consenting process and appeals This risk is being mitigated by Identifying potential appellants and working with them through the application process. | |
| 2019/20 milestone | Designate corridor designation, award alliance and start regional consenting |
| Q1 milestone | <ul style="list-style-type: none"> Award Alliance Lodge enabling works consent application (tranche 1) Concept design ratified Sign interim Project Alliance Agreement |

Significant state highways

Detailed Business Case phase

| | | | | |
|--|---|----|----|---|
| Warkworth to Wellsford | | \$ | OK | ● |
| The Detailed Business Case for Warkworth to Wellsford is now complete and going through approval processes. | | | | |
| 2019/20 milestone | Route protection application (designation and consents) decisions announced. | | | |
| Q1 milestone | Continue to develop Assessment of Environmental Effects and Detailed Business Case. | | | ● |
| Q1 progress update against milestone | Further funding to complete the route protection process has been approved. | | | |
| | Documents required to lodge applications for route protection (designation and construction consents) are complete. However, completion of the route protection process by Feb 2020 is no longer possible, as the process is expected to take approximately eight months to complete. | | | |
| Ōtaki to Levin | | \$ | OK | ● |
| The O2NL project is now proceeding with the Detailed Business Case and Notice of Requirement. The project plan will reflect new scope, budgets and milestones. | | | | |
| 2019/20 milestone | Subject to re-evaluation for programme and funding | | | |
| Q1 milestone | No Q1 milestone | | | |

Implementation phase

| | | | | |
|--|---|----|----|---|
| Puhoi to Warkworth | | \$ | OK | ● |
| While limited earth works were undertaken during the winter season, the project is well set up for the summer earthworks season which begins in October. Structures are progressing well and are on target. Overall construction is progressing well, however significant work remains to be completed, including finalising property purchase and design of the northern connection. The project builder is under cost pressure to deliver the project within budget. | | | | |
| 2019/20 milestone | Construction continues. | | | |
| Q1 milestone | <ul style="list-style-type: none"> Moir Hill Bridge to reach practical completion Utility relocation works in Northern Zone Perry Road Underpass and utility relocation works in the central south area to reach practical completion 200,000m3 of earthworks | | | ● |
| Q1 progress update against milestone | <p>Progress at Mori Hill is good, on target for practical completion.</p> <p>Foundations have been laid at Perry Road with outstanding property issues nearing agreement.</p> <p>Utility works at the Northern Zone remain a challenge (property issues)</p> <p>Perry Road Underpass works close to achieve practical completion.</p> <p>Central South Utility relocation works progressing</p> <p>Earthworks were progressing during the wet winter period but did not achieve the 200,000m3 milestone. The Contractor intends to use the next quarter to catch up on the earthworks</p> | | | |

| | | |
|--|---|---|
| Western Ring Route | |    |
| Project completion expected by end 2019. This is later than initially planned. There has been a significant slip which has impacted the programme schedule. The project is under cost pressure due to the complexity of the works, and delays caused by the slip. | | |
| Key risks: | | |
| <ul style="list-style-type: none"> Wet weather Resource availability | | |
| 2019/20 milestone | Practical completion achieved. | |
| Q1 milestone | Completion of Lincoln Road Bridge |  |
| SH1 WEx Longswamp Section | |    |
| The project is scheduled to open to public with four lanes before Christmas 2019. The contractor will complete final work on northbound lanes by April 2020. There are no major risks to report. | | |
| 2019/20 milestone | Practical completion achieved. | |
| Q1 milestone | Pavement construction completion |  |
| SH1 WEx Huntly Section | |    |
| The project is scheduled to open to traffic in Q2 2019/20. There are no major risks to report. | | |
| 2019/20 milestone | Practical completion. | |
| Q1 milestone | No Q1 milestone | |
| SH1 WEx Hamilton Section | |    |
| Budget: While forecast is currently within the allocated budget, the project Total Outturn Cost continues to be under pressure. | | |
| Schedule The project was reset in June 2019 to a new forecast completion date of June 2021. The cause of the delay is the weather conditions in earlier seasons delaying the critical earthworks activities, and the lack of available resources for road construction during the following seasons. | | |
| Two construction seasons are required to complete the project, there continues to be operational and resourcing risks to the project which may affect the program completion date. | | |
| 2019/20 milestone | Continue construction | |
| Q1 milestone | Complete initial traffic switch for southern interchange |  |
| Transmission Gully | |    |
| Good progress was made during the 2019 winter season. 9.45 million cubic metres of earthworks have been completed and most bridges are now complete. The network operational readiness work is on programme. High schedule, scope and engagement risks are being managed closely. The Contractor is facing both financial and time challenges. The Builder has raised a claim for global delays and is in financial duress with significant losses accruing through to completion. We are currently working with them on this. | | |
| 2019/20 milestone | Construction continues. | |
| Q1 milestone | D&C Milestone 6: Deck established at James Cook Interchange Bridge |  |
| Peka Peka to Ōtaki | |    |
| An extension of time is currently being finalised due to the introduction of a Shared Use Path and changes to pavement design. Associated costs are being finalised. | | |
| 2019/20 milestone | Construction continues. | |
| Q1 milestones | <ul style="list-style-type: none"> Commence pavement trials Open Gear Road to traffic |  |

| | | | |
|---|---|--|--|
| Q1 progress update against milestone | Pavement trials have commenced. Milestone achieved. Open Gear Road to traffic - due to longer than anticipated culvert construction, this opening has moved in to the next quarter. However, this has had no impact on the project timeline. | | |
| CHCH Northern Arterial Rural with QE2 | | | |
| The project is on schedule for a June 2020 opening. A decision has been made to fund construction of the HoV lane and supporting ITS. Achieving required settlement is still on the critical path to completion. Construction is progressing well, and we moved traffic onto the new carriageway of QE2 drive in January. | | | |
| 2019/20 milestone | Complete all bridges | | |
| Q1 milestone | Deconstruct QE2 abutment walls | | |
| CHCH Southern Motorway (Stage 2) | | | |
| The project is due to be completed in May 2020, two months later than expected and is over budget due to a number of design and construction issues. We have reached an in-principle agreement with the contractor to resolve outstanding matters and to allow construction to be completed to the required standards. | | | |
| 2019/20 milestone | Complete all bridges. | | |
| Q1 milestone | Complete 5/8 Bridges | | |

Post implementation phase

| | | | |
|--|-------------------------------|--|--|
| SH1 WEx Rangiriri Section | | | |
| In defects liability period. The project is open to traffic. | | | |
| 2019/20 milestone | Place final asphalt surfacing | | |
| Q1 milestone | No Q1 milestone | | |

Significant investments in Auckland

Detailed Business Case phase

| | | | |
|---|---|--|--|
| Auckland Harbour Bridge Walking and Cycling facility | | | |
| <p>Consultation has taken place for the Auckland Harbour Bridge Shared Path and the detailed business case is currently being finalised prior to reporting to the Board.</p> <p>Endorsement of the Procurement strategy is being sought, as well as a request to proceed to the pre-implementation phase and seek implementation funding will be considered by the Transport Agency board in Q2.</p> <p>Risk: The SkyPath Trust IP matter is due to be resolved in November 2019. Once resolved, we can complete the transfer of the consent from Auckland Council.</p> <p>A number of risks remain and are being managed through project and governance processes:</p> <ul style="list-style-type: none"> the cost of the project will be more than allowed for in the NLTP. we won't be allowed to vary the existing consent. If not, the consenting process could be longer than currently programmed. the property impacts are greater than initially envisioned. | | | |
| 2019/20 milestone | Complete detailed business case and seek approval and funding for preferred option. Commence consenting for preferred option (if consenting unnecessary, complete detailed design for preferred option) | | |
| Q1 milestone | Undertake consultation on preferred option. | | |
| Additional Waitemata Harbour Connections | | | |
| We are currently developing a business case, the draft of which will be completed in early 2020, slightly later than the originally planned 2019, due to the complexities of the project | | | |

| | |
|---|--|
| <p>Schedule: The draft business case is being reviewed by project partners. Reporting dates to the NZTA board have not been confirmed.</p> <p>Risks/issues: Alignment of project scope with stakeholders.</p> <p>Costs and processes arising from land acquisition.</p> | |
| 2019/20 milestone | Complete business case. |
| Q1 milestone | Complete draft business case. |
| Q1 progress update | The draft business case is complete.  |

Pre-implementation phase

| | |
|---|--|
| East West Link    | |
| <p>We are continuing to investigate a re-evaluated scope for the project.</p> <p>Schedule: We continue with defence of Environment Court appeals</p> <p>Risks/issues: That we are unable to develop a suitable scope within the allocated ATAP funding.</p> | |
| 2019/20 milestone | No confirmed milestones |
| Q1 milestone | Continue discussions with appellants to the designation.  |
| Q1 progress update against milestone | Discussions with Mercury are continuing with the aim of resolving appeals. All other appeals are going to court in mid-2020. |

Implementation phase

| | |
|--|---|
| Northern Corridor Improvements - Overall Package    | |
| The target completion date remains May 2022, project remains on budget. | |
| 2019/20 milestone | Construction continues. |
| Q1 milestones | <ul style="list-style-type: none"> Report & approve price level adjustment \$120.1m Reconcile Hockey VO Reconcile SH1-18 Enabling VO Reconcile RBS B/W Bridge Do Minimum VO & Signoff by AT of VO agreement Sign Alexander & Rosedale Rd AT VO Agreements Lodge RBS RMA Application Sign HHCT Early Access Agreement  |
| SH1 Southern Corridor Improvements    | |
| <p>Three lanes in both directions remain on track to be completed before Christmas 2019. The remainder of the project, including Shared User Path and Great South Rd local road improvements, remain on track for completion by end Feb 2020.</p> <p>We are continuing to work with several landowners on claims raised around damage to properties during construction.</p> | |
| 2019/20 milestone | Construction completed and handed over to the network team |
| Q1 milestone | Completion of the Pahurehure Inlet bridge  |

Investment in regional connections

Business Case phase

| | | | | |
|--|--|----|----|---|
| Nelson Future Access | | \$ | OK | ● |
| <p>Schedule: Original milestone to have the detailed business case (DBC) completed by June 2020 is not able to be met due to procurement and project scope taking longer than expected. The project schedule is scheduled for completion by the end of October 2020.</p> | | | | |
| 2019/20 milestone | Develop detailed business case(s) | | | |
| Q1 milestone | <ul style="list-style-type: none"> Recast ILM/Strategic Case incl evidence gathering to support Strategic Case Network Operating Framework base complete Transport Modelling Base Model developed and validated Revisit Long List developed in PBC | | | |
| Q1 progress update against milestone | <p>The draft Strategic Case was delivered to the Project Steering Group on 21 August and the Project Governance Group on 12 September for endorsement as a working document for moving forward with the business case.</p> <p>Base traffic model build complete and validated. Future years undergoing and due for validation in October.</p> <p>Network framework hierarchies and level of service determined.</p> <p>Long List updated from PBC with input from the key stakeholder group, the Project Reference Group over two community workshops.</p> | | | |
| Twin Coast Discovery Route business cases (Provincial Growth Fund) | | \$ | OK | ● |
| <p>Four Business Cases have been approved and handed over to initiative owners.</p> <p>Risks: Despite the project team reiterating that there is no confirmed funding for any future business cases, it is likely that engagement during business case development has created expectations that activities beyond the business case will take place.</p> | | | | |
| 2019/20 milestone | Business case completed | | | |
| Q1 milestone | Business case completed | | | |
| Q1 progress update | Business Case approved and handed over to initiative owner/s in August 2019 | | | |
| SH43 Forgotten Highway (Provincial Growth Fund) | | \$ | OK | ● |
| <p>Business case completed in August 2019.</p> <p>We have supported Stratford District Council in the preparation of a Provincial Growth Fund (PGF) application for Implementation funding.</p> | | | | |
| 2019/20 milestone | Business case completed | | | |
| Q1 milestone | Business case completed | | | |
| Q1 progress update | Business case completed in August 2019 | | | |

Pre-Implementation phase

| | | | | |
|---|--|----|----|---|
| Waipapa Corridor Improvements (Provincial Growth Fund) | | \$ | OK | ● |
| <p>The sod turning event for the project was held successfully. Work on the project has commenced. Property acquisitions are ongoing.</p> | | | | |

Budget: Project funding was confirmed in January 2019 for \$9m.

Key budget risks are with property acquisition and the cost of the structure required for the stream crossing.

Schedule: The pre-implementation phase is nearing completion with the final design and lodgement of consent application now delivered.

Downer are engaged through the pre-implementation contract allowing the investigation and early enabling works to continue. The construction contract will be awarded through the Northland Delivery Framework.

Risks/issues: Delivery under \$9m budget - this is particularly at risk due to potential property cost increases and the requirement for a small bridge structure.

Project completion date - We are still on track to make a start in October 2019 however the lack of land and consent approvals may limit this to permitted activities, utilities and enabling works.

Mitigation measures include:

- Active work with businesses and landowners
- Early involvement of Iwi
- Early engagement with Northland Regional Council (NRC) and Far North District Council (FNDC)

| | | |
|---|--|---|
| 2019/20 milestone | Designation and consents, land acquired, construction started. | |
| Q1 milestone | <ul style="list-style-type: none"> • Final Cultural Impact Assessment (CIA) • Lodge Resource Consent • Construction cost estimate |  |
| Q1 progress update against milestone | <p>The construction cost estimate is currently \$8m versus a budget allocation of \$6.5m. The final CIA has been received and the consent documents have been lodged with NRC and FNDC.</p> <p>The Management, surveillance and quality assurance (MSQA) / Engineer's Representative contract is at the preferred tenderer stage.</p> <p>Strong relationship and engagement with iwi continues and the CIA is on track for final submission with the consent in August.</p> <p>Early construction cost estimates are close to budget allocation.</p> | |

SH35 Route Security (Provincial Growth Fund) \$  

Initial identification and prioritisation of sites has been completed and a list of 60 sites is being reviewed to further refine treatment options and priorities.

Wider economic benefits (WEBS) are currently being assessed and we are awaiting an offer of service from a local social enterprise to advise on economic and social benefits not captured in the WEBS.

Initial meetings have taken place to get a steer on including social procurement principles in the project.

Budget: The pre-implementation phase is tracking on budget.

Schedule: Initial identification and prioritisation of sites has been completed and a list of 60 sites is being reviewed to further refine treatment options and priorities.

Quality: No quality concerns.

Risks: Community engagement. The delivery of the programme will be dependent on the community accepting our proposals and supporting delivery (land requirement and consenting). A degree of community expectations needs to be set. This is ongoing as we look to build regional capability

| | | |
|--------------------------|---|---|
| 2019/20 milestone | First year design and enabling work completed | |
| Q1 milestone | Initial identification and prioritisation of sites. |  |

Implementation phase

| | | |
|--|---|--|
| Whirokino Trestle Bridge | | \$   |
| Official community opening is set for 7 December. The road will be open to traffic in late December. | | |
| 2019/20 milestone | Open to traffic and practical completion | |
| Q1 milestone | Completion of bridge superstructure for Manawatu River Bridge |  |
| State Highway 2 Motu Bridge Replacement | | \$   |
| <ul style="list-style-type: none"> • New Motu bridge is open to Traffic. • Old Motu bridge removal completed. • Stage 2 (south side / 250m of road pavement construction) starting in October 2019. | | |

| | | |
|---|--|---|
| Schedule Contractor on site for Stage 2 (southern approach) completion (for full project completion) | | |
| 2019/20 milestone | Construction Completed | |
| Q1 milestone | Completion of new Motu Bridge |  |
| Q1 progress update against milestone | On 14 October 2019 physical works starting for full project completion. Estimated construction completion date is 10 weeks from the start date. | |
| New Ōpaoa River Bridge | |    |
| Construction well underway. Property compensation negotiations with Top 10 holiday camp operator continue. Milestones for Q1 achieved. | | |
| 2019/20 milestone | Practical completion | |
| Q1 milestone | Complete bridge substructure works |  |
| Q1 progress update against milestone | Budget, schedule and quality all Green. Substructure works nearing completion. Final headstock completed in September. Placement of beams well underway. Overall on programme for mid 2020 practical completion - quality is good and forecasting within budget. Expecting to divert SH1S north bound lane onto new bridge February 2019 to enable tie-in works either end of project to commence. We expect the bridge to be fully opened to two lane traffic by April 2020. | |
| Loop Road North to Smeatons Hill safety improvements | |    |
| This contract was awarded later than the tender date. This delay has potentially added an additional construction season to the programme and an extension of time. The project team is working collaboratively to recover the time lost and complete the project on time. | | |
| 2019/20 milestone | Loop Road North Roundabout constructed | |
| Q1 milestone | <ul style="list-style-type: none"> • Commencement of CFA piling within the future proofing footprint of the proposed roundabout • Confirmation from design team for additional pre-loading to shorten pre-load timeframe • Design confirmation for settlement slab beneath box culvert in lieu of piling • Prepare for options for planting of the riparian margin |  |
| Mt Messenger Bypass | |    |
| We are yet to receive the decision of the Environment Court Commissioner, which is further delaying the ecological mitigation planning and implementation. Te Korowai have applied to the Maori Land Court for an Injunction. This will be heard in mid-October 2019. | | |
| Budget: The project budget remains under pressure while the project continues to be delayed due to consenting and property issues. The final project budget will have to be updated once these have been resolved. | | |
| Risks/issues: The top four risks for the project include time delays due to property acquisitions and access, consent/designation appeals resolution, finalisation of the Ngāti Tama overall agreement and the impact of these on the project timeline and forecast. | | |
| 2019/20 milestone | Resource Management Act (RMA) appeals resolved, property rights and pest mitigation area secured | |
| Q1 milestone | <ul style="list-style-type: none"> • Environment Court RMA appeals hearing complete and Court decision received (noting the timing of decision is outside our control). • Alliance works suspended until RMA appeals and Ngati Tama agreement resolved. |  |
| Q1 progress update against milestone | We still awaiting the outcome of the RMA Appeal. It is likely the Environment Court will issue an interim decision pending finalisation of the Ngati Tama Land purchase. | |
| Hawke's Bay Expressway Safety Treatments | |    |
| Construction is well underway and on programme. | | |
| Risks: We have identified a noise designation along one section that may require some mitigation measures | | |

| | | | | |
|---|--|--|--|---|
| 2019/20 milestone | Practical completion achieved on main contract works | | | |
| Q1 milestone | Construction continuing | | |  |
| Prebensen Hyderabad Intersection upgrade | | | |    |
| A re-evaluation of the project scope and benefits is being undertaken, looking more at walking and cycling connectivity as well as efficiency improvements. | | | | |
| 2019/20 milestone | Re-evaluation of the project scope and benefits | | | |
| Q1 milestone | Begin Re-evaluation/Rescope | | |  |