

The Otago regional economy has been hit particularly heavily by the global COVID-19 pandemic. While the future outlook remains uncertain, we expect tourism will continue to shape travel demand in the region, together with the region's primary production sectors, and the ongoing focus on improving the liveability of the region's main urban centres in Queenstown and Dunedin.

We will continue to operate and maintain the state highway network to ensure existing levels of service are maintained, together with a focus on:

- **Improving safety** on our roads which has been further strengthened by the launch of *Road to Zero: New Zealand's road safety strategy 2020-2030*. Road to Zero has a vision of a New Zealand where no one is killed or seriously injured in road crashes. Our contribution to Road to Zero includes an Infrastructure and Speed Management Programme focusing on delivering infrastructure improvements and speed management on New Zealand's road network, targeting investment on those roads and roadsides which offer the greatest potential for reducing deaths and serious injuries.

We will work with our safety partners in Otago to engage and deliver the Road to Zero Infrastructure and Speed Management Programme and ensure an integrated approach across state highways and local roads across this region.

We will also be ensuring a transition to lower speed limits on state highways around schools to improve safety and encourage more children to walk and cycle to school. Safety cameras play a critical role in preventing dangerous driving that puts people's lives at risk. We'll be managing safety cameras from 2021 and adopting a new highly visible, no surprises approach to reduce excessive speeds on our highest risk roads.

We will continue to work in partnership with key agencies including NZ Police, to deliver regional enforcement and behaviour change programmes targeted at speed, alcohol and drug impairment, and seat belt use.

- **Providing better transport choices** by continuing to work with local government partners on key initiatives to improve walking, cycling and public transport facilities and services in Dunedin and Queenstown, and to better manage transport and land use integration to reduce the reliance on private vehicles.
- **Improving freight and tourism connections** by investing in resilience improvements on key freight and tourist routes, to make journeys safer and more reliable.
- **Responding to climate change** by working with our investment partners to help drive a mode shift to lower emission transport options and investing in the state highway network to mitigate climate change effects.

IMPACT OF COVID-19

Outside the Queenstown Lakes and Central Otago districts, we do not expect any significant changes in the nature, scale and location of transport demand as a result of COVID-19. The 10-year outlook remains largely unchanged, however the current situation provides an opportunity to re-evaluate the scale, location and sequencing of growth and investment planned, given the pace of growth, particularly in Queenstown, is expected to be slower than pre-COVID-19 projections.

Transport needs to play its part in supporting the recovery particularly in areas with high reliance on international tourism. Pre-existing growth pressures in Queenstown also need to be addressed, although rates of growth are forecast to slow considerably in the short-medium term. The current situation provides an opportunity to re-evaluate what is required and where, and the scale and sequencing of growth and investment to achieve objectives in the Queenstown spatial plan.

In addition, maintaining safe and reliable road and rail freight connections to Port Otago remain important to supporting the recovery.

CONTEXT TO OUR PROPOSED INVESTMENT

Improving safety

Through our Road to Zero Infrastructure and Speed Management Programme, we are focused on delivering infrastructure improvements and speed management through targeted investment on Otago's roads and roadsides which offer the greatest potential for reducing deaths and serious injuries.

Over the next three years we are looking to invest \$120m in the Otago region to make 365km of state highways safer through infrastructure improvements and speed management, to reduce deaths and serious injuries by just over 6.8%.

We will be working with our safety partners in Otago to engage and deliver the Road to Zero Infrastructure and Speed Management Programme to ensure an integrated approach across state highways and local roads for this region.

Better transport choices

Both Dunedin and Queenstown's transport systems are currently dominated by private vehicle use with low, but growing, public transport usage. This is because many areas have limited access to public transport, and incomplete and relatively poor levels of service provided for walking and cycling facilities compared to motorised travel.

Queenstown's growth projections and a constrained environment means that it must increase usage of public transport, walking and cycling and reduce its reliance on private vehicles to keep the system functional. Queenstown's geographical constraints have limited the size of the main centre and access roads. This increases the length of journeys to work and contributes to high carbon dioxide emissions.

Over the next three years we will continue to work closely with our Queenstown Way to Go partners to implement mode shift in Queenstown and will continue to work in partnership under Connecting Dunedin to support mode shift in Dunedin. This will include progressing the delivery of park and ride facilities, together with walking and cycling infrastructure upgrades in the Wakatipu area, and the completion of walking and cycling improvements on SH88 to Port Chalmers.

We will also continue to partner in the spatial planning process in Queenstown, to ensure growth areas are well integrated with existing transport networks and reduce the need for travel by private vehicles.

In Dunedin, the hospital re-development and other central city investments, particularly in the Tertiary Precinct and the Retail Quarter will provide a significant opportunity to improve walking, cycling and public transport services in the city. We will continue to engage with our partners as these development opportunities progress.

Improving freight and tourism connections

Otago depends on connections within the region, and to Canterbury and Southland to move essential supplies and rural goods to production centres and markets. Safe and reliable access to Port Otago is important to the success of the wider Otago and Southland economies. Forecast growth in freight volumes at Port of Otago, together with the port's evolving plans to expand its operations, will impact both road and rail networks and needs to be considered in future plans for the city and development of the transport system.

While regional tourism has been significantly disrupted by the COVID-19 pandemic, the region's internationally significant natural beauty coupled with unique tourism attractions means that the region will continue to be a drawcard for domestic tourists, and international tourism longer-term.

Ensuring that our network is forgiving and safe in the Otago region is particularly important given the combination of a high proportion of self-drive visitors and the unique and challenging geography of the region.

We will continue to operate and maintain the state highway network to agreed levels of service for key freight and tourism connections in the region. This will include a continuing programme to replace aging bridge infrastructure to improve route resilience, with a focus on the SH8 Beaumont Bridge over the next three years.

We will continue to work with rail, port and freight operators to explore multimodal freight hubbing opportunities and will continue our Visitor Driver Programme in the region to support safe and responsible travel.

Climate change

Vehicle emissions are a significant contributor to climate change – the impacts of which have a significant impact on the transport system. We have a dual responsibility to influence the reduction of vehicle emissions and improve the resilience of the transport network to climate change.

Through the Way to Go and Connecting Dunedin initiatives, we will continue to work with our partners to drive mode shift towards lower carbon travel options and reduce vehicle emissions. More widely, over the next three years we expect to deliver a number of nationwide regulatory improvements, education and advertising campaigns, and operational policies and practices to support our partners in their efforts to drive mode shift. This includes supporting trials of street changes to encourage mode shift, that can be adapted quickly and implemented at low cost. We will also deliver to *Toitū Te Taiao: our Sustainability Action Plan*, using various levers to galvanise a shift to a low carbon, safe and healthy land transport system.

A national evidence base of vulnerability and exposure of New Zealand's highway network to natural hazards was endorsed by the Waka Kotahi Board in May 2020. A regional risk assessment identified a total of 25 major and extreme risks within the Otago region (excluding Milford Road). These relate predominantly to rockfall, landslip, flooding and ice/snow along state highways 6, 8 and 88. The steep and unstable terrain presents significant risk that in many cases has both a high likelihood and significant consequence should the hazard occur.

An additional 15 major and extreme risks were identified along Milford Road. These relate to rockfall, avalanche, earthquake, tsunami, landslip and flooding. Key risks include numerous, significant landslip and flooding risks along the route, affecting both roads and bridges. Avalanche is also a key risk in winter and requires significant, ongoing proactive maintenance and likely to increase with the impacts of climate change.

Sections of the inter-regional east coast corridor, containing both a major rail line and the state highway north and south of Dunedin, are at risk from sea level rise, flooding, storms, slips and erosion. The impact of these could increase in the long term with climate change. Over the next three years, Waka Kotahi is investing in resilience improvements on the Katiki Coast to mitigate these effects and reduce the likelihood of unplanned route closures.

WORKING TOGETHER

We will continue to work closely with our key partners on transport and land use matters, particularly in Queenstown and Dunedin. For both centres this will include:

- working with partners to complete network optimisation plans that help to improve the utilisation of all transport networks and travel modes and customer travel choices to deliver mode shift objectives. Optimisation plans will be implemented largely through minor improvement investment and identified through the Network Operating Framework. Plan outcomes are the base case to identify any longer-term customer level of service gaps to be addressed through other means.

In Queenstown this will include:

- maintaining strong alignment with partners to develop and deliver the Way to Go programme and achieve ambitious mode shift goals
- continuing to collaborate on integrated growth management and land transport planning, in particular development of the Queenstown spatial plan
- supporting complementary projects to the New Zealand Upgrade Programme (Queenstown Package) which positively contribute to the outcomes sought by government from the programme. This includes looking for opportunities to accelerate business cases, align implementation and make procurement and consultation more efficient.

In Dunedin this will include:

- continuing to maintain a strong alignment with our Connecting Dunedin partners and continuing to collaborate on the Dunedin city and hospital redevelopment initiative to support and leverage opportunities to improve transport choice in Dunedin.

QUEENSTOWN

13,533

Urban area population

79%

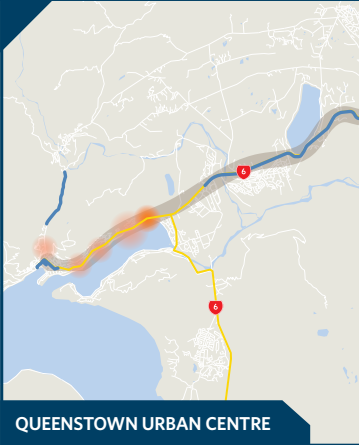
Of journeys to work by private motorised vehicle

57%

Jobs accessible within 45 mins by private motorised vehicle

43%

Jobs accessible within 45 mins by the next best mode (cycling)



DUNEDIN

99,873

Urban area population

83%

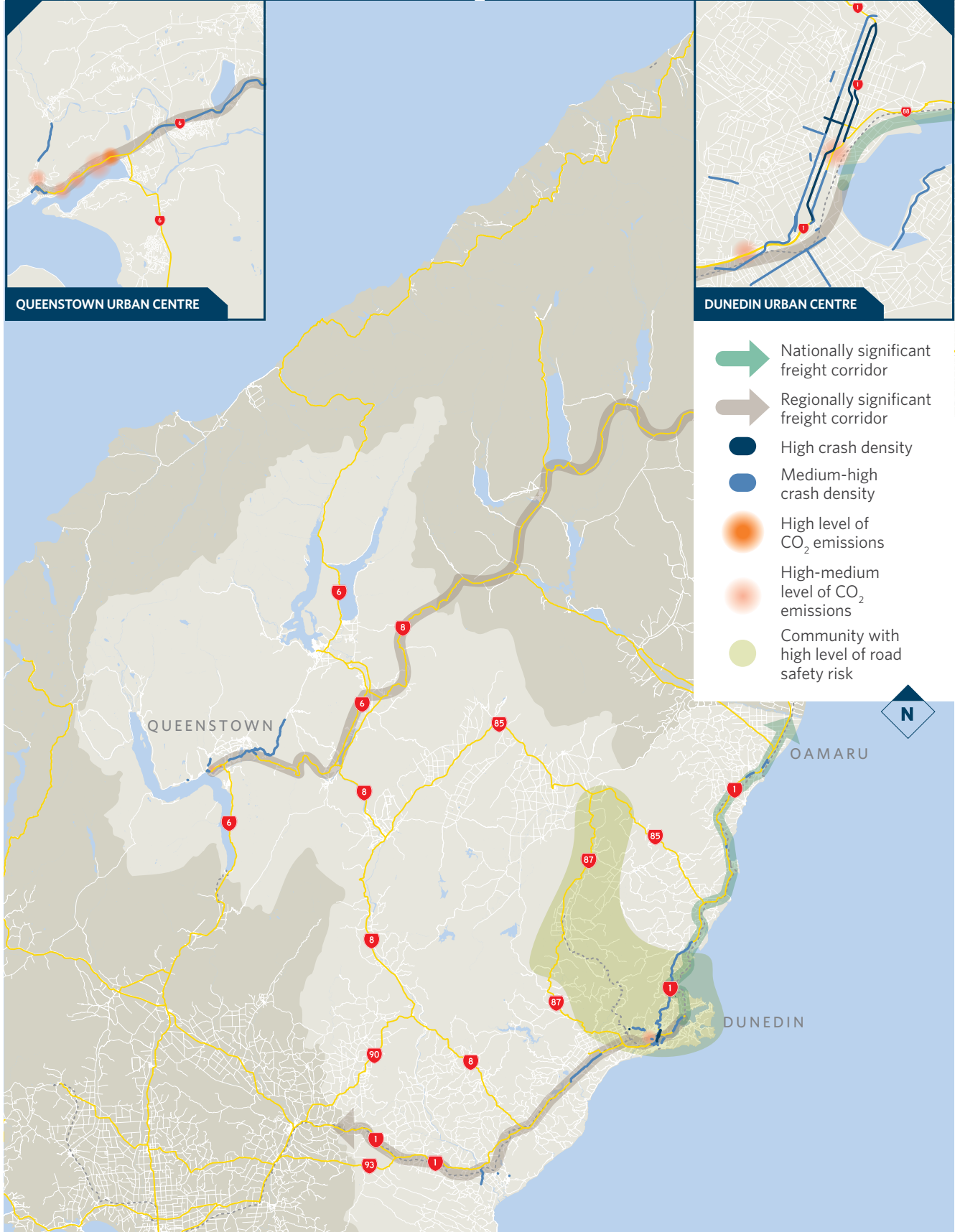
Of journeys to work by private motorised vehicle








53%

Jobs accessible within 45 mins by private motorised vehicle

46%

Jobs accessible within 45 mins by the next best mode (cycling)



-  Nationally significant freight corridor
-  Regionally significant freight corridor
-  High crash density
-  Medium-high crash density
-  High level of CO₂ emissions
-  High-medium level of CO₂ emissions
-  Community with high level of road safety risk



Based on the evidence presented on the gaps across this region's transport system in terms of GPS priorities, table 1 presents our strategic responses.

TABLE 1

Our strategic responses to GPS priorities in the Otago region

ID	STRATEGIC RESPONSE	PRIMARY GPS PRIORITY	DELIVERY PATHWAY
OSR1	Continue to operate reliable freight connections along key state highways between Dunedin to Christchurch and Invercargill, and Geraldine to Queenstown	IFC	Regional maintenance, operations and Renewals
OSR2	Reduce distraction and fatigue in Dunedin city and Clutha through road policing and behaviour change activities	Safety	Assessed through NLTP process
OSR3	Develop and implement mode shift activities in Queenstown around key activity centres, in particular better connected active mode networks and public transport (including on-demand) networks services and infrastructure	BTO	Assessed through NLTP process
OSR4	Develop and implement mode shift activities in Dunedin, in particular better connected active mode networks and public transport (including on-demand) networks services and infrastructure	BTO	Assessed through NLTP process
OSR5	Road to Zero Infrastructure and Speed Management Programme	Safety	Assessed through NLTP process
	Government's support for regional economic development: <ul style="list-style-type: none"> • SH6A Corridor • Ladies Mile Corridor • SH6 Grant Road to Kawarau Falls 	All	New Zealand Upgrade Programme

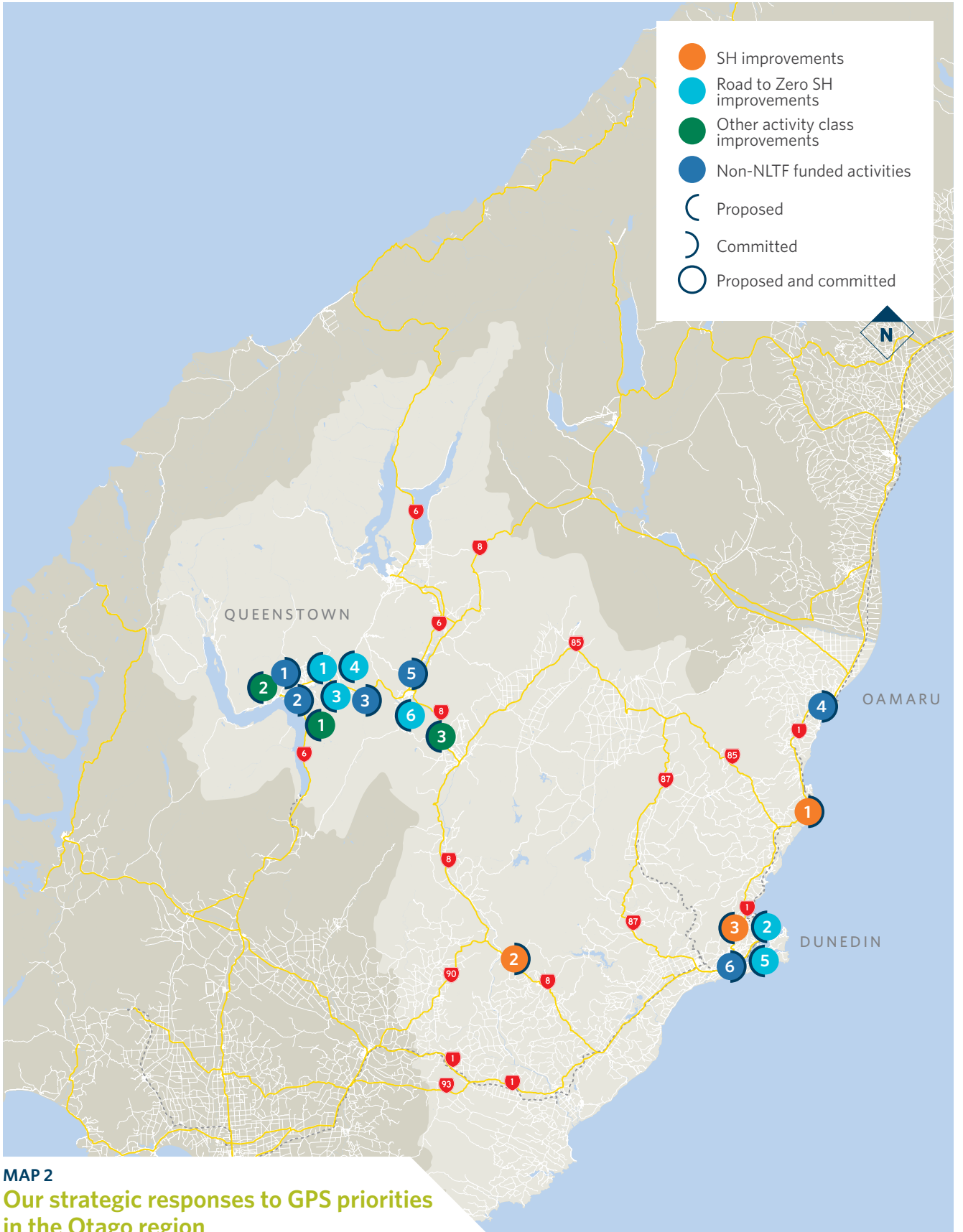


TABLE 2

Proposed state highway programme for the Otago region

REF	ACTIVITY NAME	ACTIVITY CLASS	FUNDING SOURCE	GPS PRIORITY	2021-24 PHASE	2024-27 PHASE	2027-31 PHASE	COST
Committed state highway improvement activities*								
-	State Highway Low Cost Low Risk programme	SHI	NLTF	All	IMP	IMP	IMP	\$\$
1	SH1 Katiki Coast enhanced resilience stage 2	SHI	NLTF	CC	IMP			\$
2	SH8 Beaumont Bridge replacement	SHI	NLTF	BTO	IMP			\$\$
-	Regional proportion of Nationwide Investment Proposal	SHI	NLTF	All		DBC	DBC	\$\$
* Commitments made under the 2018 GPS, contributions as shown.								
Proposed state highway improvement activities								
3	Dunedin City and Hospital	SHI	NLTF	BTO	DBC			\$
Proposed Road to Zero capital state highway safety activities (greater than \$2m per activity)								
-	Road to Zero Low Cost Low Risk programme	R2Z	NLTF	Safety	IMP	IMP	IMP	\$\$
-	Regional Speed Management activities	R2Z	NLTF	Safety	IMP	IMP	IMP	\$\$
1	SH1 Hardware Lane to Arrow Junction Road	R2Z	NLTF	Safety	IMP			\$\$
2	SH1 Thomas Street to Pine Hill Road	R2Z	NLTF	Safety			IMP	\$\$
3	SH6 Arrowtown Lake Hayes Road intersection	R2Z	NLTF	Safety	IMP			\$
4	SH6 Lake Hayes Highway and McDonnell Road intersection	R2Z	NLTF	Safety	IMP			\$
5	SH88 Dunedin to Port Chalmers	R2Z	NLTF	Safety		IMP		\$\$
6	SH8B and SH6 intersection	R2Z	NLTF	Safety	IMP			\$
Proposed public transport infrastructure activities								
1	SH6 Park and Ride facilities	PTI	NLTF	BTO	PRE	IMP, PTY		\$

REF	ACTIVITY NAME	ACTIVITY CLASS	FUNDING SOURCE	GPS PRIORITY	2021-24 PHASE	2024-27 PHASE	2027-31 PHASE	COST
Proposed walking and cycling activities								
2	Wakatipu Walking and Cycling network improvements	WC	NLTF	BTO	PRE, IMP, PTY			\$\$
3	SH6 SH8B SH8 Gibbston to Clyde corridor improvements	WC	NLTF	BTO	DBC	IMP		\$\$
-	Walking and Cycling Low Cost Low Risk	WC	NLTF	All	IMP	IMP	IMP	\$\$
Proposed investment management activities								
-	Strategic business case development	IM	NLTF	All		DBC	DBC	\$
Committed non-NLFT funded activities								
1	SH6A corridor improvements	-	NZUP	BTO	PRE, IMP			\$\$
2	Grant Road to Kawarau Falls Bridge improvements	-	NZUP	BTO	PRE, IMP			\$\$
3	SH6 Ladies Mile corridor improvements	-	NZUP	All	PRE, IMP			\$\$
4	SH1S Kakanui River Flood mitigation	-	Regional	BTO	IMP			\$
5	SH6 SH8B Cromwell improvements	-	Regional	BTO	IMP			\$
6	Dunedin One Way Pair Cycle lanes	-	UCP	BTO	IMP			\$