

## MIN-4299 Transport Choices Programme & Regional Projects

29 August 2023

The Minister of Transport is seeking further information about the Transport Choices projects occurring in New Plymouth and possible options around the timeframe for the Transport Choices programme.

### Waka Kotahi NZ Transport Agency's response:

#### Background

- The Transport Choices programme is working with 46 councils to deliver walking, cycling, and public transport projects from \$348 million of CERF funding. This includes \$9.95 million for an enhanced support package, and all projects must be delivered by 30 June 2024.
- Waka Kotahi received feedback from several councils indicating difficulty in delivering by the June 2024 timeframe.
- The Mayor of New Plymouth, Neil Holdom, wrote to the Minister of Transport on 12 December 2022, seeking an 18-month extension to the June 2024 deadline.
- 56 Transport Choices projects (58 percent) have completion dates scheduled for the final 3 months of the programme.
- In May 2023, Waka Kotahi provided an update on these issues to the Minister of Transport, recommending a 12-month extension to the 30 June 2024 delivery deadline.
- This recommendation was declined, and Waka Kotahi has been working and communicating with councils on this basis.
- The Nelson and Tasman Mayors similarly wrote to the then Acting Minister of Transport on 19 June 2023, reiterating their request for an extension to the delivery timeframes for the cycleway projects in their joint regions.
- More detail about each regions' specific projects follows.

#### Transport Choices – General Council Readiness

- Following the approval of the Transport Choices package in October 2022, Waka Kotahi began working directly with councils to confirm an initial indicative programme of work to be delivered by 30 June 2024.
- As we began this work, we received feedback from many councils anticipating challenges meeting the deadline because of national shortages in planning and construction resources. These shortages are partly the result of extreme weather events and the pandemic.
- Even before the extreme weather events in January-March 2023, the transport sector was under severe pressure, with many councils finding it difficult to procure the necessary planning and construction resource to deliver projects. It was clear that councils will experience ongoing impacts as resources across the sector are diverted to support the cyclone recovery and rebuild.
- In acknowledgment of these constraints affecting the ability of councils to deliver by 30 June 2024, most councils decided to either reduce the scope of their projects to enable delivery within the timeframes or removed projects entirely to refocus resources on other initiatives.
- These issues were outlined in BRI-2727 in April 2023, with a recommendation to extend the delivery timeframe of the programme by 12 months, to 30 June 2025.
- Waka Kotahi was also able to identify seven projects (see Appendix) in the indicative programme that would not meet the June 2023 deadline but would substantially complete networks in the relevant cities and support the programme's wider delivery goals. BRI-2727 contained a summary and a

recommendation to extend the deadline of these specific projects if the delivery timeframe for the programme as a whole was not granted.

- The recommendation of a 12-month extension for the programme was declined at that time, but the recommendation to provide a 12-month extension for those seven specific projects was approved by the Minister of Transport.
- Waka Kotahi was directed to report back later this year with a finalised work programme and further detail regarding the seven projects that had received an extension.
- Our view is that a blanket 12-month extension for all councils Transport Choices delivery programmes still represents the optimal approach to derive the maximum value from the programme, while managing the risks and issues that councils are signalling through their feedback to both Waka Kotahi and Ministers.
- However, it is important to note that any decisions regarding potential extensions would need to be communicated to councils promptly so they can take advantage of this before their RLTP community engagement window closes.
- Work to confirm the final Transport Choices work package will take place in October, following a 29 September submission deadline for councils. Changing the parameters after this date creates a number of operational difficulties and risks further frustration for councils.
- The rest of this note provides further detail regarding the specific projects for New Plymouth District Council, as well as Nelson/Tasman.
- It then provides possible options around the timeframe for the Transport Choices programme and details the risks and mitigations of extending it.

#### **New Plymouth District Council (NPDC) projects (\$16.895M)**

- The current NPDC projects include a mix of separated cycleways (approximately 9km of new cycleways), raised safety platforms, shared paths, Bikes in Schools, and pedestrian improvements that connect schools, suburbs, commercial centres and the city on the following routes. A summary of the three New Plymouth Transport Choices project packages follows.

Council	Project	Description
New Plymouth District Council	South Road / Devon Street West (SH 45)	4km of road with protected cycle lanes, intersection and crossing improvements and 950m of shared path
New Plymouth District Council	Mangorei Road	1km of road with protected cycle lanes, 1km of shared path, intersection and crossing improvements
New Plymouth District Council	Backwater Road / St Aubyn Street (SH 44)	4km of road with protected cycle lanes, 500m of shared path and intersection and crossing improvements

- NPDC estimates indicate that they will not deliver all three projects within current timeframes and a further re-scope is required to select the projects that provide the greatest benefits.
- However, NPDC have built a strong, experienced project team, met all planning and design deadlines with excellent reporting. Their concept designs can be seen at: <https://www.npdc.govt.nz/yourway/>
- Waka Kotahi will attend the NPDC Council meeting on 27 September 2023 to confirm and support the projects that have Councillor/community buy-in and that NPDC can afford to implement.

**Nelson City Council/Tasman Regional Council projects (\$17.882M)**

Council	Project	Description
Nelson City Council	South-East Nelson Package	Projects across Nelson City including improvements to the Maitai River Shared Path, and improvements to bus infrastructure and shelters to support the roll out of the new electric bus network.
Tasman District Council	RE-imagine Richmond	The programme of works for Richmond complements work already underway like Streets for People and NLTP 2021-24 programmes. Project works include new roundabouts with raised tables, speed tables at key crossing points, separated cycleways, traffic calming for cyclists/pedestrians within a slow speed town centre, and secure cycle parking.
Tasman District Council	Moving Motueka	The programme of work for Motueka is based on the Tasman Walking and Cycling Strategy alongside the Regional Public Transport Plan. The project provides access for the entire community through connecting cycling routes, safe roundabouts, crossings, traffic calmed slow speed areas, raised tables, bus shelters and secure cycle parking.

- The Mayor of Nelson and the Acting Mayor of Tasman wrote jointly to the Acting Minister of Transport raising concerns regarding the difficulty being able to sufficiently and effectively engage with their communities. They also raised risks of compressing engagement opportunities, alongside challenges in procurement as a result of infrastructure repair demands following storm damage.
- Their view is there is not enough time to successfully engage in preliminary design, community consultation, final design, contract tendering and construction by 30 June 2024.
- They see high value in the projects however and are keen to proceed if an extension could be confirmed.

**Possible options for consideration:**

The following table outlines the potential options for consideration in response to the concerns raised by Mayors.

Options	Notes
<b>A) Blanket 12-month extension for all councils</b>	<p>This will satisfy a number of councils' requests for an extension, however there are several issues to consider:</p> <p>i) Potential grievances and external commentary from councils who have adjusted their programmes based on timeframes or after having earlier extension requests denied.</p> <p>ii) This decision would need to be communicate swiftly to give councils the opportunity to benefit from an extension.</p> <p>iii) This option increases both the value we can derive from the Transport Choices programme, and Waka Kotahi's operational costs of supporting planning and delivery over a longer period.</p>
<b>B) Partial extension – case by case, based on agreed criteria</b>	<p>This situation is already effect with a 12-month extension being previously confirmed for seven projects where Waka Kotahi advised it was believed great value would be derived for the transport system if</p>

	<p>an extension were confirmed (Refer BRI 2727). Additional projects could be considered on a project-by-project basis.</p> <p>The key component in this option is applying clear, consistent criteria for why an extension might be warranted (overall value to the system, enabling other desirable initiatives or outcomes etc). As the programme is currently over-programmed, these criteria need to be consistently and transparently applied to ensure there is a robust rationale for any individual extension decisions.</p> <p>Note that the same equity challenges and potential for grievances apply here, as with a blanket extension for all councils – yet they are likely exacerbated with an even smaller subset of councils being able to benefit from the decision.</p>
<b>C) No extension</b>	<p>This is the status quo option – no additional extensions are offered beyond those already confirmed in BRI 2727.</p> <p>It creates no further equity issues or grievance risks, however it does not provide the outcome that the New Plymouth, Nelson, and Tasman Mayors are seeking.</p>

- Please note that if you indicate you would like to grant either a blanket extension or a limited extension for specific projects, changes will need to be made to the Transport Choices budget appropriation to allow any underspend to be carried forward. This will also require agreement of the Minister of Finance and we will need to prepare a joint briefing.
- Both Waka Kotahi and the Ministry of Transport are in broad agreement regarding recommending a 12-month extension for the Transport Choices delivery timeframe as we believe this will ensure mode-shift projects are given a greater likelihood of completion, meeting the Crown's wider mode-shift objectives and outcomes, as well as enabling greater opportunity for community engagement and collaboration, securing local public support for proposed initiatives and the long-term outcomes they support.
- Whatever decision is made, it will be critically important to communicate this as soon as possible. Communicating this decision to the sector, directly or via Waka Kotahi, quickly will be important to ensure councils still can benefit from the additional time and extend their engagement with local partners and stakeholders.

#### **Risks to consider if you indicate you want to proceed with an extension to the programme's timeframe**

- There are four key risks to consider before confirming your decision, which are summarised below.

<b>Risk</b>	<b>Potential Mitigation</b>
<p><b>1. Cost escalation</b> – extending timeframes for delivery has the potential to increase the final costs of various projects, with consultation and construction potentially occurring over longer timeframes.</p>	<p>This risk could be managed through funding agreements between councils and Waka Kotahi, with appropriate controls in place to ensure successful delivery within agreed funding envelopes.</p>

<b>2. Equity</b> concern for councils who did not submit applications as a result of not being able to meet the original deadline, or who have had projects cut from the programme for the same reason.	<p>It is possible these councils may raise a grievance based on being unfairly disadvantaged should extensions now be granted to others.</p> <p>This risk is harder to manage and will likely result in additional media commentary.</p>
<b>3. Closing window</b> to take advantage of potential extensions. (The Transport Choices work programme is due to be finalised in October, following a 29 September submission deadline for councils).	<p>As councils look to finalise their RLTPs and community engagements, any decisions regarding potential extensions will need to be communicated in the coming weeks (before October) - both so this can be factored into the finalisation of their work programmes, and also to ensure councils still have sufficient time to incorporate projects into their engagement rounds.</p> <p>There is a risk that if the communication of any decisions is left until December 2023 (based on current briefing schedules), it will be too late for councils to be able to benefit from the extended timeline and we may see further attrition from the delivery programme as a result.</p> <p>Granting an extension may also mean that councils could enter some of these initiatives within the next NLTP window, where they will be competing with less other initiatives for construction resource.</p>
<b>4. Over-programming</b>	<p>The indicative list of Transport Choices initiatives is currently overprogrammed. This is usual at this stage of planning as we would expect to see, and plan for, a level of attrition in activities as councils refine their assumptions and costings, and as Waka Kotahi applies our own prioritising criteria.</p> <p>This provides a natural process for matching programmed activities to the agreed funding envelope.</p> <p>Providing extensions to the delivery timeframe removes deadline-based drivers for attrition and prioritisation, but there are other processes Waka Kotahi will use to ensure the finalised programme of activities are matched to the agreed funding envelope.</p>

**Appendix: Summary of projects approved for 12-month extension in BRI-2727**

- Below is an overview of the seven projects that have already been approved for a 12-month extension to 30 June 2025. The projects are located across four councils.
- In combination, these additional projects would deliver an extra 24.55 km of cycleways through the programme. The seven projects are:

<b>Wellington City Council</b>	○ Four additional projects as part of their Transitional Cycleways programme - adding 17.9km of cycleway with an additional cost to the programme of \$12.3m (Botanic Gardens to Karori, Ngaio to Johnsonville, Khandallah Connection, Ngaio to Karori).
<b>Dunedin City Council</b>	○ Main Road/Main Road South project as part of their Dunedin Safer Streets programme, delivered with an additional cost of \$3.77m with an additional 4km of cycleway provided.
<b>Stratford District Council</b>	○ Walking and cycling bridge which can be delivered by June 2025 at an additional cost of \$0.74m
<b>Tauranga City Council</b>	○ Additional 2.65km of cycleway along Grenada Street as part of the Arataki project at an approximate additional cost of \$7.7m.