

# KDC Transportation activity update

**Meeting:** Council Briefing  
**Date of meeting:** 01 September 2021  
**Reporting officer:** Calvin Thomas, General Manager – Northland Transportation Alliance

## Purpose | Ngā whāinga

The purpose of this paper is to provide Elected Members with an update on Kaipara Transportation activities delivered through the Northland Transportation Alliance (NTA) in the 2020/21 financial year (1<sup>st</sup> July 2020 – 30<sup>th</sup> June 2021).

## Context | Horopaki

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 Kaipara District Council is included within this update.

## Discussion | Ngā kōrerorero

Updates are provided for both the wider NTA Organisation and specific FNDC transportation activities for the twelve-month period of July 2020 to June 2021, aligning with existing Governance reporting provided to the Alliance Leadership Group.

On 1<sup>st</sup> July 2021 the NTA celebrated it's 5-year anniversary and, to commemorate this, a [Special 5<sup>th</sup> Anniversary Edition of our Mahi Tahi Newsletter](#) was published providing an overview of how the organisation has progressed, and a summary of some of what has been achieved to date.

## NTA Organisational Development

### NTA Staff Culture Survey results

The annual Staff Culture and Engagement staff survey was completed in June 2021 with results indicating good progress towards creating the desired culture within the organisation:

- 92% of staff participating in the survey, and
- a positive engagement of 66%.

While the engagement score is a small drop from last year (70%), similar engagement score reductions have also been seen in individual Council surveys and likely reflects the significant workloads placed on the team over the last year developing 2021/24 AMP submissions, supporting LTP & RLTP development and delivering a record Regional transport programme.

Over 80% of the organisation are proud to work for the NTA and understand how their work contributes to achievement of the organisation's goals, while approximately 30% raised concerns over workloads and fairness of remuneration.

Detailed survey results are being utilised to develop specific improvement plans for each department with the next engagement survey is scheduled for June 2022.

## NTA Deliverables, Vision and Values

The NTA worked with Waka Kotahi's Māori Liaison team to produce the Vision, Values and value descriptions in both Te Ao Māori and English.

<b>Mā te mahitahi ka waihanga te huarahi e manaaki ana i te tangata puta noa i Te Tai Tokerau</b> <b>Collectively creating better, safer and more accessible journeys across Northland</b>	
<b>Tuponotanga</b> <i>Integrity</i>	He hunga ngākau nui, e whakapono ana i tā mātou mahi i runga i te pono me te tika <i>We are honest in all we do, and we deliver with openness and transparency.</i>
<b>Te Auahatanga</b> <i>Innovative</i>	Kei te tūwhera te hinengaro kia pai ake ngā rautaki honohono i Te Tai Tokerau. <i>We are open and flexible in the ways we work to deliver a better transport network for Northland.</i>
<b>Te Mahi Ngātahi</b> <i>Team-Work</i>	Ko tā mātou, he mahi kia tūtuki ngā wāwata i runga i te whakaaro kotahi, kia kounga ngā mahi hoki i ngā wā katoa. <i>We work together as one to deliver better and safer transportation for the people of Northland.</i>
<b>Te Tikanga Tiaki Tangata</b> <i>Respect</i>	E mārama ana, mā te whakarongo ki ngā reo ā te tokomaha, ka kitea i ngā hua mō te katoa. <i>We acknowledge, understand, and accept diversity whilst supporting and celebrating good ideas.</i>
<b>Kaitiakitanga</b> <i>Custodians</i>	Ko tā tātou, he tiaki i ngā huarahi o Te Tai Tokerau. <i>Developing and improving Northland's transportation network.</i>
<b>Manaakitanga</b>	He kaupapa nui kia manaaki ngā kaimahi katoa, ā mātou hāpori, hapū, iwi me ā mātou manuhiri i runga i te ngākau māhaki. <i>Generosity and care for our people, our partners, our communities, and our visitors.</i>

## Health & Safety

Good progress has been made on the NTA improvement programme Health and Safety work stream, with the NTA H&S Incident Management process now approved. The communication plan with stakeholders to embed the NTA processes is presently being developed and work is underway to incorporate the new process within Maintenance Contracts.

A Standard on working in the Road corridor has been drafted and is currently out to consultation with the NTA's Subject Matter Experts.

Following a high number of utility strikes by Ventia, NTA met with Ventia's senior management to discuss the opportunities to improve risk management, reporting and investigation of incidents. Ventia have committed to rolling out Critical Risk Protocols with their staff and contractors, with key NTA staff attending the Ventia staff training session in Kerikeri. Other opportunities include the NTA and council Health and Safety Managers supporting Ventia with feedback on their reports and recommendations to improve better safety outcomes.

### High Potential Events:

There were three high potential events the last quarter (one on each District Council network), with details of the incident that occurred on the KDC network provided below:

Northpower issued a stop work order on the Pouto Road project work following an inspection by a Northpower permit issuer following a complaint received from member of the public that the work was undermining power cable poles.

- Stantec where contracted for both design and 'Engineer to Contract' for the work.
- Ventia had previously raised the risk with Stantec that the design took the work to close to the poles, but this did not result in any change the design.
- Northpower had initially issued permits to work but these were time limited and by the time the stop work order was given the work permits were out of date by four days.
- While this was a near miss incident, potential existed that the undermining of the pole foundations could have resulted in one or more poles (and associated 11kV overhead lines) falling.
- As a result of the potential consequences this has been treated as a serious incident.

*Key actions, learnings, and recommendations:*

- New plans were produced to safely work around the poles.
- Northpower agreed the plans and subsequently issued new Work Permits.
- Work took place to stabilise the affected poles and place back the surface that was removed.
- Ventia staff are to be trained in working safely around utilities as part of the planned Critical Risks protocols training; and
- The NTA are to discuss project design, planning and management concerns with Stantec over the planning and management of the project.

## Road Safety Update

*Road Trauma Update: 2021 Year to date road death statistics*

Fatalities this year	Far North	Whangārei	Kaipara	Northland	National
Local roads	2	2	2	6	99
State highways	5	3	7	15	89
<b>TOTAL</b>	<b>7</b>	<b>5</b>	<b>9</b>	<b>21</b>	<b>188</b>
% Local Roads	29%	40%	22%	29%	53%
% State Highways	71%	60%	78%	71%	47%

As demonstrated in the table above, 71% of Northland's 21 road deaths in the first six months of the current calendar year have occurred on the State Highway network (vs. 47% nationally).

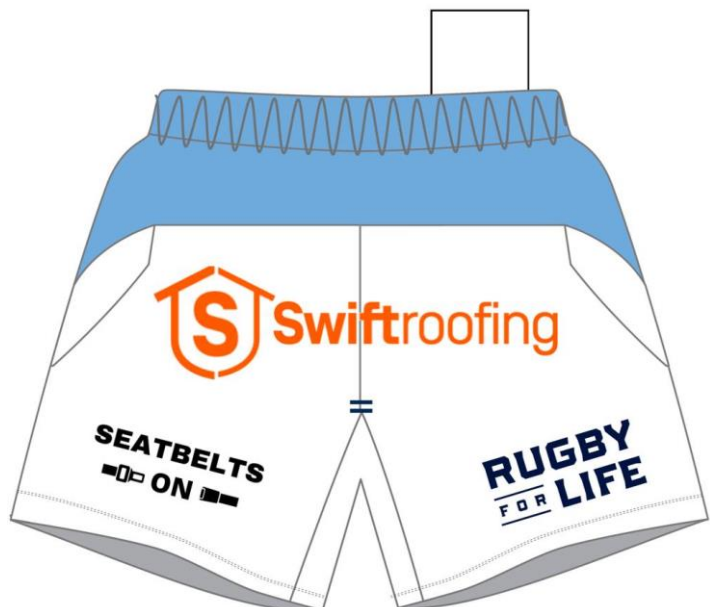
Driver behaviour and mistakes continue to be key factors in Northland's crashes.

*Road Safety Promotion/Media:*

Advertising themes in the Road Safety Advertising Calendar 2021/22 for the months of July and August are 'Alcohol, Safe Vehicles, Speed and Restraints'.

Northland Road Safety have also sponsored the Northland Rugby Union NPC team with an important message of 'Seatbelts On'. The Northland Road Safety team were invited to an induction session with the players and with the support of Northland Police to present on this message and relay its importance (Police media release - [Players kicking off with safety campaign | New Zealand Police](#)). We also encouraged the players to have discussions with their communities about road safety.

The first competition match will be Saturday August 7th and the logo will be on all players shorts for every game.



## Financials

Expenditure across the Region for “Business as Usual” activities in the 2020/21 financial year was 92.1% of total budget, with the total expenditure (\$143.1m) for NTA managed work in the 2020/21 year being 53% greater than the 2019/20 financial year (\$93.3m).

KDC’s 2020/21 total transportation expenditure delivered through the NTA (\$29.7m) was approximately 49% greater than 2019/20 (noting COVID impact on 2019/20 final quarter delivery) as summarised in the table below.

	Full expenditure (July - June)		Year on Year comparison	
	2019/20	2020/21	\$	%
KDC (BAU)	\$ 19,986,000	\$ 23,270,647	\$ 3,284,647	16%
KDC (NTA Managed Ext. Funding)	Included Above	\$ 6,433,995	\$ 6,433,995	100%
	<b>\$ 19,986,000</b>	<b>\$ 29,704,642</b>	<b>\$ 9,718,642</b>	<b>49%</b>

### Waka Kotahi NZTA 2020/21 subsidy uptake

The average District Council uptake of Waka Kotahi subsidies was >95% available 2020/21 subsidy funding, with Kaipara having an uptake of 94.3%. A summary of the Waka Kotahi NZTA 2020/21 subsidy uptake for Kaipara District Council subsidised works, with detail on unclaimed subsidy, is provided in the tables below:

Council	Budget		Claimed		Unclaimed		% Claimed	
	Total Cost	NZTA Share	Total Cost	NZTA Share	Total Cost	NZTA Share	Total Cost	NZTA Share
KDC	\$ 23,627,956	\$ 14,803,896	\$ 22,265,964	\$ 13,959,460	\$ 1,361,992	\$ 844,436	94.2%	94.3%

Kaipara District Council - Unclaimed Subsidy Details				
Work Category	Unclaimed		Comments - reason for underspend	
	Total	NZTA Share		
Promotion of Road Safety	\$ 126,592	\$ 78,488	Insufficient staffing to complete programme	
Mangawhai Shared Path - Implementation (Phase 1)	\$ 1,235,400	\$ 765,948	Project contract award delayed start; Funding carried over	
<b>Total unclaimed</b>	<b>\$ 1,361,992</b>	<b>\$ 844,436</b>		

KDC’s unsealed road expenditure ended the year with expenditure ahead of budget, with overspend in these categories covered through reallocation of other maintenance budget line items. The primary budget line items related to routine unsealed road maintenance are:

KDC Unsealed Network activities	Budget	Full Year expenditure (July - June)	% Complete
Unsealed Road Metalling	\$ 2,201,000	\$ 2,204,548	100%
Drainage Renewals *	\$ 764,714	\$ 814,749	107%
Unsealed Pavement Maintenance	\$ 1,931,000	\$ 2,345,170	121%
Routine Drainage Maintenance *	\$ 650,613	\$ 653,476	100%
	<b>\$ 5,547,327</b>	<b>\$ 6,017,943</b>	<b>108%</b>
* Budget item(s) cover both sealed & unsealed networks			

In addition to the above routine unsealed road activities, the first of three construction seasons for the Externally Funded (\$8.06m) Unsealed Network Improvement programme is now complete.

As at the end of June 2021, \$2.7m (33.7%) of total funding had been expended, with 43.3km of heavy metaling and associated improvements fully completed. Improvements and design work continue, with season 2 of the heavy metalling programme scheduled for the Spring 2021 construction season.

Status	Total KM's
Completed	43.3
Underway	103.7
Design	56.6
Not Started	55.8
<b>TOTAL (including contingency)</b>	<b>259.4</b>

Operational management and specialist staff continue to be utilised to complete tasks across the three District Councils, with 20.7% of KDC work completed by NTA employees of other Councils. The following table demonstrates the percentage of hours attributed to each Council for the year is relatively well aligned with each Council's portion of overall NTA managed District Council expenditure.

NTA Managed District Council Expenditure	YTD Expenditure (1st July 20 - 30 June 21)	YTD % of Expenditure	YTD NTA Hours	YTD Hours %
FNDC	\$ 57,683,178.24	41.4%	35,992	39.0%
KDC	\$ 29,704,642.11	21.3%	21,059	22.8%
WDC	\$ 51,859,209.85	37.2%	35,142	38.1%
<b>Total</b>	<b>\$ 139,247,030.20</b>		<b>92,193</b>	

## Operational Highlights

### Asset Management & Strategy

The final 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. The funding requests for each Council was moderated by Waka Kotahi staff over the period to May 2021. At the end of May Waka Kotahi NZTA advised each Council of the indicative funding for the Maintenance Operations and Renewals funding, (MO&R) for the 2021-24 period. These figures for KDC are:

Requested total (Gross\$) 21/24	Indicative Funding	Shortfall vs. requested	Previous Allocation (18/21)
\$ 55.8m	\$49.6m	\$6.2m	\$44.7m

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 announced by the Minister of Transport on at the end of August before being published by early September 2021. Aligned with this timing:

- The confirmation and details of the indicative funding will not be made available until September 2021.
- Details of the Capital programmes, Low Cost Low Risk (projects under \$2M) and Major Improvement Works (projects over \$2M) will also not be released until September 2021.

A paper outlining funding outcomes and associated recommendations will be provided to Council for consideration following staff assessment of any funding loss.

The Asset Strategy and Planning Team are presently developing interim budgets and projects briefs for the new year to enable the NTA Delivery teams (Maintenance and Capital) to start this year's programme of works.

Future Activity Management Plan (AMP) improvement projects that the team are working on for the 2021/22 year include:

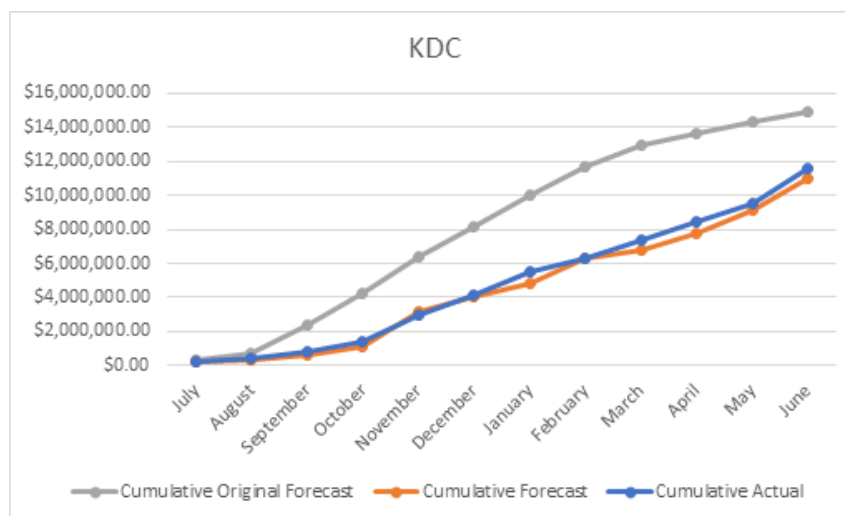
- One Network Framework (ONF) integration into our RAMM databases.
- Combining the 3 Councils RAMM database and introducing the Asset management Data Standard (AMDS).
- Transportation Procurement Strategy refresh, (completed).
- Unsealed road data collection - condition and dust.
- Increasing detailed understanding of the unsealed road Lump Sum items in the Maintenance Contracts



## Capital Works & Procurement

As demonstrated in the graph and tables below, the value of capital and renewals project work delivered in 2020/21 ended the year with a 56.8% spend of total final budget, noting that full funding amounts for MBIE funded projects were included in KDC's 2020/21 budget figures. (These projects have separate MBIE milestones independent to financial year, with funding carried over for completion in 2021/22)

	Subsidised programme	Unsubsidised programme	Total programme
Budget	\$7,550,071	\$12,782,879.00	\$20,332,950.49
Actual	\$7,366,902	\$4,186,227.70	\$11,553,130.45
Difference	\$183,168	\$8,596,651.30	\$8,779,820.04
% spend	97.6%	32.7%	56.8%



### End of year summary

- Achieved delivery of 97.6% of the *subsidized* capital works budget.
- While the unsubsidised spend is reported at 32.7%, as noted above the following MBIE funded projects have separate MBIE milestones independent to financial year, with funding carried over for completion in 2021/22:
  - PGF – Kaihu Valley Rail Trail.
  - PGF – Mangawhai shared path.
  - PGF – Waipoua River Road.
  - PGF – Kaiwaka Bridges.
  - PGF – Pouto Road Phase 1.

## MBIE Worker Redeployment programme

The Te Tai Tokerau Worker Redeployment Funding programme was fully completed on 18<sup>th</sup> June 2021, with total funding of \$13.32m (\$9.32m original + \$4m storm variation) fully expended. Through administering the funding contract through Whangarei District Council, via the Northland Transportation Alliance (NTA), staff were able to leverage off existing Maintenance Contract arrangements to initiate works quickly and enable engagement of smaller local contractors. Several of these contractors faced uncertain futures following the level 4 restriction period and the injection of funding provided surety of forward works for a 6-month period allowing contractors to engage additional resources with confidence.

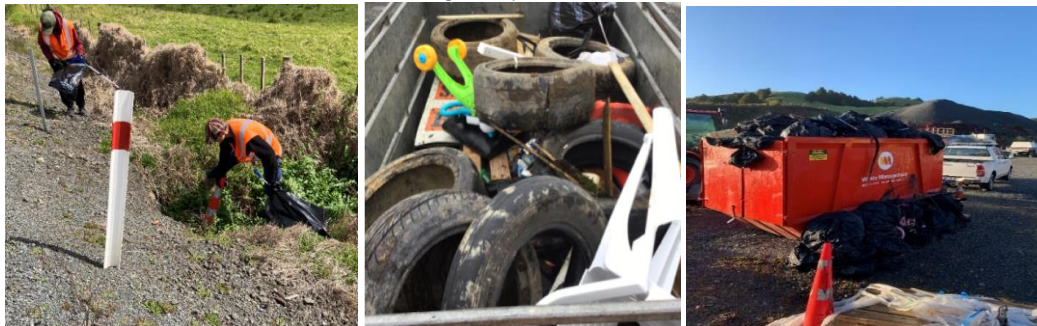
Early collaborative engagement with key stakeholders including Northland Council representatives, local MBIE staff, Ministry of Social Development (MSD), Te Puni Kōkiri and Northland Inc. ensured the programme Social Procurement objectives were developed and agreed to support the achievement of the programme deliverables.

The engagement of at least 294 workers on this programme (111 of whom were previously unemployed) ensured that a significant proportion of the funding returned through the Te Tai Tokerau local economy. At least 93% (103) of those employed specifically for the programme remain permanently employed in July 2021, either through transitioning to fulltime employment with the respective contractors or utilising the skills and training acquired on the programme to secure alternate employment.

Approximately \$5.035m (54% of Original Programme funding) reported as being awarded to, and completed by, Locally owned Northland enterprises, with approximately \$1.38m (15% of Original Programme funding) of this locally awarded work reported as being awarded to, and completed by, Local Maori / Pasifika owned Northland enterprises. The balance of the expenditure was completed by Northland's Tier 1 roading maintenance Contractors (Fulton Hogan, Downer, Ventia) who, although not locally owned, provide for significant local employment and procurement of goods and services.

In addition, the volume of rubbish collected through the programme was estimated as:

- **NRC Waterways** – over 20 tonnes of illegally dumped refuse removed from Northland rivers and roadsides.
- **Council roadside** – Over 2000 individual bags of rubbish, several fridges and tyres removed from berms areas along Northland Council's local roads.
- **State Highways component** - up to 20 tonnes of litter was been collected from roadsides on the Northland State Highway network



*A copy of the final project close-out report is included as an attachment to this report*

## Maintenance & Operations

Through the remarkably busy last quarter of the financial year the five Maintenance and Renewals Contracts have maintained their construction momentum, successfully completing all planned renewals and additional externally funded (MBIE, PGF and TIF) upgrades.

The NTA are pleased with the overall delivery of the annual Renewals and Projects. The inclusion of significant funding from MBIE for Shovel Ready stimulus works created new employment opportunities and led to significant clearance of wilding pines and other hazardous trees, acceleration of stormwater upgrades and footpath construction. In addition, the Provincial Growth Fund continues to fund delivery of much needed seal extensions presently underway, along with improvements to rural unsealed roads throughout the Region.

Core routine maintenance works, particularly on unsealed roads, remain an area for focus for incremental improvement.

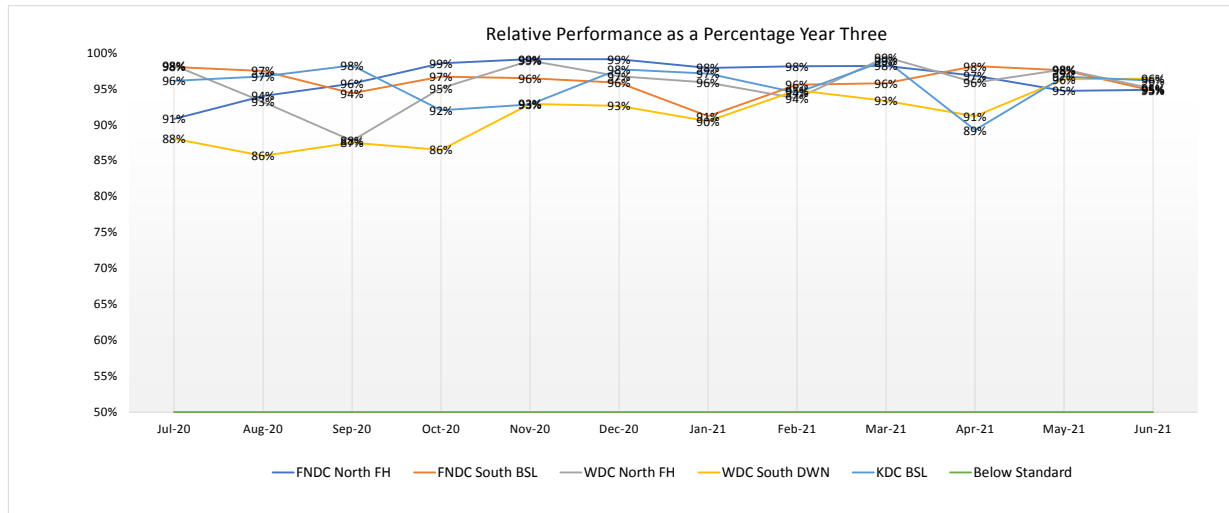
### *Contractor Management and Performance*

The requirement to meet response times remains a priority that all the Contractors are presently falling behind on. Non-Conformance Records (NCRs) have been issued where response times are behind, with payment penalties applied to the respective monthly claims.

The 2020/21 average monthly compliance score achieved was >90% across all five of the Maintenance & Renewal Contracts.

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

As demonstrated in the following “Year 3” KPM graph, there is now consistency of contractor performance measured against the contractual KPM’s across all five contracts.



While a good result, further to previous comments regarding core maintenance activities, there remains a concern that the performance scores do not truly reflect the actual condition of the roads, particularly the unsealed roading networks.

The NTA has recently activated KPM No's 28 and 29 (both previously excluded while objective measurement methodology was developed). These KPM's measure and report the statistical compliance of workmanship quality, both for routine works (Lump Sum/month) and ordered works (measure and value tasks).

Further review and analysis of the KPM statistics is underway to ensure ongoing confidence to activate the first Contract rollover at the end of June 2022. A report to each Council is planned for early in Quarter 2 2021/22 advising of the Contract roll-over triggers, conditions and recommendations.

The NTA continues to highlight to Waka Kotahi the critical need for increased funding through the AMPs (and respective subsequent LTPs) with respect to maintenance, particularly in the areas of enabling the repair of sealed road defects within the year prior to the resealing and increasing the unsealed aggregate quantities.

Contractors monthly achievement data has been tabulated for month-by-month comparison and likeness between networks (Contractor) enabling the NTA to highlight any trends and/or significant variance that can inform ongoing activity focus areas and Asset Management Plans for future funding projections.

- For June, grading in all networks was higher than normal monthly averages except for FNDC North Area (Fulton Hogan), who had an exceptionally higher than normal km length grading achievement in the month prior (May).
- Data showed record infilling of unsealed road potholes across all Districts (as expected in onset of wet winter conditions) with sealed road pothole numbers just below normal monthly averages.
- KDC, FNDC North Area and WDC South Area had huge increases in roadside drainage quantities achieved for June, helping improve network resilience in the lead up to winter.
- Sealed road repairs were understandably low with this activity not actively programmed because cold, wet conditions reduce quality and effectiveness of chip seal repairs.



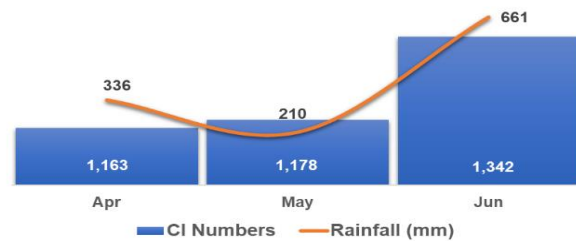
## Customer Interactions

Fourth Quarter Comparisons			
District	2018/19	2019/20	2020/21
Far North	1,175	725	1,176
Kaipara	612	403	697
Whangarei	1,545	1,258	1,810
<b>Total</b>	<b>3,332</b>	<b>2,386</b>	<b>3,683</b>

Table 1: Quarter on Quarter comparisons

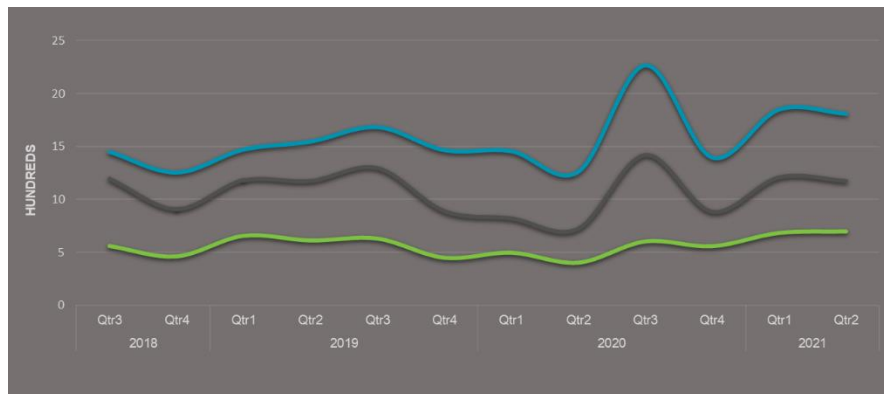
Figures within Table 1 demonstrate that the volume of Customer Interactions has increased when measured against the previous two comparative quarters, noting the final quarter of 2019/20 produced a large 'artificial' decrease in numbers through COVID 19 Level 4 & 3 lockdown periods.

As demonstrated in Graph 1, there was a significant volume increase recorded in June, corresponding with high recorded rainfall levels negatively impacting road quality (particularly on the unsealed networks)



Graph 1: Total interactions & rainfall by month

The chart below commences from the 1st July 2018, providing sufficient historical data to look at associated trends, noting the volume spike in Q3 2020 related to the significant rainfall event (17th July) and subsequent network damage.



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

## Attachments

Attachment 1: Project Close Out Report - Te Tai Tokerau Worker Redeployment Package

## Next steps | E whaiake nei

This briefing report is provided for the information of KDC Elected Members. A further update summarising the first quarter 2021/22 achievements and outcomes will be provided at the December 2021 Council Briefing.