

Meeting: FNDC Infrastructure Committee

Name of item: FNDC NTA and Transportation activity update
FY 2020/21 – Nine-month period to 31 March 21

Author: Calvin Thomas – NTA General Manager

Meeting Date: 16th June 2021

1 Purpose

The purpose of this paper is to provide the FNDC Infrastructure Committee Members with an update on Far North District Transportation activities delivered through the Northland Transportation Alliance (NTA) for the first nine months of the current financial year (1st July 2020 – 31st March 2021).

2 Background

The NTA is responsible for overseeing and managing the delivery of Transportation services for all Northland Councils (FNDC, KDC, NRC and WDC).

Each quarter the NTA Management team provide a summary report to the Alliance Leadership Group (NTA Governance) on activities and progress across the Region. Information from that report pertaining to Far North District Council is included within this update.

3 Discussion

Updates are provided for both the wider NTA Organisation and specific FNDC transportation activities for the nine-month period of July 2020 to March 2021. Future briefing papers will provide similar information for the preceding quarter, aligning with existing Governance reporting provided to the Alliance Leadership Group.

3.1 NTA Deliverables, Vision and Values

In late 2020 the NTA Leadership Group and Management Team confirmed the following Organisational Strategic Deliverables:

- Industry Leader in Asset Management;
- Improve the reach of the public transport network;
- Deliver the Capital Works programme(s);
- Deliver the Maintenance programme(s);
- Lift the quality of customer experience; and
- Prove a demonstrable improvement in the Northland Transport Network.

An NTA Cultural Working Group (CWG) was then established involving NTA staff representatives from each Council and functional team.

The purpose of the CWG was to lead the development of the NTA's Vision and Values, designed to support achievement of the Strategic Deliverables.

The NTA Vision and Values have now been confirmed and endorsed (by both NTA Staff and the Alliance Leadership Group). The embedding process for the Values & Behaviours has commenced through the nominations for monthly NTA staff awards being linked to demonstration of these Values & Behaviours. Each year there will be annual staff awards for each of the values along with an overall team award focused on the NTA Vision (to be awarded to the team who have encapsulated the ethos of the vision throughout the year).

NTA Vision



NTA Values



INTEGRITY - We are honest in all we do, and we deliver with openness and transparency



INNOVATION - We are open and flexible in the ways we work to deliver a better transport network for Northland



TEAM-WORK - We work together as one to deliver better and safer transportation for the people of Northland



RESPECT - We acknowledge, understand and accept diversity while supporting and celebrating good ideas



CUSTODIANS - Developing and improving Northland's transportation network



MANAAKITANGA - Generosity and care for our people, our partners, our communities and our visitors.

3.2 Financials

Average expenditure across the Region for "Business as Usual" activities in the nine months year to date was 63.9% of total budget (vs. 57.3% for same period of 2019/20). Actual NTA managed Regional transportation expenditure for the nine months year to date (\$97.632m) is up by 40% on the same period last year and already exceeds the total expenditure of the full 2019/20 financial year (\$93.3m).

FNDC year to date transportation delivered expenditure is approximately 63% greater than the comparable period last year as summarised in the table below.

	9 month expenditure (July - March)		Year on Year comparison	
	2019/20	2020/21	\$	%
FNDC (BAU)	\$ 22,810,713	\$ 34,694,816	\$ 11,884,104	52%
FNDC (NTA Managed Ext. Funding)	\$ -	\$ 2,423,073	\$ 2,423,073	100%
	\$ 22,810,713	\$ 37,117,889	\$ 14,307,176	63%

* 2020/21 total excludes a further \$5.35m External Funded works delivered through FNDC Projects team

With full resourcing of the functional based structure model in place, operational management and specialist staff are being utilised as intended to complete tasks across the three District Councils. This is evidenced through NTA timesheet data showing a stabilised percentage of cross council charging:

- 2019/20 Full Year (July 19 -> June 20) 15.5%;
- 2020/21 Nine Months (July 20 -> March 21) 15.7%.

The following table demonstrates the percentage of hours attributed to each Council YTD remains relatively well aligned with each Council's portion of overall YTD NTA managed District Council expenditure.

NTA Managed District Council Expenditure	YTD Expenditure (1st July 20 - 31 Mar 21)	YTD % of Expenditure	YTD NTA Hours	YTD Hours %
FNDC	\$ 37,117,889.15	39.1%	24967.75	39.0%
KDC	\$ 20,113,524.01	21.2%	14585.45	22.8%
WDC	\$ 37,668,313.74	39.7%	24483.8	38.2%
Total	\$ 94,899,726.90		64037	

FNDC's unsealed road expenditure is tracking well, with 77% of the total annual budget expended to the end of March 2021. The primary budget line items related to routine unsealed road maintenance are:

FDC Unsealed Network activities	Budget	Expenditure to end March 21	% Complete
Unsealed Road Metalling	\$ 2,880,000	\$ 2,467,329	86%
Drainage Renewals *	\$ 813,000	\$ 527,286	65%
Unsealed Pavement Maintenance	\$ 2,735,835	\$ 2,013,438	74%
Routine Drainage Maintenance *	\$ 1,384,022	\$ 1,003,391	72%
	\$ 7,812,857	\$ 6,011,445	77%

* Budget item(s) cover both sealed & unsealed networks

3.3 Operational Highlights

Asset Management & Strategy

The final Regional Activity Management Plan (AMP) document, incorporating minor changes required by Waka Kotahi NZTA, and LTP adjustments to programmes by each Council, was completed by the end of January 2021 and has been made available on each Council's website.

The single AMP document is a strategic Business Case required by Waka Kotahi NZTA as part of the funding application for each Council. The AMP document is made up of a single Programme Business Case (defining the Problem), and the Detailed Business Case (specific funding requests for each Council's requested programme of works for 2021-24).

Some additional AMP Programme activities and improvement works may continue over the next few months but are likely to only impact the next version of the AMP document. Changes

to the current final AMP document will only be required to be made if Waka Kotahi make significant changes to the requested programmes as a result of the moderation process, or Council's make significant changes to their programmes as a result of LTP consultation.

Waka Kotahi are presently considering the final submissions for the Maintenance, Operations and Renewals Programmes (MO&R), with the following feedback provided by Waka Kotahi as part of the review:

"This AMP is assessed as an excellent example of a Strategic Case, Programme Business Case (PBC), Detailed Business Case. The in-depth analysis of: Demand and Growth, Problems Benefits and Consequences, Root Cause Analysis, Option development, Low Cost Low Risk (LCLR) etc. provide sound evidence that the Northland Network is being managed with sound asset management principles. (Holistic, Systematic, Systemic, Risk based, Optimal & Integrated.)"

Section 4.17 State of the Network provides excellent modelling analysis and options assessment for the sealed pavement.

The PBC with; Root Cause analysis, Option Development and Assessment provide excellent evidence using PMRT and Peer Group comparison analysis and discussion.

The Principal Structures Engineer has reviewed the wc215 & 216 Programmes in depth with the AO consultant and made some suggestions to the programme which have been agreed.

NTA have been consistently diligent with completing and documenting the NZTA 2018/21 Funding conditions."

Any final submissions on the Council's Capital Improvements Programmes are to be submitted by 21st May and will be considered by Waka Kotahi in June. This will include the prioritisation process of major Regional projects by the Regional Transport Committee (RTC) following consideration of the Regional Land Transport Plan (RLTP) and Regional Public Transport Plan (RPTP) consultation feedback received. The RTC formally deliberated on the submissions on Tuesday 11 May 2021 with staff now making the necessary changes to both plans (RLTP & RPTP) and table these at the 9th June 2021 RTC meeting with a recommendation they be approved for forwarding to the Northland Regional Council for their approval for submission to Waka Kotahi by 30 June 2021.

Final approval of the NLTP programme will be considered by the Waka Kotahi Board by late August and the final approved NLTP is due to be published by early September 2021.

Development Applications (Transportation component)

Over the past 18 months, the NTA have been become more actively involved in the assessment of consent applications with respect to transport and roading impacts and assessment of required consent conditions in this area.

With Northland being one of the fastest growing regions in New Zealand, the volume, size and complexity of developments to be reviewed has increased. Since October 2019 the volume of consents processed via the NTA Safety and Transportation team has increased by an average of 300-400%, as demonstrated in the graph below.

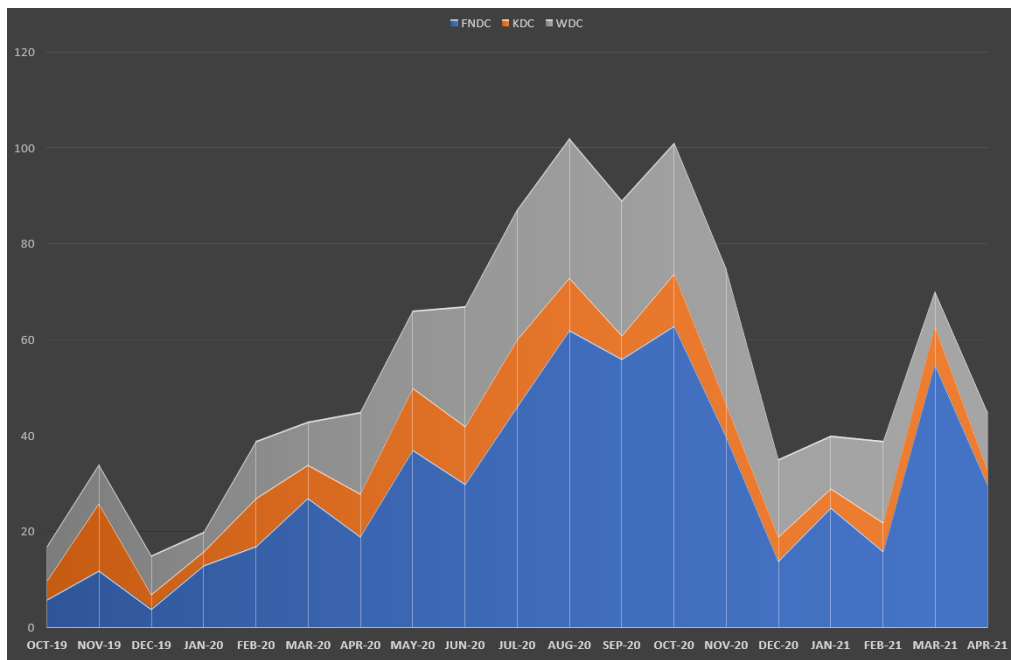


Figure 2 – Northland (NTA) volume of development applications - October 2019 to April 2021

To date the processing of the increasing volumes has been handled through contracting out a significant portion of application assessments to consultants, particularly for Development Engineering. As a result, there have been some inefficiencies, inconsistencies and workload issues, and much of our strategic planning for Traffic Engineer specifically has been stalled due to lack of resource internally, with these functions unable to be outsourced.

A resource assessment was completed in January 2021 where it was identified that considerable time is being spent by our current in-house Engineers in dealing with;

- Consents / Development Engineering
- Customer complaints systems (CRMs and RFS)
- District Plan and Policy Reviews

As a result of this review it was identified that engaging additional resources to enable bringing the delivery of these activities in-house will be more efficient and provide a more consistent level of service to Councils and our customers and in April 2021. As part of the wider NTA resource review, approval was given to proceed with recruitment of:

- A new role of **Senior Development Engineer - Transportation** to specifically manage and process the transportation components of the Development Engineering process (consent application reviews and approvals);
- An additional **Graduate Transportation Engineer** to assist Development Engineering Team with increased workload requirements;

In conjunction with this recruitment two functional units will be created within the NTA Road Safety & Traffic Engineering Team being:

1. Road Safety & Traffic Engineer, and
2. Development Engineering.

Road Safety & Traffic Engineering will focus on the planned/strategic activities, whereas Development Engineering will focus on the reactive activities such as consents and customer enquiries. The scope of the Development Engineering unit and its associated resources is to include:

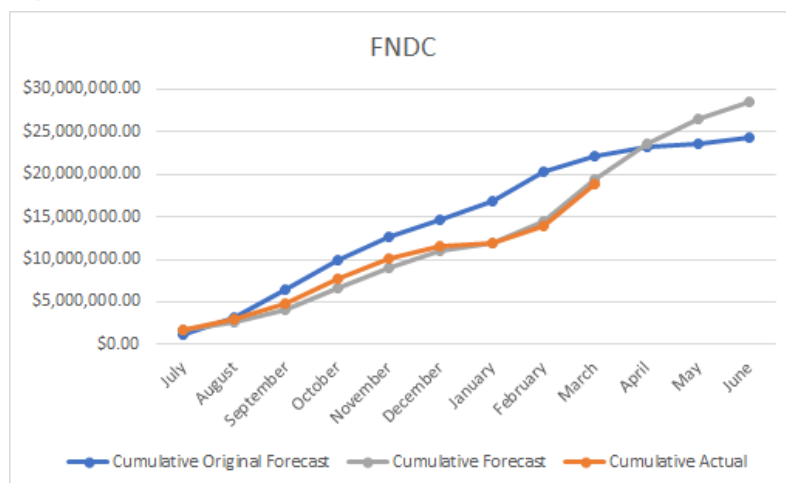
- Pre-application meetings
- Land Use & Subdivision Consent application reviews
 - Section 92 requests for further information
 - Conditions of consent
 - Hearings
- Engineering Standard reviews
- Input into District Plan & Policy Reviews
- Customer Enquiries (RFS & CRM)

Recruitment of these positions is about to commence with a targeted start date of 1st July aligning with the new financial year.

Capital Works & Procurement

The Capital Works programme delivery risks are assessed and reported at an individual project level with monthly update reports provided for each Council with the information below summarising the status March 2021 status report. This programme summary & budgets includes the FNDC's externally funded projects where NTA is responsible for managing delivery (i.e. Redeployment footpaths).

FNDC Programme	
Budget	\$30,081,630
Actual	\$18,922,694
Forecast	\$28,510,996
Carry-Over	\$1,570,633



The original forecast was undertaken at the start of the financial year when information was limited. The reforecast has occurred several times aided with additional information such as contractors' programmes, with difference in revised forecast as a result.

Carry overs relate to:

- Historic emergency event funds no longer required;
- Funds for future designs to be allocated once programme confirmed; and,
- Savings made from unsubsidised seal extension programme.

Seal Extension Programme update

Excellent progress has been made completed the significant seal extension programme during the 2020/21 summer construction season.

Though a combination of Unsubsidised, Waka Kotahi subsidised and Tourism Infrastructure Fund (TIF) subsidised funding, 17 individual sites have been targeted, with 99% of a total of approximately 13,000 metres of sealing extensions completed (the remaining 100m of the TIF funded Pungaere Road is scheduled to be completed prior to the end of the financial year). Details of the completed site locations and lengths is provided in the table below.

Site	Approx. Treatment Length (m)	Status as @ end April 2021	% Completed	Comments
Seal Extension - Unsubsidised 2019/20 carry over				
Porotū Rd (RP 0 - 1380)	1380	Completed	100%	
Puketū Rd (RP 0 - 1000)	1000	Completed	100%	
Seal Extension - Unsubsidised Original 2020/21 Dust strip programme				
Omanaia School Road, Omanaia (RP 0 - 180)	180	Completed	100%	Omanaia School
Omanaia Road, Omanaia (RP 4375 - 4555)	180	Completed	100%	Te Piiti Marae
Umawera School Road (RP 80 - 380)	300	Completed	100%	Umawera School
Waima School Road (RP 40 - 340)	300	Completed	100%	Waima School
Motukioere Rd, Okaihau (RP 40 - 340)	300	Completed	100%	Horeke School
School Road, Mangamuka (RP 40 - 380)	340	Completed	100%	Mangamuka School
School Road, Totara North (RP 0 - 300)	300	Completed	100%	Totara North School
Parapara Toatoa Road, Taipa (RP 6450 - 6750)	300	Completed	100%	Ko Te Ahau Marae
Parapara Road, Taipa (RP 250 - 550)	300	Completed	100%	Parapara Rd
Seal Extension - Additional Unsubsidised 2020/21 Dust strip sites completed within original annual budget				
Parapara Road, Taipa (RP 20 - 250)	230	Completed	100%	Negotiated subsidy with Waka Kotahi for section between SH10 and new dust strip to be added
Waihaha Road, Waikare (RP 600 - 900)	300	Completed	100%	Kura o Waikare
Motukioere Road, Okaihau (RP 1090 - 1390)	300	Completed	100%	Mangungu Mission
Seal Extension - NZTA Subsidised				
Church Rd *	1940	Completed	100%	
Koropewa Rd *	1660	Completed	100%	
* Lengths and Budget as per BC - actual TBC following completion of detailed design				
Seal Extension - TIF Funded				
Pungaere Rd	3700	In progress	98%	installed, rest sealed with road marking completed
Total approximate length planned (m)	13,010			
Total approximate length completed to date (m)	12,910			
% of Sealing Completed	99%			

In addition, NTA staff and contractors have been supporting the construction and delivery of nearly 15km of PGF MBIE funded seal extensions across three specific Far North sites (details below). Preparation works have commenced on all sites with approximately 3800m of seal laid to date (Peria Road). The balance of sealing for these three sites is scheduled for the 2021/22 summer construction season, aligned with the funding contract timeframes.

Seal Extension - MBIE Funded				
Peria Road	4800	In progress	85%	30/11/2021
Ngapipito Road	5000	In progress	25%	31/01/2022
Ruaapeka Road	5100	In progress	15%	30/04/2022
Total approximate length planned (m)	14,900.00			
Total approximate length completed to date (m)	3,800.00			
% of Sealing Completed	26%			

MBIE Worker Redeployment programme – Transport items

All work associated with the original MBIE funded Te Tai Tokerau Worker Redeployment Funding (\$9.32m total / \$2.2m FNDC component) was completed in February 2021, with activities related to the additional WDC/FNDC Storm Damage funding continuing through until May 2021.

The table below provides a Regional summary of the Employment Outcomes at the peak of the programme:

	Total People Working	Previously Unemployed	Youth (15-24)	Māori	Pasifika	Women
Peak Employment (October)	293	98	72	126	25	50

In addition to exceeding the programme's employment objectives, significant opportunities for Northland's Local and Maori/Pasifika owned businesses as summarised below.

	Actual Value of Work	% of total (\$9.32m)	
		Actual %	Target %
Local Business (Total)	\$ 5,024,668	54%	40%
Maori / Pasifika Business	\$ 1,373,066	15%	15%

Maintenance & Operations

Over the last five (5) months all the Regional Maintenance & Renewal Contracts have met the 90% compliance target, with the two FNDC contracts achieving >90% for all nine months of the current year. While a good result, there remains a concern that the performance scores do not reflect the actual condition of the roads, particularly the unsealed road networks.

Period	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
FNDC North FH	91%	94%	96%	99%	99%	99%	98%	98%	98%
FNDC South BSL	98%	97%	94%	97%	96%	96%	91%	96%	96%
WDC North FH	98%	93%	88%	95%	99%	97%	96%	94%	99%
WDC South DWN	88%	86%	87%	86%	93%	93%	90%	95%	93%
KDC BSL	96%	97%	98%	92%	93%	98%	97%	94%	99%

The unsealed road network typically suffers deterioration over the dry summer months (i.e. corrugations and loose gravel roads) that are problematic to treat by grading when still dry. Nonetheless the requirement to meet response times remains a priority that all the Contractors are falling behind on. Non-Conformance Records (NCRs) have been issued where response times are behind, with payment penalties applied to the respective monthly claims. There are presently twelve (12) graders in operation on the FNDC network (7 x FH || 5 x Ventia).

The NTA is reviewing the data and weightings apportioned to the various activities for any opportunities to better align these to drive desired outcomes. It must be noted the majority of the 36 KMPs assessed are 'behavioural' measures, against Contract specifications, not actual physical road condition measures. Nonetheless there requires further analysis of the KPM calculations, with emphasis on ensuring confidence to extend the contracts beyond June 2022 is provided.

No major issues have been reported or observed relating to quality of workmanship and the NTA remain confident the Contractors will meet their achievement targets.

The 3rd Quarter summary for the FNDC MO&R Contracts is as follows:

- **FNDC North Area** (Fulton Hogan):

- Very good progress initially completing 16.2km of unsealed road strengthening works, with 13.5km of the remaining program now underway;
- To date have completed 10.5km of a total of 11.5km Seal Extension projects with the three (3) short Marae and School dust strip seals now finished and only 1km of sealing to complete on Peria Rd (The remaining 1km to seal on the Peria Road PGF funded project has been agreed with MBIE for completion in the new Financial Year);
- The Resealing of the 33km of sealed network was completed earlier than forecast;
- The 4.8km Rehabilitation program, that had slipped slightly with design submissions, has all now been completed;
- All the *Summer 2020/2021 Dust Suppressant* sites met their expected useful life, with the ban on grading of dust suppressant sites is lifted on 1st April. No sites required a second application during the summer; and,
- Fulton Hogan has struggled to meet response times for unsealed road routine works, with resourcing stretched due to the major Seal Extension construction above although, with construction projects now coming to an end, additional resources are now being deployed in this area;

- **FNDC South Area** (Ventia)

- Ventia has deliberately left their unsealed road strengthening works until the autumn period in readiness for winter;
- Completed 37km of Reseals and 3.2km of Rehabs on the sealed network;
- The five (5) short Marae and School dust strip seals were all completed before Christmas, with the Seal Extension Projects on Koropewa Rd (1.8km) and Pungaere Rd (3.6km) are 95% complete at the end of March 2021;
- The Ruapekapeka and Ngapipito PGF Seal Extensions are behind the originally forecast targets however are on track for completion next summer (with these extensions all agreed with MBIE).

- **Hokianga Ferry**

The new Hokianga Ferry Operations Contractor, Fullers Bay of Islands (FBOI), has demonstrated that they are well versed in managing this type of service, with improved level of responsiveness and diligence regarding compliance and safety.

Examples include replacing all life-jackets, new anchor, new navigation unit with wind meter, new electronic ticketing and CCTV installed.

Revenue received from ticket sales for the 2020/21 financial year to date is approximately 30% higher compared to the same period for the previous two financial years. This significant increase in revenue is a result of a strong domestic tourism market which is an unexpected silver lining of the Covid-19 pandemic.

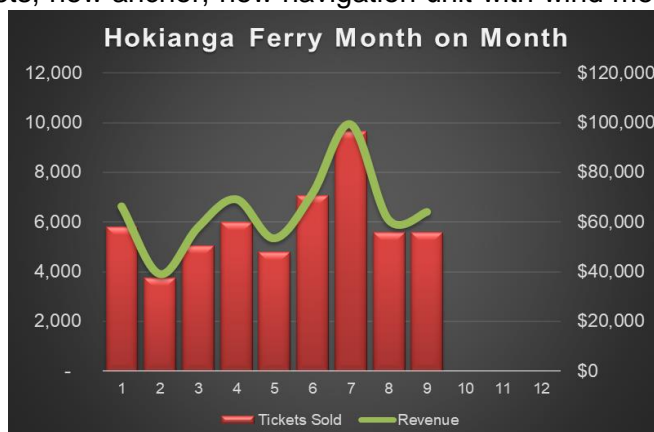


Fig. 1 Hokianga Ferry - Ticket sales & Revenue

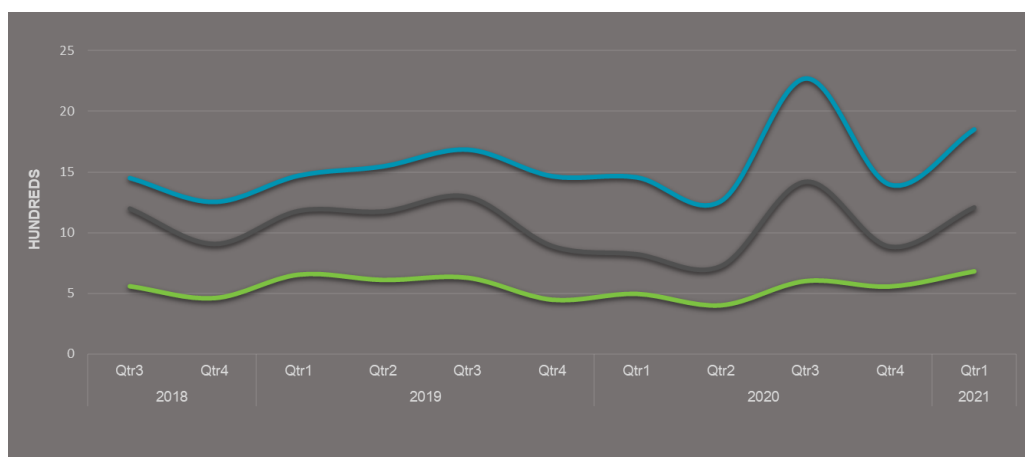
Customer Interactions

There remain challenges with the unsealed networks with significant dissatisfaction in customer surveys and this is also evidenced by the high volumes of complaints, particularly regarding the extent of corrugations in the dry summer period. There will be a significant increase in unsealed road maintenance activities as the grader resources, that have been tied up with construction works, are freed up to attend the unsealed road maintenance needs.

The adjacent table shows how the level of Customer Interactions has trended at a pure volume level, since the inception of the revised maintenance contracts, for comparative quarter. Noting the end of 2019/20 quarter saw a reduction in interactions due to the COVID level 4 lockdown, FNDC interaction numbers have now returned to 2018/19 levels.

Third Quarter Comparisons			
District	2018/19	2019/20	2020/21
Far North	1,180	823	1,209
Kaipara	656	497	683
Whangarei	1,469	1,455	1,850
Total	3,305	2,775	3,742

The chart below commences from the 1st July 2018 (commencement date of current Maintenance Contracts) with interaction numbers returning to a pre-pandemic normal level. The spike in July 2020 results from the significant weather event and a seasonal increase in the first quarter of 2021 is seen as a result of deteriorated unsealed road network conditions as the impact of dryer weather continues.



Key - FNDC (Grey) / KDC (Green) / WDC (Blue)

Hokianga Ferry

There was a total of five recorded Customer Interactions related to the Ferry Operations during the second and third Quarters of 2020/21 as detailed below:

Month	Details
October (0)	
November (1)	Complaint received from truck driver who had been left behind during the evening charter work. Resolved the following day after finding out there had been a miscommunication between the 'clippie' and driver at the time of boarding.
December (1)	Telephone complaint was received by the FGS in respect of inappropriate comments by a crew member onboard. Requested to put their complaint in writing but have not done so.
January (1)	A request from emergency services to run the service for additional hour through to 21.00 was received. This was due to a bush fire blocking the road into Rawene.
February (1)	Customer challenged the size and thickness of the paper stock which is used for the concession card.
March (1)	Complaint received related to shutting down of service due to Tsunami warning.

4 Summary

This briefing report is provided for the information of FNDC Elected Members. A further update summarising the full 2020/21 achievements and outcomes will be provided at the September 2021 Infrastructure Committee meeting.

5 Report Approval

Approved by:



Calvin Thomas
General Manager – Northland Transportation Alliance

21st May 2021