

**Land
Transport
Activity
Management
Plan
2024-27**

**EXECUTIVE
SUMMARY**

Like any national investment going forward, our transport network must begin to contribute, not just to physical assets, but also to environmental, social, human and cultural wellbeing aspects.

Increasing frequency and intensity of adverse natural events are significantly damaging the network. Emergency responses result in resource re-allocation, affecting delivery of planned business-as-usual activity, let alone any pro-active work.

Executive Summary

Overview

As part of its statutory obligations, every three years Marlborough District Council (MDC) must undertake a review of its Land Transport Activity Management Plan (LTAMP).

The review is shared with Marlborough Roads, the district's roading office, which is a joint initiative between Waka Kotahi (NZ Transit Authority) and MDC. Marlborough Roads is responsible for the management of both Waka Kotahi-owned State Highways in Marlborough and MDC-owned roads.

The purpose of this LTAMP is to illustrate the asset management practices and appropriate levels of service and asset management maturity at which the MDC will operate. This plan presents the strategic reasoning linking local, regional and central government policy directions with the business case approach (and options) for investment in land transport.

This document gives details of the work programme that is planned to be undertaken along with the required investment to maintain the network to an appropriate condition.

The review exercise ensures that the Marlborough region is strategically aligned with national transport policy and that MDC's investments achieve the requirements set out within the latest Government Policy Statement on Land Transport (GPSLT) and MDC Regional Land Transport Plan (RLTP) among others.

It also provides an opportunity to reflect on how MDC is progressing with the transport aspects of its current 10-year Long Term Plan (LTP), what changes have occurred and whether it needs to reprioritise its investment objectives. The 2024 -2027 LTAMP gives effect to the planned transport-related activities and the outcomes determined in the 2021-31 LTP.

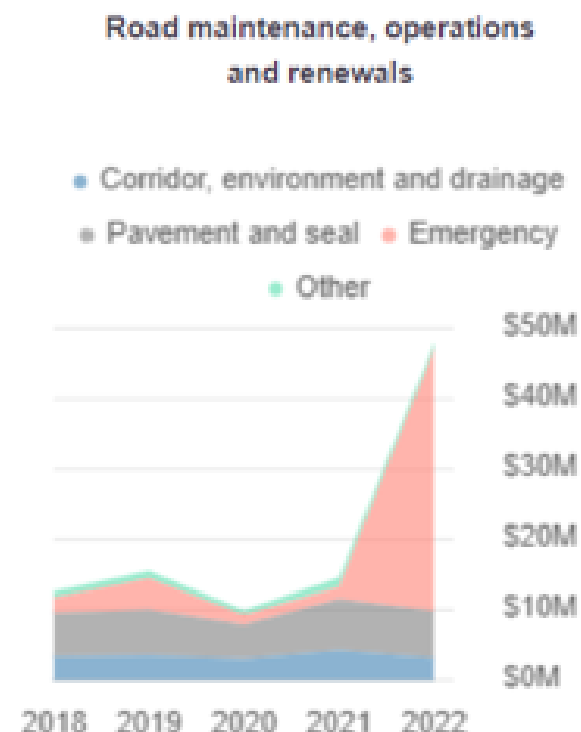
The Case For Change

Marlborough has suffered multiple high intensity rainfall events over the last two years which have caused significant damage to the transport network. The largest event, in August 2022, caused over 2,750 faults and affected more than 500km of road.

In addition, the region is still recovering from the large earthquakes of 2013 and 2016. Some of the damage has only surfaced recently with the major storm events.

During the 2021-24 LTAMP cycle, MDC's focus was on restoring the network impacted by adverse climate events. Since then, a major capital improvement business case has been developed to address the shortfall in funding to complete the work.

The reinstatement of the network has been and will continue to be a huge task that eats up both time and resources. An unintended consequence is the required reallocation of staff to emergency work means that we continue to fall short of meeting national and local demands and expectations associated with levels of service and embedding new ways of working to enable better decisions to be made. This is further compounded by rapidly rising construction costs, resulting in us getting less than we had planned for.



Above: An extraordinary amount of emergency work was required in the Marlborough region in 2022.

Below: Like other councils across New Zealand, MDC is faced with reconciling two very conflicting imperatives.



The Strategic Case

Reconsidering Demand Drivers

This document follows the Wellbeing Approach, which considers the economic, environmental, social, and cultural drivers for transport investment.

Strategic Alignment

The LTAMP benefits must align with: MDC's LTP community outcomes; Regional Land Transport Plan, Transport Outcomes Framework, Ministry of Transport.

It also aligns with the One Network Road Classification (ONRC). The approach details how we will move to the One Network Framework (ONF), which classifies the transport network into street categories based on movement and place functions.

Investment Review Process

In the preparation of this LTAMP, MDC ran an engagement process using **Investment Logic Mapping** (ILM). This ILM involved a series of facilitated workshops, attended by key stakeholders.

The Problems

Through the engagement process, MDC identified four main problems with the current state of the transport network:

- **Adverse natural events** are damaging below-par assets, making the road network unsafe
- **Emergency response** to natural events results in the re-allocation of resources, affecting delivery of planned LTAMP activity
- **Rapidly raising construction costs and inflation** result in a reduced LTAMP programme of work
- **Existing roading infrastructure design** does not promote safe multi-modal transport options.

Executive Summary

Benefits

We defined four benefits that could be realised if the problems were effectively addressed:

- **Safe and accessible transport system** for all road users and communities
- **Improved resilience** of the transport network to natural hazards and disruptions
- **Improved economic sustainability** and value for money of transport investments
- **Increased environmental and social opportunities** through transport services.

Strategic Responses

This document outlines four strategic responses that are required to address the problems and achieve the benefits:

- **Improve safety and resilience** of transport assets
- Build a **sustainable, affordable transport system**
- **Increase delivery capability and capacity** across the region.
- **Support strategic and informed decision-making** by implementing the One Network Framework (ONF).

Longer Timeframe Required

We must improve the safety and resilience of our transport assets to meet the unpredictable damage caused as a result of climate change. This requires people and our small team is committed to sorting this out. However, we do recognise this is going to take time and our approach going forward requires a longer-term focus rather than the typical three-year horizon.

Our solution is to broaden the scope of our thinking from three years to 10, and from one LTAMP to three over the next decade.

Outline Approach

Our priority is to improve the safety and resilience of our network and continue to maintain the network to the current levels of service. This is the focus for our **2024-2027 LTAMP** period.

Our priority in **the 2027-2031 LTAMP** will be to build delivery capability and capacity and implement best practice asset management principles and the ONF so that we can understand how to fund and prioritise expenditure across the transport assets from a wellbeing perspective.

The final priority will be to use the intelligence developed in the previous LTAMP period to seek the required funding to build a sustainable transport system. The work will commence in **the 2031-2034 LTAMP** period.

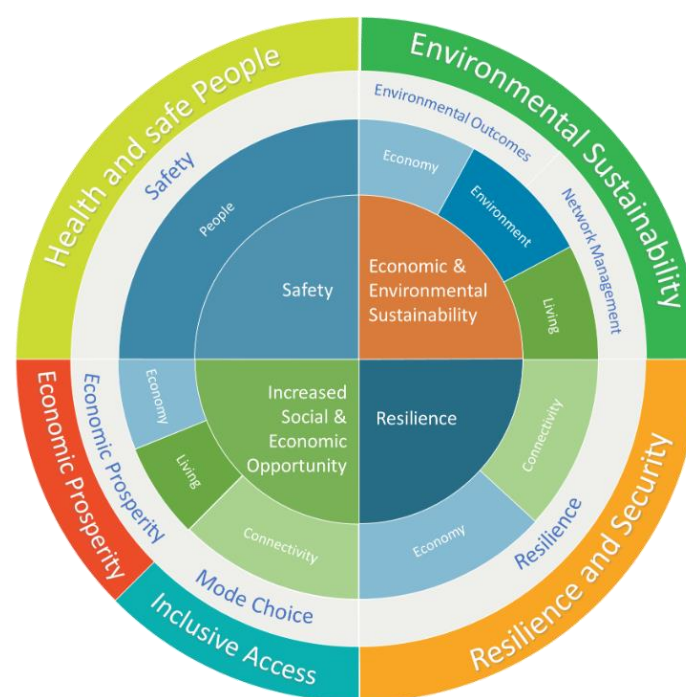
By taking this long-term approach we can resolve the problems that are currently being experienced and achieve the benefits desired.

Network Importance

The Marlborough road network is MDC's most valuable asset (\$1,041 million). More importantly, we recognise the vital role that local roads have in connecting communities, businesses and markets and that our transport network enables economic growth for the region in our primary and secondary sectors.

Tourism is predicted to continue as a growth industry, the marine farming industry may expand with legislative change, forest harvests are predicted to increase, although the timing of this increase will be influenced by wider external economic factors, and although grape growing in conjunction with wine production has experienced challenges in the past years it is at this stage predicted to continue to grow.

Communities have access to a safe transport system.	Improved Resilience.
Improved Economic and Environmental Sustainability.	Increased social and economic opportunities for people in the region



Above: Aligning benefits to local, regional and national priorities.

Executive Summary

The Programme Case

Three investment options are proposed for the 2024-2027 LTAMP, with different levels of scope, budget, risk, and benefits.

The options are:

- Option 1: **Minimum Budget** - focuses on storm recovery and essential network improvements but fails to meet many levels of service and strategic outcomes.
- Option 2: **Conservative Budget** - slightly improves the network condition and performance, but still falls short of some targets and benefits.

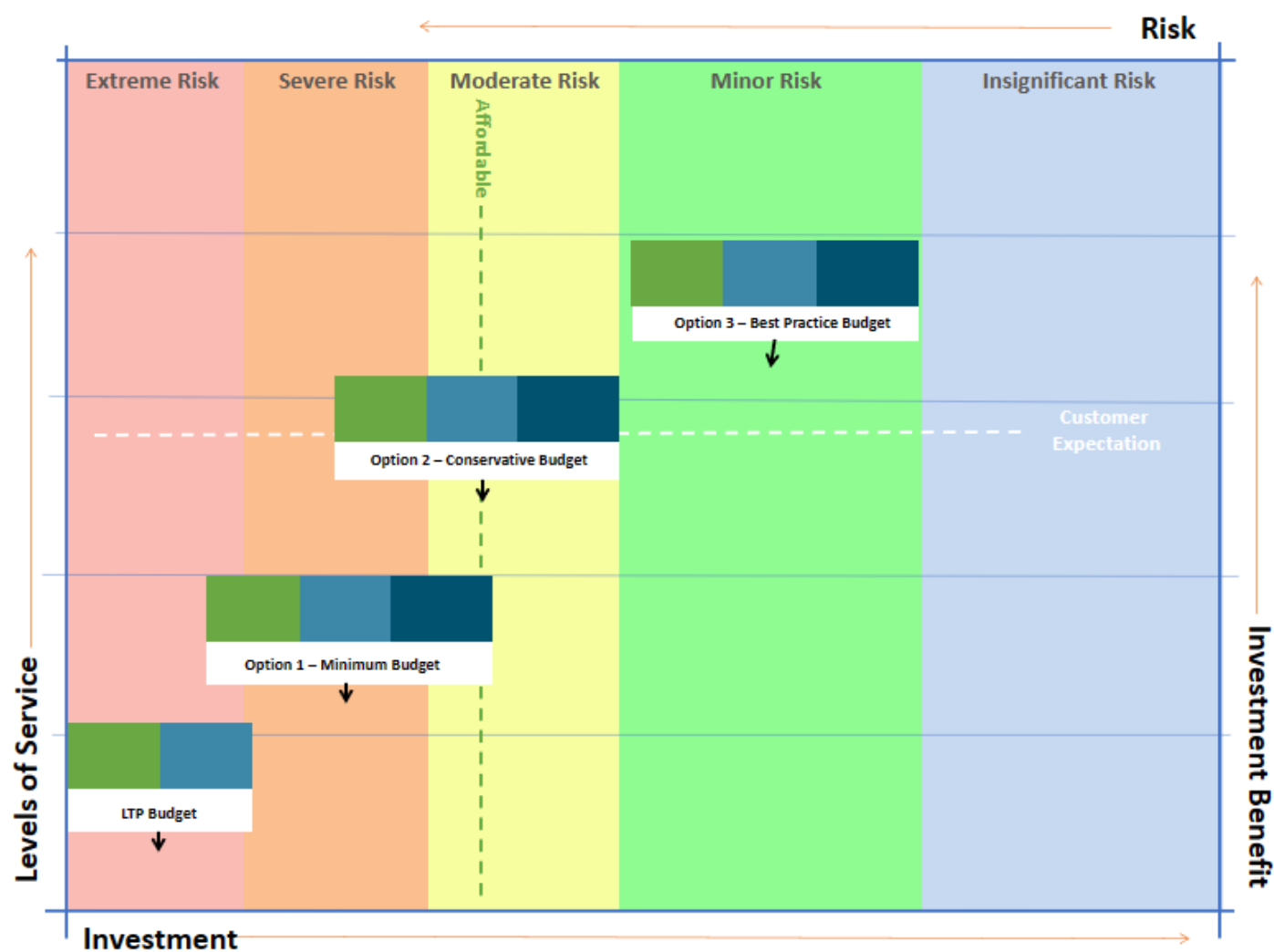
- Option 3: **Best Practice Budget** - significantly improves the network and delivers all the planned benefits but is not affordable to the ratepayers.

The document uses a multi-criteria analysis to assess the options and recommends Option 2: Conservative Budget as the preferred option for the LTAMP, as it is a balance between affordability and achievability and aligns with the strategic responses and critical success factors.

The programme of works for the preferred option includes two main components:

- **Strategic & Major Capital Improvements Programme**
- **Renewals and Maintenance Programmes**

Below. Option 2: Conservative Budget is preferable as it best balances affordability and achievability.



Strategic & Major Capital Improvements Programme

Tranche 1.1: Recover Network & Build Safety & Resilience

Storm Recovery:

- Develop Emergency Works Storm Response Business Case (Alternative Funding).
- Rebuild damaged assets in accordance with Emergency Works Business Case (Alternative Funding).

Network Improvements

- Invest in Network Improvements.

Speed Management

- Invest in Speed Management Improvements.

Maintenance & Renewals Programmes

Tranche 2: Renewals Programme

Vested Assets + Minor Improvements + Sealed Road Resurfacing + Structures Component Replacement + Pavement Rehabilitation + Traffic Services + Unsealed Road Metalling + Environment + Cycle Paths + Drainage + Footpaths + Bridges + Wharves & Jetties

Tranche 3: Maintenance Programme

Asset Management Planning + Concrete Footpaths + Cycle Paths + Emergency Reinstatement + Environmental + Level Crossing Warning Devices + Minor Events + Operational Traffic Management + Network And Asset Management + Regional Land Transport Planning + Routine Drainage + Road Safety Programmes + Sealed Footpaths + Sealed Pavement + Structure + Traffic Services + Unsealed Pavements

Above. Details of the proposed programme of works for the preferred way forward.

Executive Summary

Confidence In Delivery

To address the challenges the transport network faces there are three established dedicated teams.

Marlborough Roads provides the management and coordination function.

The **Network Operations Contract** team ensures the physical ongoing maintenance and operation of the assets.

Finally, the **Storm Recovery Team** has been set up to deliver the physical repairs that are required to respond to the damage caused in the 2021 -2022 storm event.

Financial Summary

The financial summary of the LTAMP is shown opposite. The Storm Recovery work is to be funded separately and has therefore not been included. Both subsidised and unsubsidised budgets have been provided to show the full extent of the expenditure planned over the next three years.

Affordability

As part of the LTAMP process the three investment options were presented to the council. The original planned budgets are insufficient to meet the needs of the network due to increasing construction rates and inflation. Activities, outcomes, levels of service, risks and associated costs were presented for each option. The council approved the additional expenditure associated with the conservative budget, providing an affordable option to the region's community.

Budget Category	Original 3-year MDC LTP Budget	Conservative 3-year Budget
Subsidised Maintenance	\$ 28,609,489	\$ 49,928,970
Subsidised Renewals	\$ 37,314,783	\$ 48,261,262
SUBSIDISED SUB TOTAL	\$ 65,924,272	\$ 98,190,232
NETWORK IMPROVEMENTS & SPEED MANAGEMENT	\$ 2,946,754	\$ 10,825,000
TOTAL BUDGET	\$ 68,871,026	\$ 109,015,232
TOTAL INCREASE		\$ 24,387,714
Total Council Contribution (minus FAR 51%)	\$ 33,746,803	\$ 11,949,980

Suggested Next Steps

The incoming coalition government has already announced :

- \$1.2 billion Regional Infrastructure Fund
- A new national infrastructure agency
- A cabinet-prioritised 30-year investment pipeline

The next six months offer a clear opportunity for the MDC (and other regional partners) to proactively engage with the incoming government to influence policy agenda on infrastructure and economic development.

In doing so, we can hopefully also secure budget allocation and gain momentum for initiatives like this one, whilst opening the conversation on our long-term approach.

This LTAMP lays the foundation for MDC's 2024 update to its Long-Term Plan to advocate for a place-based partnership between central and local government to spur growth through effective investment and collaboration.

Strategic planning and implementation in a country the size of New Zealand is most appropriate at the regional level, effectively the lowest level of government capable of addressing infrastructure and economic investment issues effectively.