

Transport Services Funding Decisions

August 2022

ELT & issue owner **Brett Gliddon, GM Transport Services**

Released under the Official Information Act 1982

Released under the Official Information Act 1982

Released under the Official Information Act 1982

CFO Funding Decisions

Providing Line of Sight

- Waikato State Highway Speed Management Guide Implementation
- AT Safe Speeds Programme – Interim Speed Management Plan
- out of scope
- out of scope

Purpose:

To note approved funding for the project.

Reason for inclusion:

This is a material increase to Board approved NLTF funding relating to a decision (to move to 110km/hr) that has already been made

Strategic Relevance

This is a price level adjustment to the Waikato Expressway project which will:

- Improve road safety through the implementation of continuous roadside barriers and brings the older sections of the highway to current standard
- Reduce travel times through the proposed increase in speed limit
- Remove/reduce reputational risk by satisfying community expectations of implementing a 110km/h speed limit along 64km of the Waikato Expressway.
- Increase emissions due to light vehicles (for example, passenger vehicles) driving at 110 km/h which is further beyond their optimal fuel efficiency

The costs of the safety upgrades were not included in previous approvals. Therefore, this represents an increase to the previous Board approved funding for the Waikato Expressway project. The decision to engineer and operate the highway at 110km/hr was made some time ago. The funding decision and some of the delivery costs are therefore being approved retrospectively. CFO approval was given subject to the matter being notified to the Board.

Decisions

- **Note** the Chief Financial Officer has approved funding to Waka Kotahi NZ Transport Agency for Waikato SH Speed Management Guide Implementation for an increase of \$1.05m at a FAR of 100% (\$1.05m out of the NLTF) for Pre-Implementation from the Road to Zero activity class thereby increasing the approved total cost \$0.14m to \$1.19m.
- **Note** the Chief Financial Officer has approved funding to Waka Kotahi NZ Transport Agency for Waikato SH Speed Management Guide Implementation for an increase of \$29.01m at a FAR of 100% (\$29.01m out of the NLTF) for Implementation from the Road to Zero activity class thereby increasing the approved total cost from \$0.95m to \$29.96m.

Affordability

- The funding is affordable within the investment target for the Road to Zero activity class.

Purpose:

To note that the CFO has approved funding for an Interim Speed Management Plan.

Reason for inclusion:

Decisions made under CFO's management delegation that are notable from a Board perspective.

Strategic relevance

- This activity is for the development of Auckland Transport's Interim Speed Management Plan over 2021/22 and 2022/23 financial years, to inform their speed management and school speed management programmes in accordance with the Setting of Speed Limits Rule and speed management planning guidance.
- The plan integrates the scope of AT's Safe Speeds and School Speed Management and covers a three-year programme (2023 – 2026) of speed limit changes with high-level identification of integrated infrastructure, deterrence, and engagement activities.

Decisions for noting

- **Note** that the Chief Financial Officer has approved funding of \$2.72million (\$1.4million NLTF, 51% FAR) from the Road to Zero Activity Class to Auckland Transport for the Interim Speed Management Plan.
- **Note** that there are retrospective costs of \$511,577.
- **Note** the expectation of this plan is to form the basis for a further funding application for implementation, expected to be between \$45million to \$70million.

Affordability

- The funding for the plan development is affordable within the investment target for the Road to Zero activity class.
- Implementation of the plan will require a future funding application likely to be above the nominal limit (\$50million) for decisions made under management delegations. There is currently \$24.3million in the NLTP for 2023/24 with the remainder of the implementation happening in the next NLTP period.

Risks and mitigations

- The final cost for implementation is uncertain and the current estimate is broad. The final cost is likely to also be subject to current cost escalation trends. Procedures are in place for Approved Organisations to provide early warning of cost increases.

Released under the Official Information Act 1982

Released under the Official Information Act 1982