

Quarterly report

Q3 2016/17

1 January – 31 March 2017



CONTENTS

Contents	3
Executive summary	4
Our performance this quarter	4
Our results at a glance	6
Summary of delivering our strategy	8
Summary of service delivery performance	9
Delivering our strategy	10
Detailed progress on our goals	10
Detailed progress on our priorities	30
Service delivery performance	43
Output class performance (Exceptions only reported)	43
Road Policing Programme	45
Urban Cycleways Programme	51
Financial performance	54
Financial performance summary	54
National Land Transport Fund and National Land Transport Programme	57
NZ Transport Agency	62
Supplementary financial information	67
Our people	70
Key indicators	70
Workplace health and safety	72
Assurance and risk	74
Total Assurance summary	74
National Land Transport Fund investment assurance	75
Risk report	81
Appendices	84
Appendix 1: Operating assumptions	85
Appendix 2: Urban Cycleways Programme: Detailed progress report	89

EXECUTIVE SUMMARY

Our performance this quarter

The majority of milestones remain on track to be achieved by the year end

The Transport Agency continues to deliver on the majority of its milestones and the Government's priorities for the land transport network.

In quarter three the majority of our goals (87 percent) and priorities (90 percent) were either achieved or substantially achieved and we remain on track in regards to our financial position for the year to date.

Performance against the Minister of Transport's expectations is largely positive, although the inclement weather over the summer has seen some capital projects fall behind and does put at risk the achievement of some year-end milestones. As with the previous quarter we are committed to making up time where possible.

For the five Regional Economic Growth Action Plans, we are on target to achieve our year-end milestone, having commenced delivery of the agreed Programme Business Case for Accessing Central (Manawatu-Whanganui Action Plan) and the Programme Business Case for Napier Port Access.

In terms of shaping smart, efficient, safe and responsible transport choices, we have made the required changes to the regulatory framework for electric vehicles to support public charging infrastructure and have provided national information and guidance.

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

Roads of National Significance (pages 19-20)

The majority of the Roads of National Significance (RoNS) programme continues to run to plan.

In Auckland, the Waterview Connection is currently behind schedule while we complete thorough testing of the systems that ensure the safe operation of the Waterview Tunnel and obtain the certificate for public use. The Transport Agency and Well-Connected Alliance are working towards opening the tunnel within the next two to three months, with precise timeframes dependent on the testing and commissioning work currently underway.

In Wellington, a key highlight this quarter was the opening the Mackays to Peka Peka section of the Wellington Northern Corridor to traffic. Construction also continues on Transmission Gully. Other projects that make up the broader Wellington Northern Corridor are progressing, albeit with some delays, mostly relating to consultation taking longer than planned, in particular around Otaki to Levin and Ngaranga to Airport business case where more scoping work is required.

In Christchurch construction of the Christchurch Southern Motorway continues, however the high number of rain days has impacted the completion of the foundations for the Memorial Avenue Interchange. We will work during Q4 to catch up on the delays.

Auckland and Regional Accelerated Transport Programmes (pages 20-21)

Both the Auckland and Regional Accelerated Transport Programmes are largely on track for their year-end deliverables.

Progress continues on the Regional Accelerated Transport Programme and, despite the unseasonably wet summer impacting some construction programmes, most projects on track to achieve their year-end deliverables.

Key highlights for Tranche 1 projects this quarter included the official opening of the Normanby overbridge by the Minister of Transport. This joined the Kawerau Falls Bridge, where construction is underway, as projects which have met their SPE deliverables. Design continues on the Tranche 2 projects. The Awakino Tunnel Bypass and Loop Road have commenced design during the quarter, and thereby achieving their year-end deliverables. This brings the number of Tranche 2 projects that have met their year-end deliverables to six.

The Auckland Accelerated Transport Programme continues to plan, with two projects (East West Connection and Northern Corridor) having met their annual deliverables of having consents lodged with the Environmental Protection Authority (EPA). The Southern Corridor is on track to meet its annual deliverable in quarter four.

Progress on State Highway 20A to Airport is currently behind schedule due to delays in the construction programme resulting from a delay in acquiring a The key piece of property. While the delay will try to be made up in the next quarter there is risk that the year-end milestone of construction completion and having the road open to traffic is at risk.

Urban Cycleways Programme (pages 40-42, 54-56, and Appendix 3)

Overall, the Urban Cycleways Programme (UCP) is now over 51 percent complete. Construction has commenced on 67 percent of the projects. Of our 12 milestones this quarter, we have achieved 10 – including the early achievement of two year-end milestones.

This quarter we have continued to work closely with our partners to deliver planned activities and get more precise schedules of when remaining activities will be delivered and forecast expenditure. Of note this quarter was construction beginning in five projects and the Western Rail Trail nearing completion in Hamilton. Six projects in New Plymouth, Lower Hutt, Wellington City and Christchurch have moved into the detailed design phase this quarter.

UCP spend has continued to be relatively slow as projects have moved through the planning and design phases but is projected to increase significantly over quarter 4 and into the next financial year when many more of the projects begin construction. By year end we expect 75 percent of projects will be complete or in construction.

Our results at a glance

DELIVERING OUR STRATEGY

PAGE
10

87%



We achieved or substantially achieved 87 percent of the Q3 milestones underpinning our **goals**

90%



We achieved or substantially achieved 90 percent of the Q3 milestones underpinning our **priorities**

DELIVERING SERVICES

PAGE
43

82%



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

FINANCIAL PERFORMANCE

PAGE
57

8%
above

National Land Transport Fund revenue was 8 percent above budget

On
track

National Land Transport Programme and Crown-funded expenditure is tracking to budget.

17%
below

NZ Transport Agency operating expenditure was 17 percent below budget

138%
above

The memorandum account was 138 percent above budget

29%
below

Operational initiatives were 29 percent below budget



There were 11 minor injuries at the NZ Transport Agency



FTEs are tracking in line with our forward forecast



There was one notifiable¹ (serious) injuries on contractor work sites



Our annual leave liability was \$7.5m



50 percent of approved organisations' investment audits rated 'generally good' (2 audits, 1 requiring significant improvement)



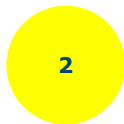
Two critical risks



The single technical review this quarter showed the organisation to be effective



One high risk under active management



Two medium risks being monitored



No low risk

KEY TO MILESTONE ACHIEVEMENTS

- ≥76% of milestones or targets achieved.
- 51–75% of milestones or targets achieved.
- ▼ Down from previous quarter
- No change from previous quarter
- 26–50% of milestones or targets achieved.
- 0–25% of milestones achieved.
- ▲ Up 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.

Summary of delivering our strategy

PROGRESS ON OUR GOALS

100%	Integrate one effective and resilient network for customers Achieved or substantially achieved 9 milestones of 9	p 10
100%	Shape smart, efficient, safe and responsible transport choices Achieved or substantially achieved 8 milestones of 8	P 13
80%	Deliver efficient, safe and responsible, and resilient highway solutions for customers Achieved or substantially achieved 29 milestones of 30	p 17
100%	Maximise effective, efficient and strategic returns for New Zealand Achieved or substantially achieved 8 milestones of 8	p 23
94%	Growing agility Achieved or substantially achieved 17 milestones of 17	p 26

PROGRESS ON OUR PRIORITIES

75%	Make it easier for our customers to do business with us Achieved or substantially achieved 7 milestones of 7	p 30
100%	Predictable journeys for urban customers Achieved or substantially achieved 7 milestones of 7	p 34
100%	Integrate road and rail to improve network productivity Achieved or substantially achieved 3 milestones of 3	p 36
100%	Deliver Safer Journeys Achieved or substantially achieved 6 milestones of 6	p 37
100%	Driving value through smart road maintenance Achieved or substantially achieved 4 milestones of 4	p 39



Make urban cycling a safer and more attractive transport choice
Achieved or substantially achieved 11 milestones of 12

Summary of service delivery performance²

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 (5 of 5 targets)
Road tolling - 67 percent (2 of 3 targets)
Motor vehicle registry - 100 percent (5 of 5 targets)
Road user charges - 67 percent (2 of 3 targets)
Road safety promotion - 100 percent (1 of 1 target)

OUTPUT CLASSES THAT SUPPORT OUR HIGHWAY SOLUTIONS GOAL



State highway improvements - 100 percent (1 of 1 target)
State highway maintenance - 50 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)

² 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 Q3

In the third quarter we achieved seven and substantially achieved two of the quarter's nine milestones.

We continued to work with our partners in the four 'greenfield' growth areas in Auckland and the growth area in Queenstown to ensure integration and alignment of land uses and transport plans. We collaborated with Auckland Transport (AT) towards the next business case phase that is expected to commence in July. Together with AT, we have also been developing a Request for Proposal (RFP) for the Transport for Future Urban Growth programme combined indicative/detailed business case. This is scheduled to go to market in April/May 2017. The Queenstown Integrated Programme Business Case that was delayed in quarter two will now be considered by the Queenstown Transport Governance Group in late-April 2017. We have also been heavily involved with the master planning programme for Queenstown centre.

For the five Regional Economic Growth Action Plans, we are on target to achieve our year-end milestone. To date, we have commenced delivery of the agreed Programme Business Case for Accessing Central (Manawatu-Whanganui Action Plan) and the Programme Business Case for Napier Port Access. We are currently setting up terms of reference and scoping the Gisborne activities. In addition, we have worked with our regional partners in identifying the transport deliverables required for the West Coast Action Plan although this has not been finalised and agreed yet. The government response is still being worked on and launch is planned for June 2017.

Our work on integrating national and local transport networks to support strategic connections are on track. For priority key journeys in Wellington, Christchurch, and Auckland, we continued to deliver the activities outlined in the 2015-18 National Land Transport Programme. These activities are expected to improve predictability of urban journeys.

To improve public transport patronage, we continue working with our partners to implement the National Ticketing Programme (NTP). This quarter we have provided advice and strategic support to the NTP Board on the approval of the indicative business case for Stage 1 of the NTP Road Map. Because of its complex scope due to technology shifts, approval has been pushed out by one quarter and is now expected by the end of the fourth quarter.

We have processed within 20 working days 25 of the 28 funding applications we received in Q3 that give effect to the Integrated Transport Programme. Approvals of applications for two projects (Murphy's Road Bridge Improvements and Otahuhu Bus Interchange) have been delayed due to the need for appropriate scrutiny of their cost scope increases.

We are also on track to deliver on our commitment to improve freight supply chain efficiency. The Weigh/Right trial that began in the first quarter continues to progress. We have delivered some complete routes already, including State Highways 32 and 41 (Tokoroa to Turangi), and these are included in updated maps. Southland District Council has agreed to join the 1Network 50MAX permit system from 1 April 2017.

OBJECTIVE 1:
INTEGRATE LAND USES AND TRANSPORT NETWORKS

MILESTONES FOR 2016/17		Q3 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> <p><i>We continued to collaborate with our partners to progress the Queenstown Integrated Programme Business Case. This is slightly behind due to rescheduling meetings around local government elections. The council is expected to consider the business case in April 2017, followed by Transport Agency consideration. This delay poses no risk to the year-end milestones.</i></p>	No Q3 milestone
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		Q3 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>	No Q3 milestone
OB 2.1.2	<p>We have agreed a common national intelligent transport systems architecture with key partners, particularly Auckland Transport.</p>	Achieved

MILESTONES FOR 2016/17

Q3 MILESTONE RESULT

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>	Substantially achieved
	<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> <p><i>We have provided advice and strategic support to the National Ticketing Programme (NTP) Board on the approval of the Indicative Business Case for Stage 1 of the NTP Road Map. Approval has been pushed out by one quarter and is now expected by the end of the fourth quarter because of its complex scope and technology shifts. However, we are on target for delivery of the year end milestone.</i></p>	
OB 2.3	<p>RESULT BY 2019 The strategy set out in Auckland’s Integrated Transport Programme is given effect in the 2015–18 National Land Transport Programme.</p> <p><i>This is a shared result with Auckland Transport.</i></p>	Substantially achieved
	<p>We have processed all qualifying funding applications that give effect to the Integrated Transport Programme within 20 working days.</p> <p><i>We have processed 25 of the 28 funding applications we received in Quarter 3 that give effect to the Integrated Transport Programme within 20 working days. The average processing duration is 9 working days. Approvals of three applications for two projects (Murphy’s Road Bridge Improvements and Otahuhu Bus Interchange) have been delayed due to the need for appropriate scrutiny of their cost scope increases.</i></p>	

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

MILESTONES FOR 2016/17

Q3 MILESTONE RESULT

OB 3.1	<p>RESULT BY 2019 More freight is moved on fewer truck trips, lifting productivity and safety.</p> <p><i>This is a shared result with the Ministry of Transport.</i></p>	
	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-1Network permit system.	Achieved



SHAPE SMART, EFFICIENT, SAFE AND RESPONSIBLE TRANSPORT CHOICES

Progress made in Q3

In quarter three, we achieved all our quarterly milestones.

We have made the required changes to the regulatory framework for electric vehicles to support public charging infrastructure and have provided national information and guidance.

The Keeping People Safe programmes of work have been summarised into key result areas and KPIs have been confirmed and prioritised for 2017/18 year.

With NZ Police, our operational planning continues to go well; with a continuing focus is on persistently non-compliant road transport operators. We are working together to address education and enforcement needs related to logbooks and driving hours in response to usage of the South Island alternative route following the Kaikoura earthquake.

Our planned schedule to address the specific rail safety operational areas covered by our Memorandum of Understanding with WorkSafe was delayed due to factors beyond our control. We are as well prepared to commence as we can be at this point.

Parts of the legislative change programme have progressed well. Our system and process preparation for changes to Small Passenger Services legislation is on target and will be fully ready when it comes into effect. Achievement of this annual result depends on timing for passage of the Bill which could still occur before end June 2017. However, a delay in receiving the drafting instructions for the revised Driver Licensing Rule, which was outside of Transport Agency control, has meant a delay on consultation of the proposed draft. Our work towards implementation is well advanced, however signoff on the Rule by the Minister is not expected to be achieved before end June 2017.

OBJECTIVE 4:

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

MILESTONES FOR 2016/17		Q3 MILESTONE RESULT
OB 4.1	<p>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></p> <hr/> <p>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.</p>	Achieved
OB 4.2	<p>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></p> <hr/> <p>We have successfully implemented the continuous improvement actions from the 2015/16 benchmarking review of the Safe System approach.</p>	Achieved
OB 4.3	<p>RESULT BY 2019 Transport Agency monitoring and interventions are supporting and incentivising a strong safety culture in rail operator organisations.</p> <hr/> <p>We have enhanced our licensing and assessment processes to better target our interventions based on non-compliance and a risk assessment of the rail operators.</p>	No Q3 milestone
OB 4.4	<p>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. <i>This is a shared result with rail operators and local government.</i></p> <hr/> <p>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.</p>	Achieved

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

MILESTONES FOR 2016/17		Q3 MILESTONE RESULT
OB 5.1	<p>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. <i>This is a shared result with NZ Police and WorkSafe NZ.</i></p> <hr/> <p>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.</p>	Achieved
OB 5.2	<p>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.</p> <hr/> <p>This result is enabled through priority 2, <i>Predictable journeys for urban customers.</i></p>	Refer to priority 2 milestones
OB 5.3	<p>RESULT BY 2019 The Transport Agency has supported private sector provision of public electric vehicle charging infrastructure. <i>This is a shared result with the Ministry of Transport and the Energy Efficiency and Conservation Authority.</i></p> <hr/> <p>We have supported the development of public electric vehicle charging infrastructure by clarifying the regulatory framework and providing national information and guidance.</p>	Achieved

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

MILESTONES FOR 2016/17		Q3 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. <i>This is a shared result with the Ministry of Transport.</i></p> <hr/> <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. <i>This is a shared result with the Ministry of Transport</i></p> <hr/> <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>	No Q3 milestone

MILESTONES FOR 2016/17**Q3 MILESTONE
RESULT**

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.

No Q3
milestone



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

Progress made in Q3

We continue to make progress on delivering this year’s programme. Despite some disruption due to the Kaikoura Earthquake, we remain on track to complete the state highway resilience programme deliverables for this year.

Work continues on developing the State Highway Investment Proposal for 2018-21, with all annual milestone deliverables on track.

The majority of the Roads of National Significance (RoNS) programme continues to run to plan. A key highlight this quarter was the opening the Mackays to Peka Peka section of the Wellington Northern Corridor to traffic.

The Auckland Accelerated Transport Programme continues to plan, with two projects (East West Connection and Northern Corridor) having met their annual deliverables of having consents lodged with the Environmental Protection Authority (EPA). The Southern Corridor is on track to meet its annual deliverable in quarter four.

Despite the unseasonably wet summer, which has impacted some construction programmes, progress continues on the Regional Accelerated Transport Programme with most projects on track to achieve their year-end deliverables. Key highlights for Tranche 1 projects this quarter included the official opening of the Normanby overbridge by the Minister of Transport. This joined the Kawerau Falls Bridge, where construction is underway, as projects which have met their annual deliverables. Design continues on the Tranche 2 projects. The Awakino Tunnel Bypass and Loop Road have commenced design during the quarter, and thereby achieving their SPE deliverables. This brings the number of Tranche 2 projects that have met their annual deliverables to six.

OBJECTIVE 7: GREATER RESILIENCE OF THE STATE HIGHWAY NETWORK

MILESTONES FOR 2016/17		Q3 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> <p><i>This is a shared result with other national network operators and local authorities.</i></p>	
	<p>Together with our local authority partners – through the Roothing Efficiency Group, road controlling authorities (RCAs) 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.</p>	Achieved

MILESTONES FOR 2016/17

OB 7.3	<p>RESULT BY 2019 We have identified the road corridors that require physical improvements, and these are included in the State Highway Investment Proposal (formerly known as the State Highway Activity Management Plan) and the 2018–21 National Land Transport Programme.</p> <p><i>This is a shared result with other national network operators and local authorities.</i></p>	Achieved
	<p>We have incorporated a programme of resilience-related improvements into the draft State Highway Investment Proposal (formerly known as the State Highway Activity Management Plan) 2018–21.</p>	

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

MILESTONES FOR 2016/17

OB 8.1	<p>RESULT BY 2019 The State Highway Investment Proposal (formerly known as the State Highway Activity Management Plan) clearly demonstrates value for money through:</p> <ul style="list-style-type: none"> - 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. 	Achieved
	<p>The State Highway Investment Proposal (formerly known as the State Highway Activity Management Plan) is consistent with the One Network Road Classification framework.</p>	
OB 8.2	<p>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.</p>	Achieved
	<p>Outcomes from the Activity Management Improvement Programme have influenced the development of the draft State Highway Investment Proposal (formerly known as the State Highway Activity Management Plan) 2018–21.</p>	

OBJECTIVE 9:
PROVIDE SIGNIFICANT TRANSPORT INFRASTRUCTURE

Q3
MILESTONE
RESULT

MILESTONES FOR 2016/17

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.

Progress is behind schedule due to more time needed to complete testing and commissioning of the Waterview Connection systems that ensure the safe operation of the Waterview Tunnel. The Transport Agency and Well-Connected Alliance are working towards opening the tunnel within the next two to three months, with precise timeframes dependent on the testing and commissioning work currently underway. As a result of this safety testing, the year-end milestone of being open to traffic may be at risk. Construction is underway on the Lincoln to Westgate section.

Not achieved but some progress made

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

As outlined in the Q2 report, Otaki to Levin will not meet its year-end milestone. The consultation process is in preparation and will begin in quarter four. Consent lodgement is now due in 2018/19 as reported in quarter two. Scenario development and assessment for the Ngauranga to Airport business case is underway. Public engagement will commence in Q4 however this is likely to focus more on developing the case for change rather than on the short listed scenarios. Consultation on the short listed scenarios needs to be delayed to allow more work to be done on some options. The year-end milestone for Peka Peka to Ōtaki is at risk following the addition of a cycleway to the scope of the project and the unknown length of time for the appeal process to the Archaeological Association. Construction is continuing on Transmission Gully and Mackays to Peka Peka is complete and open to traffic.

**Q3
MILESTONE
RESULT**

MILESTONES FOR 2016/17

OB 9.1.5 **Christchurch Motorways**

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

Not achieved but some progress made

Progress behind schedule with delays to the completion of the Memorial Avenue Interchange foundations due to wet weather. While the delay will try to be made up in Q4 there is risk that the year-end milestone of having the road open to traffic is at risk with final surfacing unable to be laid prior to onset of winter. Construction on Christchurch Southern Motorway Stage 3 continues.

**OBJECTIVE 9.2:
ACCELERATED AUCKLAND TRANSPORT PROGRAMME**

**Q3 MILESTONE
RESULT**

MILESTONES FOR 2016/17

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

Not achieved but some progress made

Progress behind schedule due to delays in the construction programme resulting from a delay in acquiring a key piece of property. While the delay will try to be made up in Q4 there is risk that the YE milestone of construction completion and having the road open to traffic is at risk.

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:

Achieved

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

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	Q3 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	Not achieved but some progress made
<i>Progress behind schedule due to wet weather. This has exacerbated the Q2 delay in the installation of the retaining walls. While these delays will be addressed in Q4, further weather delays will present a risk of not completing construction and having the road open to traffic by the end of the financial year.</i>	
OB 9.3.3 Akerama Curves Realignment and Passing Lane (Northland) Construction complete and road open to traffic	Substantially achieved
<i>Progress slightly behind schedule due to wet weather and poor ground conditions. While these delays will be addressed in Q4, further weather delays will present a risk of not completing construction and having the road open to traffic by the end of the financial year.</i>	
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)	Achieved
OB 9.3.10 Mt Messenger and Awakino Gorge Corridor (Taranaki) Consents lodged.	Not achieved but some progress made
<i>Progress is behind schedule due to delays associated with public consultation. The lodging of consents is now scheduled for July 2017. It is not anticipated that this will impact on the construction and opening timeframes</i>	
OB 9.3.11 Awakino Tunnel Bypass Consents lodged.	Achieved

MILESTONES FOR 2016/17**Q3 MILESTONE
RESULT**

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

Not
achieved but
some
progress
made

As noted in Q2, due to the nature of the scheme, a different procurement strategy than originally planned was pursued. The procurement model is now an alliance, which will include both design and construction phases.

While this means the year-end deliverable will not be achieved, the change of approach should not adversely impact the ultimate delivery of scheme benefits and may result in the project being delivered earlier. Alliance procurement has been advanced and re-programming of the project began in late March 2017. An update on progress will be provided in the Q4/Annual Report. We remain confident that this change of approach is beneficial to the project in the long-term.

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.

Achieved



MAXIMISE EFFECTIVE, EFFICIENT AND STRATEGIC RETURNS FOR NEW ZEALAND

Progress made in Q3

This quarter we have achieved all of our eight milestones; one of which is early achievement of a year-end milestone. We continued our work to improve the value for money of our investments and the activities we deliver.

A significant milestone this quarter was the approval by the Transport Agency Board of the draft Investment Assessment Framework (IAF) for the 2018-21 National Land Transport Programme (NLTP). Engagement with the transport sector commenced and the draft framework was released in March for feedback. To align investment and ensure consistency with agreed national, regional and local outcomes, the draft IAF references the One Network Road Classification (ONRC) in its criteria and guidance around investment decision making. This includes customer levels of service in the assessment of investment proposals for both maintenance programmes and improvement activities.

We made substantial progress to ensure effective and efficient co-investment with our partners. Through the draft IAF and more specifically the investment operational policy associated with activity management plans, we have communicated our expectations on the use of network performance measures within our investment decision making processes. We have developed draft reports for the key improvements benefits for customers on key journeys and will soon be testing them with users. We expect the useable reports to be in place by year end. Process improvements and capability building through our delivery of the business case approach and the upgrade of the Transport Investment Online tool are on track. For the remaining quarter of the year, we will work on capturing feedback from our partners on these improvements.

In quarter three we also made progress to identify the medium- and long-term issues and opportunities for priority inter-regional routes for our shorter-term investment in the 2018–21 NLTP. This includes systematising our approach for the Long Term Strategic View (LTSV). We have shared the LTSV with our local government partners to seek their contribution for the next iteration and we have started working with other stakeholders to fill gaps in the content. We also continued to work with the Ministry of Transport in aligning the LTSV with their Transport Outlook which is due for release in May.

To enhance the value delivered by transport investments, we continued to work with the Ministry of Transport on identifying possible advanced procurement options for large projects within the urban context and elsewhere. Criteria for various advanced procurement options are being established and work examples developed. We are considering revisiting the Transport Agency's debt limit and providing options for managing the Agency's indebtedness more in line with objectives.

The key highlight this quarter was achieving our year end milestone on the recovery of Canterbury's transport network ahead of planned timeframes: The Canterbury transport recovery programme is now 94.5 percent complete (measured by on-ground kilometres), which is past the 87 percent target by year end. A major contributing factor to this is the completion to 98 percent of the Stronger Christchurch Infrastructure Rebuild Team (SCIRT) programme this quarter. We also provided support this quarter for the transfer of asset management knowledge and systems to Christchurch City Council.

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		Q3 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.	Achieved
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. <i>This is a shared result with other central government agencies, local authorities and contractors.</i>	
	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. <i>This is also a result for objective 2.</i>	
	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 Long Term Strategic View, 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		Q3 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.	Achieved
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. <i>The milestone under result OB 10.1 (p27) also contributes to this result.</i>	

MILESTONES FOR 2016/17**Q3 MILESTONE 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.

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.

Achieved

OBJECTIVE 12:

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

MILESTONES FOR 2016/17**Q3 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 Q3

We continue to make good progress with eight milestones achieved and three substantially achieved.

We continued developing clear strategic content and plans to lift capability through our information programme. The shift in culture and behaviour required 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:

- Intelligent Transport Systems Architecture available for internal and key local government partners
- A business case to refresh the corporate intranet was approved by the ICT Governance Group. The new intranet will be launched in July 2017
- A technology road map to enable us to release our data openly has been completed
- Work programme based on findings of the security risk profile review continues to be fit for purpose.
- Security programme implementation is tracking to plan including application patch management.
- Level 3 Chews Lane ‘agile’ working is now embedded and operational.

There are a number of key issues which the Transport Agency is continuing to monitor ahead of the end of the year, primarily as a result of the organisation’s transformation programme.

The Transport Agency is in the middle of a transformation programme, of which the foundation phase is to be completed by the year-end. This phase includes the development a new operating model and organisation design. Due to this work, there have been impacts on a number of our key deliverables while we begin to understand the key dependencies between how we currently work and how we will work under the new model and design. Once we have this understanding, we will need to assess the work and resource required to support financial systems, budgets, property and delegations under the new model.

HARNESSING KNOWLEDGE

MILESTONES FOR 2016/17		Q3 MILESTONE RESULT
GA 1.1	<p>RESULT BY 2019 Our people value information as a shared asset.</p> <p>We have developed leadership expectations and have a programme in place to help our people be confident in their ability to harness knowledge.</p> <p><i>This milestone is light green due to a potential risk to the year-end milestone. We have completed the framework and delivery mechanism of our ‘Harness Knowledge’ leadership expectations. These expectations have been incorporated into our new organisational values and will be rolled out as a part of the transformation programme next year. The delivery of the ‘Harness Knowledge’ training programme to our four largest regions remains on track for Q4.</i></p>	Substantially achieved
GA 1.2	<p>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.</p>	

MILESTONES FOR 2016/17		Q3 MILESTONE RESULT
	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.	Achieved
	GA 1.2.2 We have improved the quality of and access to the Transport Agency's evidence base (high-value information).	Substantially achieved
	<i>Progress in this area to date has been slower than anticipated. We have developed a guide on how to release high-value data openly. We are in the process of introducing the guide with relevant staff. There is a risk to year-end delivery without Senior Leader open data ownership</i>	
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.	Substantially achieved
	<i>We have substantially achieved Level 3 in the Privacy Self-Assessment in respect of training and awareness. The remaining work to be completed is monitoring staff understanding and awareness of our privacy requirements. This will be addressed through an online privacy module on the Transport Agency's online learning management system, which is being developed and is scheduled for completion in the next quarter.</i>	
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).	Achieved
	GA 1.4.2 We have approved and tested business continuity plans for all offices and critical functions.	Not achieved but progress made
	<i>Progress is behind schedule with a large amount of work outstanding, primarily within Highways and Network Operations (HNO). With recent challenges, such as the Kaikoura earthquakes, resource has been tight and the focus has been on addressing current issues. HNO have recently engaged a contractor to help ensure the Q4 target is achieved. For identified critical functions, we've tested 85 percent of plans through table top exercises. 72 percent have also been updated to incorporate learnings. Each group, apart from HNO, has reconfirmed its critical functions. For HNO, the scope of planning has broadened to include joint ventures. Planning for simulation exercises is under way, with completion deferred to Q4.</i>	

MILESTONES FOR 2016/17

Q3 MILESTONE RESULT

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

Q3 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

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.

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. Achieved

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.

We have embedded good engagement principles into our people practices. Achieved

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

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. Substantially achieved

Progress is good on four of the five components needed to implement the Zero Harm strategy. While we have completed the gap analysis of our Occupational Health and Safety Management system in advance of ISO:45001 certification we are slightly behind where we anticipated being at this point. We anticipate that we will substantively achieve the annual milestone by year-end.

GA 2.4.2 We have increased our people's awareness of and commitment to the principles of zero harm. Substantially achieved

The regional health and safety committee structure is now in place. Our Zero Harm team has developed a programme of support and coaching for committee members to allow them to fully meet the requirements of their roles. This programme will be delivered over Q4 and Q1 of 2017/18

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.

MILESTONES FOR 2016/17		Q3 MILESTONE RESULT
We have improved the capability and confidence of our people in using collaborative tools and spaces, as seen through higher adoption and utilisation.		Achieved

ENCOURAGE CONTINUOUS IMPROVEMENT AND INNOVATION

MILESTONES FOR 2016/17		Q3 MILESTONE RESULT
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.	
	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 Q3

We had mixed results in quarter three with two milestones achieved, four substantially achieved and, while we made progress on the remaining two, we did not fully achieve them.

The two milestones we achieved were both in the driver licensing space. We provided drafting instructions (via the Ministry of Transport) that will inform changes to the Driver Licensing Rule, to the Parliamentary Counsel Office. In addition, our work with ACC relating to improving access to driver licensing continues to progress well, with a multi-year 'Improving access to a driver licence' work programme now developed and endorsed. Enhancements have also been made to the Drive (www.drive.govt.nz) website.

We continued our focus on developing a prioritised improvement programme to increase efficiency for small-medium enterprises (SMEs), and substantially achieved this quarter's milestones. We did this by focussing on high priority projects including electric vehicles, small passenger services and the NZ Business Number (NZBN). These projects all target delivery of business-facing benefits. The Regional Mobility plan is expected to go live in May. Test booking was implemented in quarter one, with completion of the delayed new test booking and scheduling system now expected to be live in August 2017.

Completion of the online road user charges (RUC) refund and assessment payment system that was due for completion this quarter was not achieved due to reprioritisation of resources. However, related work on a system for Fuel Excise Duty (FED) refunds has continued and is on target for implementation in July 2017. The online RUC refunds system will be able to build off the FED system following its implementation.

The transformation of customer digital services proposed under the 'Grow Digital' strategy now forms part of the agency-wide digital assessment being conducted by Ernst and Young.

At an initiative level we are capturing and sharing customer insight. Unfortunately, the joined-up process, which was to have been delivered by the end of this financial year, will not be delivered. This is expected to be achieved through new programmes that are being developed to respond to our new strategy which comes into effect on 3 July 2017.

By year-end we expect to have achieved three results and have substantially achieved the remainder, although this is dependent on either factors outside our control or our internal refocus.

PR 1.1	RESULT BY 2019 The reduced cost of doing business with us helps our small-medium enterprise commercial customers increase their productivity.	Substantially achieved
	PR 1.1.1 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.	
	<i>In Q1, we reprioritised and changed our planned approach for the year. This quarter's objective has nonetheless been substantially achieved by focusing on progressing specific, high-priority projects - namely Electric Vehicles, Small Passenger Services (SPS), and the NZ Business Number (NZBN) - that all target delivery of business-facing benefits. These are on track. A programme of activities with this general focus is in planning for 2017/18. This years' implementation of the SPS project will make it easier for (primarily) small businesses to engage in travel sharing activities.</i>	
	<i>Plans for a geospatial tool displaying upcoming tenders remain on hold. Instead, we are continuing to developed plans to reinstate a programme that captures all upcoming tenders, including all small and medium size projects. We currently publish all contracts awarded on both our website and on the Government Electronic Tenders Service (GETS) website to advertise their progression. In addition, all large upcoming tenders continue to be published on a programme that is periodically updated. We have added a programme covering the small to medium sized works completed by the Safe Roads Alliance.</i>	
	PR 1.1.2 We have improved our third-party and supplier contract processes in line with the findings of the Transaction Services Delivery Strategic Review.	Substantially achieved
	<i>The 'Transaction Services Delivery Strategic Review', which was on hold in Q2, has resumed and is now called the 'Strategic Review of Over the Counter Delivery of Regulated Services'. The review is now scheduled to be completed by mid-May. In the meantime, we have extended our existing contracts with AA, VTNZ, and VINZ through to 2018, with the addition of key performance indicators to monitor performance. By the end of the year, with the anticipated completion of the review and added KPIs, existing and future contracts will be improved.</i>	
PR 1.2	RESULT BY 2019 The end-to-end driver licensing experience improves safety and makes it easier for everyone to be a safe driver.	
	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.	Achieved
	<i>This is a shared milestone with the Ministry of Transport.</i>	

MILESTONES FOR 2016/17

Q3 MILESTONE RESULT

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

Substantially achieved

We are already consistently achieving the annual milestone target of improving 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 - with the current year result >86%.

The project to deliver a new test booking and scheduling system has changed and amalgamated into the Driver Licensing Experience programme; with estimated implementation in August 2017.

We have assessed the provision of in-car video camera options to strengthen feedback to driver licence applicants who have to re-sit the practical test. Technologies are not yet at a state where this is viable.

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.

Achieved

This is a shared milestone with the Accident Compensation Corporation, Ministry of Social Development, Ministry of Business, Innovation and Employment and Ministry of Justice.

PR 1.3

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.

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.

Substantially achieved

The Regional Mobility plan is on track to go live in May. Earlier in the year, remaining planned improvements were reordered so that they follow consecutively instead of in parallel.

The Common Payment Service has not yet been extended to the driver testing booking and scheduling system because we paused development of the system in Q2 to free up capacity for other prioritised initiatives. The new delivery date for the booking & scheduling system using the common payment service will be August 2017 (See also PR 1.2.2).

The transformation of customer digital services under the Grow Digital strategy now forms part of an agency-wide digital assessment being conducted by Ernst and Young.

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.

Not achieved but progress made

Completion of the online road user charges (RUC) refund and assessment payment system has been delayed due to resources being required on higher priority initiatives. We remain on target to substantially achieve our annual milestone of improving the online experience for our customers with the Fuel Excise Duty (FED) refund project building a solid foundation capability, which we will be able to use to implement the RUC system.

PR 1.4 **RESULT BY 2019** Customer insight is driving prioritisation and helping shape design of continuous improvement initiatives.

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.

Not achieved but progress made

Gaining and using customer insight is now an embedded business practice for regulatory change projects; however this has not yet been consistently applied across the development of other change initiatives.

This milestone has not been achieved because it was subsumed into development of the agency-wide 'Improving Customer Experience' Focus Area programme for 2017/18.



PREDICTABLE JOURNEYS FOR URBAN JOURNEYS

Progress made in Q3

Further progress toward milestones was made during the quarter.

The trial of a new forward works planning system is now under way in Wellington. This will enable maintenance and construction roadworks, and other planned events, to be better coordinated and managed to reduce the impact on traffic.

Development of state highway Corridor Management Plans continues. These plans will further inform network optimisation requirements for key journeys in Auckland, Wellington and Christchurch.

As we build out our framework for real-time data capture and collection, we have recognised the need for a single platform that can monitor multiple modes of transport to make it easier for customers to access, use, and make informed choices across multiple modes of transport (including public transport and multiple ride-share options). A real-time platform has been procured, which will have data feeds from various transport modes. An interface will be built for the operators to monitor the network.

Currently, there is a network management toolset trial underway in Auckland, which will help us choose a toolset to better manage the network in real-time.

We are on track to achieve our annual milestone to have recommended common data standards and a technology architecture to facilitate data sharing with local authorities and emergency services. Through discussions with local authorities, which have taken place in Q3 and will continue into the next quarter, we will be able to recommend technology architecture for incident and event data sharing during Q4.

MILESTONES FOR 2016/17		Q3 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.	Substantially achieved
	<i>Overall we are on track to achieve the year-end information objective; however, recruitment of permanent analysis capability has been delayed as a result of work currently being carried out to support the transformation of the Transport Agency's operating model and organisation design in response to the organisation's refreshed strategy.</i>	
	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>We are on track to have identified state highway network optimisation requirements for key urban journeys in Auckland, Wellington and Christchurch; however confirmation of network optimisation capability has been delayed pending the Transport Agency's transformation organisation design implementation.</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 Q3

In quarter three we continued to work on the delivery of substantial safety improvements to ten level crossings on busy road and rail freight routes.

The focus of this work has been on 'stacking' problems on or adjacent to the State Highway network. Stacking is where longer vehicles cannot safely pass through the level crossing without being stationary on the railway line.

We also successfully completed the close-out of our other milestones for the road/rail integration priority as we move towards our new strategic approach.

This includes the transfer to KiwiRail of the work to develop an objective economic framework to determine the public value, or wider impacts, of the rail network to the New Zealand transport system and the country as a whole. The transfer recognises that assessing the transport system benefits of the rail network is the accountability of KiwiRail and the Treasury, rather than the Transport Agency. Work on developing an indicator to determine the benefits of road/rail integration for freight productivity has also been closed off in line with the Transport Agency's new approach.

The road/rail integration working group will continue to focus on day-to-day operational collaboration and programmed level crossing safety improvements. It has also been proposed to widen the membership of the working group to Auckland Transport and Greater Wellington Regional Council, to focus on level crossing safety beyond the State Highway network.

MILESTONES FOR 2016/17		Q2 MILESTONE RESULT
PR 3.1	RESULT BY 2019 Key urban transport routes are planned and actively managed within and across modes to improve journey time predictability for customers	
	PR 3.1.1 We have delivered a draft long-term network framework to facilitate road/rail integration and freight productivity.	Achieved
	PR 3.1.2 We have investigated a programme of intermodal initiatives to enable greater road/rail integration and freight productivity.	Achieved
	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 Q3

In quarter three, we achieved four and substantially achieved two of our six programme milestones. This last milestone delivery has been delayed but it will be back on track for the quarter four milestone.

We completed work on prioritising New Zealand local roads; roads which are not state highways and are managed by territorial local authorities that have the potential to deliver safety improvements that reduce death and serious injury. The five percent by length of rural and urban local roads with the highest potential have been identified and can be displayed in a geospatial information system. Potential interventions have been identified and the interventions estimated to determine the optimal programmes of work. This forms the basis for a national programme of projects which can be further progressed in partnership with Local Government in Quarter 4.

As part of our contribution to developing cross-sector programmes of actions that enable smart and safe choices, we have modified the Safer Journeys for Motorcycling guide, based on feedback from partners and stakeholders. This will be published alongside the high risk motorcycling route maps early quarter four.

We submitted an implementation plan for all the Safer Journeys Action Plan activities including Vehicles and Smart Choices to the National Road Safety Managers Group for their endorsement which was given on 6 April 2017.

We have developed tools to engage communities in better conversations around the Safe Speed Guide using learnings from National Research and the Waikato Demonstration Project on road risk and we are training Road Controlling Authorities (RCAs) in their use. Road Controlling Authorities are showing strong interest in the Guide and pending rule change as evidenced by the high participation rates at workshops. More than 90 percent of RCAs have now signed up and are accessing the speed management maps.

Research into the road toll during the 2016/17 Christmas/New Year holiday break was completed this quarter. The study looked in detail at the 19 fatalities that occurred in 16 crashes and tested how well-focused our safe system programmes of work were. The study concluded that while our programmes did address the key issues, the scale and pace of the interventions may not be at the level necessary to address (over time) all the crashes that occurred. The study also noted that the crashes were representative of crash patterns throughout the year and the majority were caused by everyday people making everyday mistakes as opposed to perceived holiday behaviours such as more alcohol use and more reckless behaviours.

MILESTONES FOR 2016/17	Q2 MILESTONE RESULT
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.	
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>	Achieved

MILESTONES FOR 2016/17

Q2 MILESTONE RESULT

PR 4.1.2	<p>A national prioritised list of state highway safety improvements has been defined and endorsed and priority projects have been delivered.</p> <p><i>Project delivery is ongoing, mainly through the Safe Roads Alliance. While the programme is still running behind, progress is improving, indicating that we are on track to deliver our annual milestone.</i></p>	Substantially achieved
PR 4.1.3	<p>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	<p>RESULT BY 2019 Reduced deaths and serious injuries by 10 percent on the highest risk urban arterials.</p> <p>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 for safety improvements on specified highest risk local urban arterial roads (focusing on all modes and vulnerable users).</p> <p><i>This is a shared milestone with local authorities.</i></p>	Achieved
PR 4.3	<p>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.</p> <p><i>This is a shared result with the National Road Safety Committee and local government.</i></p>	
	<p>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.</p> <p><i>We have developed tools to engage communities in better conversations using learnings from National Research and the Waikato Demonstration Project on road risk and we are training Road Controlling Authorities in their use.</i></p>	Substantially achieved
PR 4.4	<p>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.</p>	
	<p>We have finalised the national speed management guide and rule and successfully introduced them to all road controlling authorities.</p>	Achieved



DRIVING VALUE THROUGH SMART MAINTENANCE

Progress made in Q3

This quarter we have achieved three of our four milestones towards giving our customers the best value and service from our investment in road maintenance.

We continued to clarify our policy on applying the One Network Road Classification (ONRC) in our investment decision making and our joint work with local government on road asset data. We have released a consultation document with the draft Investment Assessment Framework for maintenance. Application of the ONRC performance measures and the business case approach to maintenance has been incorporated in the draft. Focus now shifts to assisting the Road Efficiency Group (REG) delivery of training until year end to lift activity management capability of Road Controlling Authorities (RCA).

We have also reiterated the role of the ONRC and the customer levels of service as part of the information sent out to RCAs to support a dialogue on the next National Land Transport Programme. The on-going training for RCAs led by Equip on behalf of REG assists with the understanding and incorporation of these requirements into future programmes.

This quarter, we have consolidated examples of collaborative working arrangements for our staff to share with RCAs as they review their procurement strategies. REG has also developed and published a number of case studies on collaborative working arrangements. We are on target to achieve the year end milestone.

MILESTONES FOR 2016/17		Q2 MILESTONE RESULT
PR 5.1	<p>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.</p> <p>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.</p>	Substantially achieved
PR 5.2	<p>RESULT BY 2019 Customer understanding and experience of levels of service and costs shapes our delivery of consistent customer levels of service.</p> <p>PR 5.2.1 We have developed a mechanism for linking state highway customer feedback to the levels of service and operational performance.</p> <p><i>There have been further challenges this quarter and the Q2/Q3 deliverable is now expected in early April. It was recommended in November that the year-end milestone be reviewed on receipt of the Q2/Q3 work and this review will now take place mid-April.</i></p> <p>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.</p>	Substantially achieved
PR 5.3	<p>RESULT BY 2019 Road controlling authorities increasingly demonstrate advanced activity management planning and procurement capability through collaborative working arrangements to deliver maintenance efficiencies.</p> <p>We have facilitated collaborative working arrangements across road controlling authorities, and procurement strategies presented for our endorsement consider the value of collaborative service delivery.</p>	Achieved



MAKE URBAN CYCLING A SAFER AND MORE ATTRACTIVE TRANSPORT CHOICE

Progress made in Q3

In Quarter 3 we have continued to work closely with our partners to deliver planned activities and get more precise schedules of when remaining activities will be delivered and forecast expenditure. Overall, the Urban Cycleways Programme is now over 51 percent complete. Construction has commenced on 67 percent of the projects. Of our 12 milestones this quarter, we have achieved 10 including early achievement of two year-end milestones.

In Auckland, there has been good progress on the Auckland City Centre Network package, with the detailed business case and implementation funding agreed for the Ian McKinnon Drive cycleway. For the Eastern Connections to City Centre package, construction is expected to commence on Section 3 in May 2017, and construction of the remaining sections will happen in the next financial year. For the Western Connections to City Centre package, construction commenced on the Greenways section of the Waitemata Safe Routes in January. We have worked collaboratively towards the completion of the New Lynn to Avondale project, however, due to outstanding resolution of a KiwiRail lease and other property approvals, construction is now expected to commence in October 2017. Together with our partners, we continue to manage these delays and issues and are largely on track to meet our year-end milestones.

In Wellington, the concept design for the Melling to Petone project will be going out for public consultation in April 2017. This cycleway is now estimated to commence construction in December 2017 linked to critical rail track possessions. Changes to the scope of the Wellington City package have been agreed with investment previously intended for the CBD now being redirected towards the eastern suburbs and connections to the CBD. Construction of the first project in the refreshed Wellington programme is scheduled to begin in early April, on the Hutt Road.

In Christchurch, consultation on section 2 and 3 of the Rapanui-Shagrock Cycleway has been completed, as well as for the Heathcote Expressway cycleway. On the Papanui Parallel route, the Sawyers Arms Road separated cycleway was completed.

We have engaged with all key councils about their plans for future development of their cycle network and, working with the Ministry of Business, Innovation and Employment, have also engaged with trail owners to understand their plans for future development of New Zealand Cycle Trail 'Great Rides' and 'Heartland Rides'. This work is feeding into a national 10-year cycling programme, linking the Great Rides, Heartland Rides, and urban networks. This work will be aligned with work underway on the development of a 10-year programme for the Auckland cycle network.

We have also continued to progress work to measure and report on the benefits of the cycling programme. This quarter, we undertook the second annual network monitoring survey. We have also developed a geospatial platform for reporting baseline information.

MILESTONES FOR 2016/17

Q2 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 (See page 54 and Appendix 3).

This is a shared milestone with local authorities.

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) *Note: The annual milestone for these projects was incorrectly published in the SPE and should be 'Design commenced'.*

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)

Not achieved but progress made

We have worked collaboratively towards the completion of the physical works for New Lynn to Avondale project, however, outstanding resolution of the KiwiRail lease and other property approvals have caused project delays. Construction is now expected to commence in October 2017.

We have not yet received the business case for design for links to Glenn Innes Phase 2. We expect to receive this by end of July and approval by August 2017. The business case will include an application for construction funding and this has brought forward construction start for this phase to November 2017.

The milestone for Q4 will now be delivered in Q 2 2017/18.

**The New Lynn to Waterview project is now called the New Lynn to Avondale project.*

PR 6.1.5 **Melling to Petone** (Construction started)

Not achieved but progress made

We have worked with our partners to re-assess the timing of construction of the cycleway. The September 2017 construction start date we reported in Q2 has now been pushed to December 2017.

We have also agreed the plans for consultation with public and affected parties with our partners. Consultation will start in April and be completed by 30 June 2017. We will not be able to achieve the Q4 milestone by year end but by Q2 of the next financial year.

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

MILESTONES FOR 2016/17		Q2 MILESTONE RESULT
	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.	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 53 and Appendix 3 for programme milestones).	Achieved

SERVICE DELIVERY PERFORMANCE

Output class performance (Exceptions only reported)

Investment management

MEASURE	2016/17 TARGET	Q3 YTD ACTUAL	VARIANCE	Q3 STATUS	OUTLOOK STATUS
Total cost of managing the funding allocation system as a % of the NLTP expenditure	≤1%	1.07%	-0.07%	Not achieved	On track
<p><i>Investment Funding Allocation System (IFAS) spend is typically ahead of NLTP spend earlier in the year but reduces towards the 1% target towards the end of the financial year. This quarter's figure is a reduction from 1.15% last quarter and reflects the increased non-NLTF expenditure for the Auckland Accelerated Programme and HNO Urban Cycleway Programme. With the trend over the previous quarters (1.2% Q1, 1.15% Q2, and 1.07% Q3) we are forecasting that we will meet the 1% target at year-end. This trend is consistent with previous years performance.</i></p>					
% of operational assurance activities completed	100%	87.5%	-12.5%	Not achieved	On track
<p><i>The investment assurance programme is on schedule. Fieldwork for seven investment audits and seven post implementation reviews was completed in quarter. One investment audit planned for quarter has been deferred to Q1 2017-18 at auditee's request. Another investment audit has been added to the 2016-17 programme. Project evaluation fieldwork for 7/10 post implementation reviews in 2016-7 programme completed in quarter. Findings will be reported in Q4.</i></p>					
% of activities that are delivered to agreed standards and timeframes (transport planning)	≥90% (Q2 target 45%)	58%	-32%	Not achieved	Not anticipated to be achieved
<p><i>Activity Management Planning is progressing as expected. However to maintain momentum, greater than anticipated resource has been required. A number of provisional business cases are running behind time and are requiring additional resource to ensure we deliver these to the appropriate standard.</i></p>					

Licensing and regulatory compliance

MEASURE	2016/17 TARGET	Q3 YTD ACTUAL	VARIANCE	STATUS	OUTLOOK STATUS
Unit transaction cost	≤\$11	\$11.04	-0.04	Not achieved	On track
<p><i>Q3 result slightly above target due to minor fluctuations in expenditure and licensing volumes.</i></p>					

Road tolling

MEASURE	2016/17 TARGET	Q3 YTD ACTUAL	VARIANCE	STATUS	OUTLOOK STATUS
% of revenue compliance	≥98%	96%	-2%	Not achieved	On track

As reported in previous quarters, the year-to-date performance for tolling revenue was below target. 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	Q3 YTD ACTUAL	VARIANCE	STATUS	OUTLOOK STATUS
Availability of state highway network: (% of unplanned road closures resolved within 12 hours)	≥90%	87%	-3%	Not achieved	Not anticipated to be achieved

The resolution of unplanned road closures did not meet target in quarter 3. While performance is improving from previous quarters (up from 85%) it has been impacted by unseasonal wet weather during the summer.

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 90.

Road Policing Programme

22 of 30 (73%) of intermediate outcomes meeting desired trends

Delivery highlights:

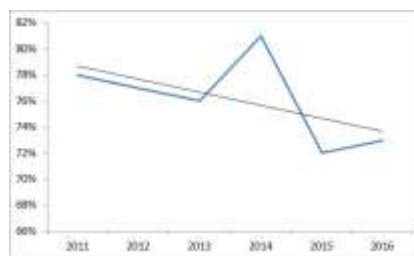
- NZ Police continue to work with the Transport Agency and other partners to address safety on upper South Island routes given dislocations resulting from the Kaikoura earthquake.
- Building on analysis of the 2016 road toll, NZ Police have commenced a number of initiatives to ensure front-line road policing staff give priority to and are appropriately supported in addressing the road toll. These initiatives include:
 - a communications programme, delivered by the Road Policing Support Group, for all Police District leadership teams
 - a refresh of the road policing training programme
 - a programme to update booze buses
 - a programme to update speed detection equipment.
- Work continues on Tranche 2 of the Speed Camera Expansion project with a further two sites currently in the process of being commissioned.
- The site confirmation process has commenced for the 41 sites which comprise Tranche 3 of the Speed Camera Expansion Programme.

RPP AREA OF CONCERN	OUTCOME RESULTS NZ POLICE MAKE A SIGNIFICANT CONTRIBUTION TO	DESIRED TREND* (A)NNUAL/ (Q)UARTERLY	TREND PERFORMANCE*
Commercial vehicle operators	<p>Percentage of overweight heavy vehicles</p> <p>Overall trend for the past six calendar years is increasing, with a relatively large increase in the last two calendar years – and with the difference between the lowest year (2011) and the highest year (2015) being 3.4%</p>	Decrease (A)	↑
	Percentage of local authorities, NZ Transport Agency and ACC injury prevention consultants satisfied that police heavy vehicle activities addressed risk	Increase (A)	↑
Vehicle dimension and mass (VDAM)	<p>Percentage number of VDAM offences detected</p> <p>Trend over the last three years to September 2016 has been decreasing</p>	Decrease (Q)	↑

RPP AREA OF CONCERN	OUTCOME RESULTS NZ POLICE MAKE A SIGNIFICANT CONTRIBUTION TO	DESIRED TREND* (A)NNUAL/ (Q)QUARTERLY	TREND PERFORMANCE*
High risk drivers	Number of disqualified driving offences	Decrease (Q)	↑
	Overall, three year, trend is increasing with the last two quarters results the highest during that period – 2048 Sep 2016 and 2020 Dec 2016		
High risk drivers	Number of disqualified or unlicensed drivers involved in fatal/serious crashes	Decrease (Q)	↑
	While the overall 12 month results for fatal and serious crashes involving disqualified and unlicensed drivers have remained relatively static during recent years at about 165 drivers, there has been a significant increase in the 12 month figure during the last three quarters to 199, 222 and 247		
Traffic management	In time to reinstate traffic flow after road or carriageway closure or crash	Decrease (Q)	↓
	Percentage of local authorities, NZ Transport Agency and ACC injury prevention consultants satisfied that police delivery of traffic management activities have addressed risk	Increase (A)	↑
Speed	Percentage of vehicles complying with open road (100km/h) speed limits	Increase (A)	↑
	Percentage of vehicles complying with urban road (50km/h) speed limits	Increase (A)	↑
	Percentage of heavy vehicles complying with open road (90km/h) speed limits	Increase (A)	↑
	Percentage of heavy vehicles complying with urban road (50km/h) speed limits	Increase (A)	↑
	Percentage of vehicles exceeding speed limits by 1-10km/h	Decrease (A)	↓
	Percentage of respondents agree that enforcing the speed limit lowers the road toll	Increase (A)	↓

RPP AREA OF CONCERN	OUTCOME RESULTS NZ POLICE MAKE A SIGNIFICANT CONTRIBUTION TO	DESIRED TREND* (A)NNUAL/ (Q)UARTERLY	TREND PERFORMANCE*
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The trend over the last six years has been decreasing

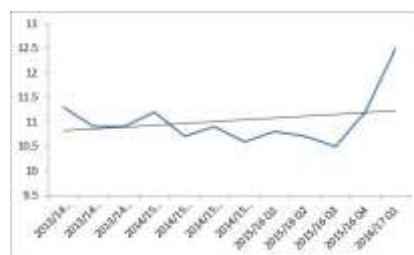


Young Drivers	Percentage of youth (15-24 yrs) have expectation that the risk of being caught drink driving is small	Decrease (A)	↓
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	Percentage youth (15-24 yrs) have expectation that the risk of being caught speeding is small	Decrease (A)	↓
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Alcohol	Number of fatal and serious injuries in alcohol/drug crashes per 100,000 population	Decrease (Q)	↑
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The longer term, three year, overall trend shows a an increasing trend, with the result of the Sept 16 quarter increasing to 12.5 100,000 population from 11.2 per achieved in June 16



	Percentage of respondents agree that there is a good chance of being stopped at an alcohol checkpoint if driving late at night	Increase (A)	↑
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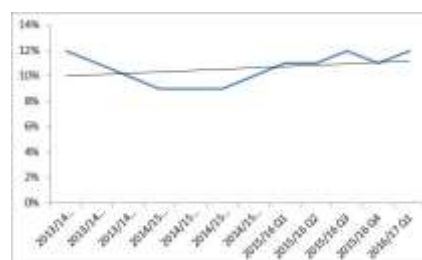
Walking and cycling	Percentage of vehicles complying with urban road (50km/h) speed limits	Increase (A)	↑
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	Number per 100,000 population of pedestrians/cyclists killed or seriously injured enough to be hospitalised for longer than one day	Decrease (Q)	↓
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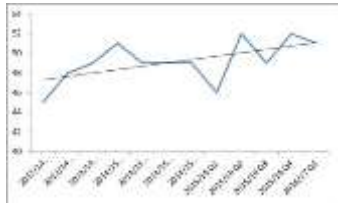
Motorcycles	Percentage of motorcycles in crashes with a non-current WoF	Decrease (Q)	↓
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Light vehicles	Percentage of light vehicles in crashes with a non-current WoF	Decrease (Q)	↑
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The longer term, three year, overall trend is showing a slight increase – with the results from the period ranging from 9% to 12%



Restraints	Percentage of adults wearing safety belts in the front	Increase	↑
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RPP AREA OF CONCERN	OUTCOME RESULTS NZ POLICE MAKE A SIGNIFICANT CONTRIBUTION TO	DESIRED TREND* (A)NNUAL/ (Q)UARTERLY	TREND PERFORMANCE*
	seat		
	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 (Q)	↑
	The longer term, three year, overall trend is increasing with results fluctuating between 52 (Dec 15 and Jun 16) and 45 (Dec 13) fatal and serious injuries to older road users per 100,000 population		
			
Crash reporting	Percentage of fatal traffic crash reports received within 10 weeks	Increase (Q)	↑
	Percentage of serious injury traffic crash reports received within 10 weeks	Increase (Q)	↑
	Percentage of minor injury traffic crash reports received within 10 weeks	Increase (Q)	↑
	Percentage of non-injury traffic crash reports received within 10 weeks	Increase (Q)	↑

* '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 'trend performance' is in line with the desired trend. Amber arrows indicate that trend performance is not in line with the desired trend. The Transport Agency regularly monitors all outcome trends, and Police use appropriate tools and interventions to target the risk associated with trend behaviours, with a focus on those registering amber.

2015-18 Improvement programme³

Reporting on road policing systems, procedures and results

- Police have agreed to report more fully on the following aspects of the management of road policing delivery to provide assurance of value for money:
 - evidence of internal monitoring of systems and procedures to target and deploy road policing resources to risk
 - evidence of lessons learnt and feedback loops to inform delivery targeting risk
 - evidence of linkages between inputs, outputs and outcomes to ensure resources are used effectively.
- Police advise that resources are allocated according to risk using District Road Risk Profiles.

³ Refer page 7 of the 2015-18 Road Policing Programme

Policing Excellence: the Future – application to road policing

- The *Policing Excellence: the Future* strategic change framework was applied to road policing to inform programming for 2016-18. Given that Police agreed to manage road policing delivery and value for money by enhancing evidence-based deployment, developing partnerships and collaboration, sourcing and sharing services, and improving processes and technology, the Transport Agency and Police are working together to ensure both agencies understand and agree developments.
- Representatives from the Road Policing Governance Group have visited each Police District to highlight the whole of Police approach to delivering services aimed at reducing deaths and serious injuries on New Zealand's roads as described in its recently released Road Policing Action Plan.

Road policing intervention logic mapping (ILM)

- The Police undertake ongoing maintenance and updates of the ILM as new information becomes available.
- Police advise that the District Road Risk Profiles, which profile crash risk areas and causes for each district using five years' worth of data and intelligence, provide tactical recommendations for the deployment of resources. These tactical recommendations are also informed by the ILM.

Implementation of the Camera Expansion Programme

- Tranche 2 of the Speed Camera Expansion project, involving seven cameras, is progressing with one site now operational, a further two sites nearing completion and commissioning and the four Waterview tunnel cameras being installed with commissioning planned for mid-March.
- In parallel, the site confirmation process for the 36 additional static camera sites (Tranche 3) has been completed, as has the necessary requirements for issuing a national construction tender.

RPP IT initiatives

- **Developing Police infringement processing system replacement options:** Police are undertaking workshops with stakeholders as they develop high-level requirements for replacing the infringement processing system, with the aim of improving customer experience and processing efficiency. In addition, changes have been introduced to reduce the level of manual intervention required to process notices, which will contribute to speeding up processes and increasing the capacity of the Police Infringement Bureau to process traffic camera images.
- **Implementation of NZ Police mobility programme – including electronic traffic crash reporting:** Police continue to work with the Transport Agency to ensure the electronic traffic crash reporting module of its 'OnDuty' application supports the delivery of the Transport Agency's Crash Analysis System. Resources have been allocated by Police to support the testing and development as the Transport Agency's new system comes on line.
- Police have **redeployed the Drager 7510 breath testing devices** in passive and screening modes. A 12-month research project is for the purpose of ensuring the accuracy of the alcohol readings.
- Work has commenced on **replacing mobile cameras** with the testing phase currently under way. The procurement process is anticipated to start at the beginning of the 2017/18 financial year.
- A project **to replace the fleet of speed radars** is under way. It is expected that the new devices will be operational by March 2018.

Road policing response to the Kaikoura earthquake

- Police are working closely with partners, including the Transport Agency, to address the road safety risks brought about by the change in traffic following the diversions to State Highway 1 because of the Kaikoura earthquake.

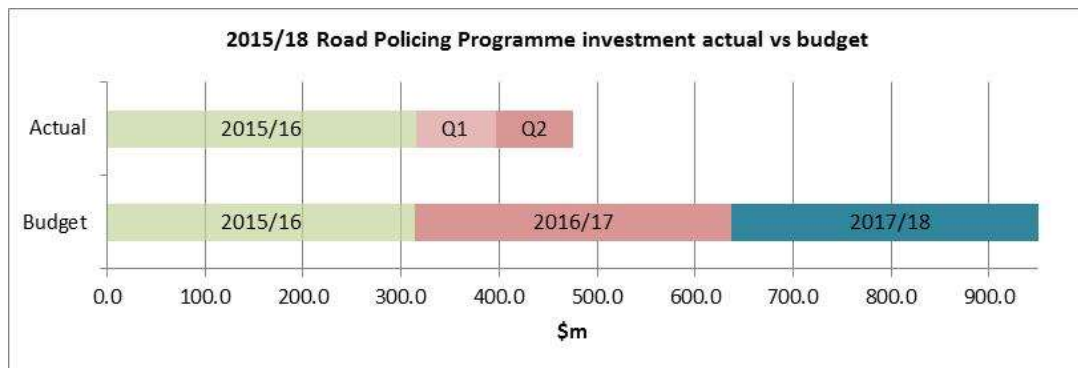
Motorcycle enforcement

- Police, in partnership with the Accident Compensation Corporation, are considering dual lens cameras to enforce speeding motorcyclists more effectively.

NZ POLICE ROAD POLICING PROGRAMME EXPENDITURE AGAINST BUDGET

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	323.0	161.3
2017/18		322.6	
Total 2015-18 (NLTF only)	960.0	960.0	395.1

NZ Police Road Policing Programme NLTF Vote Police expenditure is tracking near to budget.



Urban Cycleways Programme

Good progress has been made during this quarter. The UCP is now over 51 percent complete and five more projects have moved into construction phase. UCP spend has continued to be relatively slow as projects have moved through the planning and design phases but is projected to increase significantly over quarter 4 and into the next financial year when many more of the projects begin construction. By year end we expect 75% of projects will be complete or in construction.

In quarter 3, Ministerial agreement was obtained for changes in scope to the Wellington and Dunedin programmes, including an extension of time for completion of the Wellington programme. Two other projects that involve complex bridges are also likely to extend into 2018/19 – these are the Western Bay of Plenty Omokoroa Project and the Palmerston North Manawatu River Bridge and shared path. Part of the Auckland programme (discussed below) will also extend into 2018/19.

Auckland Transport has re-forecast its programme – both financials and delivery schedule. Sections within all packages will extend into 2018/19. While there have been some cost increases on projects there has been no further material increase across the programme. Construction commenced on the Greenways route as part of the Western Connections package, and is expected to commence for section 3 of the Eastern Connections and further sections of the Western Connections packages in the next quarter. Public consultation is underway for other sections of the Western Connections, and there has been further progress on detailed design for Western Connections and the City Centre network. Some projects have been delayed due to access issues for KiwiRail land and notification of resource consents.

Wellington City Council continues to make progress on its programme with construction now underway of the Hutt Road section of the Northern Connection, consultation occurring on the Eastern package, and engagement via working groups on the Thorndon section of the Northern Connection. A key risk for the programme is capacity and resourcing within Council to oversee the technical aspects of the programme.

Christchurch City Council has made consistent progress, with a number of projects to be complete by June. The Northern Line Cycleway and Quarryman's Trail should commence construction before the end of the financial year, and the Uni-Cycle route is aiming for completion in spring. Strong contractor performance continues to result in large packages of work being delivered simultaneously, despite some setbacks to address local issues.

Public consultation for the Melling to Petone route will be undertaken in April. The Transport Agency and KiwiRail continue to work together with councils to share knowledge, coordinate approvals, and help accelerate project delivery.

The Hamilton City Western Rail Trail project is due to be opened on the 7th April.

For full detail on the programme schedule see Appendix 3 on page 114.

Quarter 3 achievements

Construction phase

- Construction commenced on the Kamo Route in Whangarei
- Construction commenced on the Greenways route of the Western Connections package in Auckland
- Construction commenced on the Te Tuaiwi project in Whanganui
- Construction commenced on the Mangaone underpasses in Palmerston North
- Construction commenced on the Taylor River Reserve shared path in Blenheim
- Construction progressing for Papanui Parallel and Little River Link cycleways in Christchurch, with completion estimated for May.
- Construction very near completion on the Western Rail Trail in Hamilton. Opening on 7 April.

Investigation/design phase

- Six projects in New Plymouth, Lower Hutt, Wellington City and Christchurch have moved into the detailed design phase this quarter.

Key programme risks

Risk	Mitigation
Schedule – Projects at earlier stages of development and of significant size and complexity struggle to be delivered within the agreed timeframe	<p>This risk has reduced slightly and the programme overall is 51 per cent complete against overall milestones.</p> <p>Ministerial agreement was obtained for changes in scope to the Wellington and Dunedin programmes, including an extension of time for completion of the Wellington programme. The Auckland programme and the bridge projects within Western Bay of Plenty and Palmerston North will also extend into 2018/19. Changes to the funding agreements with councils will be made on a case by case basis to enable this delivery and re-set delivery timelines.</p>
Budget - NLTF activity class and local funding cannot match fund all UCP projects and other priorities given all of other significant cycle and potential project cost overruns	<p>This risk was largely mitigated in Q2 with Cabinet approval changes to the GPS and walking and cycling activity class range. The amended GPS is scheduled to be confirmed Q3. Auckland Transport’s programme re-forecasting and cash flow management will confirm programme scope and availability of funding for delivery.</p>

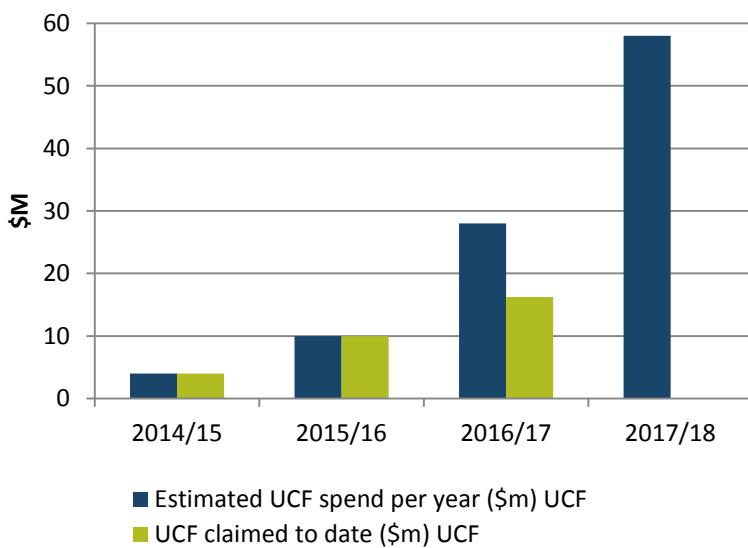
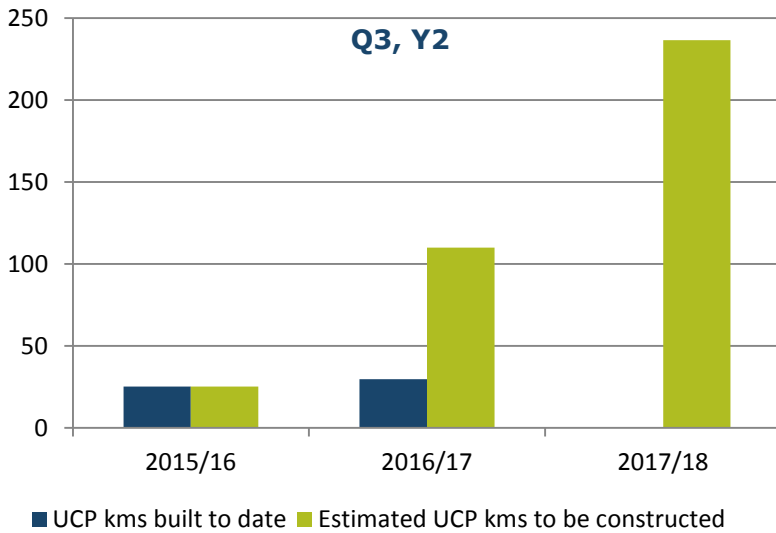
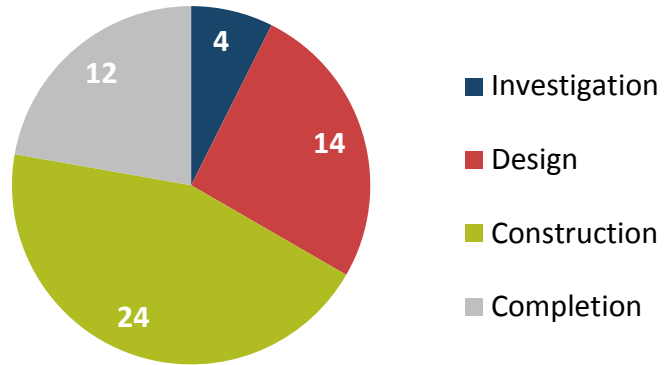
Key project risks

Risk	Mitigation
City Centre Network – Auckland Transport	<p>Risks remain regarding both the budget and schedule for the City Centre Network package due to the complexity of undertaking work in the central city alongside other planned improvements such as the CBD rail loop. Karangahape Road is however unlikely to achieve the agreed completion date of June 2018. Auckland Transport is in the process of reviewing its forward programme, which will be reconfirmed in Q3. Note that three of the City Centre Network projects are reported against under the Urban Cycling priority.</p>
Omokoroa to Tauranga – Western Bay of Plenty District Council	<p>Risk remains due to the complexity of project and given that the Council has not yet secured resource consent or additional funding sources due to the increased cost for the high quality bridge design option chosen. This is expected to be confirmed during quarter four.</p>
Nelson Coastal Route – Nelson City Council	<p>Risk associated with the scope due to interdependencies with the Southern Arterial Investigation. Potential revised project scope and costs are to be confirmed by the end of Quarter 4.</p>

Programme statistics



Current project phases [54 projects]



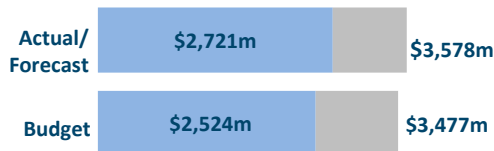
FINANCIAL PERFORMANCE

Financial performance summary

■ Year to date ■ Full year

NATIONAL LAND TRANSPORT FUND REVENUE

\$197m
above
budget



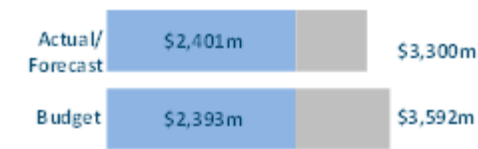
Revenue year to date is 8% above budget due to the increased travel demand as a result of higher economic activity and the timing of fuel shipments

The full year revenue is forecast to be 3% above budget. National Land Transport Fund revenue is forecast to be 102% of the 2015-18 published National Land Transport Programme three year target. Increased revenue and a reduction in state highways expenditure is expected to result in a \$660m surplus over the 2015-18 period

Watch list – level of the surplus and its growing impact on cash reserves.

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

\$8m
above
budget



Expenditure year to date is on budget primarily due to higher spending on state highway maintenance and the Auckland accelerated package

The full year expenditure is forecast to be 8% below budget

The 2015-18 National Land Transport Programme is on track to budget with 55% of the three year expenditure programme spent to date

Watch list (National Land Transport Programme)

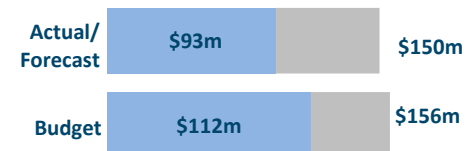
Likely under GPS funding range: local road improvements

To monitor: regional improvements, walking and cycling, investment management

Watch list (Crown projects) – Accelerated regional state highways, urban cycleways and Christchurch earthquake

NZ TRANSPORT NET AGENCY OPERATIONAL EXPENDITURE

\$19m
below
budget



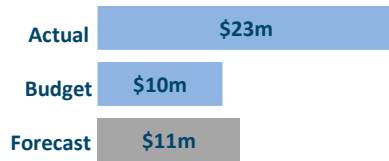
Net operational expenditure year to date is 17% below budget primarily due to lower expenditure on public transport, the extension of the current road safety promotion campaigns and lower motor vehicle registry activities

The full year net expenditure is forecast to be 4% below budget however there have been significant movements since the forecast was performed which will likely result in a significantly lower net expenditure

Watch list – Year end outturn likely to be lower than forecast

MEMORANDUM ACCOUNT

\$13m
above
budget



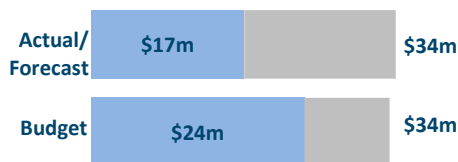
Memorandum account closing balances are 138% above budget due to a better than planned 2015/16 that resulted in opening balances being \$5m above budget, and year to date surplus of \$4m which is the result of higher revenues across the majority of accounts and lower costs due to a slower pace in the programme spend than anticipated

The full year closing balance is forecast to be \$8m above budget

Watch list - Rail licensing fee review, rail write off and the growing positive balance of the memorandum accounts

NZ TRANSPORT AGENCY OPERATIONAL INITIATIVES

\$7m
below
budget



The Agency's initiatives expenditure year to date is 29% below budget as a number of initiatives are on hold or partially deferred to accommodate new higher priority initiatives that have recently started with expenditure predominately phased in the second half of the financial year

The full year forecast for initiatives expenditure is on track with budget

Watch list – potential under delivery of programme

LONGER TERM OUTLOOK

The 2015-18 National Land Transport Programme forecast has identified the following areas of concern with regards to meeting the Government Policy Statement on Land Transport funding ranges.

Local road improvements is forecast to under-deliver against the minimum of the Government Policy Statement funding range at the end of the 2015-18 programme by approximately \$30m. The Board decision to fund the initiative to apply a targeted enhanced funding assistance rate for LED streetlight replacement would lift performance in 2017/18, but it would still be unlikely to achieve the funding range minimum.







Walking and cycling is forecast to achieve the adjusted maximum Government Policy Statement funding range of \$167m. The Minister of Transport has now approved front loading of the Urban Cycleway (Crown) Fund during 2015-18 which should take some pressure off this activity class. The resulting 2015-18 forecast of \$159m provides a small amount for potential new approvals.

Regional improvements under delivered in 2015/16 (due to difficulties in gaining momentum from a standing start in the new activity class) and 2016/17 performance is now tracking behind budget also. While this puts some pressure on the 2017/18 year to deliver within the Government Policy Statement funding range, there is confidence that expenditure over the 2015-18 programme will deliver within the \$180-\$270m range. Current funding approvals stand at \$410m providing a substantial base for delivery of the \$225m plan with 32 projects expected to start construction phase in the next 15 months.

KAIKOURA EARTHQUAKE


Funding options - There has been an in-principle approval by Cabinet for a Crown Grant to reinstate State Highway 1 and other consequent highway improvements. This is expected to be confirmed as part of the government budget process in May 2017.

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

NLTF cash position		The National Land Transport Fund has a positive cash position of \$556m at 31 March
NLTP 2015-18 funding		National Land Transport Fund revenue is forecast at 102% of the expenditure target for the 2015-18 National Land Transport Programme
Borrowings		There were \$742m of borrowings at 31 March, with the Transport Agency being compliant with all borrowing conditions
Crown projects		3 out of 5 projects are tracking significantly below budget
Minimum GPS		1 out of 9 output classes is forecast to be below the minimum Government Policy Statement funding range (local road improvements)
Maximum GPS		There are no output classes forecast to be above the maximum Government Policy Statement funding range

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	%	
	Fuel Excise duty	1,395	1,283	113	9%	1,891	1,827	64	4%
	Road user charges	1,093	1,025	68	7%	1,404	1,357	46	3%
	Motor vehicle registration and other revenue	233	217	17	8%	284	293	(10)	(3%)
	Total NLTF revenue	2,721	2,524	197	8%	3,578	3,477	101	3%

Budget

Tracking 8% above year to date budget

Full year Forecast

Expected to be \$101m (3%) above budget

2015-18 NLTP

Revenue forecast at 102% of published NLTP three year target

Watch list

Level of the surplus and its growing impact on cash reserves

National Land Transport Fund year to date revenue is 8% above budget and is expected to end the year 3% above budget.


- **Fuel excise duty** is above budget due to increased travel demand as a result of raised levels of economic activity and the timing of fuel shipments. The revenue is earned at the time a ship comes to port and customs receives the fuel. The shipping details are not known at the time of budget preparation, so the budget is phased based on historical trends. The full year revenue is expected to be 4% above budget which reflects the increased economic activity.
- **Road user charges** is above budget due to the continuing increase in the national fleet of diesel light vehicles, lower road user charges refunds and unbudgeted evasion and penalty revenue. This is partially offset by lower heavy road user charges due to the uptake of high productivity motor vehicles. These trends are expected to continue through to the end of the year with the revenue forecast to be 3% above budget.
- **Motor vehicle registration and other revenue** is above budget due to an increase in vehicle registration volumes. Year to date growth of the national fleet is over 150,000 vehicles.

The full year forecast figure above is based on the forecast performed in November 2016. The Budget Economic and Fiscal Update (BEFU) forecast is currently being prepared by the Ministry of Transport in conjunction with the Transport Agency, the Treasury and Customs. The forecast is expected to be finalised later this month and will be included in the Government budget, and the final Statement of Performance Expectations.

National Land Transport Fund revenue for the three year period 2015-18 is forecast to be 102% of the published National Land Transport Programme three year expenditure target.

The National Land Transport Fund is forecast to have a surplus of \$660m for the current three year programme. This is due to revenue being forecast at \$250m above the original forecast, and expenditure being forecast at \$400m lower than the published 2015-18 National Land Transport Programme. The reduced expenditure is primarily due to lower expenditure on state highway improvements

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	2,229	2,223	(6)	(0%)	3,075	3,234	159	5%
	Crown-funded projects	172	170	(2)	(1%)	225	358	134	37%
	NLTP & Crown expenditure	2,401	2,393	(8)	(0%)	3,300	3,592	292	8%

Further breakdown included in supplementary information on pages 71-73

NLTP Budget
Tracking to year to date budget

NLTP Full Year Forecast
Expected to be 5% below budget

Crown Budget
Tracking 1% above year to date budget

Crown Full Year Forecast
Expected to be 37% below budget

National Land Transport Programme (NLTP) expenditure year to date is tracking to budget. The latest forecast has expenditure settling at 5% below budget for the full year.

State highway improvements expenditure year to date is tracking 4% below budget. The Roads of National Significance programmes, which account for approximately 60% of the improvements programme, are continuing to progress well. The full year expenditure, however is expected to be approximately \$190m (14%) 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. At this stage in the year it is unlikely that the Transport Agency can increase the level of activity to that required to make full use of the funds available.

State highway maintenance expenditure year to date is \$23m above budget. Emergency works expenditure on Kaikoura (funded from the National Land Transport Fund) total \$25m. An additional \$30m of emergency works has been incurred and temporarily funded from the National Land Transport Fund, in anticipation of the budget announcement that the Crown would be funding the current year expenditure.

Walking and cycling expenditure year to date is \$8m above budget largely due to the urban cycleway programme, which is partly funded by the National Land Transport Fund.

Specific Crown-funded projects expenditure year to date is 5% above budget due to Auckland accelerated expenditure being \$20m (25%) above budget. This is offset by underspends in urban cycleways and regional accelerated state highways projects. The full year expenditure for Crown-funded projects is expected to be under budget mainly due to the budget including \$114m of Christchurch earthquake expenditure of which only \$6m is expected to be incurred.

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							
55% of three year programme spent to date	NLTP funded from NLTF	5,229	55%	56%	9,540	9,138	(402)
	Crown-funded projects	376	55%	56%	699	599	(100)

Further breakdown included in supplementary information on pages 71-73

2015-18 National Land Transport Programme expenditure incurred to date for the 21 months to 31 March 2017 is tracking to budget. Areas of concern are:

Under GPS range

Local road improvements

To monitor

Regional improvements

Walking & cycling

Investment Management

Local road improvements expenditure incurred to date is \$185m which correlates to 40% of the three year programme target. This is behind the budgeted figure of 49%. Auckland Transport's performance, which makes up 50-60% of the expenditure, is key to delivering this activity class, but its focus has been on other priorities. The Kaikoura earthquake will require some improvements to the local road access into the township, but this will not fully offset the under-spends. Delivery against the Government Policy Statement funding range at the end of the 2015-18 Programme is expected to be approximately \$30m under the minimum. This includes the funding for LED streetlight replacement at a targeted enhanced rate approved by the Board.

Regional improvements expenditure incurred to date is \$55m, which correlates to 24% of the three year programme target. This is behind the budgeted figure of 51%. 2016/17 performance is tracking slightly behind budget due to slower construction starts on some major projects. This is on top of the lower than planned expenditure in 2015/16, as the focus was on business case development and design. While this puts some pressure into the 2017/18 year to meet the Government Policy Statement funding range, there is confidence that expenditure over the 2015-18 programme will deliver within the \$180 - \$270m range. Current funding approvals stand at \$410m providing a substantial base for delivery of the \$225m plan with 32 projects expected to start construction phase in the next 15 months.

Walking and cycling expenditure incurred to date is \$70m which correlates to 68% of the three year programme target. This is ahead of the budgeted figure of 49%. This is largely driven by the Urban Cycleway Programme which was not accounted for within the walking and cycling Government Policy Statement funding range. The Urban Cycleway Programme is funded by the National Land Transport Fund, the Crown and local authorities. The Minister of Transport has now approved front loading of the Urban Cycleway (Crown) Fund during 2015-18 which should take some pressure off this activity class. The resulting 2015-18 forecast of \$159m provides a small amount for potential new approvals.

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

SUMMARY	
<p>2015-18 Crown projects 55% of three year funding spent to date</p>	<p>Investment management expenditure incurred to date is \$111m which correlates to 63% of the three year programme target. This is ahead of the budgeted figure of 58%. The 2015-18 programme expenditure is forecast to be at the maximum of the Government Policy Statement funding range, which now includes an allowance for delivery of the NZ Business Number project. The higher expenditure is largely due to higher investment in transport planning, which may need to be managed closely in 2017/18.</p>
<p>2015-18 Crown projects watch list <i>Under expected range</i></p>	<p>Expenditure on specific Crown-funded projects incurred to date is tracking slightly below budget, with some significant variances at an individual project level.</p>
<p>Urban cycleways Accelerated regional state highways</p>	<p>Auckland accelerated expenditure incurred to date is \$212m, which correlates to 102% of the three year target. This is ahead of the budgeted figure of 62%. A significant amount of expenditure planned for 2018/19 has been brought forward to 2015/16 and 2016/17 with total forecast expenditure for the three year period now at \$306m. The total amount of the Crown-funded facility is \$375m, of which \$208m had been originally budgeted for in 2015-18.</p>
	<p>Accelerated regional state highways expenditure incurred to date is \$62m which correlates to 32% of the three year target. This is behind the budgeted figure of 42%. The three year forecast is now expected to be \$94m, compared to the published target of \$198m. There have been a number of changes to the package since the National Land Transport Programme was published. A number of projects are now progressing via the National Land Transport Programme, as their business cases determined they were of sufficient priority to proceed. In addition, some projects are experiencing slower than planned progress, such as the Kawarau Falls Bridge Replacements, and is not expected to meet the three year expenditure target. However, the full \$212m Crown funds available are expected to be utilised by 2021.</p>
	<p>Urban cycleways expenditure incurred to date is \$30m which correlates to 31% of the three year target. This is behind the budgeted figure of 67%. There is \$58m funding available to be utilised by the end of 2017/18. The Minister has approved front loading of the Urban Cycleway Fund ahead of the National Land Transport Fund expenditure this should enable full utilisation of the funds available.</p>
	<p>Christchurch earthquake expenditure incurred to date is \$23m which correlates to 21% of the three year target. This funding is behind the budgeted figure of 61%. This is the final year the Christchurch earthquake facility is available for reinstating the local roads damaged in the Christchurch earthquake.</p>

Current and future National Land Transport Programme commitments

SUMMARY	CURRENT AND FUTURE NLTP						
	2015-18 NLTP		2018-21 NLTP		2021-24 NLTP		
	\$m	%	\$m	%	\$m	%	
Funding available							
\$5.7b available for future investment decisions up to 2024	Committed expenditure	10,571	98%	9,327	79%	9,701	76%
	Discretionary expenditure	184	2%	2,415	21%	3,104	24%
	Total expenditure	10,755		11,742		12,805	

Current NLTP
\$184m available for investment decisions

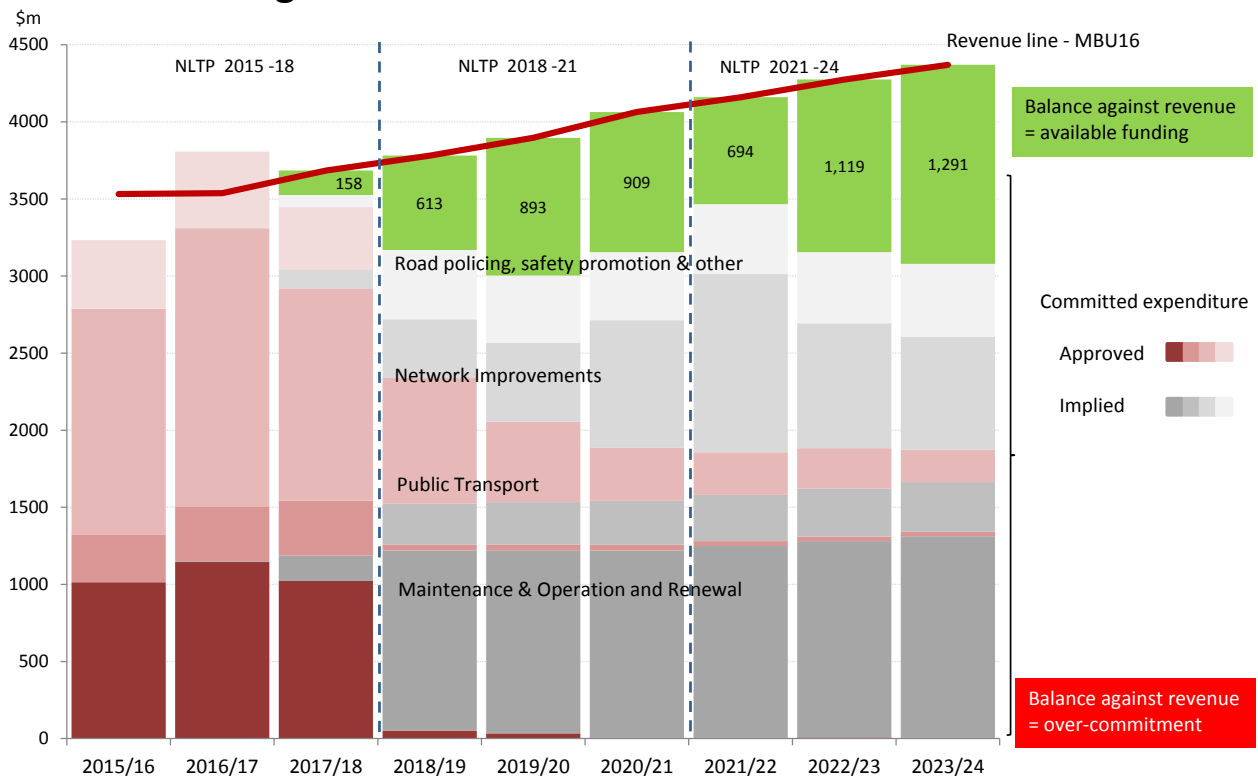
Forecast funding available for investment decisions over the nine year period (2015-2024) is \$5.7b, a decrease of \$0.3b from the forecast last quarter. This is largely due to an increase in regional improvements approvals and implied National Land Transport Fund commitments for the Urban Cycleway Programme.

2015-18 National Land Transport Programme

98% of the \$10.8b National Land Transport Fund investment in the 2015-18 programme is formally committed, leaving \$184m of uncommitted funds for investment decisions in the three year period. However, forecast delivery in state highway improvements is reduced from last quarter and the amount of uncommitted funds will increase.

The discretionary expenditure is calculated as the 2017/18 available funding of \$158m plus the under-allocated funding in 2016/17.

NLTF Funding Commitments & Balance for Investment Decisions



NZ Transport Agency

Net operational expenditure

SUMMARY	YEAR TO DATE				FULL YEAR				
	Actual \$m	Budget \$m	Variance \$m	Variance %	Forecast \$m	Budget \$m	Variance \$m	Variance %	
<p>\$19m below YTD budget</p> <p>Total expenditure Tracking 4% below year to date budget</p> <p>Revenue Tracking 6% above year to date budget</p> <p>Full Year Forecast Net expenditure is forecast to be \$6m (4%) below budget however there have been significant movements since the forecast was performed which will likely result in a significantly lower net expenditure</p> <p>Watch list Year end outturn likely to be lower net expenditure than forecast</p>	Total expenditure represented by:								
	NLTP	103	110	7	6%	152	149	(3)	(2%)
	Regulatory	136	140	4	3%	188	186	(2)	(1%)
	Total expenditure	239	250	11	4%	341	336	(5)	(1%)
	Less operational revenue	(146)	(138)	8	6%	(190)	(180)	11	6%
	Net expenditure	93	112	19	17%	150	156	6	4%

Total operational expenditure is \$11m below budget due to:

Public transport being \$5.6m below budget due to under spend in the NZ Transport Ticketing Limited service delivery programme.

Road safety promotion being \$3.7m below budget, as the successful 2015/16 speed and drink driving advertising campaigns were used well into this financial year, delaying the need for the development and delivery of new campaigns, which has now started. Significant expenditure is expected in the last quarter, however the year end result is now expected to be approximately \$2.7m below budget.

Motor vehicle registry being \$3.0m below budget as volumes were down in July following a significant early up-take of licences in June 2016, as well as reduced costs due to some project development being lower than budget. Full year expenditure is now expected to be approximately \$2m below budget.

These under spends offset **state highways** being \$1.3m above budget partially due to personnel resource allocation to operational programmes which were originally budgeted for the National Land Transport Programme.

Operational revenue is \$8m above budget, with the significant variances within Access and Use revenue:

Driver licensing and driver testing revenue is \$2.8m above budget due to higher volumes. This trend is expected to continue through to the end of the year with the forecast being 7% ahead of budget.

Tolling revenue is \$1.7m above budget and high volumes are expected to continue through to the end of the year.

Road user charges collection revenue is \$1.3m above budget with volume levels reflecting strong transport activity as well as the increase in the national fleet of diesel light vehicles.

Motor vehicle registration revenue is \$0.8m below budget as a result of the early licensing up-take in June putting revenue into the 2015/16 financial year. Current indications show an increased trend towards longer licensing will result in lower administration fee revenue collected. However, higher volumes should offset this to end the year close to budget.

Memorandum accounts

SUMMARY	YEAR TO DATE				FULL YEAR				
	Actual	Budget	Variance	Variance	Forecast	Budget	Variance	Variance	
	\$m	\$m	\$m	%	\$m	\$m	\$m	%	
<div style="text-align: center; border: 1px solid black; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; background-color: #90EE90; display: flex; align-items: center; justify-content: center;"> <div style="text-align: center;"> <p>\$13m above YTD budget</p> </div> </div> <p>Closing balances budget</p> <p>Tracking 138% above year to date budget</p> <p>Fee reviews Three reviews planned for 2016/17</p> <p>Watch list Rail licensing fee review, the rail write off and the growing positive balance of the memorandum accounts.</p>	Opening balance	19	14	5	32%	19	14	5	32%
	Revenue	124	119	5	4%	160	154	5	3%
	Expenditure	120	124	4	3%	167	165	(2)	(1%)
	Net surplus/(deficit)	4	(5)	9	100%	(8)	(11)	3	27%
	Closing balance	23	10	13	138%	11	3	8	217%

Further breakdown included in supplementary information on pages 71-73

The **memorandum accounts** closing balance is \$13m above budget due to:

Opening balances being \$5m above what was budgeted as a result of a better than planned 2015/16 financial year.

Revenue being \$5m above budget. Higher volumes in most memorandum accounts has resulted in an increase in revenue of \$5.6m, offset by motor vehicle licensing revenue being \$0.8m below budget due to a larger than expected amount of renewal licences being completed in June 2016.

Expenditure being \$4m below budget. Motor vehicle licensing expenditure is \$3.0m below budget mainly due to the commission costs being lower from the reduced activity in July 2016. Road user charges collections expenditure is also \$0.8m below budget as some projects have been put on hold to make resources available for higher priority projects.

The estimated **outturn** for 2016/17 for the memorandum accounts closing balance is now expected to be \$12-15m above budget. The higher opening balances account for \$5m of this variance. Performance trends mentioned previously are expected to continue throughout the rest of the year with better than budgeted surpluses in driver licensing and driver testing (\$2.4m), motor vehicle licensing (\$4.4m) and Road user charges (\$2.8m). This is in part due to the increased volumes resulting in a higher increase in revenue than costs.

The memorandum accounts have had a surplus balance that has been increasing over the last few years, from \$6m at the end of 2013/14 to the current balance of \$23m. The Transport Agency has historically been optimistic around the forecasted spend on initiatives, that tend to take longer to start up than planned. A new forecasting process has improved the revenue forecast accuracy, but forecasting expenditure continues to be a challenge.

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

The **certification reviews** memorandum account has a negative balance of (\$5.4m). However, it has been tracking above budget and is forecasted to move towards a zero balance over time.

The **rail licensing** memorandum account has a negative balance of (\$4.7m). A fee review is in its early stages.

There are three fee reviews planned for 2016/17. They are for rail licensing, motor vehicle licensing and driver licensing & driver testing.

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>\$7m below YTD budget</p> <p>Budget Tracking 28% below year to date budget</p> <p>Funding Number of new initiatives funded from delay/deferral of approved projects and other savings</p> <p>Watch List Potential under delivery of the programme, in particular the improvement initiatives</p>	Regulatory	2.2	1.3	3.5	9.0	5.5	10.1	12.9	2.8	22%
	NLTP	0.2	0.0	0.2	2.7	2.5	1.3	4.3	3.0	70%
	Overhead	3.8	0.0	3.8	2.5	(1.2)	8.5	3.2	(5.2)	(163%)
	Total business initiatives	6.2	1.3	7.5	14.2	6.7	19.9	20.4	0.5	2%
	Core infrastructure initiatives	4.9	5.0	9.9	9.7	(0.2)	14.2	13.5	(0.6)	(4%)
	Total initiatives	11.1	6.3	17.4	23.9	6.5	34.0	33.9	(0.1)	(3%)
	<p>The approved operational initiatives programme is underspent due to the continued impact of longer lead times to implement re-scoped initiatives, as well as a number of initiatives that are on hold or stopped to accommodate higher priority initiatives that have recently started.</p> <p>New initiatives have emerged since the approval of the 2016/17 budget:</p> <p>Internally, the Regulatory Stewardship programme, Transformation, Level 3 Chews Lane fit out, Information and Technology Roadmap and Road Safety Centre of Excellence are among the additional initiatives with full year expenditure totalling \$13.3m which are progressing.</p> <p>The Transport Agency has identified changes (stop, slow or defer) that will enable the initiative programme to fund the new higher priority initiatives within the existing total operational budget.</p> <p>Externally, the all of government initiative known as The NZ Business Number is also a priority and has an estimated \$1m operating expenditure in 2016/17 for the initial investigation and business case. The Minister has agreed to lift the Government Policy Statement funding range limit on the Investment management activity class to fund 50% of the total cost of the NZ Business Number. The remainder will be funded from existing funding levels.</p> <p>The driver licensing reform combined programme has progressed two of its four initiatives to date and is due to start on the small passenger services reform from March.</p> <p>Activity on Transformation is increasing, creating a corresponding increase in expenditure expected over the balance of the financial year towards the \$5.5m forecast from the current \$2m to date.</p>									

Funding and long term liabilities

SUMMARY		Drawdown/ Liability	Total facility	Period
		\$m	\$m	Years
NLTF cash balance At 31 March \$556m	Borrowings and financial liabilities			
	Short term revolving facility	0	250	Less than 1 yr
	Christchurch earthquake loan	38	183	9 yrs
	Auckland Accelerated loan	169	375	10 yrs
	Tauranga Eastern link loan	107	107	35 yrs
Short term facility There was no drawdown in quarter three	Total borrowings	314	915	
	Transmission Gully (PPP)	340	1,100	31 yrs
	Puhoi to Warkworth (PPP)	89	1,000	28 yrs
	Total borrowings (incl PPP)	743	3,015	
	Derivative financial liability	102		
	Derivative financial asset	(15)		
Long term facilities There was no drawdown in quarter three	Total borrowings (incl PPP and derivatives)	742		
	Other Commitments		Commitment	Period
	Auckland Electrical Multiple Units		200	35 yrs
	Auckland Depots		50	50 yrs
	Wellington Matangi Electric Multiple Units		85	28 yrs

The notional balance in the National Land Transport Fund at 31 March 2017 was \$556m.

There has been no activity on the **short term** or **long-term facility** during the quarter.

The Transport Agency has two **public private partnerships** arrangements – Transmission Gully and Puhoi to Warkworth. Under the public private partnership arrangements, as the assets are being constructed, the Transport Agency progressively recognises the growing asset through “work in progress” along with a corresponding financial liability representing the obligation to pay a unitary payment to the contractor. This is until completion when the unitary payments commence.

The Puhoi to Warkworth arrangement was entered into on 3 November 2016. There has been \$89m expenditure on the project up to 31 March 2017.

Funding and long term liabilities continued

SUMMARY

The **derivative financial asset** and **derivative financial liability** are the fair value of the interest rate swaps with the NZ Debt Management Office. The Transport Agency entered into interest rate swaps to hedge against fluctuating interest rates relating to the Transmission Gully and the Puhoi to Warkworth agreements.

The interest rate swaps are revalued on a semi-annual basis by an external provider, BanCorp. The last valuation performed at 31 December 2016 had a derivative financial liability of \$102m on the Transmission Gully interest rate swaps and a derivative financial asset of \$15m on the Puhoi to Warkworth interest rate swaps.

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

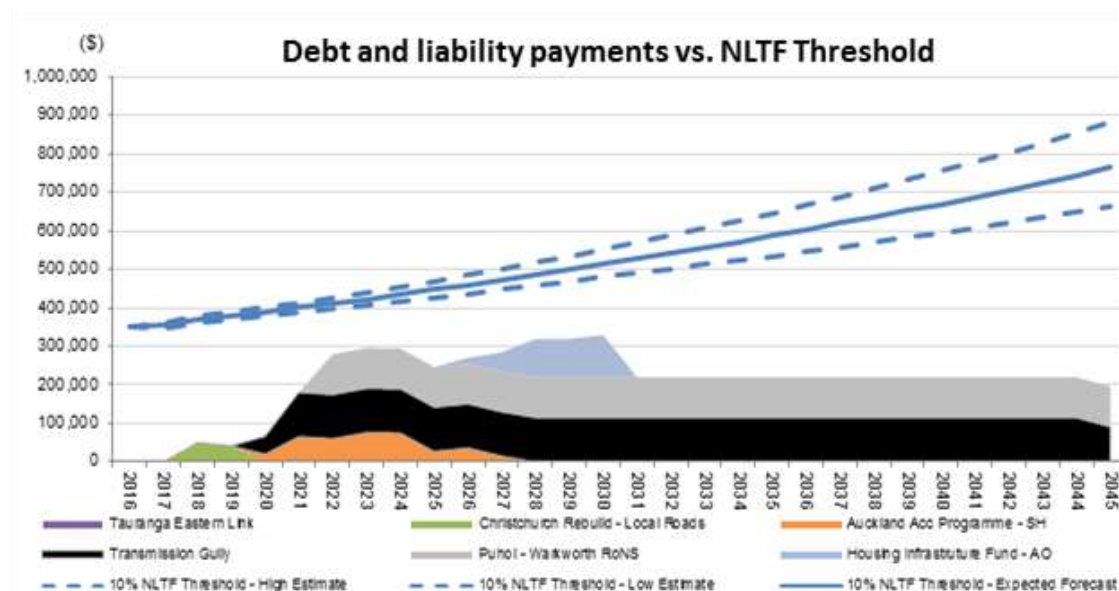
Page 69 contains further details of the borrowings and the current 10% NLTF repayment threshold.

Supplementary financial information

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)	1.6	0.7	0.9	0.8	0.7	0.1	
	Closing balance	(5.4)	(6.8)	1.4	(6.2)	(6.8)	0.6	
Driver Licensing	Opening balance	5.1	4.6	0.5	5.1	4.6	0.5	●
	Surplus/(deficit)	(0.8)	(1.2)	0.4	(1.7)	(2.1)	0.4	
	Closing balance	4.3	3.3	1.0	3.4	2.5	1.0	
Driver testing	Opening balance	6.6	6.3	0.2	6.6	6.3	0.2	●
	Surplus/(deficit)	0.7	(0.9)	1.6	(0.2)	(1.1)	1.0	
	Closing balance	7.2	5.4	1.8	6.4	5.2	1.2	
Motor Vehicle Licensing	Opening balance	6.9	5.0	2.0	6.9	5.0	2.0	●
	Surplus/(deficit)	(0.7)	(3.0)	2.2	(5.6)	(6.2)	0.5	
	Closing balance	6.2	2.0	4.2	1.3	(1.2)	2.5	
Rail Licensing	Opening balance	(4.0)	(4.1)	0.1	(4.0)	(4.1)	0.1	●
	Surplus/(deficit)	(0.6)	(0.8)	0.2	(1.1)	(1.0)	(0.1)	
	Closing balance	(4.7)	(5.0)	0.3	(5.2)	(5.2)	0.0	
Road User Charges collections	Opening balance	3.0	2.9	0.1	3.0	2.9	0.1	●
	Surplus/(deficit)	0.9	(1.2)	2.1	(1.2)	(1.9)	0.7	
	Closing balance	3.9	1.7	2.2	1.8	1.0	0.8	
Other accounts	Opening balance	8.4	7.2	1.2	8.4	7.2	1.2	●
	Surplus/(deficit)	3.0	1.8	1.3	1.1	0.8	0.3	
	Closing balance	11.4	9.0	2.5	9.5	8.0	1.5	
Total	Closing balance	23.0	9.7	13.3	11.1	3.5	7.6	

Borrowings



National Land Transport Funded and Crown-funded expenditure 2016/17 financial year

	YEAR TO DATE				2016/17 FULL YEAR			
	Actual \$m	Budget \$m	Variance \$m	Variance %	FY17 Forecast	FY17 Budget	Variance \$m	Variance %
Regional improvements	42	49	(8)	-16%	87	98	(11)	-11%
Local road maintenance	392	385	7	2%	595	585	10	2%
Local road improvements	81	77	5	6%	161	142	19	13%
Road safety promotion	23	26	(3)	-12%	33	38	(4)	-11%
Walking and cycling	27	20	8	39%	54	36	18	51%
Public transport	238	230	8	3%	339	332	7	2%
Investment management	49	43	6	14%	65	60	5	8%
State highway maintenance	425	402	23	6%	554	568	(14)	-3%
State highway improvements	953	992	(39)	-4%	1,185	1,375	(190)	-14%
NLTF funded expenditure	2,229	2,223	6	0%	3,073	3,233	(160)	-5%
Supergold card	20	19	1	5%	29	28	1	2%
Auckland Accelerated	100	80	20	25%	124	110	14	13%
Canterbury earthquake	0	0	0	0%	6	114	(108)	0%
Urban Cycleways	20	33	(13)	-39%	28	51	(24)	-46%
Regional Accelerated	31	38	(6)	-16%	38	55	(17)	-30%
Crown funded expenditure	172	170	2	1%	224	358	(134)	-37%

Year to date expenditure is 9 months expenditure up to 31 March 2017

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

	INCURRED TO DATE			3 YEAR NLTP				Incurring to date spend on NLTP 2015-18	Status
	Actual \$m	Actual %	Budget %	Published \$m	Forecast \$m	Variance \$m	GPS funding range \$m		
Regional improvements	55	24%	51%	225	238	13	180-270		●
Local road maintenance	944	55%	55%	1,704	1,738	34	1,230-1,815*		●
Local road improvements	185	40%	49%	465	433	(32)	465-720		●
Road safety promotion	54	53%	60%	102	102	0	92-113		●
Walking and cycling	70	68%	49%	103	159	56	46 - 167*		●
Public transport	559	55%	55%	1,020	998	(22)	865-1,215		●
Investment management	111	63%	58%	176	185	9	162-185*		●
State highway maintenance	904	54%	57%	1,684	1,599	(85)	1,350-1,810		●
State highway improvements	2,346	58%	56%	4,061	3,686	(375)	3,150 - 4,350		●
NLTF funded expenditure	5,229	55%	56%	9,540	9,138	(402)		Actual Spend / NLTP 2015-18	
Add Road Policing				960	960	0			
NLTF funded expenditure (incl Police)				10,500	10,098	(402)			
NLTF Revenue				10,500	10,754	254			
Supergold card	48	56%	55%	86	84	(2)			●
Auckland Accelerated	212	102%	62%	208	306	98			●
Canterbury earthquake	23	21%	61%	111	29	(82)			●
Urban Cycleways	30	31%	67%	96	86	(10)			●
Regional Accelerated	62	32%	42%	198	94	(104)			●
Crown funded expenditure	376	55%	56%	699	599	(100)		Actual Spend / NLTP 2015-18	

Incurring to date expenditure on the NLTP is 21 months expenditure up to 31 March 2017

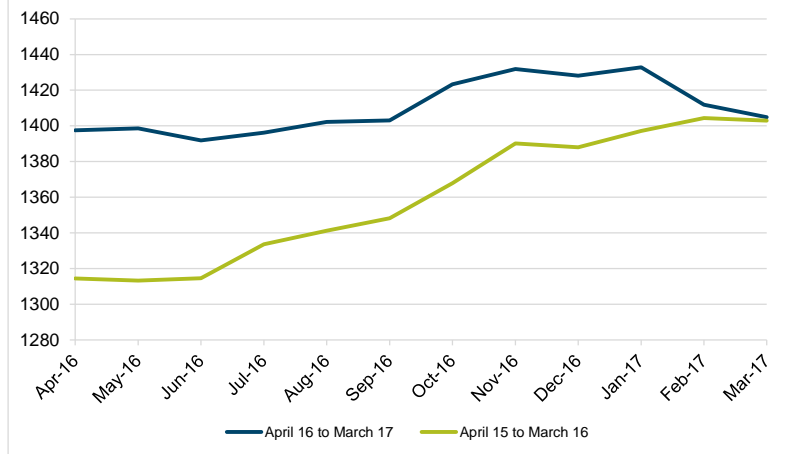
* The Minister has approved changes to the maximum limits of the GPS funding range - the above ranges reflect these changes

OUR PEOPLE

Key indicators

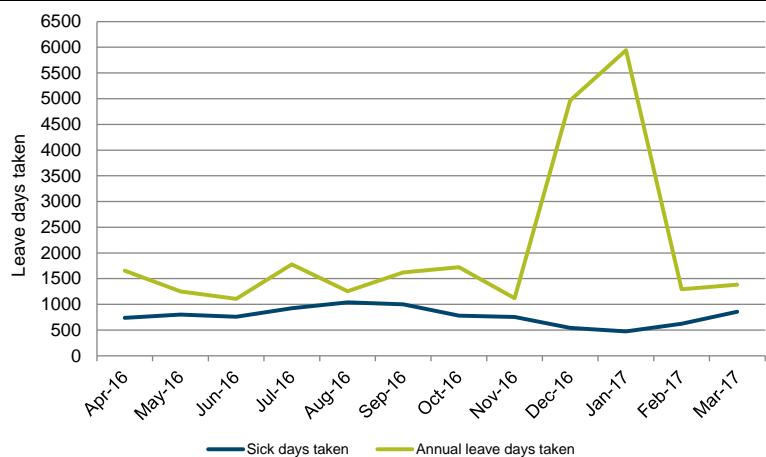
Full-time equivalent (FTE) employees against cap

As at 31 March 2017 there were 1404.9 FTE employees, down 1.6% since the last quarter. In addition, there were 16 active vacancies, bringing our total FTE to 1420.9.



Planned and unplanned leave taken

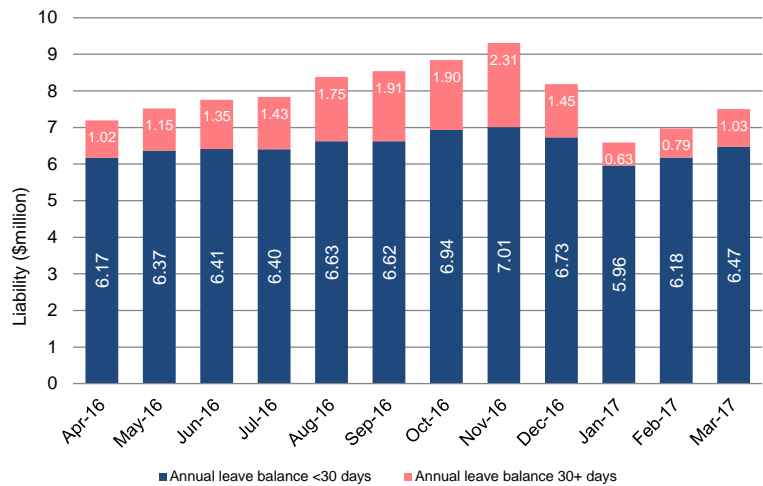
Our average annual leave balance as at 31 March 2017 was 14.2 days. This is a slight drop since the last quarter (15.0 days). This drop was forecasted as annual leave bookings for the holiday period in the month of January were realised. The balance did drop under our target average of 12.5 days, at the end of January; however since then it has been trending upwards. The current balance is also slightly higher when compared with at the same time last year (13.5 days).



Annual leave liability

Our average annual leave liability as at 31 March 2017 was \$7.50 million (approximately \$5,164 per person), which is \$680,000 less than the last quarter.

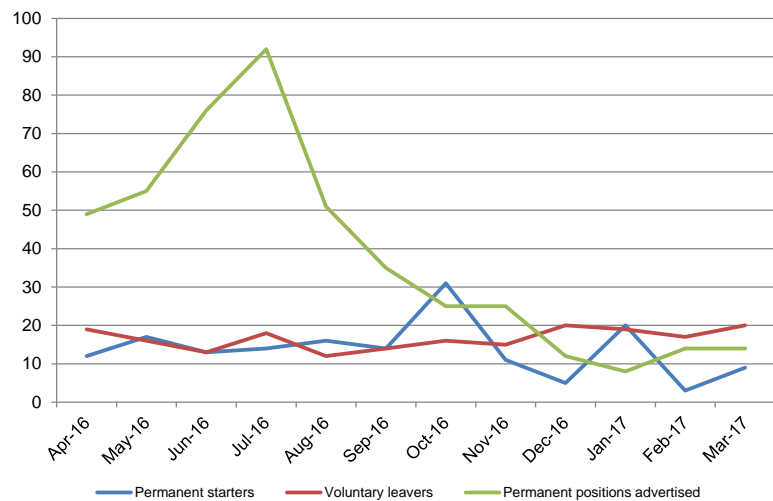
There were 73 employees with an excessive annual leave balance (30+ days), a 30% reduction since the last quarter, and this is due to the holiday season. When future booked leave is taken into consideration there were only 30 employees with an excessive annual leave balance (2% of all staff).



Permanent comings and goings

As at 31 March 2017 there were 14 permanent vacancies advertised, which is considerably lower than the annual average of 38 at each month end. This is correlated with the Focused:Future programme and the recruitment restrictions which are in place while the organisation undergoes transformation.

Voluntary turnover sits at 14.2%, which is 4.5% higher than as at the same time last year. The current rate is also 3.1% higher than the State Services Commission benchmark of 11.1%.



Workplace health and safety

The Transport Agency Zero Harm Strategy 2014-2020 objective is that 'by 2020 or sooner, all our people,⁴ regardless of employer will go home safe and healthy, every day, no exceptions'.

In quarter three there were 12 injuries recorded; 11 minor incidents and one requiring medical treatment. All incidents were office based.

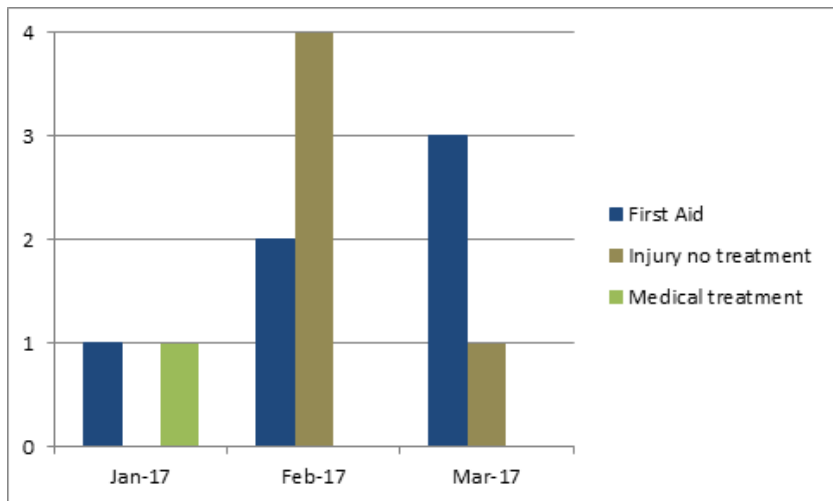
Together with Transport Agency project managers and contract managers, a definitive list of all current physical works projects to be registered in the monthly reporting portal has been collated; a finalised list will be uploaded into the updated system over in the coming weeks. With a sustained focus on timely reporting and working closely with project managers, we anticipate that all projects will be reporting within six months.

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

There were 12 injuries in quarter three; 11 minor incidents and one requiring medical treatment.

Of the minor incidents, seven incidents were burns from boiling water taps or microwaving that required first aid treatment, and one slip incident that required first aid treatment for a strain. There were five incidents reported that required no treatment.

The single medical treatment incident involved an employee fainting. An ambulance was called in response.



⁴ Employees, contractors, sub-contractors, agents and temporary staff engaged to work on behalf of the Transport Agency.

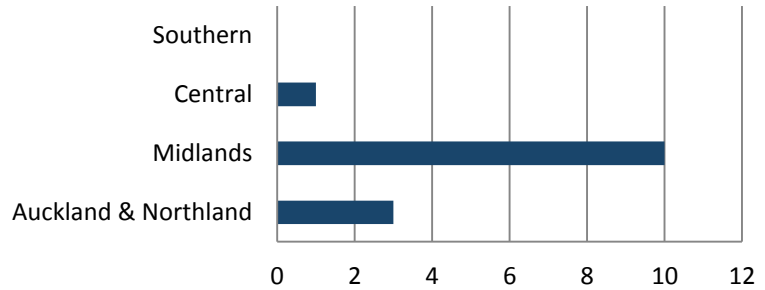
Location of our incidents in quarter three (Transport Agency employees only)

Auckland and Northland each reported one burn incident, one trip incident and ATOC reported an employee fainting.

In Palmerston North there were two slip incidents, one allergic reaction, a bruised shoulder and six burns reported during quarter three.

In Central (Chews Lane) a back strain was reported.

Location of our incidents in quarter 3 (Transport Agency employees)



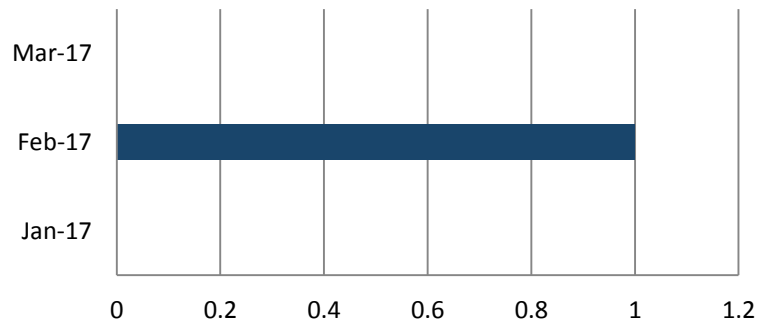
Number of serious harm incidents per month (contractors where the Transport Agency was a principal to contract)

There was one serious on site accident reported in the last month on our WestLink Bay of Plenty (BoP) project.

An employee climbed onto a steel platform containing an emulsion tank, between the tip tray and the truck cab. The operator did not know the person was there and lowered the tray crushing the person’s foot.

The injury required hospitalisation and surgery. We have had daily updates on the employee who is now recovering at home. Downer, together with WestLink BOP carried out an investigation.

Number of serious harm incidents per month (contractors)



ASSURANCE AND RISK

Total Assurance summary

Assurance activity

Assurance programme delivery is on schedule. Three investment audits and three post implementation reviews are reported in the quarter. Several other pieces of work are in flight and the team has contributed to a number of other items outside of the assurance programme.



Investment assurance summary

A technical investment audit of Waitaki District Council highlighted an increasing safety risk resulting from traffic growth in high-productivity motor vehicles (HPMVs) and visitors using rural networks. The issues identified, by example often narrow and or unsealed roads, are common to most local authorities with rural networks. Many rural networks on plains have intersections which are hard to see for approaching drivers (especially visitors unfamiliar with the areas). These intersections tend to be in high speed environments so failure of drivers to stop at an intersection can result in serious crashes. Improving intersection approach signage, road markings, and lighting are easily implemented measures to help mitigate this safety risk.

Three post implementation reviews confirm positive results with the projects mostly achieving their predicted benefits. The roll-out of the HOP card system in Auckland has contributed to substantial patronage growth and efficiency of public transport services. Projects in Taranaki and Northland have successfully relieved congestion for local communities and improved safety. However, travel time savings did not improve for the Northland bypass project. Lesson for other projects highlight the value of setting up performance monitoring indicators at the start of projects, enabling outcomes to be effectively evaluated.

Incident management, business continuity and disaster recovery

Incident management process have responded appropriately to disruptive events which included an evacuation in Wellington due to a bomb threat in a neighbouring building.

Business continuity planning continues to progress with approximately 83% of plans being drafted and tested. Simulation exercises are planned for Q4.

Disaster Recovery improvements continue for the Transport Agency's critical IS systems currently "backed up" in the Cloud. Bubble testing was successfully carried out in March to validate the integrity of recovered systems & data. This testing identified some process areas for improvement. Work is also ongoing to address remaining recommendations from initial failover testing in November 2016. Further failover testing is planned for completion before 30 June 2017.

Risk profile

There are five risks included in the Q3 management report for the Transport Agency's risk profile. While there is no significant change, the Senior Leadership Team continues to work through an iterative process for the Transport Agency risk profile. Reporting in the next quarter will reflect the output from Board and SLT risk workshops.

National Land Transport Fund investment assurance

KEY TO INVESTMENT AUDIT RATINGS

Effective

- Investment management – effective systems, processes and management practices used.
- Compliance – Transport Agency and legislative requirements met.
- Findings/deficiencies – improvement opportunities may be identified for consideration.

Some improvement needed

- Investment management – acceptable systems, processes and management practices.
- Compliance – some omissions with Transport Agency requirements. No known legislative breaches.
- Findings/deficiencies – error and omission issues identified which need to be addressed.

Significant improvement needed

- Investment management – systems, processes and management practices require improvement.
- Compliance – significant breaches of Transport Agency and/or legislative requirements.
- Findings/deficiencies – issues and/or breaches must be addressed or on-going Transport Agency funding may be at risk


Unsatisfactory


- Investment management – inadequate systems, processes and management practices.
- Compliance – multiple and/or serious breaches of Transport Agency or legislative requirements.
- Findings/deficiencies – systemic and/or serious issues must be urgently addressed or on-going Transport Agency funding will be at risk.

Procedural investment audits

Procedural investment audits provide assurance that the NLTP investment in approved organisations' land transport programmes is being well managed and delivers value for money outcomes. There are four main areas of scrutiny:


- Assessment that effective financial systems are used to manage the investment and demonstrate the funding is spent as intended in approved work activities.
- Testing that the spend meets both Transport Agency procurement requirements and the approved organisations' endorsed procurement strategies.
- Reviewing contract management practices to assess how approved organisations know they are getting what they are paying for.
- Examining how approved organisations provide value for money with provision of professional services (either in-house or out-sourced).

AUDITEE	NZTA INVESTMENT VALUE (2015–18 NLTP INDICATIVE)	KEY FINDINGS SUMMARY	RESULT
Waikato District Council	\$52.6 million	<p>Waikato District Council is managing its land transport programme well.</p> <p>The Council's claims for funding assistance were successfully reconciled to its financial records.</p> <p>It has effective contract management practices in place for land transport activities. The majority of these activities are delivered principally through the Waikato District Alliance.</p> <p>All contracts reviewed complied with Transport Agency procurement requirements. Council's procurement procedures, including with the Waikato District Alliance, clearly reflect its procurement strategy.</p>	

AUDITEE	NZTA INVESTMENT VALUE (2015–18 NLTP INDICATIVE)	KEY FINDINGS SUMMARY	RESULT
Otorohanga District Council	\$10.1 million	<p>The Council no longer has an in-house professional services business unit but does retain an asset management capability. It needs to establish multiparty agreements with neighbouring road controlling authorities for the management and funding of boundary roads and bridges. Without such agreements, ambiguity and issues may arise around long-term maintenance and investment planning.</p> <p>Otorohanga District Council needs to improve processes for managing its land transport programme.</p> <p>The reconciliation of Transport Agency funding assistance to Council’s general ledger records for 2015/16 could not be completed due to an apparent miscoding of minor events and minor improvements expenditure. It had also not addressed three recommendations from the previous audit. This includes ensuring a Qualified Proposal Evaluator is a member of its tender evaluation team to meet Transport Agency requirements for procurements.</p> <p>Positively, the Council has well established procedures in place for effective contract management.</p>	

Technical investment audit




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 previous technical investment audit.


AUDITEE	NZTA INVESTMENT VALUE (2015– 18 NLTP INDICATIVE)	KEY FINDINGS SUMMARY	RESULT
Waitaki District Council	\$14.9 million	<p><i>Technical review only.</i></p> <p>Waitaki District Council's network is in good condition...</p> <p>Condition indicators and comparative reports demonstrate the Council is achieving this outcome with frugal spending compared with a peer group of similar councils.</p> <p>Council uses a balanced and pragmatic approach to look for innovative practices. They are making good use of new materials to improve efficiencies to manage and maintains its network.</p> <p>...but there is a need for increased focus on safety issues...</p> <p>There is a need to have an improved focus on safety to address issues with the low visibility rural intersections and to better consider how visitors might use its network.</p> <p>The increase in size and number of agricultural and High Productivity Motor Vehicles interacting with other road users on narrow sealed roads is also a safety concern.</p> <p>Some operational improvements were identified to improve Council's decision making including the use of high speed data to monitor changes in network condition.</p>	

Post Implementation Reviews

Post Implementation Reviews assess how well completed improvement projects have delivered their expected benefits. Where relevant, they also identify lessons learned for future projects or to make business improvements.

KEY TO POST IMPLEMENTATION REVIEW RATINGS

-  Project has achieved its main expected benefits. Final project cost was within a reasonable tolerance range compared with the budgeted cost at time of funding approval.
-  Only partial achievement of main expected benefits and/or project has achieved some or all expected benefits but with a substantial escalation in actual construction costs compared to budget.
-  No evidence project has achieved its main expected benefits, or project has resulted in a significant deterioration in operating conditions and/or created significant dis-benefits.

PROJECT AND RESPONSIBLE ORGANISATION	PROJECT COST AND COMPLETION DATE	KEY FINDINGS SUMMARY	RESULT
Auckland Integrated Fare System Auckland Transport	\$99.2 million; completed in 2014	<p>Public transport smart card system successfully introduced for Auckland...</p> <p>The Auckland Integrated Fare System project is part of an overall strategy to introduce comprehensive real time technology to Auckland public transport services. This review found the project successfully achieved its main objective to introduce a smart card integrated ticketing system on Auckland's bus, rail and ferry services. The 'HOP card' system allows pre-payment of fares and requires users to tag-on and tag-off public transport.</p> <p>...boosting patronage and enabling more frequent bus services</p> <p>Public transport patronage in Auckland has increased significantly in recent years. The introduction of the HOP card has almost certainly contributed to this trend, although the scale of this contribution is not known.</p> <p>Faster loading times have been achieved by automating ticket control and removing on-bus cash transactions. This has contributed to the strong success of the Northern Busway by enabling double decker buses to operate every two minutes in peak periods.</p> <p>Bus travel times do not appear to have reduced because of automated ticket control, although there may have been some reduction in travel time variability.</p> <p>It was the NZ Transport Agency's intention that AIFS would be National Integrated Ticketing Interoperability Standard (NITIS) compliant so as to provide a resource for the future roll-out of integrated fare systems in other regions. While this functionality still exists, the Agency and regional councils are still investigating the optimal approach for further implementation, given rapid technology changes.</p> <p>Scope extensions significantly increased project costs</p> <p>The project was delivered at an implementation cost of \$99.2 million, 38% higher than estimated at the time of funding approval. This was due mainly to a widening of the project</p>	

PROJECT AND RESPONSIBLE ORGANISATION	PROJECT COST AND COMPLETION DATE	KEY FINDINGS SUMMARY	RESULT
Bell Block Bypass Taranaki Highways & Network Operations	\$22.8 million; completed in May 2011	<p>scope, agreed by NZ Transport Agency, to include ticketing machines on buses. The AIFS project scope originally only included rail and ferry services, with a recognition that a future decision would be needed about how to incorporate buses.</p> <p>Predicted project benefits successfully realised...</p> <p>This project constructed a State Highway 3 bypass of Bell Block township, on the northern outskirts of New Plymouth. Overall, this review found the bypass project improved travel times in the local area. The bypass has eased congestion by separating local and highway traffic. Safety has also been improved. Crash rates for both injury crashes and all crashes have reduced significantly since the bypass opened.</p> <p>...and delivered ahead of time and within budget</p> <p>Construction of the bypass started in January 2007 and was completed in March 2010, three months earlier than planned. The project was funded to cost \$23 million but was completed slightly under budget for \$22.8 million due to the early completion of construction.</p> <p>A lesson with relevance for future projects is that pre-project traffic surveys would have been beneficial for a more effective evaluation of the project's realisation of predicted benefits. This finding has been previously identified with other post implementation reviews.</p>	●
Kamo Bypass Stage 2 Northland Highways & Network Operations	\$18.1 million (as at April 2017); opened in September 2011	<p>Bypass has successfully improved safety and reduced truck traffic through Kamo...</p> <p>This project completed a State Highway 1 bypass of the Kamo township, north of Whangarei, to create a more direct northern route between Whangarei and the Far North.</p> <p>Expected benefits of improved safety and a reduction of heavy vehicle traffic through the Kamo township have been achieved.</p> <p>...but predicted travel time benefits have not eventuated</p> <p>Travel time savings dominated predicted benefits but have not eventuated. Reasons include increased congestion at the southern intersection of the bypass and a signalised intersection along the bypass added later to the design. Another factor has been the ongoing use of a 'temporary' speed limit of 50km/h on part of the bypass even though a 2012 speed review recommended a permanent 60km/h limit. Once the temporary limit is removed we would expect to see an improvement in travel time benefits.</p> <p>Ongoing remedial works have pushed up costs</p> <p>The bypass was completed three months ahead of schedule in September 2011. But cost savings did not result because remedial works have been needed to replace a damaged at-grade railway crossing and address vegetation control issues. Further remedial work is also needed to fix premature deterioration of the bypass' pavement and will add to project costs.</p> <p>This project has not yet been formally closed off due to these ongoing remedial works. The total project cost as at April 2017 was \$18.137 million, 7% higher than originally budgeted.</p>	●

PROJECT AND RESPONSIBLE ORGANISATION	PROJECT COST AND COMPLETION DATE	KEY FINDINGS SUMMARY	RESULT
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Lessons for future projects from cost escalations

Sharing the causes of the premature pavement deterioration could help prevent similar problems with future projects. Another lesson is vegetation control needs to be explicitly considered as part of both capital and ongoing maintenance costs. Roles and responsibilities for vegetation control need to be clearly defined.

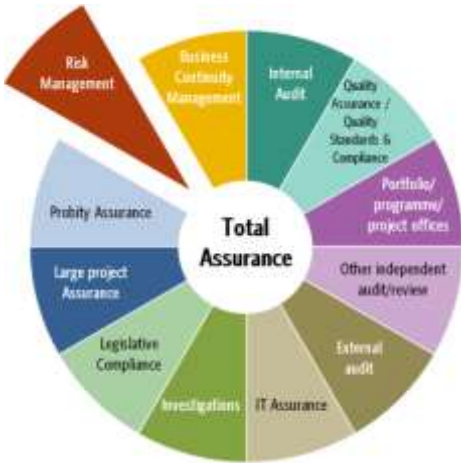
Risk report

Risk management summary

There are five risks included in the Q3 management report for the Transport Agency’s risk profile.

The risks have been identified from business unit risk profiles and represent a “bottom-up” assessment of Transport Agency risks. Risk workshops for the senior leadership team and the Board have been completed and the combined risk analysis will be incorporated following further discussion with the Board.
















The following table summarises the key risks currently facing the Transport Agency. Attachment 1 provides additional detail about each risk.



RISK SUMMARY: KEY TO RATINGS

- 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

Risk summary table

	Q2	Q3	RISK THAT WARRANTS ATTENTION	TARGET	WHAT WE SEE INFLUENCING THE RISK	PROGRESS OF RESPONSE
ROCK FALL			Risk that rock fall processes do not provide sufficient controls to manage exposure to rock fall/slips, which impact safety and route availability		<ul style="list-style-type: none"> Increasing traffic volumes, particularly tourists Increasing seismic activity Climatic changes Rock fall hazard rating system focused on known active sites only - not entire network 	<ul style="list-style-type: none"> High risk and active sites being managed Review on international best practice commissioned
CONNECTED 2018-21 NLTP STORY			Risk that the Transport Agency will not be able to tell a one transport system story through the 2018-21 NLTP due to an uncertain internal operating environment and changing external factors		<ul style="list-style-type: none"> Absence of tools for systems modelling and unagreed approach to measure benefits realisation Capability limitations to fully assess options at programme level 	<ul style="list-style-type: none"> Improving sector collaboration to tell a cohesive transport story Cross-Agency coordination to ensure various viewpoints are considered
CUSTOMER EXPERIENCE 2018-21 NLTP			Risk that NLTP development will not deliver a good customer experience in delivering the 2018-21 NLTP		<ul style="list-style-type: none"> Good customer experience is not defined Inconsistent customer experience between regions Engagement approach is not comprehensive 	<ul style="list-style-type: none"> Process changes are shaped by customers Consistency has improved through joint NLTP governance across the three operational groups
BUSINESS CONTINUITY			Risk that business continuity planning & disaster recovery is incomplete and therefore ineffective		<ul style="list-style-type: none"> Plan preparation Lack of readiness to act Capability & capacity to embed plans 	<ul style="list-style-type: none"> Continuity plans progressing Disaster recovery project successfully tested Business continuity plan testing continues – progress slowed due to operational priorities
HEALTH & 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 app version two developed Zero Harm action plan in place Performance measures established Lone working policy developed

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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<p>REVENUES CONTINUE TO GROW, BUT PACE OF GROWTH EASES</p>	<p>TRANSACTION VOLUMES CONTINUE TO GROW</p>	<p>TOTAL VEHICLE COUNTS ON THE STATE HIGHWAY NETWORK GROW, BUT AT A SLOWER PACE</p>
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\$2.72bn
flows into the National Land Transport Fund

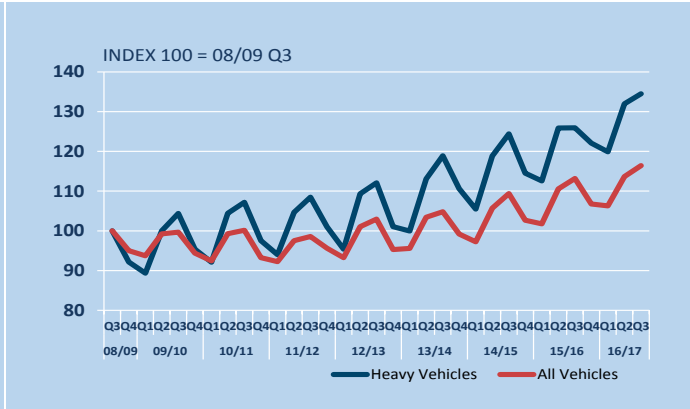
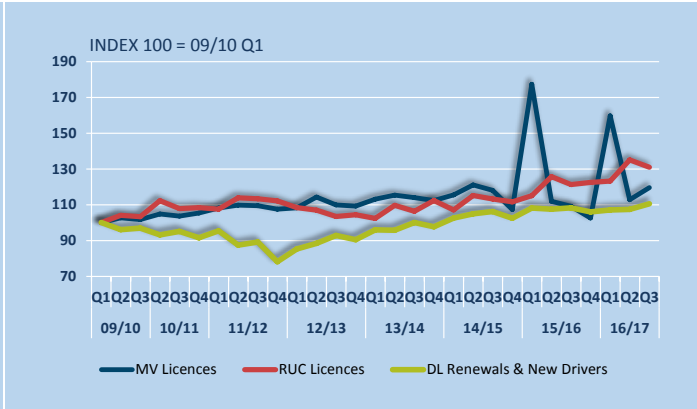
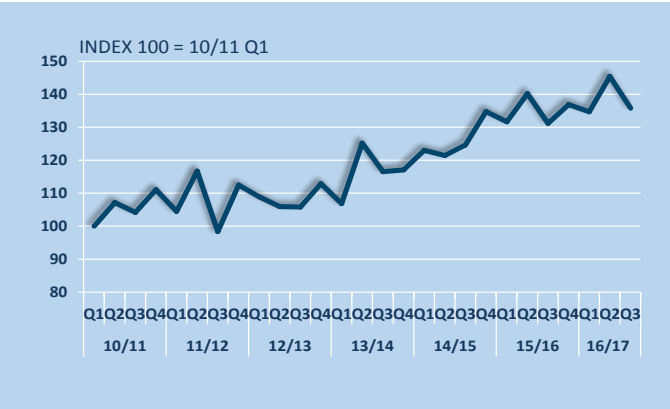
Year to date revenues up to then end of 2016/17 Q3 came in 8% or \$197m higher than budget, with inflows from FED, RUC and MVR coming in 9%, 7% and 8% ahead of budget respectively.

2.3m
licence transactions were completed

The number of licence transactions rose by 8.7% in 2016/17 Q3, compared to the corresponding quarter in the previous year. The main contributor was a 9.6% increase in MVR transactions and an 8.0% increase in RUC licence transactions over the period.

2.8%
increase in total vehicle counts

Total vehicle and heavy vehicle counts at selected telemetry sites rose by 2.8% and 6.8% respectively in 2016/17Q3, compared to the corresponding quarter in the previous year.



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

TRAVEL COUNTS GROW IN MOST REGIONS

2.7%
increase in total vehicle counts in Auckland

Vehicle counts in Auckland, Wellington and the rest of New Zealand rose by 2.7%, 1.8% and 4.3%, respectively in 2016/17Q3 compared to the same quarter in the previous year. By contrast, vehicle counts in Canterbury fell by almost 1.8% during the same quarter.

PATRONAGE ON PUBLIC TRANSPORT INCREASES FURTHER BUT PACE SLOWS

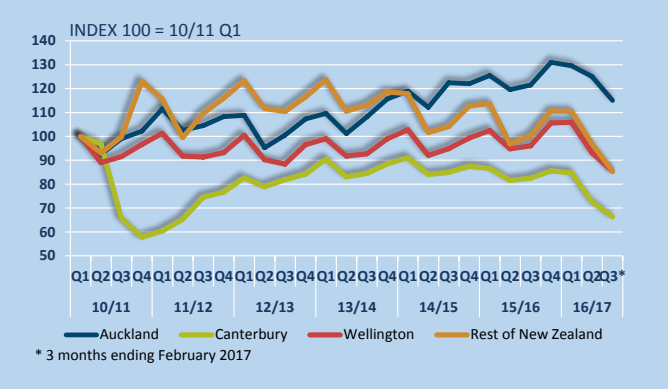
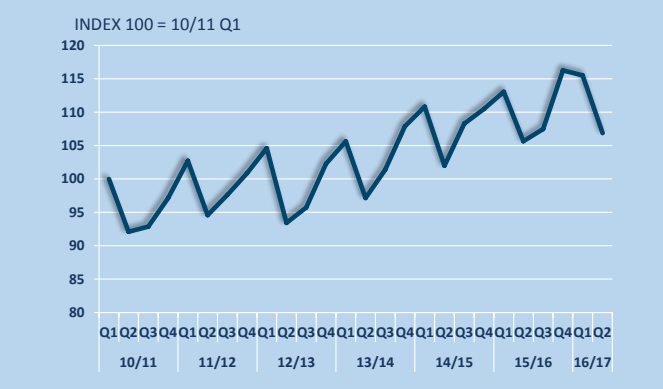
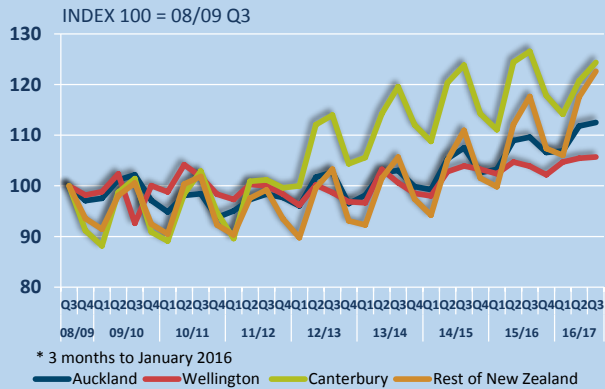
35.7m
boardings on public transport in 2016/17Q2

Public transport patronage is estimated to have increased by 1.2% in 2016/17Q2 compared to the corresponding quarter in the previous year. Later estimates suggest that patronage was 32.7m for the 3 months ending February 2017 (compared to 35.7m for 2016/17Q2).

PATRONAGE IN AUCKLAND GROWS, BUT FALLS IN WELLINGTON AND CANTERBURY

4.6%
increase in PT patronage in Auckland in 2016/17 Q2

Patronage in Auckland rose by 4.6% in 2016/17 Q2 (when compared to the same period in the previous year) but fell by 10.9% and 1.8% in Canterbury and Wellington, respectively. Patronage in the rest of New Zealand rose by 0.1% in 2016/17Q2.

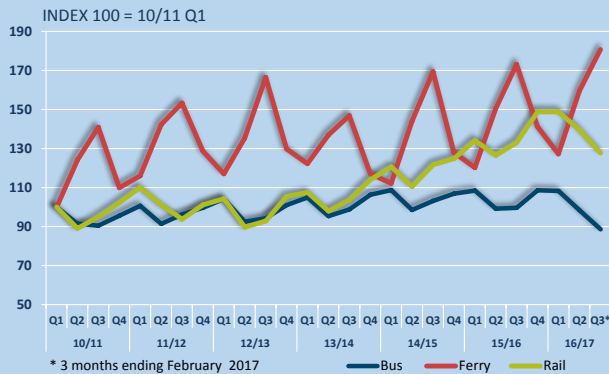


PUBLIC TRANSPORT VOLUMES BY MODE

RAIL AND FERRY PATRONAGE GROWS WHILE BUS PATRONAGE FALLS

10.2%
increase in rail patronage in 2016/17 Q2

Rail and ferry patronage increased by 10.2% and 6.0% respectively in 2016/17 Q2 compared to the same quarter in the previous year. Bus patronage fell 0.8% during the same period, Rail patronage for the 3 months ending February 2017 was 69.9m (compared to 76.0m in 2016/17Q2) while bus patronage was 23.9m (compared to 26.4m in 2016/17Q2).

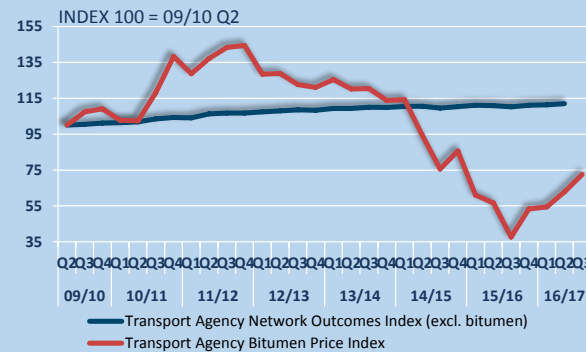


TRANSPORT AGENCY COST ADJUSTMENT INDICES

BITUMEN PRICES REFLECT RISE IN GLOBAL CRUDE OIL PRICES

92.6%
increase in our bitumen cost index

Our bitumen price index was 92.6% higher in 2016/17 Q3 than during same period in the previous year, and 15.4% higher when compared to 2016/17 Q2. Our network outcomes index shows a 1.1% increase in 2016/17 Q2 supported by rising labour costs and material prices which offset flat plant and equipment costs.

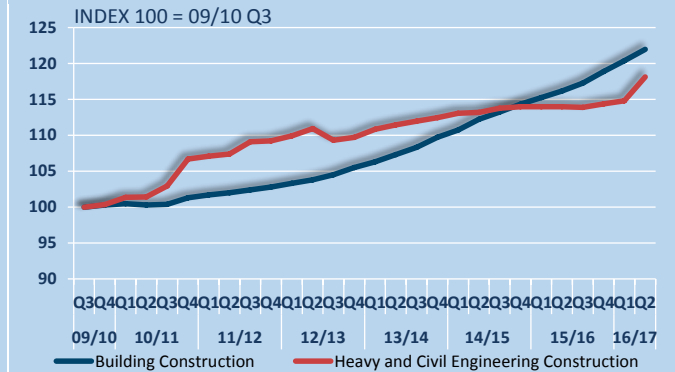


MARKET PRICES

CIVIL ENGINEERING COST PRESSURES START TO INCREASE

3.6%
increase in civil engineering prices

Building and construction costs rose by 5.0% in 2016/17 Q2 compared to the same period in the previous year (up from 4.3% in the previous quarter). Growth in heavy and civil engineering prices increased by 3.6% over the same period (up on 0.7% recorded for the previous quarter).



Appendix 2: Urban Cycleways Programme: Detailed progress report

Project name	Phase	Organisation	Updated cost (\$m)	Q2 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Kamo Route	Construction	Whangarei District Council	6.6	Sod turning held on 3 March. KiwiRail and Auckland University easements signed. Tender for section 1 and 2 let (Rust Ave to Cross Street, Cross St to Kensington Ave). Construction of these two sections estimated to begin in May.	A	G	G	16 Mar 2017	30 Jun 2018	Risk of project timeline extending due to construction challenges in rail corridor. These risks are being mitigated by NZTA, KiwiRail and the council continuing to work closely together to resolve issues expediently.
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 & Network Operations	15.4		-	-	-	-	-	
City Centre Network	Construction	Auckland Transport	33.7	Community engagement on Parnell Rd cycleway underway. Preferred option identified for segments 2 and 3 on Tamaki Drive cycleway. Design for segment 1 completed. Ian McKinnon Drive cycleway awarded design and detailed business case approved.	A	G	A	12 Mar 2016	7 Dec 2018	The project has experienced some delays as the project team works through stakeholder and community feedback, agreeing design options, parking strategy implications and resource consents for Quay St to Tamaki Drive section.

Project name	Phase	Organisation	Updated cost (\$m)	Q2 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Western Connections to City centre	Construction	Auckland Transport	21.5	The Greenways route of the Waitemata Safe Routes project commenced construction in February 2017. Consultation on Herne Bay to Westhaven completed.	A	A	G	16 Jan 2017	18 Dec 2018	There have been some extensions to timelines as a result of community engagement feedback; internal stakeholder feedback; further consultation required with residents affected by significant parking removal on one section of the route (Pt. Chev to Herne Bay).
Eastern Connections to City centre	Design	Auckland Transport	31.3	Detailed design substantially completed for section 3 and consultation documents for section 4 prepared for public consultation to commence in May.	A	G	A	31 May 2017	29 Mar 2019	There are some significant project challenges for Sections 3 and 4 relating to KiwiRail access and stakeholder feedback on route options. These risks are being worked through and managed.
Glen Innes to Meadowbank	Complete	Auckland Highways and Network Operations	4.4		-	-	-	19 Oct 2015	9 Dec 2016	
Links to public transport	Design	Auckland Transport	18.7	Scheme assessment report completed for Stage 2 of New Lynn to Avondale. Feasibility design completed for Links to Glen Innes project. Preferred option for Links to New Lynn selected to progress to detailed design.	A	G	A	16 Oct 2017	14 Dec 2018	KiwiRail lease and property approval has caused delays with all sections of the New Lynn to Avondale route.
Western Rail Trail	Construction	Hamilton City Council	6.7	Construction substantially complete. Opening planned for 7 April 2017.	G	G	G	26 Aug 2016	7 Apr 2017	
Te Awa - Ngaruawahia to Horotiu section	Construction	Te Awa Trust	4.7	Detailed design for bridge tendered.	A	G	G	1 July 2015	August 2017	Detailed design of bridge may require modification due to new geotechnical requirements. There may be associated time delays and cost increases for this work.

Project name	Phase	Organisation	Updated cost (\$m)	Q2 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Omokoroa to Tauranga	Construction	Western Bay of Plenty District Council	12.2	Construction still progressing on the Tinopai Reserve to Lynley Park, expected completion now June 2017. Early procurement process work initiated for three remaining bridges. Resource consent for Te Puna to Lothead Road section being considered. Resource consent for Wairoa Bridge to be lodged quarter 4.	A	A	A	5 Aug 2016	End of 2018	Risk associated with obtaining sufficient local share or 3 rd party investment for preferred Wairoa Bridge option. Completion timing due to consenting and construction of Wairoa Bridge element.
Tauranga urban CBD connections	Construction	Tauranga City Council	7.0	Progress made on completing concepts designs for various sections and tendering for construction.	G	G	A	31 Dec 2015	30 Jun 2018	Key risk is around Route K overbridge. Consent will be sought for this in quarter 4.
Wainui to CBD and local connections part 1	Investigation	Gisborne District Council	4.2	Design of main bridge along the route is underway. Design for the second section complete, and will be ready to start construction in September.	G	G	A	1 Sep 2017	30 Jun 2018	Land-owner issues may cause a delay, but these are being managed.
Rotorua Cy-Way	Construction	Rotorua Lakes Council	5.5	Ranolf Project - collaboration of in house departments, engagement completed. Inner City connection through to tender stage. MacIntyre/Ward/Sala project substantially completed.	G	G	G	30 Apr 2016	30 Jun 2018	Some risk for delivery as a result of contractor availability and recent weather events.
iWay Napier extension	Construction	Napier City Council	4.7	Tender documents prepared for Westminster, Anderson Park and Country Drain south projects.	G	G	G	4 Apr 2016	30 Jun 2018	

Project name	Phase	Organisation	Updated cost (\$m)	Q2 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
iWay Hastings extension	Construction	Hastings District Council	2.9	Akina Park shared pathway connections was completed in February. Chesterhope Clip-on Bridge (non-UCP) was officially opened by Mayor Lawrence on the 29th of January.	G	G	A	14 Nov 2015	30 Jun 2018	
Mangati Pathway - Parklands Ave to Coastal Pathway	Complete	New Plymouth District Council	0.1		-	-	-	-	-	
Coronation Ave - Upjohn St to Coronation Ave	Design	New Plymouth District Council	0.4	Consultation completed.	G	G	G	18 Dec 2017	30 Jan 2018	
Te Tuaiwi ("The Spine")	Design	Wanganui District Council	2.0	Construction commenced and a sod-turning event was held in March with the Transport Minister in attendance.	G	G	G	8 Feb 2017	30 Jun 2018	
City to North Mole Cycleway	Construction	Wanganui District Council	1.3	Section 1 of the cycleway was opened in March with the Transport Minister in attendance.	G	G	G	15 May 2016	30 Jun 2018	
Manawatu River Bridge and shared path	Construction	Palmerston North City Council	12.0	Consent hearing for the bridge completed and decision granted. Bridge design now 60% complete.	A	G	A	9 May 2016	29 Jun 2018	Consenting conditions and steel supply likely to cause delays in construction timeline of the bridge. Consents required for bridge construction mean that the project will now be completed late 2018.
Mangaone Underpasses	Construction	Palmerston North City Council	0.6	Construction substantially completed.	G	G	G	24 Jan 2017	21 Apr 2017	Severe weather has caused construction issues plus slight increases in costs due to resource consent restrictions.
Longburn Cycleway	Complete	Palmerston North City Council	1.0		-	-	-	-	-	

Project name	Phase	Organisation	Updated cost (\$m)	Q2 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Rail Corridor Route	Construction	Upper Hutt City Council	2.9	Preliminary design complete. Route options produced and preferred alignment identified.	G	G	G	25 Oct 2016	1 Mar 2018	Access issues to KiwiRail land may cause delays.
Seal and Widening Hutt River Trail	Construction	Upper Hutt City Council	2.2	Completion of Stage 1, with a ribbon cutting proposed for April 2017.	G	G	G	17 Oct 2016	30 Jun 2018	
Beltway	Design	Hutt City Council	3.5	Public consultation on concept design completed.	G	G	G	September 2017	30 Jun 2018	Positive feedback on design means councils can now move to identify sections to begin construction by September.
Eastern Bays shared path	Investigation	Hutt City Council	0.3	Commencement of detailed business case process.	G	G	A	1 Jan 2018	30 Jun 2018	Risk associated with managing community expectations, which are potentially higher than current project scope.
Wainuiomata Hill	Construction	Hutt City Council	7.2	Completion of tender evaluation for Stage 1 and identification of a preferred contractor underway. Anticipating start of phases in May 2017.	G	A	G	15 Apr 2015	31 Jul 2017	Council currently working with the preferred Contractor and Consultant to value engineer the designs for both Stage 1 + 2.
Stride n' Ride Kapiti Coast	Construction	Kapiti Coast District Council	6.1	700m section of shared path outside Kapiti Airport completed, Raumati Road corridor upgrade project started. McKay's to Peka Peka Expressway (non-UCP) opened.	G	G	G	14 Dec 2016	30 Mar 2018	
Onepoto - Wi Neera shared path	Design	Porirua City Council	1.1	NZTA engaging with council to provide support to scope timeline and delivery of project.	A	A	A	March 2018	June 2018	Risk identified in lack of council progress on design and consultation. NZTA providing support.
Melling to Petone	Design	Wellington Highway & Network Operations	14.0	Plans and consulting material developed for consultation to occur in April with construction scheduled for December.	G	A	A	1 Dec 2017	30 Jun 2018	Risk associated with track possessions and property acquisitions for delivery completion.

Project name	Phase	Organisation	Updated cost (\$m)	Q2 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
CBD route package	Design	Wellington City Council	1.5	Progressing concepts for minor improvements.	G	G	G	28 Apr 2017	13 Oct 2017	Note, no UCP allocation to the CBD as a result of refreshed programme scope.
Eastern Route package	Design	Wellington City Council	17.0	Consultation materials prepared for public consultation in April on options for this package.	G	G	A	6 Dec 2017	29 Nov 2018	Risks associated with community engagement and resourcing for Wellington City programme being closely monitored.
Ngauranga to Bunny St	Construction	Wellington City Council	9.0	Community consultation on Thorndon Quay planning undertaken in March. Ground-breaking for 5 April.	G	G	A	17 Oct 2016	19 Mar 2019	Risks associated with community engagement and resourcing for Wellington City programme being closely monitored.
Spring Creek	Complete	Marlborough Roads	0.7							
Taylor River Reserve	Construction	Marlborough District Council	0.7	Construction started with sod turning by the Minister on 27 January 2017.	G	G	G	27 Jan 2017	12 Apr 2017	
Eltham Rd Cycle Link	Investigation	Marlborough District Council	0.4	Options report completed. Report will go to Marlborough District Council in April for approval to go to public consultation.	G	G	G	3 Jan 2018	30 Mar 2018	
Nelson Coastal Route	Design	Nelson City Council	17.3	Concept approval for Saltwater Creek bridge. Public engagement on Maitai to Rocks Road section completed.	A	G	A	1 Dec 2017	30 Jun 2018	Some challenges to project delivery timeline due to interdependencies with Southern Arterial Investigation. NZTA working with Council.
Papanui Parallel - Stage 1	Complete	Christchurch City Council	0.9		-	-	-			
Matai Street East	Complete	Christchurch City Council	1.8		-	-	-			

Project name	Phase	Organisation	Updated cost (\$m)	Q2 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Rapanui - Shagrock Cycleway	Construction	Christchurch City Council	14.0	Consultation on sections 2 and 3 has been completed. Construction is on-going for section 1.	A	G	A	24 Oct 2016	30 Jul 2018	The timeframes are likely to change due to kerb test failure.
Heathcote Expressway	Investigation	Christchurch City Council	19.1	Consultation results have been compiled and the preferred route is ready to be approved by the Transport and Environment Committee to progress to detailed design.	A	A	A	1 Dec 2017	30 Jun 2018	Project cost has increased due to a new construction estimate that has identified a number of intersection treatments and separated facilities to fit the existing road environment.
Papanui Parallel	Construction	Christchurch City Council	13.2	Completion of separated cycleway in Sawyers Arms Road. The project is approximately 50% complete.	G	G	G	24 Oct 2016	31 May 2017	
Northern Line Cycleway	Design	Christchurch City Council	6.9	Commencement of detailed design. Negotiations with KiwiRail with regard to the lease are underway. May result in an earlier construction start date.	G	G	A	16 Jun 2017	6 Mar 2018	
Little River Link City End	Construction	Christchurch City Council	6.8	Start of work on Marylands section, Lincoln Road and Wrights Road crossings.	G	A	G	24 Oct 2016	5 May 2017	Cost increase as a result of incorrect original estimates of material quantities and necessary should widths for the route.
Quarryman's Trail	Design	Christchurch City Council	12.9	Detailed design is underway with construction planned to commence in June. Elected members approved the scheme for design and construction.	A	G	G	30 June 2017	30 Apr 2018	Property purchase is underway and not expected to cause delays based on current negotiations; the purchase costs are expected to be spent in May.

Project name	Phase	Organisation	Updated cost (\$m)	Q2 progress	Schedule	Budget	Risk	Estimated construction start	Estimated construction completion	Risk commentary
Uni-Cycle	Construction	Christchurch City Council	8.0	Completion of the University Drive section prior to orientation week was achieved. Riccarton Bush Trust have confirmed and signed agreement to consenting documents and detailed design plans.	G	G	G	18 Apr 2016	30 Sep 2017	
Rolleston to Lincoln	Complete	Selwyn District Council	1.0		-	-	-	-	-	
Rangiora to Kaiapoi	Design	Waimakariri District Council	1.7	Scheme design and funding share approved by Council 7 March 2017. Expressions of interest from contractors running alongside detailed design process for efficiency.	G	G	G	4 Sep 2017	16 Mar 2018	
Rangiora to Woodend	Design	Waimakariri District Council	1.0	Scheme design approval from Council. Expressions of interest from contractors running alongside detailed design process for efficiency.	G	A	G	4 Sep 2017	16 Feb 2018	A final construction estimate has brought the total project cost to \$995,000, 20% greater than baseline cost.
Central City Cycle Network	Design	Dunedin City Council	14.5	Re-scoped programme agreed now including SH1 One Way System cycleway. Detailed design completed for this project. IBC and DBC for other projects progressing as part of Connected Dunedin programme. Expect completion by end of June 2017.	A	G	A	June 2017	29 Oct 2018	Challenges with delivery of projects within timeframes linked to wider transport activity.
South Dunedin Cycleway Enhancements	Complete	Dunedin City Council	1.7		-	-	-	-	-	

