

**MEETING OF THE  
REGIONAL LAND TRANSPORT AND PUBLIC PASSENGER TRANSPORT  
PORTFOLIO COMMITTEE**

**TO THE CHAIRPERSON AND MEMBERS OF THE  
COMMITTEE**

Cr N J Wagner (Chairperson – PPT)  
Cr J M Waters (Chairperson – RLT)

Cr R A Budd  
Cr T K Burke  
Cr A S Carroll  
Cr R I R Little  
Cr A G Neill  
Cr M E Oldfield  
Cr W E Woods

A meeting of the Committee will be held on

**Wednesday, 15 November 2006 at 1:00 p.m.**

**VENUE:** Council Chamber  
First Floor  
Pegasus Building  
58 Kilmore Street  
**CHRISTCHURCH**

**BUSINESS:** As per Order Paper attached

Dr Bryan Jenkins  
**CHIEF EXECUTIVE**

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE TAKEN  
AS COUNCIL POLICY UNTIL ADOPTED BY COUNCIL**

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## COMPLIANCE WITH LOCAL GOVERNMENT ACT 2002 DECISION-MAKING REQUIREMENTS

Except as below, a statement of compliance and a completed decision checklist is required for any agenda item on a council committee or the council recommending that a decision be made. This will be the responsibility of the person signing off the agenda item.

### The compliance statement and checklist will not be used for:

- Recommendations that information be received or that the Council make a decision.
- Decisions taken under the Resource Management Act 1991 or the Biosecurity Act 1993 in relation to resource consents, decisions required when following the procedures set out in Schedule 1 of the Resource Management Act 1991, other permissions, submissions on plans, or references to the Environment Court.
- Decisions taken to proceed with enforcement procedures under various primary or secondary legislation or regulations, including procedures under the Resource Management Act 1991, the Biosecurity Act 1993, the Local Government Act 2002, and Environment Canterbury Bylaws.
- Administrative and personnel decisions that are entirely internal to Environment Canterbury.
- Other decisions where the procedures to be followed are set out in Legislation.

### COMPLIANCE STATEMENT

The council committee (or the council) must formally certify that:

- (a) It is satisfied that it has sufficient information about the options and their benefits and costs, in terms of the region's social, economic, environmental and cultural well-being and the effects on community outcomes, bearing in mind the significance of the decisions.
- (b) It is satisfied that it knows enough about and has given adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decision.

### INFORMATION CHECKLIST

(a)	A Statement of the Proposed Decision
(b)	A Statement of the Objective of the Proposed Decision and the Issue or Problem being addressed
(c)	A list of all reasonably practicable options, (including doing nothing).
(d)	For each option in (c): An evaluation of the Benefits and Costs, in terms of the region's social, economic, environmental and cultural well-being.
(e)	For each option in (c): A statement of the extent to which community outcomes would be promoted or achieved in an integrated and efficient manner.
(f)	For each option in (c): A statement of the Impact, if any, on Environment Canterbury's capacity to undertake its statutory responsibilities
(g)	If the Proposed Decision is a significant decision in relation to land or a body of water, a statement of how Maori values have been taken into account
(h)	A Statement of significant inconsistencies, if any, with any Existing Policy, Plan or Legislation arising from the Proposed Decision.
(i)	A statement how the views and preferences of affected or interested persons have been given adequate consideration during the definition of the problem or issue, the objective, the assessment of options and the development of the proposed decision, including the particular contribution of Maori to the decision-making process.

### Notes:

The significance of proposals and decisions determines how much time, money and effort is put into exploring and evaluating options and obtaining the views of affected and interested parties. The significance of proposals and decisions is determined through reference to criteria contained in the policy on significance.

The policy on significance together with Section 76 of the Local Government Act 2002 set out the Council's requirements in relation to decisions. Some decisions can only be made through the Long-Term Council Community Plan, or after the Special Consultative Procedures set out in the Act have been used, (refer to the policy on significance and the Act).

All decisions of Environment Canterbury are subject to the decision-making requirements of section 76 of the Act unless inconsistent with specific requirements of other legislation.

**ENVIRONMENT CANTERBURY**

**REGIONAL LAND TRANSPORT AND PUBLIC PASSENGER TRANSPORT  
PORTFOLIO COMMITTEE**

**ORDER PAPER**

1. APOLOGIES
2. MINUTES OF MEETING – 19 June 2006
3. MATTERS ARISING
4. MINUTES OF MEETING – 17 August 2006
5. MATTERS ARISING
6. DEPUTATIONS AND PETITIONS

**(a) Regional Land Transport**

**MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE**

7. 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES

**(b) Public Passenger Transport**

**MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE**

8. 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES
9. NOTICES OF MOTION
10. EXTRAORDINARY AND URGENT BUSINESS
11. QUESTIONS
12. NEXT MEETING – TBA

## **ENVIRONMENT CANTERBURY**

### **REGIONAL LAND TRANSPORT AND PUBLIC PASSENGER TRANSPORT PORTFOLIO COMMITTEE**

MINUTES OF THE MEETING OF THE REGIONAL LAND TRANSPORT AND PUBLIC  
TRANSPORT PORTFOLIO COMMITTEE HELD ON MONDAY 19 JUNE 2006 IN THE  
WAITAKI ROOM, FIRST FLOOR, PEGASUS BUILDING, 58 KILMORE STREET,  
CHRISTCHURCH FROM 1.35PM.

#### **CONTENTS**

1. APOLOGIES
2. DEPUTATIONS AND PETITIONS
3. MINUTES OF MEETING – 7 JUNE 2006
4. MATTERS ARISING
5. TRANSPORT SERVICES LICENSING REVIEW
6. HALSWELL BUS
7. NOTICES OF MOTION
8. EXTRAORDINARY AND URGENT BUSINESS
9. QUESTIONS
10. NEXT MEETING

#### **PRESENT**

Chair N J Wagner (Chairperson Public Passenger Transport Portfolio), Crs T K Burke, A S Carroll, R I R Little, Crs J M Waters and W E Woods.

#### **IN ATTENDANCE**

Cr R M Kirk

#### **MANAGEMENT AND STAFF PRESENT**

K G Lawn (Director Operations), J Atkinson (Portfolio Manager Transport) W Holton-Jeffreys (Manager Passenger Services), S Ussher (Passenger Services Operations Planner), and L M McDonald (Administration Officer)

#### **1. APOLOGIES**

Cr Oldfield

#### **2. DEPUTATIONS AND PETITIONS**

##### **'FLIER' PRESENTATION**

Brian Woolsey and Kevin Murray tabled notes in support of their presentation on a commuter rail option (FLIER – fast, light, integrated economic rail service). This was

a follow up to their recent submission to the Draft Long Term Council Community Plan.

Mr Woolsey explained that the proposal involved new technology, similar to the light rail that used to run to the Wairarapa, which is cheaper than trains. As the design of the carriage is closer to the ground, railway stations are not required, which makes the operation cheaper and more accessible.

The idea was for the rail service to link in with existing buses routes at points like Papanui, Hagley Park, Addington and Woolston. They would also be investigating providing tourist services during off-peak times.

In response to a question regarding funding, Mr Murray explained that fare collection is the biggest cost and suggested that their service could be part of a multi-charged ticketing system. Approaches have been made to Toll NZ, but so far they have expressed misgivings regarding the non-traditional rail technology.

### **3. MINUTES OF MEETING - 7 June 2006**

#### **Resolved**

***That the minutes of a meeting held 7 June 2006, as circulated, were taken as read and confirmed as a true and accurate record.***

Cr Woods/Cr Waters

### **4. MATTERS ARISING**

The Halswell bus service was discussed at item 6.

### **MATTERS RESOLVED BY THE COMMITTEE**

### **5 TRANSPORT SERVICES LICENSING ACT REVIEW**

At the Council meeting held 25 May 2006 it was resolved that the Public Passenger Portfolio Committee be delegated the power to approve the Council's submissions to the discussion paper on the review of the Transport Services Licensing Act. (Submissions close on 23 June 2006).

A revised draft submission was presented to the Committee by Ken Lawn, Director Operations. The draft submission had been expanded following the consideration of other organisations' submissions. Mr Lawn described the four options contained in the Ministry of Transport consultation document 'Public Transport Procurement Legislation Review'. It was agreed that option 4 'legislative controls over new and existing commercial services' was considered the best for the Canterbury situation and would also meet the needs of the other regions.

#### **Resolved**

***That the tabled submission, as modified following consideration of submissions from other relevant organisations, be approved and forwarded to the Ministry of Transport.***

Cr Waters/Cr Burke

### **6 HALSWELL BUS**

Cr Wagner introduced this item and reminded the committee that at the 7 June 2006 meeting of this committee the Halswell Residents' Association had presented a report

on a survey of bus travellers on the Halswell route. This followed an earlier request from Halswell residents for the Halswell service to travel past the hospital, rather than via Moorhouse Avenue, to the city centre.

Councillors noted that the survey conducted on behalf of the residents was consistent with one carried out by Environment Canterbury in that approximately 24% of travellers alighted along the Moorhouse Avenue/South City area, and that the potential advantage/inconvenience for either route was fairly even. There was support for considering the residents' request and it was agreed that in the next service review the question of the service travelling past the hospital would be specifically addressed in the consultation information. This consultation was due to commence late 2007.

***Resolved***

- 1. That the Halswell residents be thanked for their work on the Halswell bus service.***
- 2. And that the Committee understands the needs of the Halswell community to get access to the hospital.***
- 3. And that the option of the Halswell bus service travelling past the hospital will be included in the next service review.***

**7. KAINGA SERVICE REVIEW UPDATE**

Shannon Ussher spoke to a powerpoint presentation on the Kainga service review. Following a request from residents for a change in the service consultation was undertaken with the community by way of a letter and survey sent to all households and a community meeting. 220 responses were received and the feedback received was that 52% of respondents wanted the bus to go via Shirley rather than Papanui and 50% indicated that they would use a Saturday service.

**8. NOTICES OF MOTION**

Nil

**9. EXTRAORDINARY AND URGENT BUSINESS**

Nil

**10. QUESTIONS**

Nil

**8. NEXT MEETING**

17 August 2006

The meeting closed at 2.45p.m.

CONFIRMED

DATE \_\_\_\_\_ CHAIRPERSON \_\_\_\_\_

## **ENVIRONMENT CANTERBURY**

### **REGIONAL LAND TRANSPORT AND PUBLIC PASSENGER TRANSPORT PORTFOLIO COMMITTEE**

MINUTES OF THE MEETING OF THE REGIONAL LAND TRANSPORT AND PUBLIC TRANSPORT PORTFOLIO COMMITTEE HELD ON THURSDAY 17 AUGUST 2006 IN THE COUNCIL CHAMBER, FIRST FLOOR, PEGASUS BUILDING, 58 KILMORE STREET, CHRISTCHURCH FROM 9.30AM.

#### **CONTENTS**

1. APOLOGIES
2. MINUTES OF MEETING – 18 August 2005
3. MATTERS ARISING
4. DEPUTATIONS AND PETITIONS

#### **MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE**

5. 2007/08 ANNUAL PLAN - Regional Land Transport

#### **MATTER FOR COMMITTEE DECISION**

6. COMMUNICATION STRATEGY - Regional Land Transport

#### **MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE**

7. 2007/08 ANNUAL PLAN - Public Passenger Transport

#### **MATTER FOR COMMITTEE DECISION**

8. COMMUNICATION STRATEGY - Public Passenger Transport
9. PASSENGER TRANSPORT UPDATE
10. NOTICES OF MOTION
11. EXTRAORDINARY AND URGENT BUSINESS
12. QUESTIONS
13. NEXT MEETING

#### **PRESENT**

Crs J M Waters (Chairperson Regional Land Transport Portfolio), N J Wagner (Chairperson Public Passenger Transport Portfolio), T K Burke, A S Carroll and R I R Little,

#### **IN ATTENDANCE**

Crs R A Budd and A G Neill

#### **MANAGEMENT AND STAFF PRESENT**

K G Lawn (Director Operations), J D Talbot (Director Policy and Planning), J Atkinson (Portfolio Manager Transport), W Holton-Jeffreys (Manager Passenger Services), W Simpson (Communications and Relations Manager), J Smithson (Marketing Team Leader) and L M McDonald (Administration Officer). For part of the meeting: P Gardner (Education Team Leader) and D Stenhouse (Passenger Services Assistant Manager)

**1. APOLOGIES**

Cr W E Woods (leave of absence)  
Cr M E Oldfield

**2. MINUTES OF MEETING – 18 AUGUST 2005**

**Resolved**

*The minutes of a meeting held 18 August 2005 as circulated, be confirmed as a true and accurate record, and be adopted.*

Cr Wagner/Cr Burke

**3. MATTERS ARISING**

There were no matters arising from the minutes.

**4. Deputations and Petitions**

Nil.

**MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE**

**5. 2007/08 ANNUAL PLAN - Regional Land Transport**

Jill Atkinson introduced this report.

Cr Little raised the issue of on-ongoing maintenance for cycleways and the need to consider this at the development stage.

**Recommended to the Combined Portfolios Committee**

*That the Portfolio Committee notes there are no significant changes proposed for the 2007/08 Annual Plan.*

Cr Wagner/Cr Burke

**6. COMMUNICATION STRATEGY 2006/07 – Regional Land Transport**

Bill Simpson introduced this item and invited comments suggestions from Councillors for the communications strategy for 2006 – 2007.

The following comments were made:

- Investigate the value of obtaining the data from the morning radio traffic reports.
- Review using numbers of road deaths as a level of service.
- Consider using road safety initiatives like school children travelling to school along state highways, and allowing enough time for elderly people to cross the road.

**Resolved**

***That the committee receives the 2006/07 Regional Land Transport portfolio communication strategy.***

Cr Wagner/Cr Little

Cr Wagner assumed the chair for the Public Passenger Transport Portfolio items.

**7. 2007/08 ANNUAL PLAN – Public Passenger Transport**

Jill Atkinson introduced this item.

Cr Wagner noted that one of the matters that come out of the Finance & Audit Committee's review was advocacy and working with the Christchurch City Council on bus priority and the bus exchange, and the importance of stressing the economic benefit of these.

It was suggested that the reference to the bus exchange expansion be worded as 'expansion of capacity'.

Ken Lawn explained that the operations budget will need an additional \$250,000 for the proposed new Waimakariri service, but that this amount is still within the rating levels as described in the public consultation conducted as part of the review of the Waimakariri service.

The meeting adjourned for morning tea between 10.35 and 10.50am, Crs Budd and Little left the meeting at this stage.

It was acknowledged that the issue of Lichfield Street being changed from a one-way street was a decision for Christchurch City Council, but it was suggested that Environment Canterbury should consider a view of this in terms of any effects from changes to traffic flow of the bus movements to and from the Bus Exchange.

**Recommended to the Combined Portfolios Committee**

***That the Portfolio Committee notes that there may be significant changes required to the 2007/08 Annual Plan, but that no further stakeholder consultation is required at this stage.***

Cr Waters/Cr Burke

**8. COMMUNICATION STRATEGY – Public Passenger Transport**

Bill Simpson introduced this item and invited comments from Councillors. It was suggested that the frequency of Total Mobility Committee meetings be discussed with each committee and obtain their preference for 4 or 6 meetings per year.

**Resolved**

***That the committee receives the 2006/07 Public Passenger Transport portfolio communication strategy.***

Cr Waters/Cr Carroll

**9. PASSENGER TRANSPORT UPDATE**

SUSTAINABLE TRANSPORT PROGRAMME/BIODIESEL TRIAL

Phillipa Gardner and David Stenhouse presented a powerpoint presentation on the promotion of Environment Canterbury's trial of using biodiesel in four of the Metro buses. During peak time these buses will operate on bus routes and off peak will be used for education and special events.

The buses will be distinctly 'wrapped' with an illustration of the full length of region that will raise awareness, promote sustainable transport, and reinforce Environment Canterbury's Public Transport role.

David Stenhouse explained the biodiesel that will be used and acknowledged the sponsors that are providing services to the trial.

**10. NOTICES OF MOTION**

Nil

**11. EXTRAORDINARY AND URGENT BUSINESS**

Nil

**12. QUESTIONS**

Nil

**13. NEXT MEETING**

November 2006

The meeting closed 11.45pm.

CONFIRMED

DATE \_\_\_\_\_ CHAIRPERSON \_\_\_\_\_

<b>AGENDA ITEM NO: 7</b>	<b>SUBJECT MATTER:</b> 2007/08 ANNUAL PLAN - PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES
<b>REPORT:</b> Regional Land Transport/Public Passenger Portfolio Committee	<b>DATE OF MEETING:</b> 15 November 2006
<b>FILE REFERENCES:</b>	<b>PORTFOLIO:</b> Regional Land Transport <b>PROJECT:</b> – <b>OUTPUT:</b> –
<b>REPORT BY:</b> Jill Atkinson, Portfolio Manager Transport	<b>ENDORSED BY:</b> John Talbot, Director Policy Planning

## PURPOSE

1. To receive stakeholder feedback on possible shifts in direction identified in August 2006.
2. To recommend priorities, tradeoffs or deferrals for the 2007/08 Annual Plan to the Combined Portfolios committee, to enable staff to undertake the necessary budget amendments.
3. To prepare responses for the Finance and Audit Committee Review of Portfolios.

## ATTACHMENTS

- Appendix 1: LTCCP Budgets for 2007/08.

### Please bring the following to the meeting:

- The 2006-16 LTCCP.
- Project Levels of Service and Funding for 2006/07.

## BACKGROUND

Whilst the Annual Plan for 2007/08 was set as part of the long term delivery of ECan's contributions to community outcomes, it is appropriate to look at the need to fine tune the annual programme to-

- ensure we are on course,
- reflect new information about resource demand,
- respond to changes in the operating environment,
- review alternative methods of funding, and
- review alternative methods of service delivery.

The Portfolio Committee has two tasks to complete:

- 1. PROGRESSING THE 2007/08 ANNUAL PLAN PROCESS-** This will involve consideration of stakeholder feedback on possible shifts in direction identified by the Committee in August 2006, and the provisional rates estimates for 2007/08 for a range of indicator properties across Canterbury. Following this, the Committee will make decisions on the shifts in direction to the levels of service and levels of funding in the LTCCP for 2007/08, if any, to recommend to the Combined Portfolios Committee, having regard to priorities, tradeoffs or deferrals to the levels of service and levels of funding in the LTCCP for 2007/08.
- 2. PREPARING FOR THE FINANCE AND AUDIT COMMITTEE REVIEW OF PORTFOLIOS-** This involves the review of portfolios' preparations for the 2007/08 Annual Plan to be undertaken by the Finance and Audit Committee. The review will examine the reasons behind budget decisions to ensure that proposals going forward into the 2007/08 budget have been

systematically and rigorously analysed. Portfolio Committees will be asked 11 questions relating to:

- Level of service and level of funding
- Cost effectiveness and cost efficiency of service delivery
- Project priorities
- Funding alternatives

The questions are set out in Part 2 of this paper.

### **IS AN AMENDMENT LIKELY TO BE REQUIRED TO THE 2006-16 LTCCP?**

At this stage it is considered that the proposed changes to the 2007/08 budget and work programmes identified in August are not significant enough to trigger an amendment to the LTCCP. Amending the LTCCP is to be avoided as any amendment would almost certainly involve a full financial audit. This would necessitate extra council meetings to adopt documents pre and post audit, with attendant timing constraints and costs. The intention of the Local Government Act in respect of LTCCP's is to provide a high level of certainty for ratepayers, which means not changing them more than necessary. The LTCCP concept is to provide programmes over 10 years and variations between years will occur, which do not constitute amendments to the 10 year plan. This could include variations to the levels of rates.

Annual Plans are able to accommodate variations to the LTCCP, provided they do not include the matters listed in sec 97 of the Local Government Act and they do not alter significantly intended levels of service (significantly is not defined).

The question will become clearer when the extent of changes is confirmed at the December Council meeting.

### **WHAT IS THE NEXT STAGE?**

At the completion of Portfolio Committee meetings and the Finance and Audit Committee Review of Portfolios, the Combined Portfolios Committee will consider individual Portfolio Committees' recommendations for recommending to the Council in November. The Finance and Audit Committee will report the findings of its Review of Portfolios separately to the Council in December.

Following this, staff will undertake the detailed budgeting work required and bring back a proposed draft budget in February to be adopted as the basis for the Draft 2007/08 Annual Plan.

Councillors are reminded that this November round of Portfolio Committee meetings is the second of three opportunities to introduce further changes. **The last opportunity is at the December Council meeting.**

### **PART 1: 2007/08 ANNUAL PLAN**

Councillors will recall that the starting point for the 2007/08 Annual Plan is the levels of service and levels of funding in the LTCCP for 2007/08 and that increases in both have already been provided in 2007/08.

Councillors are reminded of the agreed principles for developing the 2007/08 Annual Plan.

- |   |
|---|
| <ol style="list-style-type: none"><li>1. The overarching objective is to manage variations to the LTCCP within the 2007/08 expenditure and revenue forecasts in the LTCCP (total exp +3.8%, gen rates +7.3%).</li></ol> |
|---|

2. If possible, avoid introducing matters requiring the LTCCP to be amended.
3. Budget may be re-allocated within and between portfolios to manage changed circumstances.
4. Options must be developed for any variations.

Background information for this portfolio can be found as follows.

### Portfolio information

Portfolio information for 2007/08 can be found in the following places in the 2006-16 LTCCP:

- Levels of service: p66
- Level of funding: p67

### Activity and parent project information

Activity and parent project level of funding for 2007/08 can be found in Appendix 1. This also includes a comparison with 2006/07 and the reasons for any significant increases. Details of the possible shifts in direction raised at the August Portfolio Committee meetings, if any, are also shown.

While parent project levels of service for 2007/08 have not yet documented, they will be generally similar to those for 2006/07, which can be found on p38 of Project Levels of Service and Funding for 2006/07.

## RECOMMENDATIONS FROM THE AUGUST PORTFOLIO COMMITTEE MEETINGS

The purpose of the August meetings was to identify, as early as possible in the budget process, any possible shifts in direction for 2007/08, over and above the LTCCP, and to consider the impact of these on the levels of service and levels of funding in the LTCCP. This early identification enables key stakeholders to be appraised of the possible shifts and their feedback taken into account at the beginning of the budget process, rather than receiving it at the formal submission stage, when it is often too late to make major changes.

### Portfolio Levels of Service

The August meeting was advised that further work was needed before a recommendation could be made on whether improvements were needed or not. A review of all LTCCP levels of service has now been completed and it is recommended that the following changes be included in the 2007/08 Annual Plan, as a variation to the 2006-16 LTCCP.

**TABLE 1: Recommended changes to portfolio levels of service**

Reason for change	New or Revised Description	New or Revised Measure	New or Revised Target
LoS 1: Improving the efficiencies of the land transport system to reduce the growth in traffic congestion  This level of service does not accurately	Facilitating the development, implementation and monitoring of the Regional Land Transport Strategy	Percentage of actions in the Regional Land Transport Strategy that are incorporated into long term planning by responsible agencies <sup>1</sup>	100%

<sup>1</sup> As defined in the RLTS.

Reason for change	New or Revised Description	New or Revised Measure	New or Revised Target
represent ECan's contribution to delivering community outcomes			
LoS 2: Co-ordinating road safety initiatives to reduce road crash deaths in Canterbury  This level of service does not accurately represent ECan's contribution to delivering community outcomes	Facilitating and co-ordinating the Regional Road Safety Programme	Stakeholders <sup>2</sup> rating of ECan's facilitation and co-ordination of the Regional Road Safety Programme.	90% of stakeholders are satisfied or very satisfied. (On a scale of very dissatisfied, dissatisfied, satisfied and very satisfied.)

### Portfolio Levels of Funding

At the August meeting, the committee concluded that no changes were required to the 2007/08 work programmes in the LTCCP.

The following resolution was adopted by the Council on 30 August 2006.

#### *REGIONAL LAND TRANSPORT*

*That there are no significant changes proposed for the 2007/08 Annual Plan.*

### STAKEHOLDER FEEDBACK ON POSSIBLE SHIFTS IN DIRECTION

There has been limited feedback to date. Federated Farmers had a particular focus on Land, Water and Pest Portfolio issues and expressed concern at rate increases and were clear that any new work should be accommodated within existing budget. Further feedback will be tabled at the combined portfolio meeting.

### **PART 2: FINANCE AND AUDIT COMMITTEE REVIEW OF PORTFOLIOS**

The Finance and Audit Committee will meet on 22 November 2006 to review Portfolio Committees' preparations for the 2007/08 Annual Plan. All Councillors are invited to attend this meeting. The Committee wishes to understand the reasons behind budget decisions to ensure that proposals going forward into the 2007/08 budget have been systematically and rigorously analysed. Portfolio Chairs have been asked to furnish a brief written summary of responses to each question before the Finance and Audit Committee meeting on 22 November. This will ensure all portfolios' views are heard and the review completed within the one day available.

The Finance and Audit Committee has compiled 11 questions relating to:

- A. Level of service and level of funding
- B. Cost effectiveness and cost efficiency of service delivery

<sup>2</sup> "Stakeholders" to be specified in Annual Plan

- C. Project priorities
- D. Funding alternatives

The questions are set out in the following sections. Some of the questions will involve matters that have already been well aired by the Portfolio Committee. For these it should simply be a matter of recording the Committee's position and moving on. Other questions may require fresh discussion.

To facilitate the process, where the Committee's views are already known, the "response" has already been entered, but can be altered at the meeting. In other cases the response has been left blank, to be completed at the meeting.

**A. LEVEL OF SERVICE AND LEVEL OF FUNDING**

Questions 1 to 5 are aimed at ensuring that the demand driving planned changes in levels of service and levels of funding for 2007/08 are substantiated by facts and figures and that changes to services are reflected in changes in funding (this is a requirement of Schedule 10 of the Local Government Act).

**RELEVANT REFERENCE MATERIAL**

- LTCCP: pp66-67
- Project Levels of Service and Funding for 2006/07: p38
- Appendix 1
- The following trend information:

The key drivers /trends affecting ECan's work in the RLT area are extracted from the Canterbury Regional Land Transport Strategy 2005-2015. These are:

- o Traffic volumes
- o Maintaining links between town and country
- o Traffic congestion
- o Land-use integration
- o Providing alternative transport options to the private motor vehicle
- o Improving road safety
- o Freight transport issues
- o Environmental and social issues

**QUESTIONS**

**Q1: For the underlying service requirements at group of activity and parent project level, what are trends in the demand for this service or the driver for activity?**

**Response**

Activity	Trends in demand / Drivers
	There is a 34% overall <b>decrease</b> in expenditure for RLT from 2006/07 to 2007/08. The bulk of this is due to the stock truck effluent disposal site project reaching completion in 2006/07 as well as the development of the Christchurch Transport Model reaching its last phase of development, a phase that required less expenditure than previous phases.

**Q2: Do changes in the level of service warrant adjustments in the level of funding?**

**Response**

No.
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**Q3. Are there any new areas of work for project input and development to address changes in level of service?**

**Response**

No.

**Q4: What effect would deferral, amendment or deletion have on service delivery?**

**Response**

**047900 - Regional Land Transport Strategy Implementation – General**

This project has an amount of \$105,000 G&S to “implement RLT projects”. This funding has provisionally been earmarked for implementation of the UDS and alignment of the RLTS with the UDS. The UDS is expected to be finalised in March 2007 when it will become clearer how much of this money will be needed.

**046000 – Road Safety Co-ordination.** This project has a total budget of \$242,500 of which general rate is \$62,000. It receives a government grant of 75%. Central Government’s review of who approved funding agencies will be, is still underway. However, Councillors may wish to consider ECan’s role in road safety, based on the question asked, but not answered, at the previous Portfolio Committee Meeting. See Table 2 below which asks whether the same road safety outcomes can be achieved through other agencies.

**Q5: How does the proposed total budget for the portfolio compare with the budget in the LTCCP?**

**Response**

No change.

**B. COST EFFECTIVENESS AND COST EFFICIENCY OF SERVICE DELIVERY**

Questions 6 and 7 are aimed at ensuring that the portfolio has considered all opportunities for improving cost effectiveness and cost efficiency of service delivery.

Category 4 in the Finance and Audit Committee Review of the Draft LTCCP identified opportunities for cost efficiencies and recommended they be referred to individual portfolio committees for consideration in August 2006. These are shown again below and along with the committee’s the decisions. Questions 6 and 7 require the committee to review again that material and the action to be taken.

**TABLE 2 Category 4: Finance and Audit Committee Review of the Draft LTCCP**

OPPORTUNITIES FOR COST EFFICIENCIES	CONSEQUENCES	ACTION RECOMMENDED BY THE PORTFOLIO COMMITTEE IN AUGUST 2006
<b>4. SERVICE DELIVERY</b>		
<p><b>Regional Land Transport</b></p> <ul style="list-style-type: none"> <li>Assess rationale for being involved in implementation (discretionary role as well as ongoing dollar commitment) e.g. cycleway, stock truck effluent sites.</li> <li>Investigate whether we can achieve same road safety outcomes through other agencies?</li> </ul>	<ul style="list-style-type: none"> <li>Avoids having to fund activities that are not part of our core function.</li> <li>Reduced cost for ECan.</li> </ul>	<p>It was agreed that all future projects will be evaluated against ECan's core role in regional land transport and that the ongoing cost implications will be fully scoped prior to a decision being made.</p> <p>No decision was made at the meeting regarding this.</p>

**QUESTIONS**

**Q6: What opportunities exist for cost efficiencies in service delivery?**

**Response**

None.

**Q7: Are there possible alternative methods of service delivery?**

**Response**

None.

**C. PROJECT PRIORITIES**

Questions 8 to 10 are aimed at ensuring that relative priorities within portfolios have been considered and that any new work associated with proposed shifts in direction has been assessed against them. Finally, has the portfolio identified any work that could be deferred?

The Finance and Audit Committee Review of the Draft LTCCP identified no areas of low priority work that could be deferred or cut in 2006/07. Questions 8 to 10 require the committee to identify areas of low priority work that it could consider deferring or cutting in 2007/08.

**Q8: What are the relative priorities among the projects in relation to the group of activities in the portfolio?**

**Response**

Facilitating the development, implementation and monitoring of the Regional Land Transport Strategy is the portfolio's top priority. This includes the work around maintaining the Regional Land Transport Committee and the Technical Officers Group.

**Q9: Are there new projects (or project adjustments) that have higher priority than existing projects?**

**Response**

Please see response to Question 4.

**Q10: To accommodate new projects or project adjustments what other projects can be deferred?**

**Response**

OPPORTUNITIES FOR FURTHER DEFERRALS	CONSEQUENCES
None.	

**D. FUNDING ALTERNATIVES**

Question 11 is aimed at ensuring that funding alternatives have been considered.

Uniform Annual General Charges and other alternatives to general rates (possibly for work associated with water investigations and monitoring), will be brought to the Council for consideration in due course. In response to feedback to the Draft 2006-16 LTCCP, these issues will be taken back to the public for further consultation before they can be considered to introduction. Portfolio Committees may wish to defer discussion on them until further analysis of them has been completed.

The Finance and Audit Committee Review of the Draft LTCCP identified no alternative sources of funding. Question 11 requires the committee to consider this again.

**Q11: Are there alternative funding sources to undertake the activities of the portfolio?**

**Response**

RLT receives between 25%-75% Government grant from Land Transport New Zealand.

Through commitment to and partnering in the UDS process, as well as facilitating the development of a regional implementation plan, ECan can contribute to the Canterbury region's ability to attract additional Central Government funding.

**RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE**

- 1. That no changes are required to the levels of funding and expenditure in the 2006-16 LTCCP for 2007/08.*
- 2. That the variation to Level of Service No 1 be included in the draft 2007/08 Annual Plan.*

## APPENDIX 1: PARENT PROJECT LEVELS OF FUNDING FOR 2006/07 AND 2007/08

**TABLE 3: LTCCP Budgets 2006/07 & 2007/08**

ACTIVITY	PROJECT	2006/07 \$000	2007/08 \$000	% CHANGE	PLANNED FOR THE ANNUAL PLAN FOR 2007/08 [KEY SHIFT IN DIRECTION FOR 2007/08]
<b>Regional land transport</b>		<i>1,645</i>	<i>1,082</i>	-34%	
<b>1. Investigations</b>		<i>465</i>	<i>150</i>	-68%	Continued investigations for the development and implementation of the RLTS. Involvement in the development of the Christchurch transport model but project ramping down this year.
0482	Regional Land Transport Investigations	<i>465</i>	<i>150</i>	-68%	
<b>2. Policy making and planning</b>		<i>506</i>	<i>328</i>	-35%	No ramping down of work, dollar decrease is due to a coding error in 2006/07.  Development of an implementation plan for the Regional Land Transport Strategy, maintaining the Regional Land Transport Committee and consultation on and printing of the renewed Regional Land Transport Strategy
0472	Regional Land Transport Policy Development	<i>435</i>	<i>255</i>	-41%	
0635	District Planning Liaison - Regional Land Transport	<i>71</i>	<i>73</i>	2%	
<b>3. Monitoring</b>		<i>111</i>	<i>113</i>	2%	A statutory monitoring programme is required to assess the implementation of the RLTS.
0473	Regional Land Transport Monitoring	<i>107</i>	<i>110</i>	2%	
0633	State of Environment Report - Regional Land Transport	<i>3</i>	<i>4</i>	2%	
<b>4. Operations</b>		<i>326</i>	<i>249</i>	-24%	Completion of the construction of in-transit stock truck effluent disposal sites.  Ongoing involvement in the Christchurch to Little River Cycle Way.
0459	Stock Effluent Disposal Sites	<i>134</i>	<i>5</i>	-96%	
0479	Regional Land Transport Strategy Implementation	<i>150</i>	<i>174</i>	16%	
0483	Cycleway Development	<i>42</i>	<i>70</i>	67%	
<b>5. Communicating, educating and advocating</b>		<i>237</i>	<i>243</i>	2%	Implementing a regional road safety programme in partnership with other safety organisations.
0460	Road Safety Co-ordination	<i>237</i>	<i>243</i>	2%	

**TABLE 4: Funding Summary**

Funding source	LTCCP 2006/07	LTCCP 2007/08
Interest	3	3
User pays/Other	-	-
Grants	736	379
Targeted rates	-	-
General rates	693	669
<b>Total income</b>	<b>1,432</b>	<b>1,051</b>
<b>Operating expenditure</b>	<b>1,644</b>	<b>1,081</b>
Operating surplus/(deficit)	(212)	(30)
General Reserve	133	1,051
PPT Reserve	79	30
Total funding from reserves	212	30

<b>AGENDA ITEM NO: 8</b>	<b>SUBJECT MATTER:</b> 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES
<b>REPORT:</b> Regional Land Transport and Public Passenger Transport Portfolio Committee	<b>DATE OF MEETING:</b> 15 November 2006
<b>FILE REFERENCES:</b>	<b>PORTFOLIO:</b> Public Passenger Transport <b>PROJECT:</b> – <b>OUTPUT:</b> –
<b>REPORT BY:</b> Jill Atkinson, Portfolio Manager Transport	<b>ENDORSED BY:</b> Ken Lawn, Director Operations

## PURPOSE

1. To receive stakeholder feedback on possible shifts in direction identified in August 2006.
2. To recommend priorities, tradeoffs or deferrals for the 2007/08 Annual Plan to the Combined Portfolios committee, to enable staff to undertake the necessary budget amendments.
3. To prepare responses for the Finance and Audit Committee Review of Portfolios.

## ATTACHMENTS

- Appendix 1: LTCCP Budgets for 2007/08.

### Please bring the following to the meeting:

- The 2006-16 LTCCP.
- Project Levels of Service and Funding for 2006/07.

## BACKGROUND

Whilst the Annual Plan for 2007/08 was set as part of the long term delivery of ECan's contributions to community outcomes, it is appropriate to look at the need to fine tune the annual programme to-

- ensure we are on course,
- reflect new information about resource demand,
- respond to changes in the operating environment,
- review alternative methods of funding, and
- review alternative methods of service delivery.

The Portfolio Committee has two tasks to complete:

**1. PROGRESSING THE 2007/08 ANNUAL PLAN PROCESS-** This will involve consideration of stakeholder feedback on possible shifts in direction identified by the Committee in August 2006, and the provisional rates estimates for 2007/08 for a range of indicator properties across Canterbury. Following this, the Committee will make decisions on the shifts in direction to the levels of service and levels of funding in the LTCCP for 2007/08, if any, to recommend to the Combined Portfolios Committee, having regard to priorities, tradeoffs or deferrals to the levels of service and levels of funding in the LTCCP for 2007/08.

**2. PREPARING FOR THE FINANCE AND AUDIT COMMITTEE REVIEW OF PORTFOLIOS-** This involves the review of portfolios' preparations for the 2007/08 Annual Plan to be undertaken by the Finance and Audit Committee. The review will examine the reasons behind budget decisions to ensure that proposals going forward into the 2007/08 budget have been

systematically and rigorously analysed. Portfolio Committees will be asked 11 questions relating to:

- Level of service and level of funding
- Cost effectiveness and cost efficiency of service delivery
- Project priorities
- Funding alternatives

The questions are set out in Part 2 of this paper.

### **IS AN AMENDMENT LIKELY TO BE REQUIRED TO THE 2006-16 LTCCP?**

At this stage it is considered that the proposed changes to the 2007/08 budget and work programmes identified in August are not significant enough to trigger an amendment to the LTCCP. Amending the LTCCP is to be avoided as any amendment would almost certainly involve a full financial audit. This would necessitate extra council meetings to adopt documents pre and post audit, with attendant timing constraints and costs. The intention of the Local Government Act in respect of LTCCPs is to provide a high level of certainty for ratepayers, which means not changing them more than necessary. The LTCCP concept is to provide programmes over 10 years and variations between years will occur, which do not constitute amendments to the 10 year plan. This could include variations to the levels of rates.

Annual Plans are able to accommodate variations to the LTCCP, provided they do not include the matters listed in sec 97 of the Local Government Act and they do not alter significantly intended levels of service (significantly is not defined).

The question will become clearer when the extent of changes is confirmed at the December Council meeting.

### **WHAT IS THE NEXT STAGE?**

At the completion of Portfolio Committee meetings and the Finance and Audit Committee Review of Portfolios, the Combined Portfolios Committee will consider individual Portfolio Committees' recommendations for recommending to the Council in November. The Finance and Audit Committee will report the findings of its Review of Portfolios separately to the Council in December.

Following this, staff will undertake the detailed budgeting work required and bring back a proposed draft budget in February to be adopted as the basis for the Draft 2007/08 Annual Plan.

Councillors are reminded that this November round of Portfolio Committee meetings is the second of three opportunities to introduce further changes. **The last opportunity is at the December Council meeting.**

### **PART 1: 2007/08 ANNUAL PLAN**

Councillors will recall that the starting point for the 2007/08 Annual Plan is the levels of service and levels of funding in the LTCCP for 2007/08 and that increases in both have already been provided in 2007/08.

Councillors are reminded of the agreed principles for developing the 2007/08 Annual Plan.

1. The overarching objective is to manage variations to the LTCCP within the 2007/08 expenditure and revenue forecasts in the LTCCP (total exp +3.8%, gen rates +7.3%).
2. If possible, avoid introducing matters requiring the LTCCP to be amended.
3. Budget may be re-allocated within and between portfolios to manage changed circumstances.
4. Options must be developed for any variations.

Background information for this portfolio can be found as follows.

### Portfolio information

Portfolio information for 2007/08 can be found in the following places in the 2006-16 LTCCP:

- Levels of service: pp61-62
- Level of funding: p63

### Activity and parent project information

Activity and parent project level of funding for 2007/08 can be found in Appendix 1. This also includes a comparison with 2006/07 and the reasons for any significant increases. Details of the possible shifts in direction raised at the August Portfolio Committee meetings, if any, are also shown.

While parent project levels of service for 2007/08 have not yet documented, they will be generally similar to those for 2006/07, which can be found on p35 of Project Levels of Service and Funding for 2006/07.

## RECOMMENDATIONS FROM THE AUGUST PORTFOLIO COMMITTEE MEETINGS

The purpose of the August meetings was to identify, as early as possible in the budget process, any possible shifts in direction for 2007/08, over and above the LTCCP, and to consider the impact of these on the levels of service and levels of funding in the LTCCP. This early identification enables key stakeholders to be appraised of the possible shifts and their feedback taken into account at the beginning of the budget process, rather than receiving it at the formal submission stage, when it is often too late to make major changes.

### Portfolio Levels of Service

The August meeting was advised that further work was needed before a recommendation could be made on whether improvements were needed or not. A review of all LTCCP levels of service has now been completed and it is recommended that the following changes be included in the 2007/08 Annual Plan, as a variation to the 2006-16 LTCCP.

**TABLE 1: Recommended changes to portfolio levels of service**

Reason for change	New or Revised Description	New or Revised Measure	New or Revised Target
LoS 1, additional measure and target: Promised in the 06-16 LTCCP	No Change.	Average bus speed during the peak period on high demand corridors in Christchurch.	Tentative 06/07, 07/08, 08/09 - 15km/hr 09/10, 10/11, 11/12 – 20km/hr 12/13, 13/14, 14/15, 15/16 – 26km/hr

Reason for change	New or Revised Description	New or Revised Measure	New or Revised Target
LoS 3 Satisfying the community to ensure continued support	No Change.	No Change.	85% of residents say they are satisfied or very satisfied with the service. (On a scale of very dissatisfied, dissatisfied, satisfied and very satisfied.)
LoS 4 Managing Total Mobility schemes for transport-disadvantaged people to enable them to have mobility	No Change.	No Change.	95% of users of Total Mobility rate the service as satisfactory, very good or excellent (on a scale of very poor, poor, satisfactory, very good, excellent)

### Portfolio Levels of Funding

At the August meeting, the committee considered the following changes to the 2007/08 work programmes in the LTCCP. The committee now needs to review them in light of stakeholder feedback and decide whether or not to recommend they be included in the 2007/08 budget.

**TABLE 2: Possible shifts in direction**

Project number and name	Brief description	Indication of work that could be traded-off or deferred	Estimated change in budget	Impact on LTCCP levels of service
<b>PUBLIC PASSENGER TRANSPORT</b>				
0464 Passenger Service Contract Payments	Any further significant fuel price rises could cause additional contract costs	Don't implement the first dial a ride service	Unknown. Could use PT reserves in the short term or consider increasing targeted rate <b>No change to 2007/08 budget required.</b>	Reduction in levels of service if dial a ride service is not implemented
046400, 046403 Passenger service contract payments - Christchurch and Waimakariri	Rangiora service may need more funding than in LTCCP, but still within rating levels accepted by the community during service review consultation  Also need to introduce 10% targeted rate across the Waimakariri district	None as contract let in 2006/07  Needs amendment to the funding policy	Additional \$250,000 of targeted rate split 50/50 between Christchurch and Waimakariri  <b>Both of these requirements need to be actioned in the 2007/08 Annual Plan</b>	None
046404 Passenger service contract payments - Timaru	With dropping patronage in Timaru, the tender round in 06/07 may produce higher tender price	Could consider reducing the level of service	Unknown <b>Timaru tender came in within budget. No change to 2007/08 budget required.</b>	Reduction in levels of service if services reduced

Project number and name	Brief description	Indication of work that could be traded-off or deferred	Estimated change in budget	Impact on LTCCP levels of service
Numerous codes - PT Plan and PT Strategy	As signalled in the 2006/16 LTCCP, the adoption and implementation of the PT Plan and PT Strategy may have an impact on budgets	Don't implement the first dial a ride service	Unknown. Could use PT reserves for some initiatives <b>No change to 2007/08 budget required.</b>	Reduction in levels of service if dial a ride service not implemented
Numerous codes - Implementation of 2-way Lichfield Street	If 2-way Lichfield Street . is progressed to implementation stage, it will require significant rescheduling of services, changes to RTI system and alteration to timetables/on street information. It may potentially also require alterations to contracts	None	Unknown. Could use PT reserves for some initiatives <b>Unknown at this stage whether this project will impact 2007/08 budget (CCC project). As a result, no change to 2007/08 budget is recommended at this stage.</b>	None

The following resolution was adopted by the Council on 30 August 2006.

***PUBLIC PASSENGER TRANSPORT***

*That there may be significant changes required to the 2007/08 Annual Plan, but that no further stakeholder consultation is required at this stage.*

**STAKEHOLDER FEEDBACK ON POSSIBLE SHIFTS IN DIRECTION**

There has been limited feedback to date. Federated Farmers had a particular focus on Land, Water and Pest Portfolio issues and expressed concern at rate increases and were clear that any new work should be accommodated within existing budget. Further feedback will be tabled at the combined portfolio meeting.

**PART 2: FINANCE AND AUDIT COMMITTEE REVIEW OF PORTFOLIOS**

The Finance and Audit Committee will meet on 22 November 2006 to review Portfolio Committees' preparations for the 2007/08 Annual Plan. All Councillors are invited to attend this meeting. The Committee wishes to understand the reasons behind budget decisions to ensure that proposals going forward into the 2007/08 budget have been systematically and rigorously analysed. Portfolio Chairs have been asked to furnish a brief written summary of responses to each question before the Finance and Audit Committee meeting on 22 November. This will ensure all portfolios' views are heard and the review completed within the one day available.

The Finance and Audit Committee has compiled 11 questions relating to:

- A. Level of service and level of funding
- B. Cost effectiveness and cost efficiency of service delivery
- C. Project priorities
- D. Funding alternatives

The questions are set out in the following sections. Some of the questions will involve matters that have already been well aired by the Portfolio Committee. For these it should simply be a matter of recording the Committee's position and moving on. Other questions may require fresh discussion.

To facilitate the process, where the Committee's views are already known, the "response" has already been entered, but can be altered at the meeting. In other cases the response has been left blank, to be completed at the meeting.

**A. LEVEL OF SERVICE AND LEVEL OF FUNDING**

Questions 1 to 5 are aimed at ensuring that the demand driving planned changes in levels of service and levels of funding for 2007/08 are substantiated by facts and figures and that changes to services are reflected in changes in funding (this is a requirement of Schedule 10 of the Local Government Act).

**RELEVANT REFERENCE MATERIAL**

- LTCCP: pp61-63
- Project Levels of Service and Funding for 2006/07: p35
- Appendix 1
- The following trend information:

There are key drivers /trends affecting ECan's work in the PPT area within Canterbury. These are:

- Traffic volume in Canterbury
- Traffic congestion in Christchurch
- Targets set for increasing public passenger transport use in Christchurch

Graphs depicting these trends are attached to the PPT Portfolio section of these papers as Appendix 2.

**QUESTIONS**

**Q1: For the underlying service requirements at group of activity and parent project level, what are trends in the demand for this service or the driver for activity?**

**Response**

Activity	Trends in demand / Drivers
	There is a 1% overall increase in expenditure for PPT from 2006/07 to 2007/08. The bulk of PT's expenditure is in contract costs and no major contract renewals are planned for 2007/08.

**Q2: Do changes in the level of service warrant adjustments in the level of funding?**

**Response**

No.
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**Q3. Are there any new areas of work for project input and development to address changes in level of service?**

**Response**

No.

**Q4: What effect would deferral, amendment or deletion have on service delivery?**

**Response**

It would reduce the level of service.

**Q5: How does the proposed total budget for the portfolio compare with the budget in the LTCCP?**

**Response**

It is recommended that an additional amount of \$250,000 be added to the Waimakiriri targeted rate.

**B. COST EFFECTIVENESS AND COST EFFICIENCY OF SERVICE DELIVERY**

Questions 6 and 7 are aimed at ensuring that the portfolio has considered all opportunities for improving cost effectiveness and cost efficiency of service delivery.

Category 4 in the Finance and Audit Committee Review of the Draft LTCCP identified opportunities for cost efficiencies and recommended they be referred to individual portfolio committees for consideration in August 2006. These are shown again below and along with the committee's the decisions. Questions 6 and 7 require the committee to review again that material and the action to be taken.

**TABLE 3 Category 4: Finance and Audit Committee Review of the Draft LTCCP**

OPPORTUNITIES FOR COST EFFICIENCIES	CONSEQUENCES	ACTION RECOMMENDED BY THE PORTFOLIO COMMITTEE IN AUGUST 2006
<b>4. SERVICE DELIVERY</b>		
Public Passenger Transport <ul style="list-style-type: none"> <li>Complete process review of current administrative processes.</li> </ul>	<ul style="list-style-type: none"> <li>Possible efficiencies.</li> </ul>	The review was endorsed by the committee.

**QUESTIONS**

**Q6: What opportunities exist for cost efficiencies in service delivery?**

**Response**

The review of review of current administrative processes has commenced. It is too early to predict outcomes.

**Q7: Are there possible alternative methods of service delivery?**

**Response**

None have been identified.

**C. PROJECT PRIORITIES**

Questions 8 to 10 are aimed at ensuring that relative priorities within portfolios have been considered and that any new work associated with proposed shifts in direction has been assessed against them. Finally, has the portfolio identified any work that could be deferred?

The Finance and Audit Committee Review of the Draft LTCCP identified no areas of low priority work that could be deferred or cut in 2006/07. Questions 8 to 10 require the committee to identify areas of low priority work that it could consider deferring or cutting in 2007/08.

**Q8: What are the relative priorities among the projects in relation to the group of activities in the portfolio?**

**Response**

The priority in the PT portfolio is to increase bus patronage. All projects (apart from the Total Mobility projects) contribute to this in one way or another, either through the tendering of bus contracts, planning of routes, delivery of technology to support operations, information provision, monitoring to ensure effective implementation, or marketing to attract new passengers. Each project is part of a chain of delivery of the PT system. It is thus difficult to single out one that is of greater importance than another.

**Q9: Are there new projects (or project adjustments) that have higher priority than existing projects?**

**Response**

No new projects planned to start in 2007/08.

**Q10: To accommodate new projects or project adjustments what other projects can be deferred?**

**Response**

OPPORTUNITIES FOR FURTHER DEFERRALS	CONSEQUENCES
Not applicable.	

**D. FUNDING ALTERNATIVES**

Question 11 is aimed at ensuring that funding alternatives have been considered.

Uniform Annual General Charges and other alternatives to general rates (possibly for work associated with water investigations and monitoring), will be brought to the Council for consideration in due course. In response to feedback to the Draft 2006-16 LTCCP, these issues will be taken back to the public for further consultation before they can be considered to introduction. Portfolio Committees may wish to defer discussion on them until further analysis of them has been completed.

The Finance and Audit Committee Review of the Draft LTCCP identified no alternative sources of funding. Question 11 requires the committee to consider this again.

**Q11: Are there alternative funding sources to undertake the activities of the portfolio?**

**Response**

PPT is 50% funded by Government grant via Land Transport New Zealand. No additional sources of funding have been identified to date, although the potential role of developer contributions is being examined.

**RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE**

1. *That the increased expenditure of \$250,000 required for the projects Passenger Service Contract Payments – Christchurch (project code 046400) and Passenger Service Contract Payments - Waimakariri (project code 046403) be included in the draft 2007/08 Annual Plan.*
2. *That the funding policy be amended to provide for the introduction of a targeted rate of 10% of the total contract cost for Passenger Service Contract Payments - Waimakariri (project code 046403).*
3. *That the variations to levels of service Nos. 1, 3 and 4 be included in the draft 2007/08 Annual Plan*

## APPENDIX 1: PARENT PROJECT LEVELS OF FUNDING FOR 2006/07 AND 2007/08

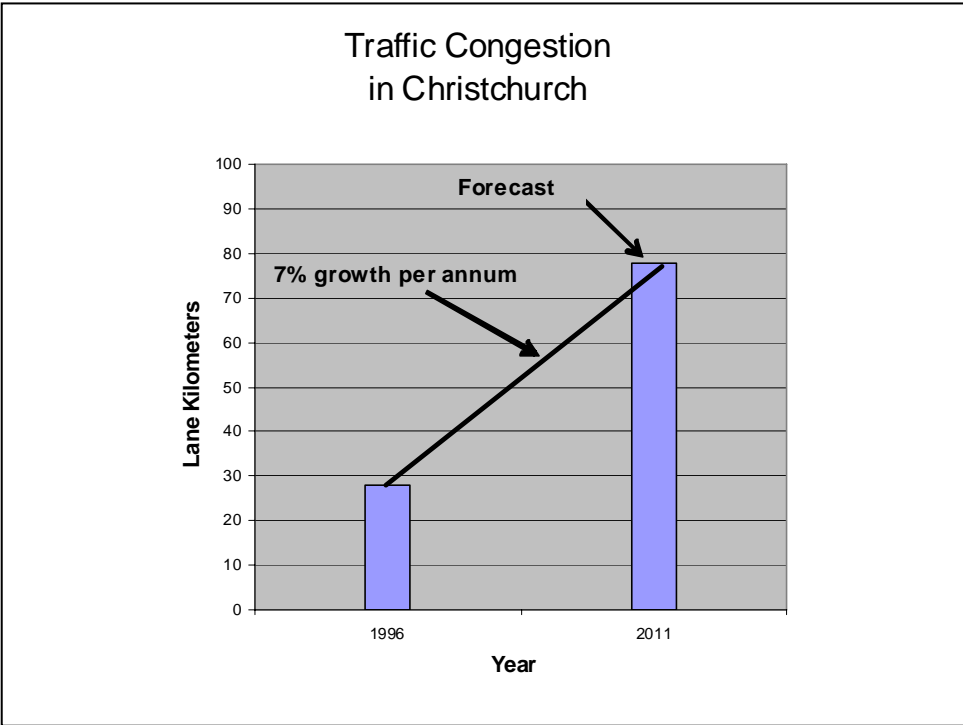
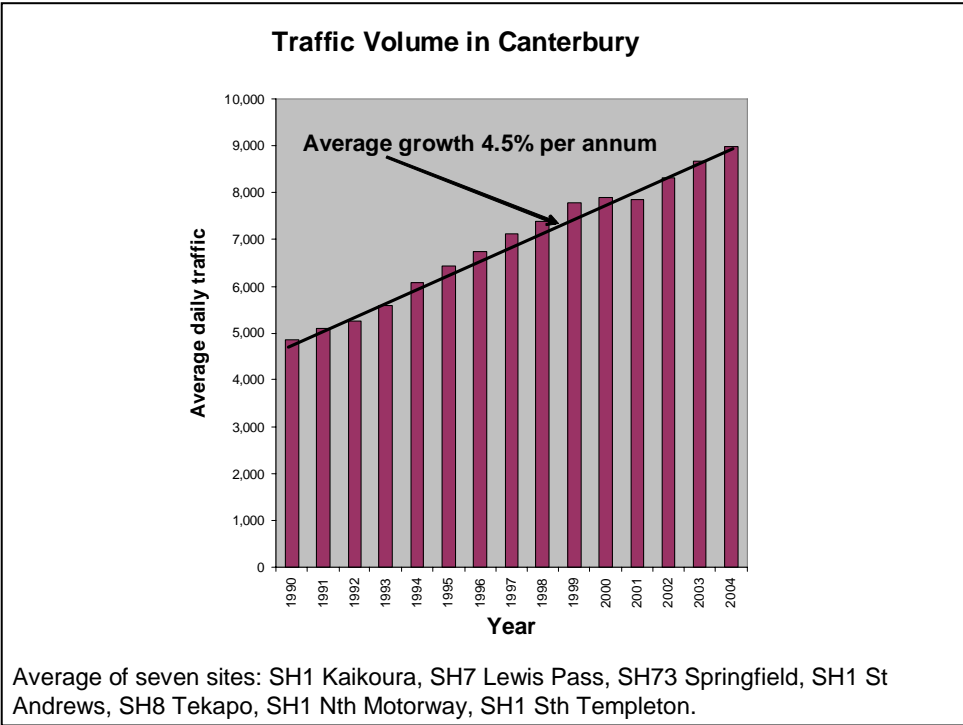
### TABLE 4: LTCCP Budgets 2006/07 & 2007/08

ACTIVITY	PROJECT	2006/07 \$000	2007/08 \$000	% CHANGE	PLANNED FOR THE ANNUAL PLAN FOR 2007/08 <i>[KEY SHIFT IN DIRECTION FOR 2007/08]</i>
<b>Public passenger transport</b>		<b>28,594</b>	<b>28,923</b>	<b>1%</b>	
<b>1. Investigations</b>		<b>182</b>	<b>180</b>	<b>-1%</b>	Current level of activity in passenger service reviews continues.
0467	Passenger Service Reviews	182	180	-1%	
<b>2. Policy making and planning</b>		<b>377</b>	<b>378</b>	<b>0%</b>	Ongoing monitoring of the implementation of the PT Plan and Strategy.  Ongoing investigations into long-term passenger transport options  Ongoing planning for the expansion of the Central City Bus Exchange.  Decreased cost for Passenger Transport Strategic Developments due to completion of the PT Strategy update.
0468	Passenger Transport Plan	178	182	3%	
0477	Passenger Transport Strategic Developments	164	160	-3%	
0647	District Planning Liaison - Passenger Transport	34	35	2%	
<b>3. Monitoring</b>		<b>104</b>	<b>101</b>	<b>-3%</b>	Introduction of a mystery shopper programme to support measurement of key performance indicators as part of the ECan/Bus Operator partnering programme.
0461	Public Passenger Transport Monitoring	101	99	-3%	
0634	State of Environment Report - Public Passenger Transport	2	2	2%	
<b>4. Operations</b>		<b>25,868</b>	<b>26,418</b>	<b>2%</b>	Planned increased provision for contract costs in most areas  Monitoring the implementation of the 1 <sup>st</sup> dial a ride scheme and initial planning for the 2 <sup>nd</sup> scheme.  Ongoing implementation and maintenance of the RTI system, TMS as well as the Clearing House. Continued provision for ongoing costs of Metrocards.  Increased provision for contract costs in Timaru.  Increased provision for Total Mobility contract costs  Costs related to Passenger Service Contract Management – IT systems support.  <i>[Rangiora service will need \$250k additional funding than in LTCCP, but still within rating levels accepted by the community during service review consultation.]</i>
0458	Passenger Services Funding Allocation	7	7	3%	
0463	Passenger Services Tendering	57	59	3%	
0464	Passenger Services Contract Payments	22,171	22,663	2%	
0465	Total Mobility	1,889	1,980	5%	
0481	Clearing House	289	297	3%	
0484	Passenger Services Contract Management	1,456	1,413	-3%	
<b>5. Communicating, educating and advocating</b>		<b>2,023</b>	<b>1,829</b>	<b>-10%</b>	
0356	Advisory Services - Passenger Transport	796	845	6%	
0469	Passenger Services Information	336	331	-1%	
0485	Passenger Services Marketing	786	545	-31%	
0486	Passenger Services Education	104	108	4%	
<b>6. Regulating and enforcing</b>		<b>41</b>	<b>16</b>	<b>-60%</b>	Development of a regional database completed in 06/07
0462	Passenger Services Licensing	41	16	-60%	

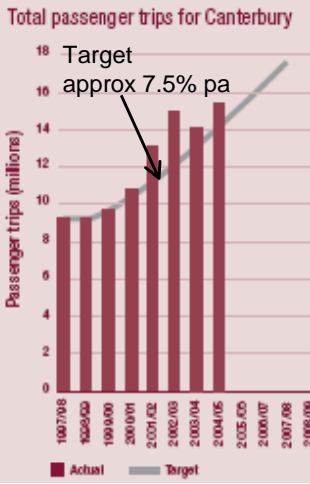
### TABLE 5: Funding Summary

Funding source	LTCCP 2006/07	LTCCP 2007/08
Interest	578	600
User pays/Other	-	-
Grants	13,868	14,148
Targeted rates	13,473	13,749
General rates	57	45
<b>Total income</b>	<b>27,976</b>	<b>28,540</b>
<b>Operating expenditure</b>	<b>28,594</b>	<b>28,992</b>
Operating surplus/(deficit)	(618)	(382)
General Reserve	-	-
PPT Reserve	618	382
Total funding from reserves	618	382

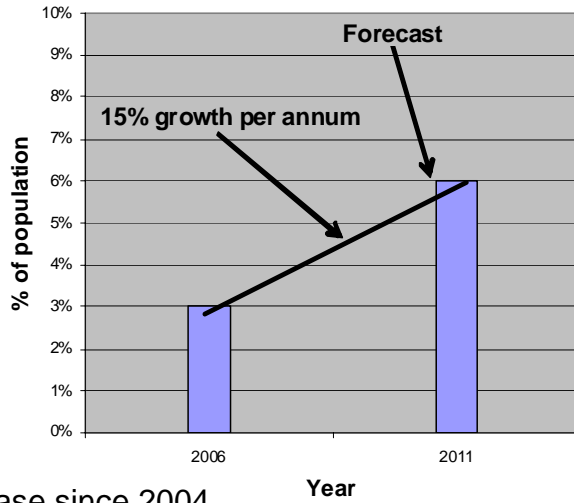
**APPENDIX 2: KEY DRIVERS/TRENDS AFFECTING ECAN'S WORK IN PUBLIC PASSENGER TRANSPORT**



**TRIPS**  
Draft LTCCP p61



**Public Passenger Transport Use in Christchurch- RLTS Goals**



Fuel costs: 92%pa increase since 2004  
Drivers wages: 20% increase since 2004