

Quarterly report

Q1 2016/17

1 June – 30 September 2016



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EXECUTIVE SUMMARY

Our performance this quarter

We have made a good start to the year

Overall our performance is positive, with the majority (99%) of the quarterly milestones for our goals and priorities either achieved or substantially achieved and a favourable year-to-date fiscal position. We have continued to deliver on the Government's priorities for New Zealand's land transport network.

Performance against the Minister of Transport's expectations is largely positive, with good progress on the Roads of National Significance (with the exception of the Wellington Northern Corridor) and the Accelerated Auckland Transport Programme. In quarter two, we will be focused on ensuring that projects that are slightly behind schedule can achieve their annual milestones.

Pages 6 to 9 summarise the Transport Agency's overall performance for the first quarter. More detailed information can be found in the subsequent sections of the report.

Roads of National Significance (page 18)

The Roads of National Significance are progressing well. In August the NZ Transport Agency announced that it will enter into preferred bidder negotiations with the Northern Express Group for the Pūhoi to Warkworth project – the second public private partnership for a state highway project in New Zealand. Consultation on the Ōtaki to Levin section of the Wellington Northern Corridor has been delayed until early 2017 to allow for further investigations to incorporate newly available economic and population information. The remaining projects in the Northern Corridor are on track to deliver their year-end milestones. The construction contract for the Northern Arterial of the Christchurch motorways was awarded during the quarter. The Christchurch Northern Corridor is the first alliance contract of this size in the South Island.

Auckland and Regional Accelerated Transport Programmes (pages 19-20)

Delivery of the Accelerated Auckland Transport Programme remains on track. The preliminary design for the Northern Corridor improvements has been completed and the construction contract has been awarded for early works on stage 1 of the East West Connection. As delivery of the programme is progressing well, expenditure is \$19m above budget for the quarter and is expected to end the year approximately 20 percent above budget. The total Crown funding remains unchanged and the good progress on the delivering the programme has resulted in planned expenditure for 2018/19 being brought forward to this financial year.

All tranches of the Accelerated Regional Transport Programme are progressing well with early design and business case work completed for Loop Road North to Smeatons Hill safety improvements (Northland) and the Ōpawa Bridge Replacement (Marlborough). Progress is slightly behind schedule for the programme business case on the Nelson Southern Link following public engagement during the quarter. While the annual milestone for the Kawaru Falls Bridge – starting construction - is on track, there are concerns that progress is slower than planned. This is reflected in lower than budgeted expenditure for the programme (page 47)

Urban Cycleways Programme (pages 34-35, 42 and appendix 3)

This quarter has seen more tangible progress on Urban Cycleway Programme projects around the country, with several projects moving into the construction phase and one project completed.

The Auckland Urban Cycleways Programme underwent a delivery review this quarter, with several opportunities identified for acceleration. The completion of an important section of Quay St was celebrated with an event in July and has since attracted around 660 users a day.

There has been progress on implementing the key recommendations from the Cycling Safety Panel and a final draft report investigating an appropriate mandatory minimum overtaking gap was completed.

The expenditure for 2015-18 National Land Transport Programme has been reforecast. The walking and cycling activity class is forecast to exceed the maximum Government Policy Statement funding range. This is largely driven by the Urban Cycleways Programme, which was not accounted for within the walking and cycling Government Policy Statement funding range. A request to the Minister to adjust the funding range maximum will be required to meet the Government's expectations for delivering the Urban Cycleways Programme (page 45).

Service delivery measures – Investment management (page 36)

This quarter six service delivery performance measures did not meet expectations. Four of these measures are in the investment management output class. The total cost of managing the funding allocation system as a percentage of the National Land Transport Programme expenditure was 0.2% above its 1 percent target. At the start of the financial year, Investment Fund Allocation System spend is typically ahead of National Land Transport Programme spend. We are expecting the programme spend to catch up later in the year. The remaining measures are behind schedule due to project delays and the need to defer planned activity because of urgent requirements.

Our results at a glance

DELIVERING OUR STRATEGY

PAGE 10



We achieved or substantially achieved 99 percent of the Q1 milestones underpinning our **goals**



We achieved or substantially achieved 100 percent of the Q1 milestones underpinning our **priorities**

DELIVERING SERVICES

PAGE 36



We achieve 82 percent of our **service delivery** targets

ROAD POLICING PROGRAMME (DELIVERED BY NZ POLICE)

PAGE 38



70 percent of intermediate outcomes meet desired trend

FINANCIAL PERFORMANCE

PAGE 44



National Land Transport Fund revenue was 9 percent above budget



National Land Transport Programme and Crown-funded expenditure was 8 percent above budget



NZ Transport Agency operating expenditure was 14 percent below budget



The memorandum account was 40 percent above budget



Operational initiatives were 42 percent below budget



There were 10 minor injuries at the NZ Transport Agency



FTEs are tracking in line with our forward forecast



There were three notifiable ¹(serious) injuries on contractor work sites



Our annual leave liability was \$8.5m

ASSURANCE AND RISK



55 percent of approved organisations' investment audits rated 'good'



No critical risks



67 percent of approved organisations' technical investment audits² rated 'good'



Two high risks under active management



Two medium risks being monitored



One low risk

KEY TO MILESTONE ACHIEVEMENTS

● ≥76% of milestones or targets achieved.

● 26–50% of milestones or targets achieved.

● 51–75% of milestones or targets achieved.

● 0–25% of milestones achieved.

▼ Down from previous quarter

▲ Up from previous quarter

– No change from previous quarter

¹ A notifiable injury includes (but is not limited to) serious injuries eg amputation, head and eye injury, serious burns, spinal injury and hospital treatment.






² Technical investment audits provide assurance over approved organisations' asset management planning, adequacy of data used to assess network quality, value for money and safety and network management.

Summary of delivering our strategy

PROGRESS ON OUR GOALS

	Integrate one effective and resilient network for customers Achieved or substantially achieved 9 milestones of 9	p10
	Shape smart, efficient, safe and responsible transport choices Achieved or substantially achieved 8 milestones of 8	p13
	Deliver efficient, safe and responsible, and resilient highway solutions for customers Achieved or substantially achieved 27 milestones of 28	p16
	Maximise effective, efficient and strategic returns for New Zealand Achieved or substantially achieved 7 milestones of 7	p21
	Growing agility Achieved or substantially achieved 15 milestones of 15	p24

PROGRESS ON OUR PRIORITIES

	Make it easier for our customers to do business with us Achieved or substantially achieved 8 milestones of 8	p27
	Predictable journeys for urban customers Achieved or substantially achieved 7 milestones of 7	p29
	Integrate road and rail to improve network productivity Achieved or substantially achieved 3 milestones of 3	p30
	Deliver Safer Journeys Achieved or substantially achieved 6 milestones of 6	p31
	Driving value through smart road maintenance Achieved or substantially achieved 4 milestones of 4	p33



Make urban cycling a safer and more attractive transport choice
Achieved or substantially achieved 12 milestones of 12

Summary of service delivery performance³

OUTPUT CLASSES THAT SUPPORT OUR ONE NETWORK GOAL



Investment management - 33 percent (2 of 6 targets)

OUTPUT CLASSES THAT SUPPORT OUR SMART CHOICES GOAL



Licensing and regulatory compliance - 100 percent (6 of 6 targets)
Road tolling - 67 percent (2 of 3 targets)
Motor vehicle registry - 100 percent (5 of 5 targets)
Road user charges - 100 percent (3 of 3 targets)
Road safety promotion - 100 percent (2 of 2 targets)

OUTPUT CLASSES THAT SUPPORT OUR HIGHWAY SOLUTIONS GOAL



State highway improvements - 100 percent (1 of 1 target)
State highway maintenance - 100 percent (1 of 2 target)

OUTPUT CLASSES THAT SUPPORT OUR MAXIMISE RETURNS GOAL



SuperGold Card - 100 percent (2 of 2 targets)
Local road maintenance - 100 percent (1 of 1 target)
Fuel excise duty - 100 percent (2 of 2 targets)

³ Note that some service delivery or investment measures are only available annually. The figures here represent the performance of those available measures.

DELIVERING OUR STRATEGY

Detailed progress on our goals



INTEGRATE ONE EFFECTIVE AND RESILIENT NETWORK FOR CUSTOMERS

Progress made in Q1

In this quarter, we have had a good start towards our year-end milestones: achieving eight of our nine milestones, with one substantially achieved.

We made progress towards integrating land use and transport networks in Auckland and other strategic areas by working with our partners in the sector. Collaborating with Auckland Transport has led to the development of the Transport for Future Growth Programme business case, which will help shape long-term transport plans for the four Greenfield growth areas. For the five⁴ Regional Economic Growth areas we have identified with our partners transport-related enablers and transport deliverables that will support the initiatives and Regional Growth Action Plans in the regions.

We socialised the draft common national intelligent transport systems (ITS) architecture with Auckland Transport and other external parties. The architecture will help enable the activities we have outlined in the 2015-18 National Land Transport Programme, particularly on priority key journeys.

We are also making consistent progress on rolling out the Public Transport Operating Model: Tendering of ferry and bus services has begun in Auckland and Wellington, and we have provided advice and strategic support to the National Ticketing Programme (NTP) Board to shape the investment story for the NTP Road Map.

Significant progress has been made this quarter on improving freight supply chain efficiency. We started the 'Weigh Right Trial', which tests heavy vehicle weight compliance technologies. In addition, we began structural investigation for additional high productivity freight routes, with those identified as not needing strengthening already enabled. We have also completed a review for the 50MAX-1Network national permit system and delivery of an expanded and simplified renewal process.

⁴ Bay of Plenty, Gisborne, Hawkes Bay, Manawatu-Whanganui and West Coast. As at April 2016, there were only four regional development growth areas identified. West Coast has now been added as another growth area.

OBJECTIVE 1:
INTEGRATE LAND USES AND TRANSPORT NETWORKS

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
OB 1.1	<p>RESULT BY 2019 Land-use and transport plans for the top five growth areas demonstrate improved coordination of land-use development with transport infrastructure investment.</p> <p>We have collaboratively developed long-term transport plans for the four greenfield growth areas in Auckland and the growth area in Queenstown, and these are well aligned with the plans of the Auckland and Queenstown council groups.</p>	Achieved
OB 1.2	<p>RESULT BY 2019 Transport plans for government's four regional development plan areas are developed and integrated with land-use plans.</p> <p>For the five Regional Economic Growth Action Plans, transport investments are integrated with other dependent initiatives, and we have delivered the 2016/17 transport initiatives.</p>	Achieved

OBJECTIVE 2:
INTEGRATE NATIONAL AND LOCAL TRANSPORT NETWORKS TO SUPPORT STRATEGIC CONNECTIONS AND TRAVEL CHOICES

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
OB 2.1	<p>RESULT BY 2019 The benefits and outcomes from key journeys in major centres are being delivered.</p> <p><i>This is a shared result with local authorities.</i></p> <p><i>This is also a result for objectives 8 (p22) and 10 (p27).</i></p>	
OB 2.1.1	<p>For the priority key journeys in Wellington, Christchurch and Auckland, we have delivered the activities outlined in the 2015–18 National Land Transport Programme.</p>	Achieved
OB 2.1.2	<p>We have agreed a common national intelligent transport systems architecture with key partners, particularly Auckland Transport.</p> <p><i>We have socialised the draft Common National Intelligent Transport systems architecture with Auckland Transport and other external parties and have stakeholders ready to engage. We expect the annual milestone to be delivered.</i></p>	Substantially achieved
OB 2.2	<p>RESULT BY 2019 We expect public transport boardings to increase by 10–16 percent (from a 2013/14 baseline) in the main urban centres of Auckland, Wellington and Christchurch.</p> <p><i>This is a shared result with local authorities.</i></p>	
	<p>Through our advice, support, and National Land Transport Programme investment we have rolled out the Public Transport Operating Model in Auckland and Wellington and begun implementation of a national ticketing programme. The delivery of this will contribute to the effectiveness of regional public transport including improved patronage.</p>	Achieved

MILESTONES FOR 2016/17

Q1 MILESTONE RESULT

OB
2.3

RESULT BY 2019 The strategy set out in Auckland's Integrated Transport Programme is given effect in the 2015–18 National Land Transport Programme.
This is a shared result with Auckland Transport.

We have processed all qualifying funding applications that give effect to the Integrated Transport Programme within 20 working days.

Achieved

**OBJECTIVE 3:
IMPROVE FREIGHT SUPPLY CHAIN EFFICIENCY**

MILESTONES FOR 2016/17

Q1 MILESTONE RESULT

OB
3.1

RESULT BY 2019 More freight is moved on fewer truck trips, lifting productivity and safety.
This is a shared result with the Ministry of Transport.

OB 3.1.1 We have initiated the Weigh/Right investment programme.

Achieved

OB 3.1.2 We have delivered the second tranche of additional high productivity freight routes.

Achieved

OB 3.1.3 We have delivered an expanded and simplified 50MAX-1 Network permit system.

Achieved



SHAPE SMART, EFFICIENT, SAFE AND RESPONSIBLE TRANSPORT CHOICES

Progress made in Q1

We made good progress during in the first quarter when it comes to shaping smart, efficient, safe and responsible transport choices, with nine of ten projects on track. The scheduling for the Visiting Drivers, High Risk Young Drivers and Future Streets pilot programme (shared with the Accident Compensation Corporation) is being revised to reflect the delayed appointment of an evaluator for three proposed pilot projects by ACC. The project remains on track to be completed by year-end.

All quarter one milestones were achieved. Our highlights include:

- Publishing the first version of the national information and guidance on electric vehicles
- Implementing improvement actions from the 2015/16 benchmarking review of the safe system approach
- Completing public consultation on the Vehicle Dimensions and Mass Rule and made recommendations to the Minister for changes to the Rule, aiming towards enhancement of compliance incentives
- Having protocols in place with the NZ Police Commercial Vehicle Investigation Unit to achieve shared operator information for regulatory and compliance activity
- Making progress towards improved rail licensing processes, with implementation of the Rail Safety Assessment Development Programme being close to implementation.

OBJECTIVE 4:

IMPLEMENT THE SAFE SYSTEM APPROACH TO CREATE A FORGIVING LAND TRANSPORT SYSTEM THAT ACCOMMODATES HUMAN ERROR AND VULNERABILITY

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
OB 4.1	RESULT BY 2019 The successful elements of the safety signature programme are replicated elsewhere in New Zealand, where appropriate. <i>This is a shared result with the Accident Compensation Corporation.</i>	
	We have delivered the Visiting Drivers, High Risk Young Drivers and Future Streets projects to plan, and we have widely shared the lessons learned through the annual evaluation of the signature programme across the sector.	No Q1 milestone
OB 4.2	RESULT BY 2019 All relevant Transport Agency staff, community and business leaders and transport practitioners understand and apply the Safe System approach, and decision-making frameworks and partnerships support the successful implementation of a safe road system in New Zealand. <i>This is a shared result with the National Road Safety Committee and local government.</i>	
	We have successfully implemented the continuous improvement actions from the 2015/16 benchmarking review of the Safe System approach.	Achieved
OB 4.3	RESULT BY 2019 Transport Agency monitoring and interventions are supporting and incentivising a strong safety culture in rail operator organisations.	
	We have enhanced our licensing and assessment processes to better target our	Achieved

MILESTONES FOR 2016/17

interventions based on non-compliance and a risk assessment of the rail operators.

- OB 4.4 **RESULT BY 2019** Transport Agency staff, community leaders and stakeholders are joined up and making demonstrably good progress on reducing deaths, serious injuries and near misses for road users and pedestrians interacting with the rail corridor.
This is a shared result with rail operators and local government.

We have developed a business case for the level crossing programme and an implementation plan has been endorsed by all relevant funding partners. The plan identifies the biggest risks to be addressed in the short-term and sets out the 10-year milestones to reduce deaths, serious injuries, near misses and other negative effects for road users and pedestrians interacting with the rail corridor.

Achieved

OBJECTIVE 5:
INCENTIVISE AND SHAPE SAFE AND EFFICIENT TRAVEL CHOICES USING A CUSTOMER-FOCUSED APPROACH

MILESTONES FOR 2016/17

- OB 5.1 **RESULT BY 2019** Increased levels of compliance with safe vehicle, safe operator and safe road user requirements are contributing to reduced safety risk and to reduced disruption on the land transport network.
This is a shared result with NZ Police and WorkSafe NZ.

We have enhanced our operational planning with other compliance-focused agencies (NZ Police and Work Safe NZ) to coordinate our compliance activity, resulting in fewer drivers and operators displaying risky behaviour.

Achieved

- OB 5.2 **RESULT BY 2019** Information to inform travel mode and travel time choice is readily available to customers using high-demand networks and corridors, and this is measurably improving journey predictability.

Refer to priority 2 milestones

This result is enabled through priority 2, Predictable journeys for urban customers.

- OB 5.3 **RESULT BY 2019** The Transport Agency has supported private sector provision of public electric vehicle charging infrastructure.
This is a shared result with the Ministry of Transport and the Energy Efficiency and Conservation Authority.

We have supported the development of public electric vehicle charging infrastructure by clarifying the regulatory framework and providing national information and guidance.

Achieved

OBJECTIVE 6:
 REDUCE COSTS FOR TRANSPORT USERS THROUGH BETTER REGULATION AND WILLING
 COMPLIANCE

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
OB 6.1	<p>RESULT BY 2019 Reviews of the Vehicle Dimensions and Mass (VDAM) and Driver Licensing rules have reduced compliance costs for customers and make it easier for customers to meet their transport requirements.</p> <p><i>This is a shared result with the Ministry of Transport.</i></p>	
	<p>We have provided the Minister of Transport with advice and given effect to government decisions on how to progress the changes to the Driver Licensing Rule, the Land Transport Act and the Vehicle Dimensions and Mass Rule to reduce compliance costs for customers and make it easier for them to meet their transport requirements.</p>	Achieved
OB 6.2	<p>RESULT BY 2019 The opportunities in the annual regulatory programme to improve incentives for customers to operate efficiently and safely on the network are being identified and progressed without increasing costs.</p> <p><i>This is a shared result with the Ministry of Transport</i></p>	
	<p>OB 6.2.1 As part of the VDAM reform, we have provided the Minister of Transport with advice and given effect to government decisions on changes to enhance incentives to comply with VDAM requirements.</p>	Achieved
	<p>OB 6.2.2 As part of the Small Passenger Services Review programme, we have provided the Ministry of Transport with advice and given effect to government decisions on incentivising compliance by ensuring new requirements do not impose unnecessary constraints and burden upon small passenger services.</p>	Achieved



DELIVER EFFICIENT, SAFE AND RESPONSIBLE, AND RESILIENT HIGHWAY SOLUTIONS FOR CUSTOMERS

Progress made in Q1

We have made a good start on delivering this year’s programme

The Highways Resilience programme is progressing well this quarter. We have tested the Natural Hazards Assessment Framework and this has been used to help develop nine Programme Business Cases on priority corridors. We are on track to complete scan of the State Highway Network in the second quarter.

The draft resilience Customer Levels of Service, which is part of the One Network Road Classification (ONRC), has presented to partners. Existing detour routes are being digitised into a national Geographic Information Systems (GIS) platform.

Planning has commenced on developing the State Highway Investment Plan for 2018-21. The instructions have been issued and they have been written to reflect the application of the One Network Road Classification.

Most of the Roads of National Significance (RoNS) programme continues to run to plan. The Ōtaki to Levin section of the Wellington Northern Corridor has been delayed due to further investigations being undertaken to incorporate newly available economic and population information leading into consultation in early 2017. Key highlights this quarter include the announcement of the preferred bidder on the Pūhoi-Warkworth public-private partnership, the opening of the Rangiriri section of the Waikato Expressway, and the awarding of the Construction contract on the Christchurch Northern Arterial.

The Auckland Accelerated Programme continues to progress to plan, with all projects meeting their deliverables.

Progress continues on the Regional Accelerated Programme with all projects on track to achieve their year-end targets. Construction continues on the tranche one projects. Design continues with the tranche two projects, with Motu Bridge commencing construction. The tranche three projects have business cases under development

OBJECTIVE 7: GREATER RESILIENCE OF THE STATE HIGHWAY NETWORK

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
OB 7.1	<p>RESULT BY 2019 A framework is in place that allows us to invest in resilience work where required on the network.</p> <p><i>This is a shared result with other national network operators and local authorities.</i></p>	
	<p>The natural hazards assessment framework is available to project teams and provides national consistency and structure to meet investment assessment framework requirements.</p>	Achieved
OB 7.2	<p>RESULT BY 2019 We have collaborated with local authority partners to agree alternative routes on the local road network, and can demonstrate a joined-up approach to resilience in all areas.</p>	

MILESTONES FOR 2016/17

Q1 MILESTONE RESULT

This is a shared result with other national network operators and local authorities.

Together with our local authority partners – through the Roading Efficiency Group, Road Controlling Authorities Forum and Lifelines – we have a plan to agree alternative routes and to align One Network Road Classification resilience Customer Levels of Service on the network, and we have shared tools and guidance for resilience analysis. Achieved

OB 7.3

RESULT BY 2019 We have identified the road corridors that require physical improvements, and these are included in the State Highway Activity Management Programme and the 2018–21 National Land Transport Programme.

This is a shared result with other national network operators and local authorities.

We have incorporated a programme of resilience- related improvements into the draft State Highway Activity Management Plan 2018–21. Substantially achieved

We are slightly behind schedule. The resilience focused reviews of the top nine Corridor Programme Business Cases are completed and have completed the national level review of resilience priorities completed for the top three One Network Road Classifications. The remaining classifications are due for completion during quarter two. While slightly behind programme, we are on track to achieve the year-end milestone.

**OBJECTIVE 8:
DELIVER CONSISTENT LEVELS OF CUSTOMER SERVICE THAT MEET CURRENT EXPECTATIONS AND ANTICIPATE FUTURE DEMAND**

MILESTONES FOR 2016/17

Q1 MILESTONE RESULT

OB 8.1

RESULT BY 2019 The State Highway Activity Management Plan clearly demonstrates value for money through:

- the benefits and outcomes of our operations
- the condition of the network and the levels of risk we are currently taking in maintenance and renewals
- our future investment needs for improvements and their return on investment.

The State Highway Activity Management Plan is consistent with the One Network Road Classification framework. Achieved

OB 8.2

RESULT BY 2019 Based on data from our current contracts:

- levels of service are consistent with the One Network Road Classification framework
- we have confirmed our future operating model for asset management
- we have reviewed the lessons learned and formalised principles for the next round of maintenance and operations procurement, including healthy market analysis.

MILESTONES FOR 2016/17

**Q1
MILESTONE
RESULT**

Outcomes from the Activity Management Improvement Programme have influenced the development of the draft State Highway Activity Management Programme 2018–21.

Achieved

**OBJECTIVE 9:
PROVIDE SIGNIFICANT TRANSPORT INFRASTRUCTURE**

MILESTONES FOR 2016/17

**Q1 MILESTONE
RESULT**

OB
9.1

ROADS OF NATIONAL SIGNIFICANCE

OB 9.1.1 **Pūhoi to Wellsford** Auckland to Whāngārei programme business case completed to confirm long-term management response and programme for SH1 between Pūhoi and Whāngārei.

Pūhoi to Warkworth preferred bidder announced and contract awarded for public private partnership Warkworth to Wellsford detailed business case completed and consultants procured for route protection

Achieved

OB 9.1.2 **Western Ring Route** Waterview Connection and SH16 Causeway Widening open to traffic.

Substantially
achieved

Slightly behind schedule due to some small delays on quarter one milestone. The completion of the St Lukes Interchange upgrade is due for completion in November. The Causeway project's physical works are completed with the final surfacing due in January 2017. The contract for the Lincoln to Westgate project was awarded during the quarter. While slightly behind programme, we are on track to achieve the year-end milestone.

OB 9.1.3 **Waikato Expressway** Longswamp section contract awarded and construction started

Hamilton sections construction started
Rangiriri section open to traffic

Achieved

OB 9.1.4 **Wellington Northern Corridor**

- Ōtaki to Levin consents lodged
- Ngauranga to Airport business case under development
- Peka Peka to Ōtaki construction started
- Transmission Gully construction under way
- Mackays to Peka Peka construction complete

Not
achieved but
progress
made

Consultation on the Otaki to Levin section of the Northern Corridor has been delayed until early 2017 due to further investigations being undertaken to incorporate newly available economic and population information. This delay has resulted in remaining programme and milestones for the year have being pushed out putting the year-end deliverable, of consents being lodged, at risk.

The Mackays to Peka Peka and Peka Peka to Otaki projects are on track to deliver their year-end deliverables.

Transmission Gully construction has continued with critical path activities progressing on programme.

The Ngauranga to Airport business case is under development.

MILESTONES FOR 2016/17

Q1 MILESTONE RESULT

OB 9.1.5 **Christchurch Motorways**

- Northern Arterial with QE2 construction started
- Groynes to Sawyers and Memorial Ave Interchange open to traffic
- Christchurch Southern Motorway Stage 2 construction contract awarded and construction under way

Achieved

OBJECTIVE 9.2:

ACCELERATED AUCKLAND TRANSPORT PROGRAMME

MILESTONES FOR 2016/17

Q1 MILESTONE RESULT

OB 9.2

ACCELERATED AUCKLAND TRANSPORT PROGRAMME

OB 9.2.1 **Northern Corridor Improvements** Consents lodged

Achieved

OB 9.2.2 **Southern Corridor Improvements** Southbound lane open to public

Achieved

OB 9.2.3 **State Highway 20A to Airport** Construction complete and road open to traffic

Achieved

OB 9.2.4 **Auckland Manukau Eastern Transport Initiative**

Our investment processes and collaborative whole-of-network planning facilitate the progress of Auckland Transport's implementation plan for its Auckland Manukau Eastern Transport Initiative, which is:

- Stage 2a resource consents obtained (Panmure to Pakuranga)
- Stage 2b consents lodged (including Pakuranga Town Centre works)
- Sylvia Park Bus improvements, resource consents obtained and construction commenced

Achieved

OB 9.2.5 **East West Connections** Stage 1 construction completed; assessment of environmental effects lodged with the Environmental Protection Agency

Achieved

OBJECTIVE 9.3:

ACCELERATED REGIONAL TRANSPORT PROGRAMME

MILESTONES FOR 2016/17

Q1 MILESTONE RESULT

OB 9.3

ACCELERATED REGIONAL TRANSPORT PROGRAMME

OB 9.3.1 **Kawarau Falls Bridge (Otago)** Construction under way

Achieved

OB 9.3.2 **Mingha Bluff to Rough Creek Realignment (Canterbury)** Construction complete and road open to traffic

Achieved

OB 9.3.3 **Akerama Curves Realignment and Passing Lane (Northland)** Construction complete and road open to traffic

Achieved

MILESTONES FOR 2016/17
Q1 MILESTONE RESULT

OB 9.3.4 **Normanby Overbridge Realignment (Taranaki)** Construction complete and road open to traffic

Achieved

OB 9.3.5 **Whirokino Trestle Bridge Replacement (Manawatu – Wanganui)** Design and construction contract awarded

Achieved

OB 9.3.6 **Motu Bridge Replacement (Gisborne)** Construction started

Achieved

OB 9.3.7 **Ōpawa Bridge Replacement (Marlborough)** Design started

Achieved

OB 9.3.8 **Taramakau Road/ Rail Bridge (West Coast)** Design started

Achieved

OB 9.3.9 **Loop Road North to Smeatons Hill Safety Improvements (Northland)** Design started

Achieved

OB 9.3.10 **Mt Messenger and Awakino Gorge Corridor (Taranaki)** Consents lodged.

No Q1 milestone

OB 9.3.11 **Awakino Tunnel Bypass** Consents lodged.

No Q1 milestone

OB 9.3.12 **Mt Messenger Bypass (Taranaki)** Design completed.

Substantially Achieved

We have taken longer to engage on options with the local iwi, delaying option selection, consultation and design. However, we are planning to commence scheme/specimen design development during October.

While slightly behind programme, we are on track to achieve the year-end milestone.

OB 9.3.13 **Napier port access package (Hawkes Bay)** This project is under investigation and next steps are to be reviewed.

Achieved

OB 9.3.14 **Nelson Southern Link** This project is under investigation and next steps are to be reviewed.

Substantially Achieved

Following public engagement during the quarter the investigation phase recommenced and final stakeholder and technical experts workshops were completed. The Programme Business Case is to be completed in quarter two.



MAXIMISE EFFECTIVE, EFFICIENT AND STRATEGIC RETURNS FOR NEW ZEALAND

Progress made in Q1

We have had a good start towards our year-end milestones achieving five of our seven targets for the first quarter of the year, with the remaining two substantially achieved.

In preparation for the 2018-21 National Land Transport Programme (NLTP), We have developed a preferred option for the Investment Assessment Framework arising from the recent Investment Decision Making system review. Key aspects of this will soon be consulted with our key stakeholders. The agreed framework will help align transport investment decisions with national, regional and local economic development objectives. We also continued our work on clarifying how One Network Road Classification (ONRC) will inform investment in urban networks. This quarter, we focussed on conveying early high level signals for maintenance programmes in the next NLTP. We also made significant progress in developing a long-term view of the transport system including development of a portfolio of programme business cases for priority inter-regional routes in the North Island. This will inform our shorter-term investment in the next NLTP.

This quarter, we developed business case approach initiatives and implementation programmes for improvements to the Transport Investment Online (TIO) tool that is used by our Approved Organisations. We also delivered guidance and capability improvement programmes related to the role of the business case approach in regional land transport plan preparation. The challenge for us is to ensure alignment of the business case approach benefit measures with the ONRC performance measures. While the overall alignment is strong, further work is ongoing to improve this and to clearly identify measures where differences are required.

We continue to explore innovative pricing and financing approaches to enhance value from transport investment. Policies for financing are already in place and are well understood, and we apply updates to our framework as necessary. We are working on identifying other financing options that may become available to us to include in the procurement toolkit that we will use to engage with Crown partners in the next quarter.

OBJECTIVE 10:

ALIGN INVESTMENT TO AGREED NATIONAL, REGIONAL AND LOCAL OUTCOMES AND IMPROVE VALUE FOR MONEY IN ALL WE INVEST IN AND DELIVER

MILESTONES FOR 2016/17	Q1 MILESTONE RESULT
OB 10.1	RESULT BY 2019 Identify and describe a comprehensive planning and investment decision-making process for the Transport Agency (including the use of its Investment Assessment Framework) that provides stakeholders with confidence that its investments are prioritised transparently and optimally (as measured through the stakeholder survey).
	We have improved our Investment Assessment Framework, in preparation for the 2018–21 National Land Transport Programme (NLTP), so that the framework clearly aligns with wider government economic development objectives and increases clarity and transparency of the NLTP investment decision-making system.
	Substantially achieved

MILESTONES FOR 2016/17

Q1 MILESTONE RESULT

We have developed a preferred option for the Investment Decision Making and Investment Assessment Framework review. This has taken longer than expected due to the complexity of the project and lack of resourcing. We will now be consulting with key stakeholders in quarter two. We remain on track to achieve the year-end milestone.

OB
10.2

RESULT BY 2019 The recovery of Canterbury's transport networks is substantially complete and the NLTP contributions to Canterbury's recovery achieve best value for money delivery according to programme.
This is a shared result with other central government agencies, local authorities and contractors.

Through our work with Canterbury local government, the Canterbury transport network recovery programme is on track, with 87 percent of on-ground kilometres complete within planned timeframes.

Achieved

OB
10.3

RESULT BY 2019 Urban network capacity investments in the next NLTP are consistent with the One Network Road Classification.
This is also a result for objective 2.

For the 2018–21 NLTP we have clarified the operational policy for how the One Network Road Classification will inform investment in urban network capacity.

Achieved

OB
10.4

RESULT BY 2019 We have clearly identified national and interregional issues that drive our medium and long-term opportunities.

Within the 30-year outlook, we have identified the medium and longer-term issues and opportunities for priority interregional routes to inform our shorter-term investment in the 2018–21 NLTP.

Achieved

OBJECTIVE 11:

ENSURE EFFECTIVE AND EFFICIENT CO-INVESTMENT WITH OUR PARTNERS

MILESTONES FOR 2016/17

Q1 MILESTONE RESULT

OB
11.1

RESULT BY 2019 The network monitoring framework to measure customer benefits is in place for selected key routes/journeys.

We have put the network monitoring framework in place to measure customer benefits for two key journeys/routes.

No Q1 milestone

OB
11.2

RESULT BY 2019 We have increased the satisfaction level of our investment partners by 10 percent through our tools, systems, policies and procedures.
The milestone under result OB 10.1 (p27) also contributes to this result.

Through our targeted process improvements and capability building, regional transport committees report increased confidence and satisfaction in using the business case approach to prepare regional land transport plans, and approved organisations report the same for using both the business case approach and the Transport Investment Online tool.

Achieved

OB
11.3

RESULT BY 2019 Network performance measures have been implemented and are being used by investment partners.
This is a shared result with local authorities.

MILESTONES FOR 2016/17**Q1 MILESTONE RESULT**

We have communicated and received feedback from our investment partners about our expectations on the use of network performance measures within our investment decision-making processes.

Substantially achieved

We are slightly behind schedule. While the overall alignment between the One Network Road Classification performance measures and business case approach benefit measures are strong, further work is on-going to improve this alignment and to clearly identify measures where differences are required.

We have established network performance measures using the revised ONRC performance measures that was completed and published through the Road Efficiency Group. We remain on track to achieve the year-end milestone.

OBJECTIVE 12:

EXPLORE INNOVATIVE REVENUE, PRICING AND FINANCING APPROACHES THAT ENHANCE THE VALUE DELIVERED BY LAND TRANSPORT INVESTMENTS

MILESTONES FOR 2016/17**Q1 MILESTONE RESULT**

OB 12.1 **RESULT BY 2019** A Transport Agency revenue and financing framework has been developed.

We have implemented the internal revenue and financing framework and we have agreed the principles of the external framework with our key central government partners.

Achieved



GROWING AGILITY AS A HIGH-PERFORMANCE ORGANISATION

Progress made in Q1

We continue to make good progress developing clear strategic content and plans to lift capability through our information programme. The shift in culture and behaviour has been supported through the Board’s endorsement of our privacy work programme and delivery of key information security and business continuity outcomes.

Key Achievements this quarter include:

- Socialising the draft Common National Intelligent Transport Systems architecture with Auckland Transport.
- Developing a draft high-level roadmap for business intelligence capability and advancing initiatives for better access to data and data management.
- Our Information Security programme for 2016/17 has been approved.
- Achieving our target of ‘Level 3’ in the Privacy Self-Assessment for the governance category.

As the complexity of our environment is increasing, we are taking more time to work through impacts across our organisation. Consequences of this complexity include the security risk profile, (completed in August), which has a number of areas that need attention including governance, awareness and security policy and protocols. Work is well underway to develop a work programme based on the findings.

Our challenge is to effectively connect Business Intelligence and Analytics to enable evidence based decision making in a fiscally constrained environment. Our recently updated Harnessing Knowledge strategy has taken a balanced approach to enabling a more agile organisation by giving equal focus to systems, processes and tools; leadership and behaviours; people and skills; information and evidence.

HARNESSING KNOWLEDGE

MILESTONES FOR 2016/17	Q1 MILESTONE RESULT
GA 1.1 RESULT BY 2019 Our people value information as a shared asset.	Substantially achieved
<i>We have developed leadership expectations and have a programme in place to help our people be confident in their ability to harness knowledge.</i>	
<i>We are slightly behind schedule. Our harnessing knowledge training plan has been developed. We have developed draft harnessing knowledge leadership expectations and have fed our knowledge culture behaviours into the organisational change programme. While behind schedule, we are on track to achieve the year-end milestone.</i>	
GA 1.2 RESULT BY 2019 Our information tools and processes make it easy to find integrated information, and we continually strive to simplify and rationalise these tools and processes.	Substantially achieved
GA 1.2.1 We have made it easier for our people to find and use information and to make smart evidence-based decisions, by embedding our new collaboration and information tools and aligning our agency-wide business intelligence programme.	

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
<i>We are slightly behind schedule. We have developed a draft high-level roadmap for business intelligence capability alignment, and we are advancing initiatives for better access to data and data management. While behind schedule, we are on track to achieve the year-end milestone.</i>		
	GA 1.2.2 We have improved the quality of and access to the Transport Agency's evidence base (high-value information).	Achieved
GA 1.3	RESULT BY 2019 We effectively balance an open information culture with robust processes to ensure appropriate information security and privacy.	
	GA 1.3.1 We have agreed and achieved our safety, security and privacy maturity targets, aligned with the Protective Security Requirements, using an integrated approach to enhance the security of our personnel, information and physical assets.	Achieved
	GA 1.3.2 We have implemented the four top New Zealand National Cyber Security Centre security strategies and have a plan in place to achieve the remaining 16 strategies.	Achieved
	GA 1.3.3 We have achieved our target of level 3 in the Privacy Self-Assessment through a programme of business improvements that are aligned with the Government Chief Privacy Officer's core expectations.	Achieved
GA 1.4	RESULT BY 2019 We have a robust and fit-for-purpose business continuity planning framework.	
	GA 1.4.1 We have foundation disaster recovery in place for 27 core applications (as identified in 2014–16 business continuity plan work).	Substantially achieved
	<i>We have implemented the Foundation Disaster Recovery capability for key systems.</i> <i>The planned comprehensive test of critical business services was delayed to October following an earlier successful preliminary test. While behind schedule, we are on track to achieve the year-end milestone.</i>	
	GA 1.4.2 We have approved and tested business continuity plans for all offices and critical functions.	Achieved
	GA 1.4.3 We have a business continuity plan in place to transfer and establish critical National Office leadership functions to the Auckland Regional Office in an emergency, and this is tested.	Achieved

CREATE VALUE WITH OTHERS

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
GA 2.1	RESULT BY 2019 We have matured our leadership practices to consistently operate in a collaborative way, across the state sector, to strengthen overall public sector integrity and inclusiveness.	
	We have strengthened our understanding and capability to operate as part of the wider public sector, and we are working with public sector partners in a way that contributes to our collective impact.	Achieved

MILESTONES FOR 2016/17

GA 2.2	RESULT BY 2019 The Transport Agency is a great place to work that anticipates and responds well to change, is recognised as high performing and has outstanding, agile people.	Achieved
	We have embedded our people plan, which focuses on driving high performance, building engagement, consistent leadership, and being recognised internally and externally as a great place to work.	

GA 2.3	RESULT BY 2019 We have created an environment where our people are highly engaged, recognising the correlation between high engagement and high performance in organisations.	Achieved
	We have embedded good engagement principles into our people practices.	

GA 2.4	RESULT BY 2019 The principle underlying the Transport Agency's Zero Harm Strategy is that by 2020 or sooner all our people, regardless of employer will go home safe and healthy, every day, no exceptions	No Q1 milestone
	GA 2.4.1 We have continued to implement the Zero Harm Strategy 2014–20 and helped improve transport industry collaboration and standards to ensure our people go home safe every day, no exceptions.	Achieved
	GA 2.4.2 We have increased our people's awareness of and commitment to the principles of zero harm.	

GA 2.5	RESULT BY 2019 Our workplace allows our people to work where, when and how they need to by integrating technology, space and people capabilities to deliver greater performance.	Achieved
	We have improved the capability and confidence of our people in using collaborative tools and spaces, as seen through higher adoption and utilisation.	

ENCOURAGE CONTINUOUS IMPROVEMENT AND INNOVATION

MILESTONES FOR 2016/17

GA 3.1	RESULT BY 2019 We have a reputation as an innovator, where innovative thinking and behaviours underpin agile systems and processes, creating solutions that deliver outcomes for customers and stakeholders.	Achieved
	OB 3.1.1 We have established a baseline and system for measuring our innovation maturity across the key enablers of an innovative culture, and we have used the findings to identify how we can improve our organisational approach to innovation.	Achieved
	OB 3.1.2 We have supported the delivery of at least three intelligent transport systems trials.	Achieved

Detailed progress on our priorities



MAKE IT EASY FOR OUR CUSTOMERS TO DO BUSINESS WITH US

Progress made in Q1

Progress on the eight annual milestones was slightly slower than planned this quarter because we reprioritised some projects to ensure there was capacity to deliver new, higher priority initiatives, namely the NZ Business Number and electric vehicles.

Key achievements in the quarter include:

- Implementing a live web chat capability which is proving very popular with customers as part of the contact centre upgrade (with about 14,500 users in the quarter)
- Responding to industry demand by re-establishing web publication of upcoming contracts for planned highways projects. This information has been created to assist small-medium enterprises (SMEs) applying for tenders.
- Completing public consultation on the Driver Licence Rule
- Advancing the 'Improving access to a Driver Licence' work programme, with a cross-agency governance structure now in place and new community driver licensing initiatives being progressed.

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
PR 1.1	<p>RESULT BY 2019 The reduced cost of doing business with us helps our small-medium enterprise commercial customers increase their productivity.</p> <p>PR 1.1 We have developed a prioritised improvement programme to increase efficiency for small-medium enterprises based on the priority 'pain points' (real or perceived problems) identified in customer research.</p> <p><i>We have deferred selecting a specific small-medium enterprises (SME) based service/product for improvement in 2016/17 while immediate resources are deployed to higher government priorities, namely electric vehicles and NZ Business Number (NZBN) implementation. (NZBN also targets delivering business facing benefits.) Using a broader, agency-wide approach later in the financial year is likely to address this goal better, including planning for NZBN inclusion in Transport Agency systems.</i></p> <p><i>Acting on an industry request, we are re-establishing web publication of our programme of small to medium size projects for tender; giving better advance warning of upcoming tenders. This provides SMEs with the ability to better plan for and target our projects for tender. This approach potentially replaces the need for a map-based tool. The need for a map based tool will be further investigated.</i></p>	Substantially Achieved
	PR 1.2 We have improved our third-party and supplier contract processes in line with the findings of the Transaction Services Delivery Strategic Review.	No Q1 milestone
PR 1.2	<p>RESULT BY 2019 The end-to-end driver licensing experience improves safety and makes it easier for everyone to be a safe driver.</p>	

MILESTONES FOR 2016/17	Q1 MILESTONE RESULT
<p>PR 1.2.1 We have provided the Minister of Transport with advice and given effect to government decisions on how to progress the changes to the Driver Licensing Rule and the Land Transport Act to improve safety and make it easier for everyone to be a safe driver.</p> <p><i>This is a shared milestone with the Ministry of Transport.</i></p>	Achieved
<p>PR 1.2.2 We have improved the experience of sitting the driver licence test by ensuring that 85 percent of people who have booked their test sit it within the 18-day waiting period, an increase of 10 percent on 2015/16</p>	Achieved
<p>PR 1.2.3 A prioritised cross-agency work programme has been developed to improve social and employment outcomes for New Zealanders by strengthening customer access to and progression through the driver licensing system.</p> <p><i>This is a shared milestone with the Accident Compensation Corporation, Ministry of Social Development, Ministry of Business, Innovation and Employment and Ministry of Justice.</i></p>	Achieved
PR 1.3	<p>RESULT BY 2019 Our customers find it easy to interact with us digitally; they find the right information when they need it, in the form they need it and they can transact with us effortlessly.</p>
<p>PR 1.3.1 We have extended the use of digital services (DecisionHub and Common Payment Service) to improve the efficiency of processing complex transactions, and we have made it easier for customers to track the progress of applications online.</p>	Substantially achieved
<p><i>We have deferred two projects for later delivery to create capacity for Focussed: Future initiatives and higher business priorities, namely electric vehicles and the NZ Business Number. By year-end we expect to deliver the annual milestone by having extended the use of digital services (DecisionHub and Common Payment Service).</i></p>	
<p>PR 1.3.2 We have improved the online experience for our customers by increasing the number of services accessible online and simplifying our web presence.</p>	Substantially achieved
<p><i>We are slightly behind schedule. We have successfully implemented the contact centre's new channel (web chat) resulting in significant uptake. This improves customer access to robust web page information and accessibility and aims to reduce the need for customers to call us. This work has been given higher priority than the pilot of knowledge management on Vehicle Inspection Manuals. Initial technology design and feasibility study are being completed, but implementation will be later than originally planned.</i></p>	
PR 1.4	<p>RESULT BY 2019 Customer insight is driving prioritisation and helping shape design of continuous improvement initiatives.</p>
<p>We have a joined-up process in place for capturing and sharing customer insight and using it to drive service design across the Transport Agency.</p>	No Q1 milestone



PREDICTABLE JOURNEYS FOR URBAN JOURNEYS

Progress made in Q1

Overall, good progress is being made towards annual milestones.

This quarter we completed the procurement process for a national incident and event management system (NIEMS). The NIEMS will provide a consistent national capability to manage and analyse events, and to share event data with other parties.

A programme of work is also underway to enable more efficient planning and consenting of maintenance and construction roadworks and other planned events. Planning and consenting systems (Forward Works Viewer and MyWorkSites) have been enhanced during the quarter, and are now being implemented in Auckland. All new Auckland Motorway temporary traffic management plan applications are now being made through the new consenting system.

Work is progressing on network optimisation plans for key journeys in Auckland, Wellington and Christchurch, which will identify opportunities to better use existing networks during peak times.

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
PR 2.1	RESULT BY 2019 Key urban transport routes are planned and actively managed within and across modes to improve journey time predictability for customers	
	PR 2.1.1 We have the information and the analysis capability to ensure that journey time predictability informs operational objectives and decision making in Auckland, Wellington and Christchurch.	Achieved
	PR 2.1.2 We have developed a framework for more consistent real-time journey monitoring and management in Auckland, Wellington and Christchurch.	Achieved
	PR 2.1.3 We have identified network optimisation requirements on key urban journeys and we have the capability to address these.	Substantially achieved
	<i>Work is progressing on network optimisation plans for key journeys in Auckland, Wellington and Christchurch, which will identify opportunities to better use existing networks during peak times. While work is underway, the approach needs to be confirmed and further engagement and alignment with local authorities is required, to achieve the year-end milestone for all key journeys.</i>	
PR 2.2	RESULT BY 2019 Our network operations are better integrated with key partners to manage multi-modal urban networks as a single system.	
	PR 2.2.1 We have recommended common data standards and a technology architecture to facilitate data sharing with local authorities and emergency services.	Achieved
	PR 2.2.2 We have agreed the scope and selected a supplier for a national multi-modal system for incident and event management on highways and key arterial roads.	Achieved
	PR 2.2.3 improved forward works and traffic management planning tools and processes have been implemented to more effectively manage planned events.	Achieved
	PR 2.2.4 We have effective forums with local authorities and emergency services targeting measurable improvements in incident response times.	Achieved



INTEGRATE ROAD AND RAIL TO IMPROVE FRIEGHT NETWORK PRODUCTIVITY

Progress made in Q1

Progress made in the first quarter sees us on track to meeting our year-end deliverables.

The milestone that was substantially achieved is in relation to the draft long-term network framework to facilitate road/rail integration and freight productivity (see PR 3.1.1 in table below).

Earlier this year, we intended to deliver in the first quarter an agreed paper on the public value of road-rail integration with Treasury and the Ministry of Transport. Through discussions with our sector partners, it has been clarified that this role is for KiwiRail and not the Transport Agency. We have indicated our support for this and will continue to work with KiwiRail and others to identify and progress opportunities for greater system integration and alignment.

We achieved an important milestone this quarter with the development of a business case for improving safety and freight efficiency on prioritised state highway and on local road public level crossings immediately influencing state highway vehicle access. Our next step is to work towards an action and prioritisation plan.

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
PR 3.1	<p>RESULT BY 2019 Key urban transport routes are planned and actively managed within and across modes to improve journey time predictability for customers</p> <p>PR 3.1.1 We have delivered a draft long-term network framework to facilitate road/rail integration and freight productivity.</p> <p><i>It has now been clarified by Transport Agency management that determining the value of rail's wider contribution to the transport system and the economy is a matter for the Treasury and KiwiRail Ltd to progress. However the Transport Agency will continue to work with KiwiRail and others to identify and progress opportunities for greater system integration and alignment.</i></p>	Substantially achieved
	PR 3.1.2 We have investigated a programme of intermodal initiatives to enable greater road/rail integration and freight productivity.	No Q1 milestone
	PR 3.1.3 We have developed a business case and a 10-year implementation plan, which is endorsed by our partners, to reduce deaths and serious injuries and other negative effects on public level crossings.	Achieved

Progress made in Q1

Progress was made during the quarter with most milestones substantively on-track.

Two of the key achievements for this quarter include the agreement of the safe roads alliance programme, which forms part of the SH Plan 2016/17, and the development of a cross-agency motorcycle safety group.

The motorcycle safety group is already seeing good partnership activity, including two initiatives with ACC. These initiatives are joint-agency funding of a Coromandel Northern Loop demonstration project and joint-agency collaboration on a map of roads that provide high opportunities for improving motorcycle safety

Development work on the national programme of lower cost safety improvements on high-risk rural roads has been delayed due to additional consultant work that has been required to integrate the risk maps and identified high risk local and rural roads with speed management maps. This work is now due in late October and will identify, at national level, the high risk local rural roads that have potential for lower cost safety improvements.

We are also slightly behind schedule on finalising the national speed management guide and rules, however, a final draft of the guide and a toolkit are available online for partners and stakeholders to implement effective change conversations relating to speed. The Minister is expected to launch *the Speed Management Guide* in late October and access to the guide will be enhanced after this.

Although slightly behind schedule in some areas this quarter, we are still on track to achieve the end of year milestones.

MILESTONES FOR 2016/17	Q1 MILESTONE RESULT
<p>PR 4.1 RESULT BY 2019 We have implemented the Transport Agency- led actions from the <i>Safer Journeys Action Plan 2016–20</i> and worked in partnership with other agencies to deliver on enabler actions for Smart and Safe Choices, Safer Motorcycling, and Safer Vehicles.</p>	
<p>PR 4.1.1 As part of the <i>Safer Journeys Action Plan 2016–20</i>, working with local road controlling authorities, we have developed and agreed a national programme of lower cost safety improvements on high-risk local rural roads. <i>This is a shared milestone with local authorities</i></p>	Substantially achieved
<p><i>We are slightly behind schedule due to additional consultant work to integrate the risk maps and identified high risk local and rural roads with speed management maps. A draft of this work is was completed in late October which identified identify, at national level, the high risk local rural roads that have potential for lower cost safety improvements. While behind schedule, we are on track to achieve the year-end milestone.</i></p>	
<p>PR 4.1.2 A national prioritised list of state highway safety improvements has been defined and endorsed, and priority projects have been delivered.</p>	Achieved
<p>PR 4.1.3 We have contributed to developing cross-sector programmes of actions that enable smart and safe choices, make motorcycling safer, and encourage safer vehicles.</p>	Achieved

PR 4.2 **RESULT BY 2019** Reduced deaths and serious injuries by 10 percent on the highest risk urban arterials.

As part of the *Safer Journeys Action Plan 2016–20*, working with local road controlling authorities, we have developed and agreed a national programme for safety improvements on specified highest risk local urban arterial roads (focusing on all modes and vulnerable users).

Substantially achieved

This is a shared milestone with local authorities.

As with PR 4.1.1 above, we are slightly behind schedule due to additional consultant work to integrate the risk maps and identified high risk local and rural roads with speed management maps. A draft of this work is was completed in late October which identified, at national level, the high risk local rural roads that have potential for lower cost safety improvements. While behind schedule, we are on track to achieve the year-end milestone.

PR 4.3 **RESULT BY 2019** The public conversation about how individual behaviour and choices affect road safety outcomes is strong (as measured by attitude surveys) and is contributing to a positive road culture and a demonstrated improvement in community understanding of speed risk and attitudes to speed management.

This is a shared result with the National Road Safety Committee and local government.

We have established baseline measures of the public acceptance that different roads need different speeds depending on their level of safety, and have demonstrated that this understanding has improved using the Waikato demonstration project.

Substantially achieved

We are slightly behind schedule. A toolkit is available online for partners and stakeholders to implement effective change conversations relating to speed. The Minister is expected to launch the Speed Management Guide in early November and access to the toolkit will be enhanced after this. While behind schedule, we are on track to achieve the year-end milestone.

PR 4.4 **RESULT BY 2019** All road controlling authorities are working to one network speed management plans, applying the tools and methodologies in the Speed management guide, including routes identified in the state highway speed business case.

We have finalised the national speed management guide and rule and successfully introduced them to all road controlling authorities.

Substantially achieved

We are slightly behind schedule. A guide is available online in draft form for partners and stakeholders to implement effective change conversations relating to speed. The Minister is expected to launch the Speed Management Guide in early November and access to the guide will be enhanced after this. While behind schedule, we are on track to achieve the year-end milestone.



DRIVING VALUE THROUGH SMART MAINTENANCE

Progress made in Q1

We achieved all of our four quarterly milestones for this programme. This quarter we continued our work on supporting capability building of our partners through collaborative activities.

We have worked closely with the local government sector through the road Efficiency Group and with the Road Asset Technical Accord group of councils in Waikato developing an approach to activity management planning. Early this year, we communicated to our sector partners our draft proposal for incorporating One Network Road Classification into our investment criteria. We have now reviewing the feedback on our draft proposal to further refine our investment criteria.

Our approach to improve customer levels of service focussed this quarter on reviewing similar collaborative tools used by peers.

We also conveyed to the sector our early high level investment signals for maintenance programmes in the next National Land Transport Programme as part of our communication on the investment criteria. These early signals support incorporating the One Network Road Classification framework, including customer levels of service, into Activity Management Plans as a basis for future investment.

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
PR 5.1	RESULT BY 2019 Road controlling authorities have improved capability to make maintenance decisions that deliver efficiencies through use of improved data and collaborative working arrangements.	
	Through clarifying our policy on applying the One Network Road Classification in our investment decision making, and our joint work with local government on road asset data, road controlling authorities report increased confidence in making maintenance decisions. This confidence will be assessed through formal surveys and the ongoing interactions we have with the authorities.	Achieved
PR 5.2	RESULT BY 2019 Customer understanding and experience of levels of service and costs shapes our delivery of consistent customer levels of service.	
	PR 5.2.1 We have developed a mechanism for linking state highway customer feedback to the levels of service and operational performance.	Achieved
	PR 5.2.2 For maintenance programmes in the 2018–21 National Land Transport Programme (NLTP), we have conveyed to each road controlling authority our investment signals to support the One Network Classification levels of investment.	Achieved
PR 5.3	RESULT BY 2019 Road controlling authorities increasingly demonstrate advanced activity management planning and procurement capability through collaborative working arrangements to deliver maintenance efficiencies.	
	We have facilitated collaborative working arrangements across road controlling authorities, and procurement strategies presented for our endorsement consider the value of collaborative service delivery.	Achieved



MAKE URBAN CYCLING A SAFER AND MORE ATTRACTIVE TRANSPORT CHOICE

Progress made in Q1

This quarter has seen more tangible progress on Urban Cycleways Programme projects around the country, with several projects moving into construction phase and one project completed.

The Auckland Urban Cycleways Programme underwent a delivery review this quarter, with several opportunities identified for acceleration. The completion of an important section of Quay St was celebrated with an event in July and has since attracted around 660 users a day. Further detail on the full programme can be found on pages 42 and 93.

There has been progress on implementing the key recommendations from the Cycling Safety Panel with a final draft report investigating an appropriate mandatory minimum overtaking gap was completed.

Initial planning and investment signals were developed, linked to wider investment signals and processes for cycling. This is an important step towards our annual milestone of embedding an integrated approach into draft regional land transport plans by Auckland Transport, and Wellington and Christchurch city councils, to substantially complete urban cycling networks by 2029.

MILESTONES FOR 2016/17		Q1 MILESTONE RESULT
PR 6.1	RESULT BY 2019 Degree of development of the planned urban cycleway networks across Auckland, Wellington and Christchurch.	
	This result is delivered through the Urban Cycleways Programme milestones (page 42 and appendix 3). <i>This is a shared milestone with local authorities.</i>	Achieved
	URBAN CYCLEWAYS PROGRAMME	
	PR 6.1.1 Auckland: City Centre Network (City Centre Quay Street completed; Ian McKinnon Drive Cycleway construction started; K Road Cycleway construction started)	Achieved
	PR 6.1.2 Auckland: Eastern Connections to City Centre (Construction underway)	Achieved
	PR 6.1.3 Auckland: Western Connections to City Centre (Construction started)	Achieved
	PR 6.1.4 Auckland: links to public transport (Construction underway)	Achieved
	PR 6.1.5 Melling to Petone (Construction started)	
	<i>The design work on the Petone to Grenada project has meant we are yet unable to define the alignment of this cycleway section. We will manage this within the remainder of the quarterly milestones.</i>	Substantially achieved
	PR 6.1.6 Wellington CBD route package (No 2016/17 milestones)	No 2016/17 milestones

PR 6.1.7	Rapanui-Shagrock Cycleway (Christchurch) (Construction started)	Achieved
PR 6.1.8	Heathcote expressway (Christchurch) (No 2016/17 milestones)	No 2016/17 milestones
PR 6.1.9	Papanui Parallel (Christchurch) (Construction underway)	Achieved
PR 6.1.10	Nelson Coastal Route (No 2016/17 milestones)	No 2016/17 milestones
PR 6.2	RESULT BY 2019 Lower rate of fatal and injury crashes involving cyclists on the road network.	
	We have implemented the key recommendations from the Cycling Safety Panel.	Achieved
PR 6.3	RESULT BY 2019 Cycling is given appropriate priority in the planning and management of urban transport networks and urban systems.	
PR 6.3.1	We will ensure that our planning and investment signals to substantially complete urban cycling networks by 2029 using the integrated approach have been embedded into draft regional land transport plans by Auckland Transport and Wellington and Christchurch city councils. <i>This is a shared milestone with local authorities.</i>	Achieved
PR 6.3.2	We are measuring and reporting on the benefits of the cycling programme, through our reporting and measurement framework. <i>We have collected the baseline network use information. Decisions on how this information will be reported will be made during quarter two as part of a wider programme evaluation framework which is being developed.</i>	Substantially achieved
PR 6.4	RESULT BY 2019 Complete Urban Cycleways Programme. <i>This is a shared result with local authorities.</i>	
	Construction has commenced on 75 percent of Urban Cycleways Programme projects (refer page 35 and appendix 2 for programme milestones).	Achieved

SERVICE DELIVERY PERFORMANCE

Output class performance (exceptions reported only)

Investment management

MEASURE	2016/17 TARGET	Q1 YTD ACTUAL	VARIANCE	STATUS
Total cost of managing the funding allocation system as a % of the NLTP expenditure	≤1%	1.2%	-0.2%	Did not achieve
<p><i>Expenditure in this category exceeded the 1% target. At the start of the financial year, Investment Fund Allocation System spend is typically ahead of National Land Transport Programme spend. We are expecting the programme spend to catch up later in the year.</i></p>				
% of activities that are delivered to agreed standards and timeframes (investment in the funding allocation system)	100%	99%	-1%	Did not achieve
<p><i>We were 1% below target for the percentage of investments that meet the NZTA's investment criteria benchmark level. Three activities were approved as exceptions - two Northland bridge Detailed Business Cases were approved by management where their investment profile was still to be confirmed given their need for urgency, and the Rangiora-Woodend Cycle Corridor was approved by management due to both its link to Urban Cycling Programme projects and that the boundary of the Christchurch urban area had not been adjusted to reflect the fundamental change to the urban development area since the earthquake.</i></p>				
% of operational assurance activities completed	100%	83%	-17%	Did not achieve
<p><i>The target was not fully met because resources were re-prioritised to meet changing Transport Agency needs. Ten investment audits but two planned post-implementation review projects were originally carried over from 2015/16 and scheduled to take place in the first quarter but have been deferred to the second quarter. This was the result of reallocating team resources into an urgent unscheduled audit (of the Total Mobility Scheme). We are confident that the post-implementation review programme is on track for completion at year end.</i></p>				
% of activities that are delivered to agreed standards and timeframes (transport planning)	≥90%	21%	Q1 target 22.5%	Did not achieve
<p><i>A number of Highway and Network Operations programme business cases experienced delays due awaiting governance approval. A number programme business cases incurred overspends resulting from accounting issues and scope revisions. The Queenstown programme business case required more input to meet the Minister's expectation of good early progress. The year-end target is still expected to be achieved.</i></p> <p>Note: This is reported in a cumulative manner, with the >90% being the end of year target</p>				

Road tolling

MEASURE	2016/17 TARGET	Q1 YTD ACTUAL	VARIANCE	STATUS
% of revenue compliance	≥98%	94%	-4%	Did not achieve

Quarter one performance for tolling revenue compliance was below the target of 98%. Tolling revenue compliance measures the number of trips paid for as a percentage of all trips for the same period. Customers do not always pay their trips immediately, meaning a proportion of trips with outstanding payments are paid early in the next period.

State highway maintenance

MEASURE	2016/17 TARGET	Q1 YTD ACTUAL	VARIANCE	STATUS
Availability of the state highway network: % of unplanned road closures resolved in 12 hours	≥90%	85%	-5%	Did not achieve

The resolution of unplanned road closures did not meet target in quarter one. This was due to significant snow and flooding events in Southland and Waikato.

We track our operating environment to understand whether our assumptions differ from what we expected. If the assumptions outlined differ from expected, then we would expect aspects of our performance to be adversely impacted. Accordingly, we would (where appropriate) include it in performance variance commentary.

In this quarter, there is nothing outside our expected operating assumptions that we consider would impact on our performance.

Details of our operating assumptions are included in appendix 1 page 81.

Road Policing Programme

21 of 30 (70 percent) intermediate outcomes meeting desired trend

In this quarter:

- Following consultation, the *Road Policing Action Plan 2016 – 2020* was released on 1 July.
- Implementation of three of the seven camera sites, that make up Tranche 2 of the Speed Camera Expansion project, has commenced. Detailed planning is well underway for the remaining 4 sites.
- All policing staff now have iPhone applications to issue infringement notices and warnings.
- Noting that Labour Weekend is the highest road safety risk holiday period of the year, police are planning a national Labour Weekend campaign, building on lessons learnt from Queen's Birthday Weekend.
- Road Policing expenditure is tracking to budget.

DELIVERY HIGHLIGHTS

STATUS

Focus on restraints and distractions

In response to the need for a renewed focus on the enforcement of restraints, recently Police districts focussed resource on restraint use. Activity included the Auckland Commercial Vehicle Investigation Unit running an operation focusing on restraint use by heavy vehicle drivers on urban roads.



Road policing over holiday weekends

Police responded to the high road toll (11 deaths from eight crashes) over Queen's Birthday weekend, by undertaking several pieces of analysis to see if any lessons' learnt could be applied to future long weekends. The planning is well underway for a significant national operation for Labour weekend, which is identified as the highest road safety risk holiday period of the year.



Restraints

Police are focusing on restraint enforcement, given a doubling in the number of road deaths associated with a seat belt not being worn year-on-year. The main focus of the campaign is on restraint use, but Police are also checking driver cell phone use, and everyone stopped will be breath tested.



2015-18 IMPROVEMENT PROGRAMME ⁵

STATUS

Policing Excellence: the Future – application to road policing

A multi-criteria decision making process was applied to road policing in the context of Policing Excellence: the Future and a range of future RPP delivery options were identified. The options were assessed against the Transport Agency's Investment Assessment Framework to inform the preparation of the 2016-18 variation to the Road Policing Programme, which was subsequently approved by the Minister of Transport.

Completed



Prevention First strategy – application to road policing

The NZ Police Prevention First strategy, along with Safer Journeys and The Turning of the Tide strategies, will be applied to road policing with the implementation of the Road Policing Action Plan 2016-2020.



⁵ Refer page 7 of the 2015-18 Road Policing Programme

<p>Development of a Road Policing Strategy to 2020</p> <p>Police finalised the Road Policing Action Plan 2016-2020 which came into effect on 1 July 2016. The action plan will guide the implementation of the Road Policing Programme, with a focus on:</p> <ul style="list-style-type: none"> • The development of performance measures for the implementation of the action plan • The release of District Road Risk Profiles (DRRPs) across all Police districts. The profiles identify district risks which road policing activities and interventions will address. 	Completed
<p>Road policing intervention logic mapping (ILM)</p> <p>Further development and application of the ILM will now proceed in tandem with the Road Safety Action Plan and Road Policing Programme implementation. It is a key plank for the delivery of the District Road Risk Profiles which link activities and interventions to road safety risk at a district level.</p>	
<p>Implementation of the Camera Programme Expansion</p> <p>Implementation of three of the seven camera sites that make up Tranche 2 of Speed Camera Expansion project has commenced with the appropriate approvals in place. Detailed planning is well underway for the balance of the Tranche two camera sites. In parallel with this activity, detailed planning has been initiated for the implementation of Tranche 3 of the Traffic Camera Expansion Programme – comprising an additional 37 sites throughout the country.</p>	
<p>Auditing of road policing systems</p> <p>Police are working to shift the focus from reporting on the auditing of operation systems and processes to one that focusses on the auditing of police systems and processes which focus on the delivery of road policing activities.</p>	
<p>Developing Police infringement processing system replacement options</p> <p>The project considering system replacement options has been put on hold pending work being undertaken on the future ownership and management of the safety camera programme.</p>	
<p>Implementation of NZ Police mobility programme – including electronic traffic crash reporting</p> <p>The police's 'OnDuty' application has been rolled out to all police staff. The application provides for all police staff to issue infringement notices via their mobile phones. Early indications are that the application is resulting in decreased time spent issuing tickets on the roadside. Police plan to undertake a time and motion study to more accurately gauge the level of the time saving benefits to police and the public. Functionality has been extended to include traffic crash and commercial vehicle inspection reports. The establishment of a release schedule is allowing for developments in traffic crash reporting to be implemented quickly.</p>	
<p>Purchasing of operating equipment</p> <p>A replacement programme for the installation of in-car radar/laser units has commenced. A redeployment plan for the distribution of the new Drager 7510 breath testing devices is underway and due for completion during October 2016. Police are also assessing options for the replacement of the mobile camera fleet.</p>	

RPP AREA OF CONCERN	OUTCOME RESULTS NZ POLICE MAKE A SIGNIFICANT CONTRIBUTION TO	DESIRED TREND*	TREND PERFORMANCE*
Vehicle dimension and mass (VDAM)	percentage number of VDAM offences detected	Decrease	↓
Commercial vehicle operators	percentage of overweight heavy vehicles	Decrease	↑
	percentage of local authorities, NZ Transport Agency and	Increase	↑

ACC injury prevention consultants satisfied that police heavy vehicle activities addressed risk

High risk drivers	number of disqualified driving offences	Decrease	↓
	number of unlicensed or incorrectly licensed driving offences	Decrease	↑
Traffic management	in time to reinstate traffic flow after road or carriageway closure or crash	Decrease	↑
	percentage of local authorities, NZ Transport Agency and ACC injury prevention consultants satisfied that police delivery of traffic management activities have addressed risk	Increase	↑
Speed	percentage of vehicles complying with open road (100km/h) speed limits	Increase	↑
	percentage of vehicles complying with urban road (50km/h) speed limits	Increase	↑
	percentage of heavy vehicles complying with open road (90km/h) speed limits	Increase	↑
	percentage of heavy vehicles complying with urban road (50km/h) speed limits	Increase	↑
	percentage of vehicles exceeding speed limits by 1-10km/h	Decrease	↓
	percentage of respondents agree that enforcing the speed limit lowers the road toll	Increase	↓

RPP AREA OF CONCERN	OUTCOME RESULTS NZ POLICE MAKE A SIGNIFICANT CONTRIBUTION TO	DESIRED TREND*	TREND PERFORMANCE*
Young Drivers	percentage of youth (15-24 yrs) have expectation that the risk of being caught drink driving is small	Decrease	↑
	percentage youth (15-24 yrs) have expectation that the risk of being caught speeding is small	Decrease	↓
Alcohol	number of fatal and serious injuries in alcohol/drug crashes per 100,000 population	Decrease	↓
	percentage of respondents agree that there is a good chance of being stopped at an alcohol checkpoint if driving late at night	Increase	↓
Walking and cycling	percentage of vehicles complying with urban road (50km/h) speed limits	Increase	↑
	number per 100,000 population of pedestrians/cyclists killed or seriously injured enough to be hospitalised for longer than one day	Decrease	↑
Motorcycles	percentage of motorcycles in crashes with a non-current	Decrease	↓

WoF			
Light vehicles	percentage of light vehicles in crashes with a non-current WoF	Decrease	↑
Restraints	percentage of adults wearing safety belts in the front seat	Increase	↑
	percentage of adults wearing safety belts in the rear seat	Increase	↑
	percentage of children aged 5-9 years using restraints (incl. booster seat, child seat, child harness)	Increase	↑
	percentage of children aged 0-5 years using a child restraints	Increase	↑
Older road users	number of fatal/serious injuries to older road users per 100,000	Decrease	↑
Crash reporting	percentage of fatal traffic crash reports received within 10 weeks	Increase	↑
	percentage of serious injury traffic crash reports received within 10 weeks	Increase	↑
	percentage of minor injury traffic crash reports received within 10 weeks	Increase	↑
	percentage of non-injury traffic crash reports received within 10 weeks	Increase	↑

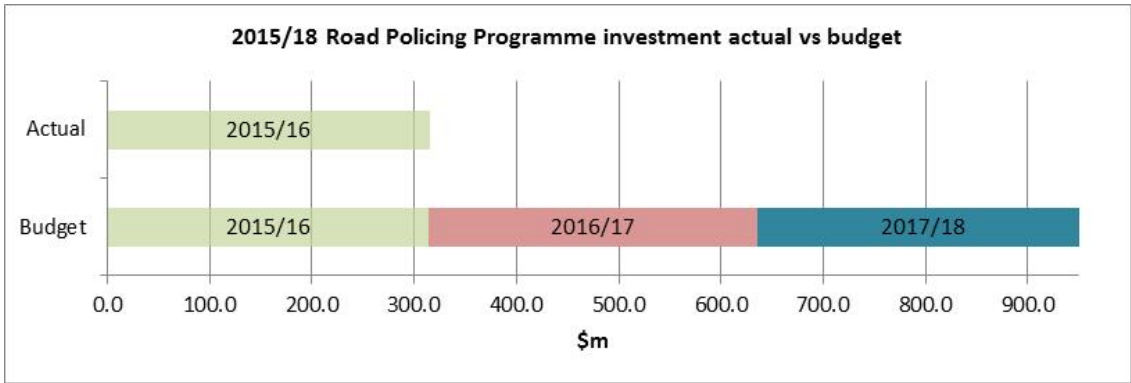
* The 'trend performance' represents the trend over the most recent six quarters to Q2 2016/17, or the most recent three annual results. Green arrows indicate that the 'trend performance' is in line with the desired trend. Amber arrows indicate that the trend performance is not in line with the desired trend.

NZ POLICE ROAD POLICING PROGRAMME EXPENDITURE AGAINST BUDGET	STATUS
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YEAR	ORIGINAL NLTF APPROVAL (\$M)	REVISED BUDGET (\$M)	ACTUAL/YTD (\$M)
2015/16	315.0	314.4	314.7
2015/16 – Speed camera Expansion Programme	8.0		
2016/17	637.0	321.2	
2017/18		324.4	
Total 2015-18 (NLTF only)	960.0	960.0	314.7

NZ Police Road Policing Programme NLTF Vote Police expenditure tracking slightly (1%) below



budget.

Urban Cycleways Programme

This quarter has seen more tangible progress on Urban Cycleways Programme projects around the country, with several projects moving into the construction phase and one project completed.

Construction began on the Western Rail Trail in Hamilton, Spring Creek in Blenheim and the Omokoroa-Tauranga route. An important section of the Quay St cycleway in Auckland was completed, as part of the Central City package and South Dunedin Cycleway Enhancements was finished with the completion of the Portobello Road section.

The Auckland Urban Cycleways Programme underwent a delivery review this quarter, with several opportunities identified for acceleration. The completion of a section of Quay St was celebrated with an event in July and has since shown to attract around 660 users a day. The construction of a section of the Eastern Connection package is due to commence next quarter, with further consultation and design to progress on other Auckland Transport projects.

The Wellington Urban Cycleways Programme has been refreshed following an independent review and has resulted in a stronger proposed investment in the Eastern package, and a reduced proposed investment in the city centre, to better align with the wider Let's Get Wellington Moving programme. It is proposed that Ministerial agreement to the refreshed programme be sought in February 2017. The first section of the Ngauranga to Bunny St project will commence next quarter.

Christchurch City Council has seen significant progress in its Urban Cycleways Programme this quarter, with several projects now tendered and ready to commence construction early in the next quarter. The design and contractor panels that were procured by the council earlier in the programme are now helping to accelerate project development and delivery.

A strong partnership with KiwiRail is now in place and has resulted in a significant improvement in the communications between key partners and the KiwiRail approvals process. The Transport Agency and KiwiRail are working collaboratively to develop clear design guidance to further improve these processes and accelerate delivery.

Local body elections have had an impact in some areas and caused some project delays. There are four projects that are forecasted for completion in the 2018/19 financial year.

Due to strong delivery performance and some project cost increases since the early estimates when the programme launched, the walking and cycling spend for 2015-2018 is likely to exceed the GPS activity class range cap. The Transport Agency is closely monitoring cash flow and developing options to manage this risk.

For full detail on the programme schedule see appendix 3 on page 92.

Recent achievements

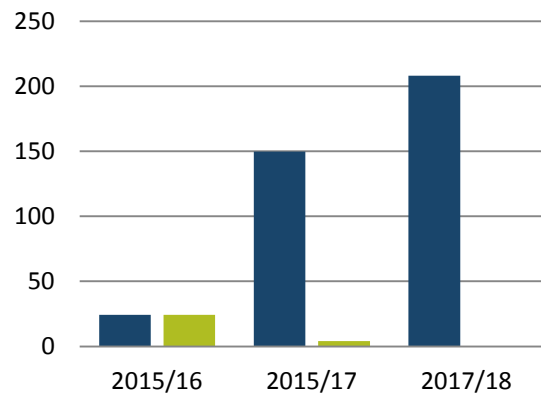
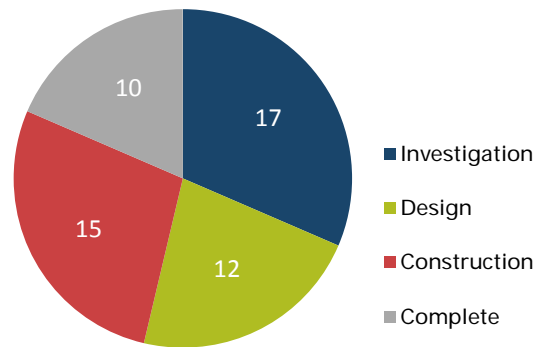
- Construction commenced on the Western Rail Trail in Hamilton
- Construction commenced on Spring Creek, Blenheim
- South Dunedin Cycleway Enhancements completed
- Completion of the first section of the Quay St project, part of Central City Auckland package
- Construction began on the Omokoroa-Tauranga route
- Construction completed on Morey St and commenced on Brent Road and Springfield link in Rotorua.
- Completion of the Marewa Loop in Napier
- Construction of stage 1 of the Manawatu River shared path in Palmerston North complete
- Construction commenced on the Kāpiti Road section of Stride n' Ride in Kāpiti
- NLTF funding approved for both Waimakariri projects and Omokoroa-Tauranga route.

Key programme risks

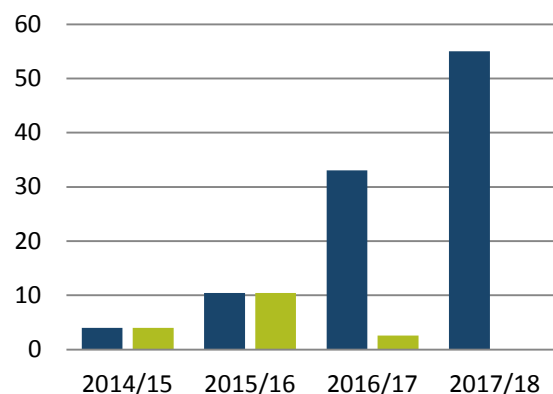
RISK	MITIGATION
Local body elections undermine council decision-making and delay progress	Escalation and close engagement, review and corrective action identified and assessed with councils. Working with councils to support on-going planning and resourcing to progress through election period. Specific support provided to Dunedin, Wellington and Nelson to help re-shape programme and maintain council support.
Lack of political and community buy-in to deliver cycleway infrastructure	NZ Transport Agency technical reviews of politically challenging projects Pro-active media engagement to help tell the story of investment in cycling Providing co-investment for activities that build community buy-in National leadership to assist the normalisation of people on bikes and build cycling's social license. Community engagement training for delivering cycleway projects
Projects at earlier stages of development and of significant size and complexity struggle to be delivered within accelerated timeframe	Programme Control Group within Transport Agency to drive delivery Major urban areas establishing accelerated processes Self-assessment review to support councils sufficiently planning for and resourcing their projects. Consider some flexibility in timeframe where appropriate Support the establishment of procurement panels.
Infrastructure is not complemented by wrap around activities that encourage more people to ride, resulting in reduced outcomes from investment	Transport Agency to provide national programme of behaviour change, co-investment for wrap-around activities and strongly recommend local Councils undertake this work. Sharing of best practice and supporting capability.
NLTF activity class cannot match fund all UCP projects and other priorities given all of other significant cycle and potential project cost overruns	Detailed cash flow management. Transport Agency to develop a range of options to fund high priority projects and manage cash flows and cost overruns.

Programme statistics

Current project phases



■ Estimated UCP kms to be constructed
■ UCP kms built to date



■ Estimated UCF spend per year (\$m) UCF
■ UCF claimed to date (\$m)

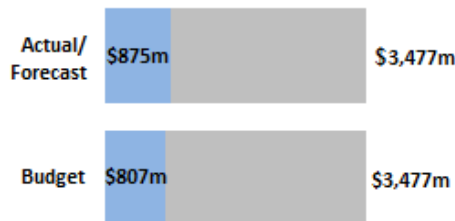
FINANCIAL PERFORMANCE

Financial performance summary

■ Year to date ■ Full year

NATIONAL LAND TRANSPORT FUND REVENUE

\$69m
above
budget



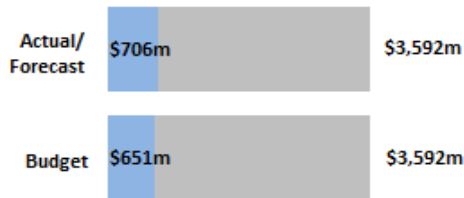
NLTF revenue year to date is 9% above budget primarily due to the timing of fuel shipments and associated recognition of revenue, and increase travel demand due to raised levels of economic activity.

National Land Transport Fund revenue is forecast at 100% of the National Land Transport Programme 2015-18 three year target

Watch list - no significant issues identified

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

\$55m
above
budget



Expenditure year to date is 8% above budget primarily due to higher delivery in state highway improvements and the Auckland accelerated programme

NLTP 2015-18 overall is on budget with 38% of the three year expenditure programme spent to date

Watch list (NLTP)

Likely under GPS range: local road improvements

Likely over GPS range: walking & cycling

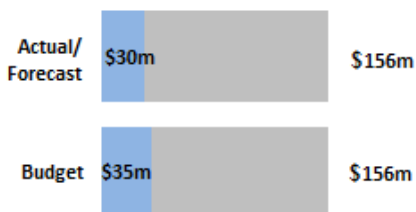
To monitor: regional improvements

Watch list (Crown projects)

Accelerated regional state highways and urban cycleways

NZ TRANSPORT NET AGENCY OPERATIONAL EXPENDITURE

\$5m
below
budget



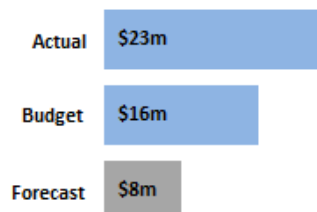
Net operational expenditure year to date is 14% below budget due to delays in road safety promotion campaigns and lower motor vehicle registry activities

A forecast is due in Dec 2016/Jan 2017 which will estimate year end out-turn with some new initiatives incorporated

Watch list - no significant issues identified

MEMORANDUM ACCOUNT

\$7m
above
budget



Memorandum account closing balances are 40% above budget primarily due to opening balances being above what was budgeted in the Statement of Performance Expectations

The full year forecast reflects the actual opening balances and the planned movements as per the Statement of Performance Expectations

Watch list - Rail licensing fee review

NZ TRANSPORT AGENCY OPERATIONAL INITIATIVES

\$3m
below
budget



Approved initiatives expenditure year to date is 42% below budget as most projects are in the early stages of progress

Watch list - fiscal risk on NZ Business Number initiative

LONGER TERM OUTLOOK

The 2015-18 National Land Transport Programme has been reforecast and highlights the following areas of concern with regards to meeting the Government Policy Statement on Land Transport ranges.


- **Local road improvements** is forecast to under-deliver against the published National Land Transport Programme target and the minimum Government Policy Statement funding range at the end of the 2015-18 programme. Auckland Transport's performance is key to delivering this activity class, but to date its focus has been on other priorities, and some approved organisations are directing local funds to cycling projects attracted by the Urban Cycleway Programme. It is looking likely that the Transport Agency will need to request the Minister to adjust the minimum of the Government Policy Statement funding range.
- **Walking and cycling** is forecast to exceed the maximum Government Policy Statement funding range. This is largely driven by the Urban Cycleway Programme, which was not accounted for within the walking and cycling Government Policy Statement funding range. A request to the Minister to adjust the funding range maximum will be required to meet the Government's expectations for delivering the Urban Cycleway Programme.
- **Regional improvements** under delivered in 2015/16 due to difficulties in gaining momentum from a standing start in the new activity class. The Transport Agency is confident of delivering within the \$180-270m Government Policy Statement funding range, with over \$300m of projects available in the programme, and the total of projects now with funding approved exceeding the \$225m expenditure target. The Transport Agency's focus is now on delivering the projects as planned.

ASSURANCE AND COMPLIANCE OVER THE NATIONAL LAND TRANSPORT PROGRAMME AND CROWN FUNDED PROJECTS

NLTF cash position	NLTP 2015-18 funding	Borrowings	Crown projects	Minimum GPS	Maximum GPS
<p>The NLTF had a positive cash position of \$387m at 30 Sep</p>	<p>NLTF revenue is forecast at 100% coverage of the expenditure target for the NLTP 2015-18</p>	<p>There are \$535m borrowings as at 30 Sep Compliant with all conditions</p>	<p>2 out of 5 projects are tracking significantly below budget</p>	<p>1 out of 9 output classes are forecast to be below the minimum GPS range</p>	<p>1 out of 9 output classes are forecast to be above maximum GPS range</p>

National Land Transport Fund and National Land Transport Programme

National Land Transport Fund revenue


SUMMARY	YEAR TO DATE				FULL YEAR				
	Actual	Budget	Variance	Variance	Forecast	Budget	Variance	Variance	
	\$m	\$m	\$m	%	\$m	\$m	\$m	%	
 <p>\$69m Above YTD budget</p> <p>Budget Tracking 9% above year to date budget</p> <p>2015-18 NLTP Revenue forecast at 100% of NLTP three year target</p>	Fuel Excise duty	434	406	27	7%	1,827	1,827	0	0
	Road user charges	350	324	26	8%	1,357	1,357	0	0
	Motor vehicle registration and other revenue	92	76	16	21%	293	293	0	0
	Total NLTF revenue	875	807	69	9%	3,477	3,477	0	0

National Land Transport Fund (NLTF) year to date revenue is above budget due to the following:

- **Fuel excise duty** is above budget largely due to the timing of fuel shipments as the revenue is earned at the time a ship comes to port and the budget phasing is based on historical trends
- **Road user charges** is above budget due to the continuing increase in the national fleet of diesel light vehicles, lower RUC refunds and unbudgeted evasion & penalty revenue
- **Motor vehicle registration and other revenue** is above budget due to the property disposal programme tracking ahead of budget due to early settlement of some properties and an increase in vehicle registration volumes

National Land Transport Fund revenue for the three year period 2015-18 is forecast at 100% of the National Land Transport Programme three year expenditure target

2016/17 National Land Transport Programme (funded from the National Land Transport fund) and Crown-funded expenditure

SUMMARY	YEAR TO DATE				FULL YEAR				
	Actual	Budget	Variance	Variance	Forecast	Budget	Variance	Variance	
	\$m	\$m	\$m	%	\$m	\$m	\$m	%	
	NLTP funded from NLTF	645	599	(46)	(8%)	3,234	3,234	0	0%
	Crown-funded projects	61	52	(9)	(17%)	358	358	0	0%
	NLTP & Crown expenditure	706	651	(55)	(8%)	3,592	3,592	0	0%

Budget
Tracking 8% above year to date budget

National Land Transport Programme (NLTP) year to date expenditure is above budget due to the following:

- **State highway improvements** expenditure is \$34m (12%) above budget. This is the result of another strong month with a significant level of activity completed. The Roads of National Significance, which accounts for approximately 60% of the improvements programme, are continuing to progress well, particularly the Longswamp section of the Waikato Expressway, which remains ahead of budget. The full year expenditure, however, is expected to be below budget as new project starts continue to be slower than planned and there have been substantial savings at the tender box on a number of high cost construction contracts. The Transport Agency will continue to manage the programme with the aim of getting new project funding back on schedule.
- **Public transport, walking and cycling, local road maintenance and regional improvements** are all tracking above budget. However, not by a significant amount.

Specific Crown-funded projects year to date expenditure is above budget due to the following:

- **Auckland accelerated** (crown-funding assisted programme) expenditure is \$19m (81%) above budget. The programme continues to progress well and is expected to end the year approximately 20% above budget. This over-spend will be funded from the \$27m carry forward from 2015/16
- **Accelerated regional state highways** and **Urban cycleways** expenditure are below budget. Slower than planned progress on the Kawarau Falls Bridge Replacement project has impacted the Accelerated regional state highways programme and while this project is at risk, we remain on-track to achieve the other projects milestones. A substantial uplift is expected in the Urban cycleways programme however current expectations are that the full year will be below budget.

Page 54 contains further details on year to date and incurred to date expenditure.

2015-18 National Land Transport Programme (funded from the National Land Transport Fund) and Crown-funded expenditure

SUMMARY	INCURRED TO DATE			3 YEAR NLTP			
	Actual \$m	Actual %	Budget %	Published \$m	Forecast \$m	Variance \$m	
2015-18 NLTP							
38% of three year programme spent to date	NLTP funded from NLTF	3,644	38%	39%	9,540	9,482	(58)
	Crown-funded projects	265	38%	39%	699	705	6

2015-18 National Land Transport Programme incurred to date expenditure for the 15 months to 30 September 2016 is, overall, tracking to budget however there are some significant variances within the output classes. Areas of concern are:

- **Local road improvements** expenditure is \$121m which correlates to 26% of the three year National Land Transport Programme target, compared to a budget of 36%. It is forecast to under-deliver against the published National Land Transport Programme target and the minimum Government Policy Statement funding range at the end of the 2015-18 programme. Auckland Transport's performance is key to delivering this activity class, but to date its focus has been on other priorities, and some approved organisations are directing local funds to cycling projects attracted by the Urban Cycleway Programme. It is looking likely that the Transport Agency will need to request the Minister to adjust the minimum of the Government Policy Statement funding range.
- **Walking and cycling** expenditure is \$51m which correlates to 50% of the three year National Land Transport Programme target, compared to a budget of 34%. It is forecast to exceed the maximum Government Policy Statement funding range. This is largely driven by the Urban Cycleway Programme, which was not accounted for within the walking and cycling Government Policy Statement funding range. A request to the Minister to adjust the funding range maximum will be required to meet the Government's expectations around delivery of the Urban Cycleway Programme.
- **Regional improvements** expenditure is \$22m which correlates to 10% of the three year National Land Transport Programme target, compared to a budget of 30%. The Transport Agency is confident of delivering within the \$180-270m Government Policy Statement funding range, with over \$300m of projects available in the programme.

Specific Crown-funded projects incurred to date expenditure is overall on budget, however there are some significant variances to budget at an individual level

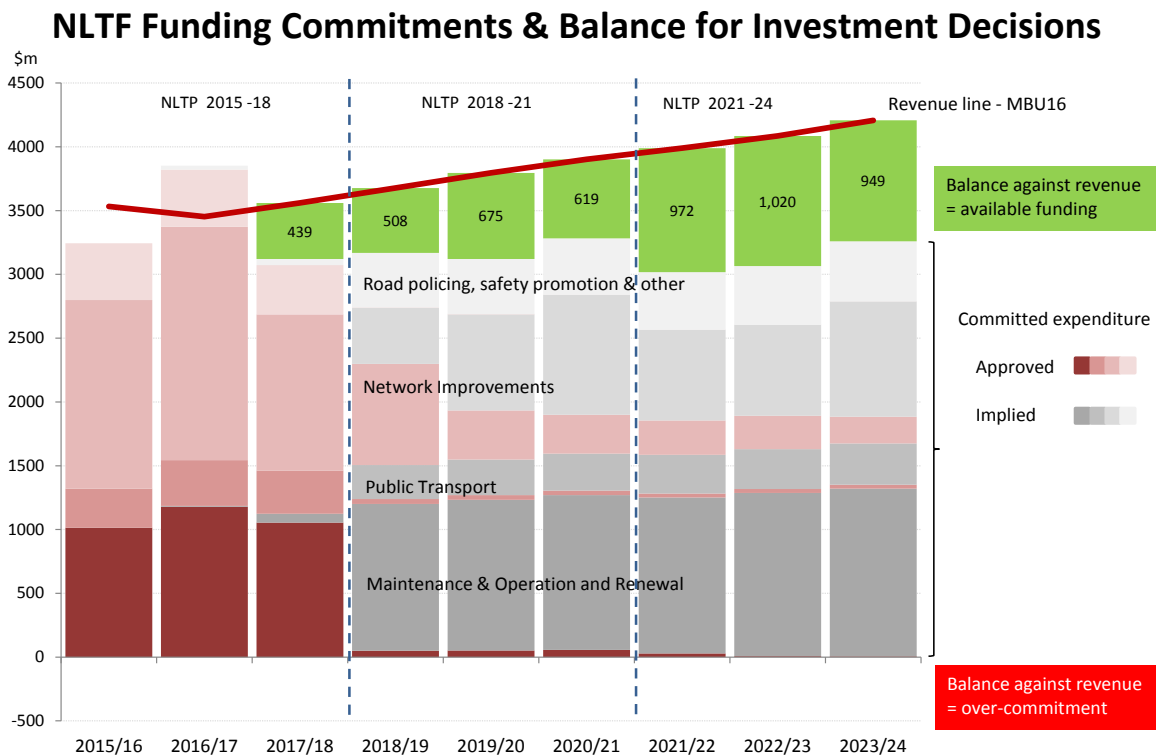
- **Auckland accelerated** (crown-funding assisted programme) expenditure incurred to date is tracking significantly above the initial budget due to good progress on all projects. The total amount of the Crown-funded facility is \$375m and it has not changed, however a significant amount of the expenditure planned for 2018/19 has been brought forward to 2015/16 and 2016/17
- **Accelerated regional state highways** and **urban cycleways** expenditure are tracking below budget as there have been some delays in projects.

Current and future National Land Transport Programme commitments

CURRENT AND FUTURE NLTP						
	2015-18 NLTP		2018-21 NLTP		2021-24 NLTP	
	\$m	%	\$m	%	\$m	%
Committed expenditure	10,216	97%	9,572	84%	9,364	76%
Discretionary expenditure	327	3%	1,802	16%	2,942	24%
Total expenditure	10,543		11,374		12,306	

The **2015-18 National Land Transport Programme** has the following properties:

- Funding commitments for 2016/17 (approved and implied) represent 103% of the forecast revenue for the year. The forecast revenue includes the 2015/16 under-spend of \$289m.
- The over-commitment is a deliberate over-allocation of funds to counter the historic optimism bias as delivery of improvement activities lags commitments.
- 97% of the \$10.5b National Land Transport Fund investment in the 2015-18 National Land Transport Fund is committed, leaving \$327m of discretionary expenditure for investment decisions in the three year period. The discretionary expenditure is calculated as the 2017/18 available funding of \$439m, less the over-allocated funding in 2016/17 of \$112m.



NZ Transport Agency

Net operational expenditure

SUMMARY	YEAR TO DATE				FULL YEAR				
	Actual	Budget	Variance	Variance	Forecast	Budget	Variance	Variance	
	\$m	\$m	\$m	%	\$m	\$m	\$m	%	
<p>\$5m Below YTD budget</p> <p>Budget Tracking 14% below year to date budget</p> <p>Forecast First forecast for the year due in Dec16/Jan17</p>	Total expenditure represented by:								
	NLTP	35	37	3	7%	149	149	0	0%
	Regulatory	46	49	2	5%	186	186	0	0%
	Total expenditure	81	86	5	6%	335	335	0	0%
	Less operational revenue	(51)	(51)	(0)	(0%)	(180)	(180)	0	0%
	Net expenditure	30	35	5	14%	156	156	0	0%

Total **operational expenditure** is 6% below budget, primarily due to:


- road safety promotion being \$1.7m (27%) below budget as the advertising programme is predominantly underspent across two areas – speed and drink driving. The speed and drink driving campaigns have tracked well, consequently delaying the requirement to produce new campaigns. Due to this delay, costs are now replanted to November – January, for Speed and November to February for drink driving
- motor vehicle registry expenditure being \$1.7m (9%) below budget as motor vehicle licensing volumes were down in July following a significant early up-take of licences in June 2016. While a lot of the motor vehicle registry expenses are fixed, there is a portion, such as commissions and transaction fees, that will vary with volume movements

Operational revenue is on budget, however there are some variances within the Access and Use revenue:

- motor vehicle registration revenue is \$2m (10%) below budget as a result of the early licensing up-take in June shifting revenue, that was budgeted for in July 2016, into the 2015/16 financial year. The current full year revenue is likely to remain below budget, unless June 2017 experiences the same early up-take spike in licensing
- driver licensing and driver testing revenue is \$0.9m (6%) above budget due to higher volumes, and Tolling is also showing favourable results to budget and this is expected to continue through to the end of the year

The **forecast** exercise due in December 2016/January 2017 will be looking closely at planned expenditure and the organisation's priorities

Memorandum accounts

SUMMARY	YEAR TO DATE				FULL YEAR				
	Actual	Budget	Variance	Variance	Forecast	Budget	Variance	Variance	
	\$m	\$m	\$m	%	\$m	\$m	\$m	%	
 <p>Budget</p> <p>Tracking 40% above year to date budget</p> <p>Fee reviews 2 reviews planned for 2016/17</p> <p>Watch list Rail licensing fee review</p>	Opening balance	19	14	5	34%	19	14	5	34%
	Revenue	45	46	(1)	(1%)	154	154	0	0%
	Expenditure	(41)	(44)	3	6%	(165)	(165)	0	0%
	Net surplus/(deficit)	4	2	2	98%	(11)	(11)	0	0%
	Closing balance	23	16	7	40%	8	3	5	134%

The **memorandum accounts** closing balances total \$23m which is \$7m above budget. This is largely due to the better than planned 2015/16 financial year which resulted in opening balances being \$5m above what was budgeted in the 2016/17 Statement of Performance Expectations

The individual memorandum accounts are in positive balances and tracking to budget with the following exceptions:

- **Rail licensing** memorandum account has a negative balance of (\$4m) – a fee review is in the early stages and will be carried out in 2016/17. During the process consideration needs to be given to how the existing deficit will be funded
- **Certification reviews** memorandum account has a negative balance of (\$7m) - however it has been tracking above budget and is forecasted to move towards a zero balance as planned

There are two fee reviews planned for 2016/17. They are for rail licensing (as mentioned above) and motor vehicle registry.

Page 55 contains further details on the memorandum account balances

Operational initiatives

SUMMARY		YEAR TO DATE					FULL YEAR			
		Opex Actual	Capex Actual	Total Actual	Total Budget	Variance	Forecast	Budget	Variance	Variance
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
<p>\$3m below YTD budget</p> <p>Budget</p> <p>Tracking 42% below year to date budget</p> <p>Watch List Fiscal risk on the NZ Business number initiative</p>	Regulatory	0.4	0.5	0.9	2.6	1.7	12.9	12.9	0.0	0.0
	NLTP	0.0	0.0	0.0	0.6	0.6	4.3	4.3	0.0	0.0
	Overhead	0.7	0.0	0.7	0.8	0.1	3.2	3.2	0.0	0.0
	Total business initiatives	1.2	0.5	1.7	4.1	2.4	20.4	20.4	0.0	0.0
	Core infrastructure initiatives	1.4	0.9	2.3	2.8	0.5	13.5	13.5	0.0	0.0
	Total initiatives	2.5	1.4	4.0	6.9	2.9	33.9	33.9	0.0	0.0
<p>The approved operational initiatives programme is underspent due to the early stages of the initiatives lifecycle and a number of initiatives are currently being reviewed in order to accommodate higher priority emerging initiatives</p> <p>New initiatives have emerged since the approval of the 2016/17 budget:</p> <ul style="list-style-type: none"> • The Regulatory Stewardship programme and Focused Future projects are additional initiatives which management are looking to accommodate within the existing budgets • The NZ Business Number project is also a priority and has an estimated \$1m - \$2m operating expenditure in 2016/17 for the initial investigation and business case. Funding options are currently being reviewed for this initiative 										

Funding and long term liabilities

SUMMARY		Drawdown/ Liability	Total facility	Period
	Borrowings and financial liabilities	\$m	\$m	Years
NLTF cash balance At 30 September \$387m	Short term revolving facility	0	250	Less than 1 yr
	Christchurch earthquake loan	38	183	9 yrs
	Auckland Accelerated loan	122	375	10 yrs
	Tauranga Eastern link loan	107	107	35 yrs
	Total borrowings	267	915	
Short term facility There was no drawdown in quarter one	Transmission Gully (PPP)	268	1,000	31 yrs
	Total borrowings (incl PPP)	535	1,915	
	Derivative financial liability	206		
Long term facilities \$11m drawdown on Christchurch loan in quarter one	Other Commitments		Commitment	Period
	Auckland Electrical Multiple Units		200	35 yrs
	Auckland Depots		50	50 yrs
	Wellington Matangi Electric Multiple Units		85	28 yrs

There has been no activity on the **short term facility** during the quarter. The facility was not required for the traditionally high payment run in July, as this was able to be covered by cash holdings

The notional balance in the National Land Transport Fund at 30 September 2016 was \$387m

Activity on the **longer term facilities** during the quarter was as follows:

- Christchurch Earthquake loan had an \$11m drawdown in the quarter ended 30 September 2016. This was for expenditure incurred in 2015/16 as the loan drawdown in that financial year was not sufficient to cover all the expenditure.

Under the **public private partnership** arrangements, as the assets are being constructed, we progressively recognise the growing asset through "work in progress" along with a corresponding financial liability representing our obligation to pay a unitary payment to the contractor. This is until completion when the unitary payments commence.

The **derivative financial liability** is the fair value of the interest rate swap with the NZ Debt Management Office. The Transport Agency entered into an interest rate swap to hedge against fluctuating interest rates relating to the Transmission Gully agreement. The fair value is at 30 June 2016 and the interest rate swap will be revalued on a semi-annual basis.

Other commitments are funding arrangements covering cash flow management and the longer term commitments for Auckland and Wellington Rail, subject to future claims.

Page 55 contains details of the borrowings and the 10% NLTF repayment threshold

Supplementary financial information

National Land Transport Funded and Crown-funded expenditure 2015-18

	YEAR TO DATE		INCURRED TO DATE			3 YEAR NLTP			GPS funding range \$m
	Actual \$m	Budget \$m	Actual \$m	Actual %	Budget %	Published \$m	Forecast \$m	Variance \$m	
Regional improvements	9	3	22	10%	30%	225	225	0	180-270
Local road maintenance	89	86	642	38%	38%	1,704	1,703	(1)	1,230-1,740
Local road improvements	17	18	121	26%	36%	465	399	(66)	465-720
Road safety promotion	6	8	37	37%	42%	102	105	3	92-113
Walking and cycling	9	4	51	50%	34%	103	172	69	46 - 103
Public transport	76	69	397	39%	39%	1,020	976	(44)	865-1,215
Investment management	15	15	77	44%	42%	176	180	4	162-180
State highway maintenance	111	117	591	35%	40%	1,684	1,571	(113)	1,350-1,810
State highway improvements	313	279	1,706	42%	39%	4,061	4,151	90	3,150 - 4,350
NLTF funded expenditure	645	599	3,644	38%	39%	9,540	9,482	(58)	
Supergold card	7	6	35	40%	39%	86			
Auckland Accelerated	43	24	155	75%	36%	208			
Canterbury earthquake	0	0	23	21%	61%	111			
Urban Cycleways	3	10	13	13%	42%	96			
Regional Accelerated	8	12	39	20%	29%	198			
Crown funded expenditure	61	52	265	38%	39%	699			

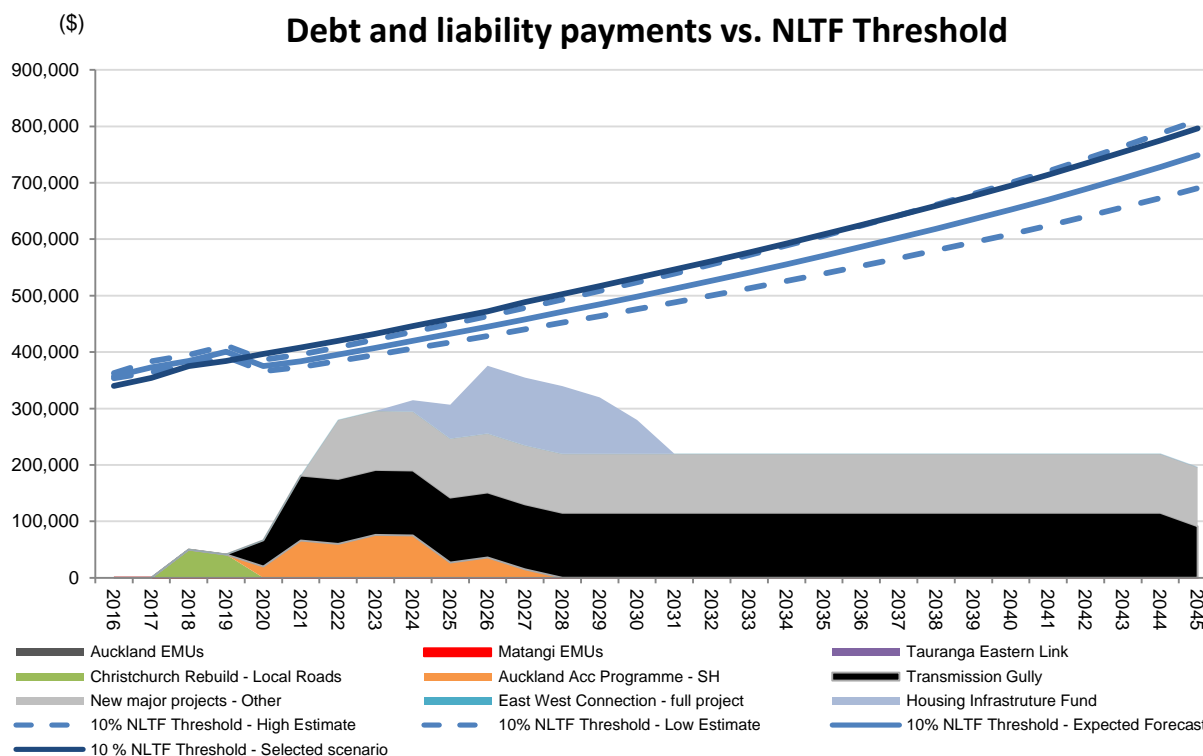
Incurred to date expenditure on the NLTP is 15 months expenditure up to 30 September 2016

	Incurred to date spend on NLTP 2015-18	Status
Regional improvements		●
Local road maintenance		●
Local road improvements		●
Road safety promotion		●
Walking and cycling		●
Public transport		●
Investment management		●
State highway maintenance		●
State highway improvements		●
NLTF funded expenditure	Actual Spend / NLTP 2015-18	
Supergold card		●
Auckland Accelerated		●
Canterbury earthquake		●
Urban Cycleways		●
Regional Accelerated		●
Crown funded expenditure	Actual Spend / NLTP 2015-18	

Memorandum account balances

		YEAR TO DATE			FULL YEAR			Status
		Actual \$m	Budget \$m	Variance \$m	Forecast \$m	Budget \$m	Variance \$m	
Certification reviews	Opening balance	(7.0)	(7.5)	0.5	(7.0)	(7.5)	0.5	●
	Surplus/(deficit)	0.4	0.2	0.2	0.7	0.7	0.0	
	Closing balance	(6.6)	(7.3)	0.7	(6.3)	(6.8)	0.5	
Driver Licensing	Opening balance	5.1	4.6	0.5	5.1	4.6	0.5	●
	Surplus/(deficit)	(0.1)	(0.4)	0.3	(2.1)	(2.1)	0.0	
	Closing balance	5.0	4.1	0.9	3.0	2.5	0.5	
Driver testing	Opening balance	6.6	6.3	0.2	6.6	6.3	0.2	●
	Surplus/(deficit)	0.2	(0.4)	0.6	(1.1)	(1.1)	0.0	
	Closing balance	6.8	5.9	0.8	5.4	5.2	0.2	
Motor Vehicle Licensing	Opening balance	6.9	5.0	2.0	6.9	5.0	2.0	●
	Surplus/(deficit)	1.2	1.5	(0.3)	(6.2)	(6.2)	0.0	
	Closing balance	8.1	6.4	1.7	0.8	(1.2)	2.0	
Rail Licensing	Opening balance	(4.0)	(4.1)	0.1	(4.0)	(4.1)	0.1	●
	Surplus/(deficit)	(0.2)	(0.3)	0.1	(1.0)	(1.0)	0.0	
	Closing balance	(4.3)	(4.4)	0.2	(5.1)	(5.2)	0.1	
Road User Charges collections	Opening balance	3.0	2.9	0.1	3.0	2.9	0.1	●
	Surplus/(deficit)	0.2	(0.4)	0.6	(1.9)	(1.9)	0.0	
	Closing balance	3.3	2.5	0.8	1.1	1.0	0.1	
Other accounts	Opening balance	8.4	7.2	1.2	8.4	7.2	1.2	●
	Surplus/(deficit)	2.3	1.9	0.4	0.8	0.8	0.0	
	Closing balance	10.7	9.1	1.6	9.2	8.0	1.2	
Total Memo accounts	Closing balance	23.0	16.4	6.6	8.1	3.5	4.6	

Borrowings



OUR PEOPLE

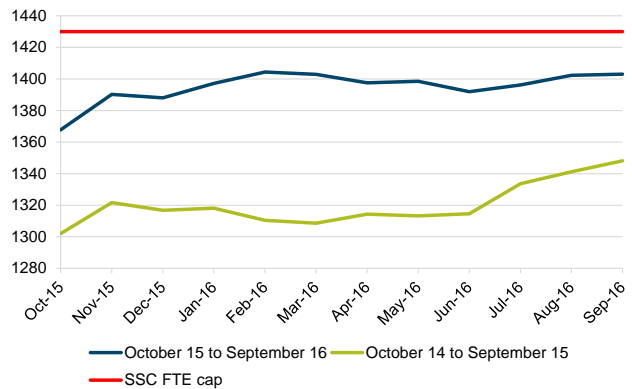
Key indicators

The Transport Agency's **full-time equivalent** employees (FTEs) are tracking in line with our forward forecast. Our annual leave liability has reduced.

Full-time equivalent (FTE) employees against cap

As at 30 September 2016 there were 1,403 FTE employees, up by 0.8% since the last quarter/start of the financial year.

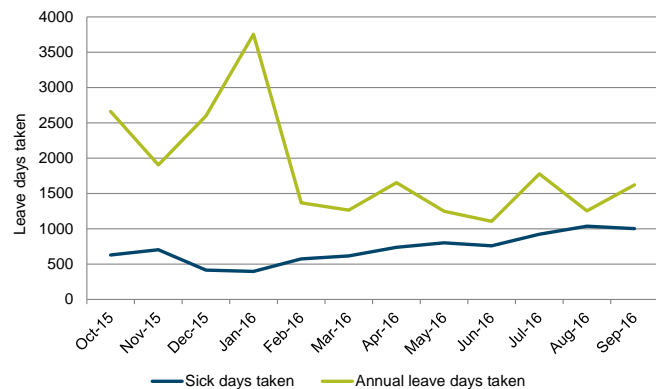
The forward forecast provided to the State Services Commission was 1430 positions by December 2016 and we are currently tracking in line with this forecast.



Planned and unplanned leave taken

As at 30 September 2016 the average annual leave balance was 16.1 days. This was higher than the previous quarter (15.2 days), and when compared to the same time last year it is identical (16.1 days). On average, our people have taken 15.4 days annual leave each for the year to 30 September 2016, with the majority of leave taken during the Christmas break period.

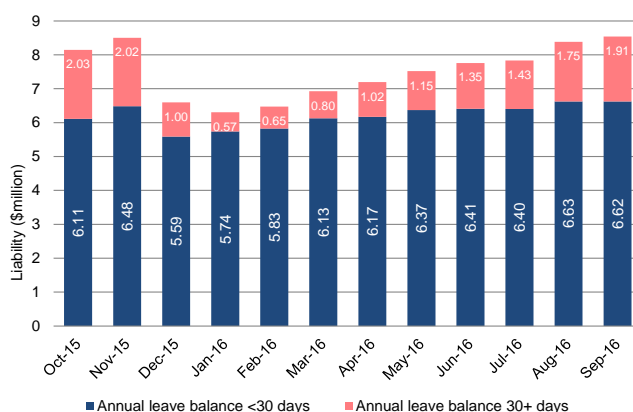
As expected the number of sick leave days taken since last quarter has increased. This upward trend is largely attributed to the winter season. Now that we are into spring, we can see a slight dip in sick leave taken in September, and expect it to slowly decrease as we move towards the warmer months.



Annual leave liability

Our annual leave liability as at 30 September 2016 was \$8.5 million (approximately \$5,864 per person), which is \$779,000 more than last quarter.

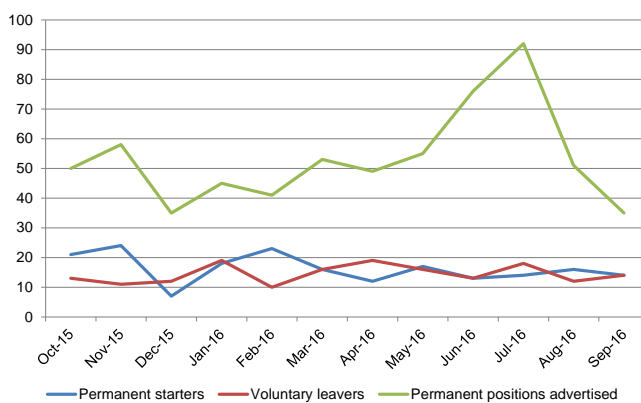
There were 134 employees with an excessive annual leave balance (30+ days). However, when future booked leave is taken into account, the amount of people with an excessive annual leave balance decreases to 47.



Permanent comings and goings

As at 30 September 2016 there were 35 permanent vacancies advertised, which is considerably lower than the annual average of 53 at each month end. Recruitment for permanent roles is currently being closely managed ahead to any changes resulting from our Focused: Future programme.

Voluntary turnover sits at 12.2%, 1.9% more than as at the same time last year. It is also currently 1.3% higher than the State Services Commission benchmark (10.9%).



Workplace health and safety

The Transport Agency Zero Harm Strategy 2014-2020 objective is that 'by 2020 or sooner, all our people,⁶ regardless of employer will go home safe and healthy, every day, no exceptions'.

In quarter one there were 10 minor injuries recorded (six first aid and four medical treatments). All were office based, with one at a customer's premises.

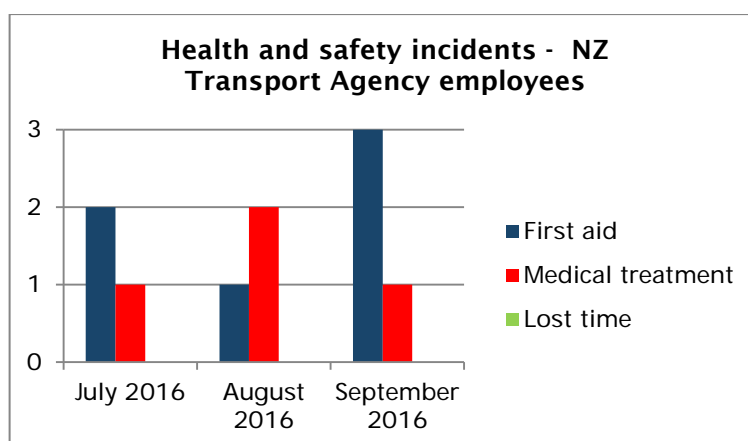
A detailed gap analysis⁷ was undertaken in quarter one to assess and measure the Transport Agency's current due diligence activity against industry good practice. The gap analysis highlighted that minimum core requirements are not currently being met. A three-year plan has been developed to ensure a robust health and safety management system is developed and maintained. The work will also allow the Transport Agency to prepare for certification to ISO 45001 – *Occupational health and safety* to validate the system against international standards.

Together with WorkSafe NZ, we agreed on a collaborative approach to examining safety control measures for the Homer Tunnel in Fiordland. This included the identification of activities taking place in the tunnel that may be classified as occurring within a 'workplace' versus the safe operation of roading infrastructure.

Health and safety - number of injuries per month by severity (NZ Transport Agency employees only)

There were six first aid incidents reported for quarter one: two cuts, two burns, one of walking into a bench and one of a glass door shattering resulting in minor scratches.

There were four medical attention incidents: moving office furniture (back and wrist), one slip and one incident of heart palpitations resulting in a hospital visit.



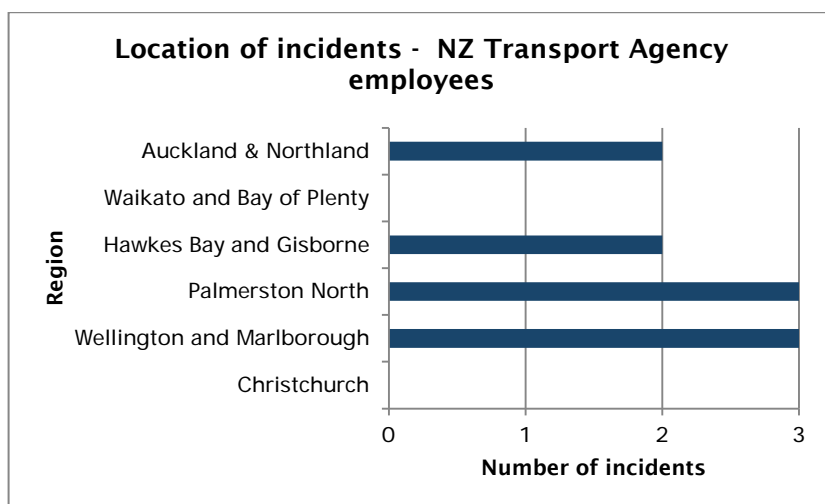
⁶ Employees, contractors, sub-contractors, agents and temporary staff engaged to work on behalf of the Transport Agency.

⁷ The Institute of Directors in New Zealand's *Health and Safety Guide: Good Governance for Directors* was used to carry out the detailed gap analysis.

Location of our incidents in quarter one (NZ Transport Agency employees only)

Palmerston North reported one burn, one cut and one incident of walking into the corner of a bench. Napier reported one cut and one wrist injury. Wellington reported one slip, one incident of heart palpitations and one burn. Auckland reported one lower back injury and one event where a glass door shattered.

All of the incidents were office based.

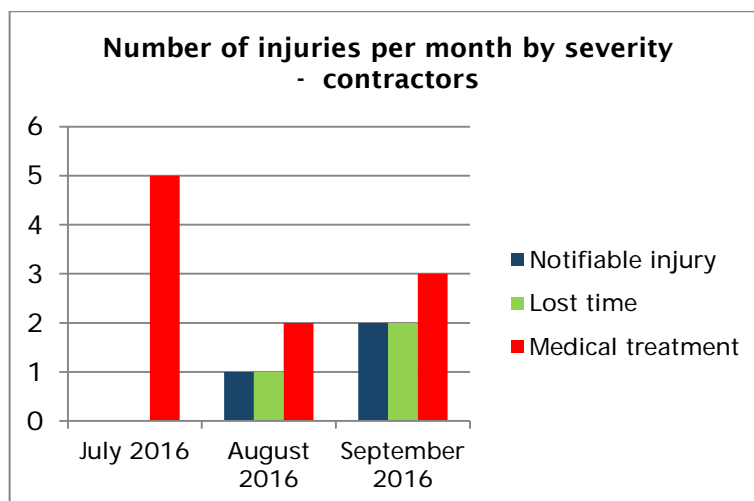


Number of serious harm incidents per month (contractors where the Transport Agency was a principal to contract)

We also record serious harm incidents where the Transport Agency is an employer, a principal to contract or responsible for members of the public as a result of our work.

During quarter one our contractors reported ten medical treatments, three lost time incidents and three notifiable injuries.

A notifiable injury includes (but is not limited to) serious injuries eg amputation, head and eye injury, serious burns, spinal injury and hospital treatment.



ASSURANCE AND RISK

Total Assurance summary

Assurance Activity

The assurance programme is on schedule with 11 investment procedural audits, three technical audits and three internal audits completed in the quarter.

Value for money review

The first phase of our value for money programme is focused on delivering a model for assessing the value for money of our output classes. First actions include completing a series of workshops to develop a maturity assessment model, which we will pilot with two output classes to define a value chain and determine the value for money through economy, efficiency, effectiveness and equity measures. This first phase is underway, with expected completion by December 2016. Business owners of each output class will then be able to gather the required data to assess and report on value for money.

Business continuity

Our incident management plan for our Palmerston North office was tested in real time when a city-wide power surge in Palmerston North caused an electrical fault resulting in loss of mains power for a full day. The response to this event was managed by the office's Local Incident Management team. The response included prioritising business activities to be delivered using limited generator power. Although the team responded well, several learnings from the experience will be followed up with process improvements and shared with Local Incident Management Teams in other locations.

During the quarter, the Transport Agency participated in Exercise Tangaroa, a national Civil Defence exercise based on a tsunami scenario. All regions participated and progress was coordinated and reported nationally. Lessons learnt about communications and preparedness will be incorporated into our business continuity plans.





Disaster recovery

The Service Continuity management plan for the foundation disaster recovery project was tested up to the point of a disaster being declared. Failover testing has been delayed as a consequence of the Palmerston North power outage, but will be completed in November 2016 when external infrastructure improvements are complete.





National Land Transport Fund investment assurance





KEY TO RATINGS





-  Result of audit generally good. Some areas for improvement may be noted, but they are not considered high risk.
-  Some key issues identified which need to be addressed, but not considered a high risk to the Transport Agency.
-  Systematic issues raised which need to be addressed and are considered a significant risk to the Transport Agency.
-  Significant issues raised, which are a high risk to the Transport Agency and need urgent attention.

Investment audits

Investment audits provide assurance that the Transport Agency's investment in approved organisations' land transport programmes is being well managed and delivering value for money.

AUDITEE	NZTA INVESTMENT VALUE (2015–18 NLTP INDICATIVE)	KEY FINDINGS SUMMARY	RESULT
Whangarei District Council	\$48.2 million	<p>Whangarei District Council maintains good management practices and procedures to support the delivery of its land transport programme.</p> <p>Its financial system has a clear reporting structure to link land transport activity expenditure investment from the Transport Agency to the council's general ledger.</p> <p>Good procurement procedures are in place with well-documented supporting processes. Contract administration and record keeping is well managed.</p> <p>The council needs to incorporate a policy on late tenders in all contracts in order to align its procedures to best practice.</p>	
Hauraki District Council	\$10.4 million	<p>Hauraki District Council has effective contract management processes in place to ensure it is getting value for money from its land transport investment.</p> <p>Claims for Transport Agency funding assistance were reconciled to the council's financial records.</p> <p>The council is transitioning all professional services in-house. It will need to ensure the new in-house professional services business unit complies with NZ Transport Agency requirements as part of this transition.</p>	

AUDITEE	NZTA INVESTMENT VALUE (2015–18 NLTP INDICATIVE)	KEY FINDINGS SUMMARY	RESULT
Hamilton City Council	\$39.3 million	<p>Hamilton City Council has sound systems and procedures in place to effectively deliver on its agreed land transport programme.</p> <p>Some lapses in process delivery resulted in recommendations to improve the council's management practices. For transparency, the council needs to document the reasons for selecting consultants from the Professional Services Panel. It also needs to provide better evidence to support the costs associated with its in-house professional services business units.</p> <p>There are good processes in place for measuring the quality of maintenance and renewal activities being delivered through the Infrastructure Alliance, but the council needs to take a more structured approach to the delivery of its minor improvements programme.</p>	
Waitomo District Council	\$19.5 million	<p>Lack of capacity and capability at Waitomo District Council contributed to procedural and management control issues. Issues were identified which could impact on the council's ongoing funding allocation. The most significant issue was the failure to use an approved procurement procedure to engage a supplier for its network maintenance contract. The council is working through a process to terminate and re-tender the contract.</p> <p>Audit issues for revenue and expenditure claims, both under and over, were identified and discussions are ongoing with the council to agree the quantum and resolve the issues.</p>	
Rangitikei District Council	\$22.6 million	<p>Rangitikei District Council manages its land transport well, but its administrative processes do not meet Transport Agency requirements. A previous audit noted that there was not a current signed service level agreement in place, with Manawatu District Council, for delivery of Rangitikei District Council's professional services. This issue remains outstanding.</p>	
Wairoa District Council	\$17.3 million	<p>Wairoa District Council has a pragmatic approach to the delivery of its land transport programme which has resulted in significant savings for both its sealed pavement maintenance and unsealed road metalling costs. Due to frequent storm events over several years, Council had engaged consultants to manage its emergency works and preventative maintenance programme full-time.</p> <p>Our previous audit raised an issue with coding of emergency works expenditure. This issue is still to be resolved. 2013/14 and 2014/15 claims did not capture all eligible expenditure. Corrected processes had largely resolved this issue for 2015/16.</p> <p>Procurement procedures were found to be compliant with Transport Agency requirements, but there was inconsistent application of Council's late tender's policy and the administration of contract files needs improvement. Policy documents and manuals also need updating.</p>	

AUDITEE	NZTA INVESTMENT VALUE (2015–18 NLTP INDICATIVE)	KEY FINDINGS SUMMARY	RESULT
Whanganui District Council	\$43.8 million	<p>Whanganui Council has good systems in place for administering its network, but financial claims need to be better aligned with the general ledger. Reconciliations between the finance and roading functions highlight over-claims for the three years audited (amount yet to be confirmed).</p> <p>The alliance contract, covering the majority of roading expenditure, continues to perform well and Council regularly reviews the arrangement to ensure it is meeting the needs of the community. Council staff have extensive knowledge of the network and are consistently testing ways of achieving better value for money.</p> <p>Procurement procedures were generally sound, but can be improved to ensure consistent application of Council's late tenders policy. Transitioning to the One Network Road Classification is well advanced.</p>	
Buller District Council	\$10.1 million	<p>Buller District Council has robust procedures in place to manage the successful delivery of its land transport programme. Its operational expenditure on its network is tightly linked to its financial management systems.</p> <p>Contract procurement and administration procedures are well managed and meet Transport Agency requirements. Value for money options are well considered and activity management is coordinated to pursue this outcome.</p> <p>Council's asset management team is knowledgeable and competent.</p>	
Kaikoura District Council	\$1.6 million	<p>Kaikoura District Council manages its network well. Council's asset management team is competent and asset management practices have a consistent focus on value for money. No issues were raised as the result of this audit.</p>	
Hurunui District Council	\$11.3 million	<p>Hurunui District Council has effective processes and supporting documentation to demonstrate good contract management practices. There is evidence of close involvement in the delivery of services by contractors. Claims for funding assistance reconciled to Council's financial records.</p> <p>One issue that needs to be addressed is the way Council accounts for its in-house professional services costs. Overall charges appear reasonable but Council was not able to account for charges and resources allocated by individual members of the business unit.</p>	


AUDITEE	NZTA INVESTMENT VALUE (2015–18 NLTP INDICATIVE)	KEY FINDINGS SUMMARY	RESULT
Environment Canterbury	\$66.7 million	<p>Environment Canterbury (ECAN) has significantly improved how it claims for public transport funding assistance. Issues identified in the previous audit have now been addressed.</p> <p>Claims were reconciled against its general ledger records and all expenditure tested met the Transport Agency’s eligibility criteria.</p> <p>Effective processes are used to manage public transport contracts. All public transport contracts examined in this audit had been let in compliance with the Transport Agency’s approved procurement procedures. ECAN also works with Christchurch City ensuring that there is adequate bus shelter infrastructure in place.</p> <p>ECAN implemented the Ridewise electronic system for processing and managing the Total mobility Scheme. During our audit we were made aware of a potential abuse of the Total Mobility Scheme, by external parties, which is still under investigation. This issue has triggered a separate audit by the Transport Agency of the Total Mobility Scheme.</p> <p>Procedures for recording and claiming revenue under the SuperGold scheme were thorough.</p>	●

Technical investment audits

Technical investment audits provide assurance over approved organisations' asset management planning, adequacy of data used to assess network quality, value for money and safety and network management.

The selection criteria include issues/risks, safety risks including crash rates, funding levels and time since the last audit.

AUDITEE	NZTA INVESTMENT VALUE (2015–18 NLTP INDICATIVE)	KEY FINDINGS SUMMARY	RESULT
Porirua City Council	\$20.6 million	<p><i>Technical review only. A positive procedural investment audit was summarised last quarter.</i></p> <p>Much of Porirua City Council's network is in good condition, but parts are in need of attention. The council is not achieving the same value for money results with its network management as peer local authorities. Previous network management decisions to invest only in short-life solutions (in order to reduce costs) may be resulting in longer-term cost implications from a deteriorating network.</p> <p>The council needs to improve management practice and knowledge to mitigate cost increases. This would enable the council better engage with and challenge suppliers involved in its network maintenance and management.</p> <p>Recommendations from a previous audit have not been addressed. Reactive costs will be higher than if the issues were being proactively managed.</p> <p>The council has prepared an action plan of improvements as a result of this audit.</p>	●
Waitaki District Council	\$16.7 million	<p><i>Technical review only</i></p> <p>Waitaki District Council's network is in good condition and achieves better value for money results than peer group councils. The council makes good use of new materials to improve efficiencies maintaining its network. Council staff are knowledgeable about their network and keen yet pragmatic in looking for innovative practices.</p> <p>A focus is required to address issues with driver visibility at intersections across the network and on improving and understanding how visitor drivers use the network. The impact of large vehicles and narrow seals also are safety concerns.</p> <p>We noted some operational improvements that would benefit the council. In particular, the use of high speed data to monitor changes in condition.</p>	●

AUDITEE	NZTA INVESTMENT VALUE (2015– 18 NLTP INDICATIVE)	KEY FINDINGS SUMMARY	RESULT
Southland District Council	\$40.5 million	<p data-bbox="557 389 820 412"><i>Technical review only</i></p> <p data-bbox="557 427 1318 600">Southland District Council's network is in good condition and presents value for money when compared to its peer group. The council is making good use of technology, such as drones, to improve efficiencies with how it manages and maintains its network. Council staff are very keen to look for innovative practices to aid investigation and communication.</p> <p data-bbox="557 611 1326 725">Some operational improvements which would benefit Council were identified in this technical audit. In particular, only one of three sites examined in the audit, proposed for rehabilitation work in 2016/17 year, appeared to need rehabilitation.</p>	

Risk report









There are five organisational risks on the Transport Agency's risk profile. The risks are informed by the current operational business group risks and responses via business plans and project initiatives.

While the risk ratings are not normally expected to fluctuate significantly within any quarter, progress has been made for several risks to reduce their impact.


A previously reported risk for the Auckland Transport Alignment Project has been closed as a result of the project's completion. The risk, insight and management response progress is indicated in the following summary table.

Risk summary table

	Q4	Q1	RISK THAT WARRANTS ATTENTION	TARGET	WHAT WE SEE INFLUENCING THE RISK	PROGRESS OF RESPONSE
Rail regulation	●	●	Risk that the Transport Agency's role as the rail safety regulator in securing the safe operation of the rail network is not effective.	●	<ul style="list-style-type: none"> • Capability & capacity • Stakeholder relationships • Analysis of key data 	<ul style="list-style-type: none"> • Good reduction • Coordinated response to high priority incidents • Targeting systemic issues
Business continuity	●	●	Risk that ineffective business continuity planning & disaster recovery is incomplete and therefore ineffective	●	<ul style="list-style-type: none"> • Plan preparation • Readiness to act • Testing & Training 	<ul style="list-style-type: none"> • Continuity plans progressing • Disaster recovery project in delivery phase, testing in November • Business continuity plan testing in ten sites
Privacy	●	●	Risk that process, system failure or human error results in loss or unauthorised disclosure of information	●	<ul style="list-style-type: none"> • Privacy requirement awareness • Information management practices 	<ul style="list-style-type: none"> • Culture around information management is improving • Self-reporting is increasing • Progressing information inventory

	Q4	Q1	RISK THAT WARRANTS ATTENTION	TARGET	WHAT WE SEE INFLUENCING THE RISK	PROGRESS OF RESPONSE
Health and safety			Risk that the Zero Harm culture is not embedded and health and safety legislative obligations are not met		<ul style="list-style-type: none"> Occupational health and safety management framework Development of trend analysis 	<ul style="list-style-type: none"> Health and safety reporting version two developed Performance measures established Lone working policy developed
State Highway improvements			Risk that the improvement elements of 2015-18 NLTP cannot be delivered		<ul style="list-style-type: none"> Size and scale of the programme Capacity and capability to deliver Accelerated programme Industry relationships 	<ul style="list-style-type: none"> Accelerated Regional Transport Group formed Standardised programme/project approach Recruitment strategy Safe Roads Alliance formed

RISK RESPONSE OVERVIEW

-  Active management is required by the Risk Owner, SLT to review and confirm strategies
-  Risk and controls require group management oversight, SLT are informed
-  Effective internal controls and monitoring to occur within business groups
-  Routine procedures to be used to manage the risk and controls

APPENDICES

Appendix 1: Operating assumptions

This section tracks the key assumptions under which the NZ Transport Agency operates and key decisions are made. Assumptions fall into two categories – those that affect funding and those that affect procurement.

REVENUES	TRANSACTION VOLUMES	STATE HIGHWAY TRAFFIC VOLUMES
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REVENUE PERFORMANCE REFLECTS TIMING OF FUEL SHIPMENTS AND CUSTOMER PURCHASING PATTERNS

TRANSACTION VOLUMES REFLECT IMPACT OF ACC LEVY REDUCTIONS ON PURCHASING PATTERNS

VEHICLE COUNTS ON THE STATE HIGHWAY NETWORK CONTINUE THEIR UPWARD TREND

\$875m
flows into the National Land Transport Fund

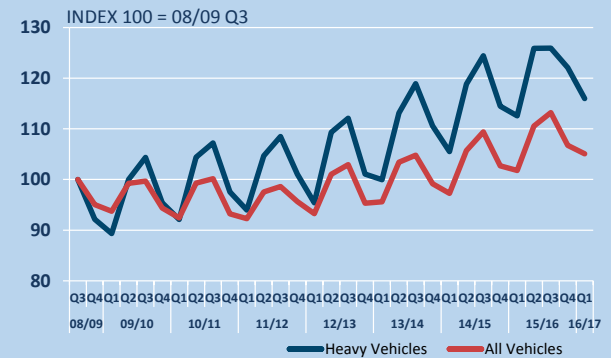
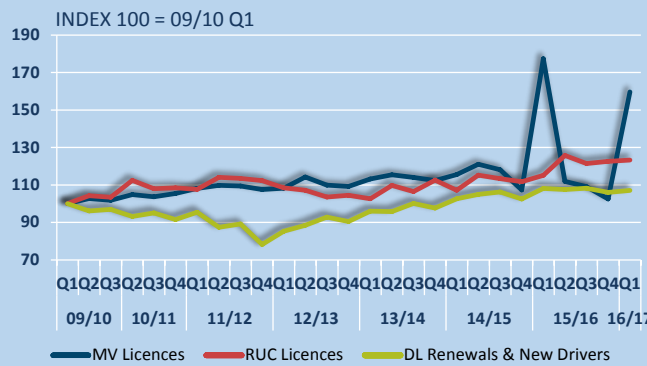
Revenues for 2016/17 Q1 came in 9% or \$69m higher than budget, with inflows from FED, RUC and MVR coming in 7%, 8% and 21% ahead of budget respectively.

2.8m
licence transactions were completed

The number of licence transactions fell by 6.1% in 2016/17 Q1, compared to the corresponding quarter in the previous year. The main contributor was a 10.0% drop in MVR transactions which more than offset a 7.1% increase in RUC licence transactions over the same period.

4.6%
increase in total vehicle counts

Total vehicle and heavy vehicle counts at selected telemetry sites rose by 4.6% and 6.6% respectively for the three months ending August 2016, compared to the corresponding period in 2015.



REGIONAL STATE HIGHWAY TRAFFIC VOLUMES PUBLIC TRANSPORT VOLUMES REGIONAL PUBLIC TRANSPORT VOLUMES

ALL REGIONS REFLECT POSITIVE GROWTH IN VEHICLE COUNTS

PATRONAGE ON PUBLIC TRANSPORT INCREASES FURTHER

PATRONAGE IN AUCKLAND AND WELLINGTON REMAINS POSITIVE

4.0%
increase in total vehicle counts in Auckland

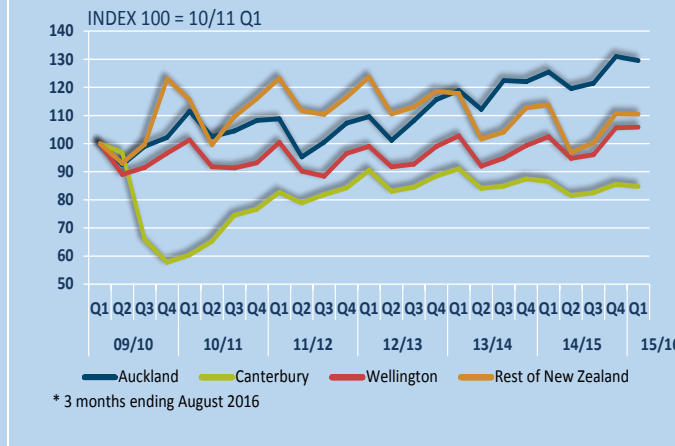
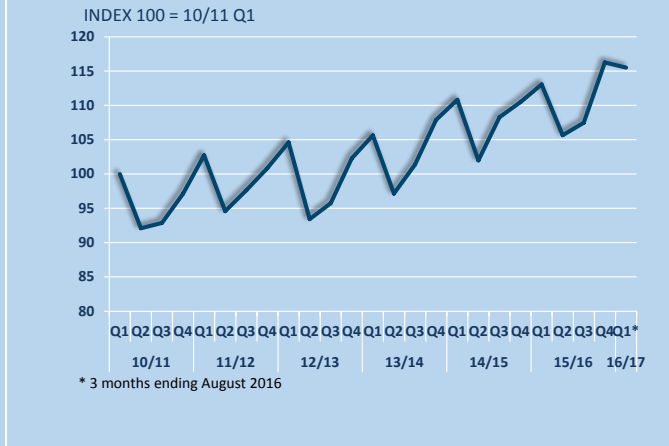
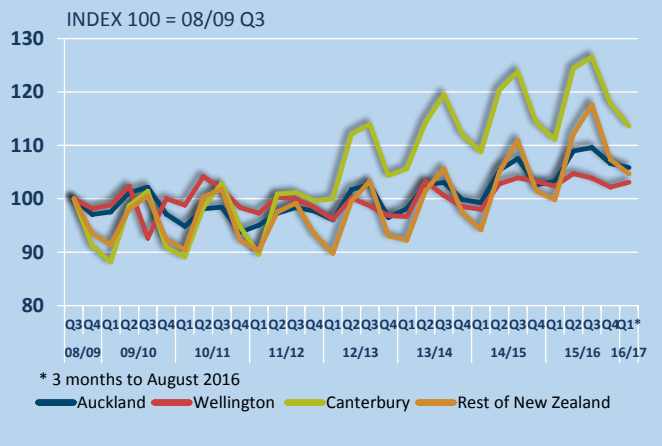
Vehicle counts in Auckland, Wellington and Canterbury rose by 4.0%, 0.6% and 3.8% respectively for the three months ended August 2016 when compared to the same period in 2015. Vehicle counts in the rest of New Zealand rose by 6.7% over the same period, with all regions managing to post positive growth for a 7th consecutive quarter.

38.8m
boardings on public transport in 2015/16 Q4

Public transport patronage is estimated to have increased by 5.5% in 2015/16 Q4 compared to the corresponding quarter in the previous year. Positive growth is likely to have continued in 2016/17 Q1 with more recent data showing boardings of 38.6m for the 3 months ending August 2016 - a 823k increase over that recorded for 2015/16 Q1)

7.3%
increase in PT patronage in Auckland in 2015/16 Q4

Patronage in Auckland rose by 7.3% in 2015/16 Q4 but fell by 2.9% in Canterbury in 2016/17 Q1 when compared to the same quarter in the previous year. Our most recent estimate for Wellington shows that patronage rose by 6.3% in 2015/16 Q4 when compared to corresponding period in the previous year.



PUBLIC TRANSPORT VOLUMES BY MODE TRANSPORT AGENCY COST ADJUSTMENT INDICES MARKET PRICES

RAIL AND BUS PATRONAGE SHOWS SUBSTANTIAL GROWTH

19.2%
increase in rail patronage in 2015/16 Q1

Rail and bus patronage increased by 19.2% and 10.2% respectively in 2015/16 Q4 compared to the same quarter in the previous year. Rail patronage for the 3 months ending August 2016 was 81.1m (compared to 73.1m in 2015/16 Q1) while bus patronage was 29.1m (slightly down on the 29.2m recorded for 2015/16 Q1).

BITUMEN PRICES REFLECT GLOBAL CRUDE OIL PRICES

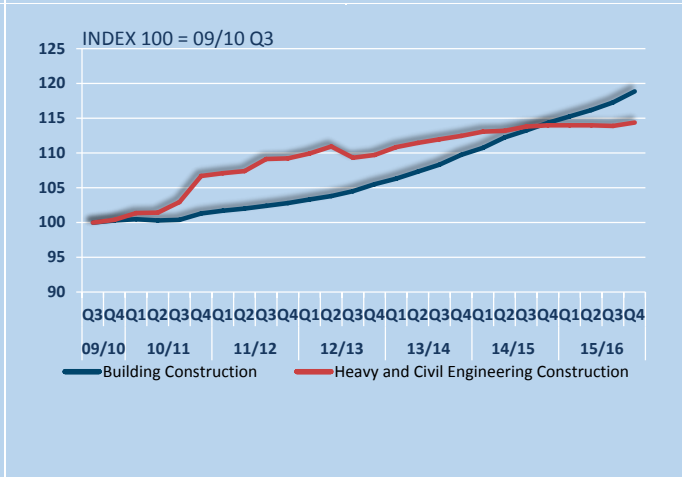
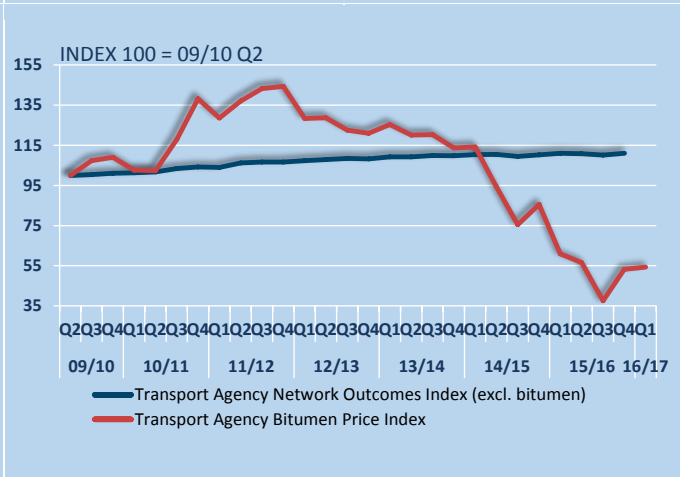
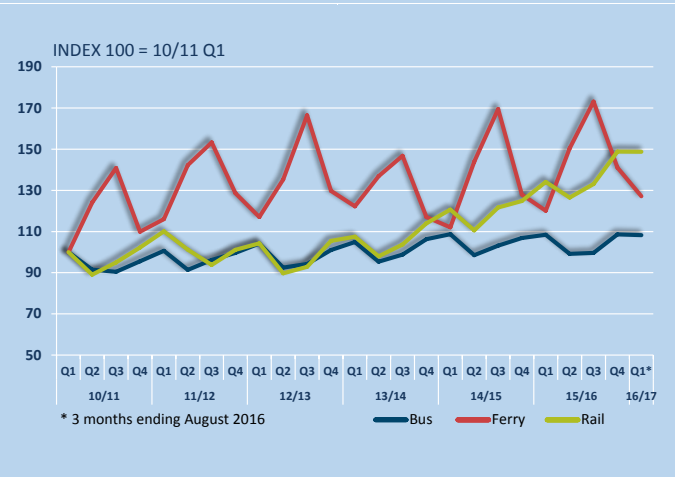
10.7%
decrease in our bitumen cost index

Our bitumen price index was almost 10.7% lower in 2016/17 Q1 than during same period in the previous year, but 2.1% higher when compared to 2015/16 Q4. Our network outcomes index shows a 0.7% increase in 2015/16 Q4 as rising labour costs continue to offset flat material and plant prices.

CIVIL ENGINEERING COST PRESSURES REMAIN BENIGN

0.4%
increase in civil engineering prices

Building and construction costs rose by 3.9% in 2015/16 Q4 compared to the same period in the previous year. Growth in heavy and civil engineering prices picked up marginally rising to 0.4% over the same period (up on 0.1% recorded for the previous quarter).



Appendix 2: Urban Cycleways Programme project report

Key			
Investigation	Design	Construction	Complete

Location	Project	Financial Year 2015/16												Financial Year 2016/17												Financial Year 2017/18												Financial Year 2018/19					
		Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1			Q2														
		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Whangarei	Kamo Route	Investigation									Design			Construction			Complete						Investigation																				
Auckland	Don Buck Cycleway	Complete																																									
	Airport to CBD	Complete																																									
	Central Park Drive	Complete																																									
	Nelson St Cycleway	Complete																																									
	City Centre Network	Investigation			Design									Construction																		Complete											
	City Centre Quay St	Investigation			Design									Construction			Complete																										
	Ian McKinnon Dr Cycleway	Investigation												Design												Construction						Complete											
	K Road Cycleway	Investigation												Design												Construction						Complete											
	Parnell Rd to Tamaki Dr Cycle	Investigation												Design												Construction						Complete											
	Tamaki Dr (Plumer St to	Investigation												Design												Construction						Complete											
	Victoria St (East West Route)	Investigation												Design												Construction						Complete											
	Westhaven to CBD Cycleway	Investigation												Design			Construction						Complete																				
	Western Connections to	Investigation												Design			Construction															Complete											
	Herne Bay - Westhaven	Investigation												Design												Construction						Complete											
	Pt Chev - Herne Bay	Investigation												Design												Construction						Complete											

Location	Project	Financial Year 2015/16												Financial Year 2016/17												Financial Year 2017/18												Financial Year 2018/19													
		Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1		Q2																							
		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18								
	Waitemata Safe Routes																																																		
	Williamson Ave - K Road																																																		
	Eastern Connections to Glen Innes to Meadowbank																																																		
	Links to public transport																																																		
	Links to New Lynn																																																		
	New Lynn to Waterview																																																		
	Links to Glen Innes Station																																																		
Hamilton	Western Rail Trail																																																		
	Te Awa																																																		
Western Bay of Plenty	Omokoroa to Tauranga																																																		
Tauranga	Tauranga urban CBD																																																		
Gisborne	Wainui to CBD and local																																																		
Rotorua	Rotorua Cy-Way																																																		
Napier	iWay Napier extension																																																		
Hastings	iWay Hastings extension																																																		
New Plymouth	Mangati Pathway																																																		
	Coronation Ave - Upjohn St to																																																		

Location	Project	Financial Year 2015/16												Financial Year 2016/17												Financial Year 2017/18												Financial Year 2018/19					
		Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1			Q2														
		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Whanganui	Te Tuaiwi ("The Spine")	[Blue]												[Green]			[Red]												[Grey]														
	City to North Mole Cycleway	[Blue]			[Green]			[Red]												[Grey]																							
Palmerston North	Manawatu River Bridge and Mungaone Underpasses	[Blue]						[Green]			[Red]			[Grey]																													
	Longburn Cycleway	[Grey]																																									
	Upper Hutt	Rail Corridor Route	[Blue]												[Green]		[Red]												[Grey]														
	Seal and Widening Hutt	[Blue]												[Green]		[Red]												[Grey]															
Lower Hutt	Beltway	[Blue]												[Green]			[Red]			[Grey]																							
	Eastern Bays shared path	[Blue]												[Green]			[Red]			[Grey]																							
	Wainuiomata Hill	[Green]												[Green]			[Red]			[Grey]																							
Kapiti Coast	Stride n' Ride Kapiti Coast	[Blue]			[Green]		[Red]												[Grey]																								
Porirua	Onepoto - Wi Neera shared	[Blue]												[Green]			[Red]			[Grey]																							
Wellington	Melling to Petone	[Blue]												[Green]			[Red]			[Grey]																							
	CBD route package	[Blue]												[Green]			[Red]			[Green]			[Grey]																				
	Eastern Route package	[Blue]												[Green]			[Red]			[Green]																							
	Ngauranga to Bunny St	[Blue]												[Green]		[Red]																											
Blenheim	Spring Creek	[Blue]			[Green]			[Red]		[Grey]																																	
	Taylor River Reserve	[Blue]						[Green]			[Red]			[Grey]																													

Location	Project	Financial Year 2015/16												Financial Year 2016/17												Financial Year 2017/18												Financial Year 2018/19					
		Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1			Q2														
		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
	Eltham Rd Cycle Link	Dark Blue												Dark Blue												Green						Red						Grey					
Nelson	Nelson Coastal Route	Dark Blue												Green												Red												Grey					
Christchurch	Papanui Parallel Stage 1	Red			Grey																																						
	Matai Street East	Red			Grey																																						
	Rapanui - Shagrock	Dark Blue						Green						Red												Grey																	
	Heathcote Expressway	Dark Blue												Dark Blue						Green						Red						Grey											
	Papanui Parallel	Dark Blue						Green						Red												Grey																	
	Northern Line Cycleway	Dark Blue												Dark Blue						Green						Red						Grey											
	Little River Link City End	Dark Blue						Green						Red												Grey																	
	Quarryman's Trail	Dark Blue												Dark Blue			Green						Red												Grey								
	Uni-Cycle	Dark Blue			Green						Red												Grey																				
Selwyn	Rolleston to Lincoln	Grey																																									
Waimakariri	Rangiora to Kaiapoi -	Dark Blue												Dark Blue			Green						Red						Grey														
	Rangiora to Woodend	Dark Blue												Dark Blue			Green						Red						Grey														
Dunedin	Central City Cycle Network	Dark Blue												Dark Blue			Green						Red												Grey								
	South Dunedin Cycleway	Red												Grey																													

Quarter 1, year 2: Detailed progress report

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Kamo Route	Design	Whangarei District Council	6.6	Stage 2 request to Kiwirail submitted mid-September				16 Jan 2017	30 Jun 2018	KiwiRail approval process extended design phase. WDC working closely with KiwiRail on final design approval
Don Buck Cycleway	Complete	Auckland Transport	1.0		-	-	-	-	-	
Airport to CBD	Complete	Auckland Transport	0.4		-	-	-	-	-	
Central Park Drive	Complete	Auckland Transport	0.4		-	-	-	-	-	
Nelson St Cycleway	Complete	Auckland Highways and Network Operations	15.4		-	-	-	-	-	

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
City Centre Network	Construction	Auckland Transport	27.7	Completion and opening of first section of Quay St cycleway. Scheme assessment reports awarded for the Victoria East/West and Ian McKinnon Drive sections. Consultation completed for Parnell and Ian McKinnon section. Design options identified for K Road and detailed design awarded for Tamaki Drive – Section 1.				12 Mar 2016	7 Dec 2018	Risks around interaction with wider public transport planning (City Rail Link) and delivery timeframe. Risks around community engagement and local board buy-in due to road space reallocation. K Rd completion due December 2018
Western Connections to City centre	Design	Auckland Transport	16.3	Public consultation underway for Waitemata Safe Routes and Great North Road projects. Tendering process underway for Great North Road (Williamson Ave to K Road) Scheme assessment reports awarded for Pt Chevalier to Herne Bay and Herne Bay to Westhaven, and completed for Great North Road. Detailed design consultant awarded for Waitemata Safe Routes (Route B)				9 Dec 2016	29 Jun 2018	Risks around road space reallocation and land use access.
Eastern Connections to City centre	Design	Auckland Transport	33.3	Consents lodged for sections 2 - 3 of the Glen Innes to Tamaki Drive cycleway. Construction funding request for section 3 submitted.				30 Oct 2016	29 Apr 2019	RMA consenting process risks. Cost increases due to additional structures required following detailed options analysis. Project will extend beyond June 2018.

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Glen Innes to Meadowbank	Construction	Auckland Highways and Network Operations	5.03	Construction continues				19 Oct 2015	18 Nov 2016	
Links to public transport	Design	Auckland Transport	25.2	Detailed design awarded for New Lynn to Avondale Stage 1. Scheme assessment report awarded to Stage 2 of New Lynn to Avondale. Workshops for Links to Glen Innes held.				15 Feb 2017	30 Jun 2018	Risks around KiwiRail costs and potential loss of parking. Local board contributing \$2m to this project.
Western Rail Trail	Construction	Hamilton City Council	5.5	Physical works contract awarded, and construction underway.				26 Aug 2016	16 Dec 2016	
Te Awa	Construction	Te Awa Trust	4.7	Formal award of contracts; design completion and consents secured for final stage of construction.				1 Jul 2015	31 Mar 2017	
Omokoroa to Tauranga	Construction	Western Bay of Plenty District Council	7.7	Construction commenced with sod-turning event. NLTF investment approved.				5 Aug 2016	30 Jun 2018	Bridge consenting, cost increase and delivery timeframe risks. KiwiRail approvals required.

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Tauranga urban CBD connections	Construction	Tauranga City Council	7.0	Consultation undertaken on the Route K overbridge and Carmichael Road sections. Detailed design for Chapel St section almost complete.				31 Dec 2015	30 Jun 2018	
Wainui to CBD and local connections part 1	Investigation	Gisborne District Council	4.2	Council approval and sign off to proceed to Detailed Business Case. Consultation and engagement plan complete.				1 Sep 2017	30 Jun 2018	Construction start delayed 6 months due to additional consultation but still due to complete on time. Car park removal may pose some risk to acceptance on design.
Rotorua Cy-Way	Construction	Rotorua Lakes Council	5.5	Construction completed on Morey St and underway on Brent Road and Springfield link. CyWay website launched.				30 Apr 2016	30 Jun 2018	Delay to some projects due to local body elections and restrictions around public communications. Some ongoing risk around community buy-in.
iWay Napier extension	Construction	Napier City Council	5.2	Marewa Loop construction complete				4 Apr 2016	30 Jun 2018	

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
iWay Hastings extension	Construction	Hastings District Council	3.0	Investigation and detailed design of Pakowhai Rd shared pathway and Haumoana Safer Routes to School underway				14 Nov 2015	30 Jun 2018	The total UCP spend has gone down to accommodate an increase in local share needed for the Chesterhope bridge project (non-UCP) Napier Rd project delayed but replaced by Pakowhai Rd, Caroline Rd and Whakatu extension for Year 2.
Mangati Pathway - Parklands Ave to Coastal Pathway	Complete	New Plymouth District Council	0.10	Pathway opened.				-	-	
Coronation Ave - Upjohn St to Coronation Ave	Investigation	New Plymouth District Council	0.4	Scheme design underway				31 Mar 2017	30 Jun 2017	Project involves removal of car parks so may experience some community resistance.
Te Tuaiwi ("The Spine")	Design	Wanganui District Council	2.0	Detailed design underway; traffic modelling undertaken				16 Jan 2017	30 Jun 2018	

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
City to North Mole Cycleway	Construction	Wanganui District Council	1.3	Construction continued				15 May 2016	30 Jun 2018	
Manawatu River Bridge and shared path	Construction	Palmerston North City Council	12.2	Construction of stage 1 of path completed. Lodged Detailed Business Case for funding of bridge.				9 May 2016	29 Jun 2018	Large complex project that has delivery timeframe challenges and some issues around consenting and potential cost increases
Mangaone Underpasses	Design	Palmerston North City Council	0.6	Design and consenting finalised				24 Jan 2017	21 Apr 2017	
Longburn Cycleway	Complete	Palmerston North City Council	1.0		-	-	-	-	-	
Rail Corridor Route	Investigation	Upper Hutt City Council	2.9	Council approval to proceed to detailed design. Tender contract document preparation.				31 Oct 2016	28 Feb 2018	KiwiRail approvals required for later sections.

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Seal and Widening Hutt River Trail	Investigation	Upper Hutt City Council	2.2	Trial of asphalt with recycled rubber in conjunction with the Ministry for the Environment agreed to go ahead on Moonshine to Maoribank section. Professional services contract awarded.				15 Oct 2016	30 Jun 2018	
Beltway	Investigation	Hutt City Council	3.5	Indicative Business Case underway				1 Jan 2018	30 Jun 2018	Some issues relating to project scope and interaction with park and ride facilities
Eastern Bays shared path	Investigation	Hutt City Council	0.4	Indicative Business Case underway following project re-scope				1 Jan 2018	30 Jun 2018	Decoupled from sea wall resilience project so independent investigation now underway
Wainuiomata Hill	Construction	Hutt City Council	7.2	Safety audit complete for the Lower Hutt to summit phase and awaiting NZTA review. Consultation completed and land purchase at an advanced stage. Detailed design of Wainui side progressed.				15 Apr 2015	30 Jun 2017	Some delay to Hutt City side path due to storm water plan complications. Lower Hutt to Summit phase due to start 1 December 2016
Stride n' Ride Kāpiti Coast	Construction	Kāpiti Coast District Council	5.5	Physical works on Kāpiti Road section underway				1 Nov 2015	30 Mar 2018	

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Onepoto - Wi Neera shared path	Investigation	Porirua City Council	0.71	Concept design out for consultation.				17 Apr 2017	30 Jun 2017	
Melling to Petone	Investigation	Wellington Highway & Network Operations	14.0	Geometric design near completion. Agreement with KiwiRail and Greater Wellington over land issues				21 Jul 2017	15 Mar 2018	Decisions around Petone to Grenada Interchange risk delaying consultation on this project due to design overlap
CBD route package	Investigation	Wellington City Council	1.6	Refresh of the Programme - scope of this package significantly reduced to align with Let's Get Wellington Moving timeframe beyond current NLTP.				8 Nov 2017	21 May 2018	Low risk with reduced scope. Approval for change in programme will be taken to Minister once incoming Council briefed.
Eastern Route package	Investigation	Wellington City Council	16.6	Refresh of the Programme - scope of this package increased				26 Sep 2017	31 May 2019	Scope and design of work is being determined and confirmed
Ngauranga to Bunny St	Design	Wellington City Council	9.1	Contracts let for construction of street lighting relocation and upgrade, pathway design and bridge design on Hutt Road section.				10 Oct 2016	6 Mar 2019	Road space reallocation required, including some car park loss to businesses along the route. Council needs to confirm preferred route for Thorndon section.

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Spring Creek	Construction	Marlborough Roads	0.7	Construction commenced				30 Aug 2016	15 Nov 2016	
Taylor River Reserve	Design	Marlborough District Council	0.4	Funding for construction approved				15 Nov 2016	22 Feb 2017	
Eltham Rd Cycle Link	Investigation	Marlborough District Council	0.3	Consultants engaged to complete options analysis. Year 3 project so further planning will take place from October 2016.				3 Jan 2018	30 Mar 2018	
Nelson Coastal Route	Design	Nelson City Council	TBD	Support from Rocks Road (Project 3) Steering Group to allow project 2 to start and business case to begin. Project teams commenced other project sections.				1 Jul 2017	30 Jun 2018	Rocks Rd section unable to progress due to extended timeframe of Southern Arterial Investigation. UCP project scope undergoing review, to be agreed in October.
Papanui Parallel - Stage 1	Complete	Christchurch City Council	0.9		-	-	-			

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Matai Street East	Complete	Christchurch City Council	1.8		-	-	-			
Rapanui - Shagrock Cycleway	Design	Christchurch City Council	15.2	Section 1 released to tender				25 Oct 2016	30 Jul 2018	
Heathcote Expressway	Investigation	Christchurch City Council	10.8	Options analysis undertaken				1 Dec 2017	30 Jun 2018	Easements across private land required.
Papanui Parallel	Design	Christchurch City Council	15.3	Tender for construction released				17 Oct 2016	28 Jul 2017	
Northern Line Cycleway	Investigation	Christchurch City Council	5.9	Consultation underway				16 Jun 2017	6 Mar 2018	KiwiRail approval required for desired route

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress				Estimated construction start	Estimated construction completion	Risk commentary
					Schedule	Budget	Risk			
Little River Link City End	Design	Christchurch City Council	5.4	Tender for construction released				17 Oct 2016	27 Apr 2017	Involves state highway intersection. Lower than baseline cost estimates but likely to rise a little as more info is provided during detailed design.
Quarryman's Trail	Investigation	Christchurch City Council	12.8	Scheme design completed				5 May 2017	30 Apr 2018	Route redesigned to significantly reduce removal of car parks.
Uni-Cycle	Construction	Christchurch City Council	6.2	Section 2 almost completed construction and section 3 approved to proceed to detail business case				18 Apr 2016	30 Sep 2017	
Rolleston to Lincoln	Complete	Selwyn District Council	1.0		-	-	-	-	-	
Rangiora to Kaiapoi - including Southbrook links	Investigation	Waimakariri District Council	1.5	NLTF funding approved				4 Sep 2017	16 Mar 2018	Involves KiwiRail approvals

Project name	Phase	Organisation	Updated cost (\$m)	Q1 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Rangiora to Woodend	Investigation	Waimakariri District Council	0.8	NLTF funding approved. Preferred route selected and approved by PCG.				4 Sep 2017	16 Feb 2018	
Central City Cycle Network	Investigation	Dunedin City Council	9.1	Programme refresh commenced.				26 Dec 2017	29 Oct 2018	Programme undergoing refresh with final scope to be agreed by Council in November
South Dunedin Cycleway Enhancements	Complete	Dunedin City Council	1.7	Final section along Portobello Rd complete.				15 Feb 2014	30 Sep 2016	Low profile completion due to wider programme refresh

