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Canterbury Land Transport Expenditure and Income

Report for year ending 30 June 2004

Report to Environment Canterbury

June 2005

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Contents

Summary for 2003/04

Introduction

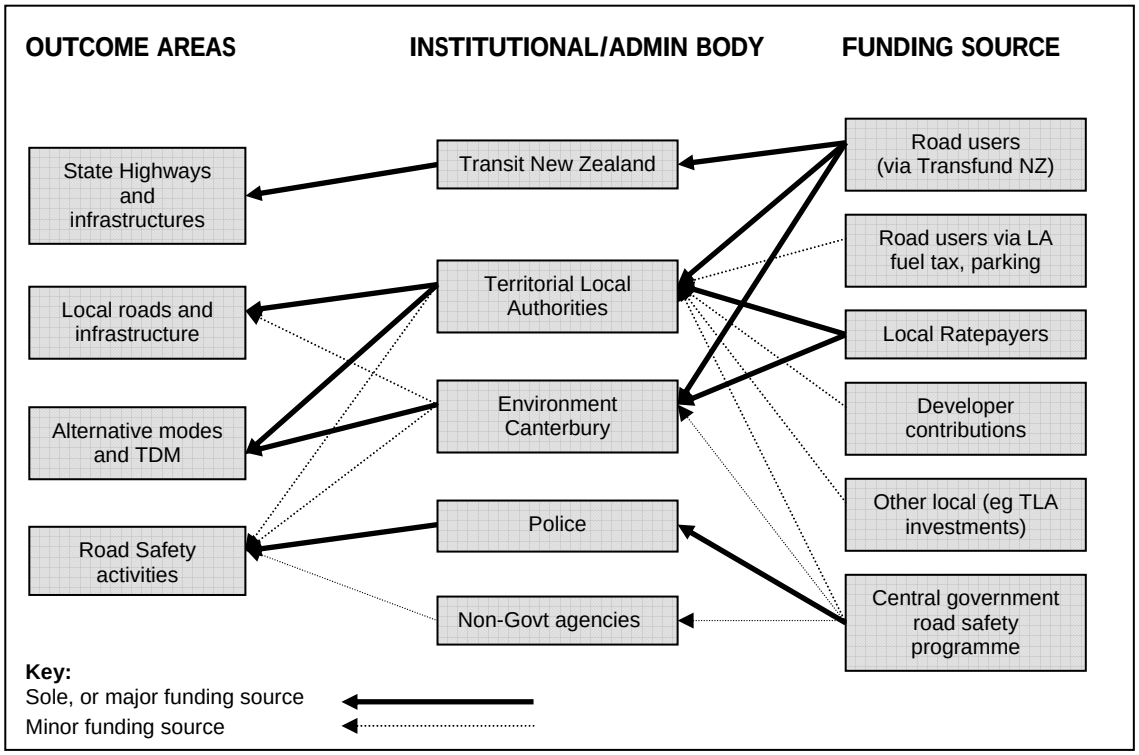
This report is a follow-up to the initial report prepared in 2004 that brought together region-wide information on land transport public expenditure and income sources up to 30 June 2003[1]. This report updates information for the year to 30 June 2004 and continues with much of the reporting format developed in the initial report.

Note that some additional minor expenditure and income items have been identified and reported this year, and some minor corrections have been made to the database for previous years. Most of the changes relate to road safety expenditures within the last 5 years. All comparisons with pre-2004 information reported here are on the basis of an updated and corrected historical database.

Framework

The framework adopted defines 4 main outcome areas, with funding from a range of sources channelled through 5 main types of institutional/ administrative bodies (Figure 1).

Figure 1. Outcomes framework for this report.



[1] Ian McChesney, 2004. Regional Land Transport Expenditure and Income. Report to Environment Canterbury June 2004. 51pp.

The 4 outcome areas reported cover:

State Highways: - includes all operational and capital expenditure on state highways and associated infrastructure.

Local roads and transport infrastructure: - includes operational and capital expenditure on local roads and related infrastructure including parking, amenity/landscaping costs, developer investments etc.

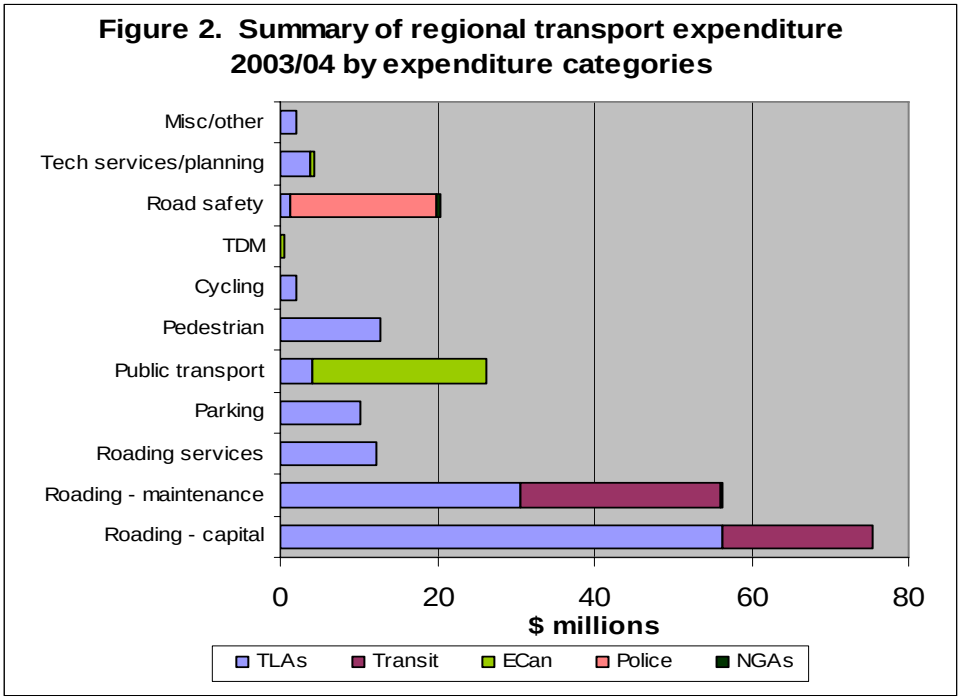
Alternative modes and Travel Demand Management (TDM): - includes capital and operational expenditure on cycling and pedestrian facilities, all passenger transport expenditure, and TDM trial costs.

Road safety activities: - includes regional expenditure under the New Zealand Road Safety Programme (NZRSP) (police hours, community road safety projects) and other minor expenditures.

Expenditure

In 2003/04 public expenditure on transport outcomes in Canterbury was estimated at $222m. This was split amongst a range of categories, with roading and the provision of roading services accounting for two-thirds of total expenditure (Figure 2[2] & Table 1). Overall, expenditure increased by $31m (+16%) compared with expenditure in 2002/03. Three outcome areas – local roading /infrastructure, state highways and alternative modes - all recorded significant increases in expenditure (Figure 3).

Figure 2. Summary of regional transport expenditure 2003/04 by expenditure categories



[2] Note that maintenance and capital expenditure are split out for roading, but other categories include both maintenance and capital expenditure.

Table 1. Summary of regional transport expenditure 2003/04 ($M).

		Transport provider/institution						
Expenditure category	**Notes**	**TLAs**	**Transit**	**ECan**	**Police**	**NGAs**	**Total**	**%**
Roading - capital	1	56.4	19.0				75.4	34%
Roading - maintenance	2	30.7	25.5	0.1			56.3	25%
Roading services	3	12.3					12.3	6%
Parking	4	10.2					10.2	5%
Public transport	5	4.1		22.2			26.3	12%
Pedestrian	6	12.6					12.6	6%
Cycling	7	2.1					2.1	1%
TDM	8	0.1		0.2			0.3	-
Road safety	9	1.2		0.3	18.6	0.3	20.4	9%
Tech services/planning	10	3.7		0.7			4.4	2%
Misc/other		2.0					2.0	1%
Total		**135.5**	**44.5**	**23.4**	**18.6**	**0.3**	**222.2**	
%		**61%**	**20%**	**11%**	**8%**	**-**		**100%**

Notes:

1 New roads and renewals of existing roads and roading infrastructure.

2 Maintenance to existing roads, associated drainage works, emergency works, safety works etc.

3 Covers street lighting, signals and operations, street cleaning.

4 Capital and operational expenditure of parking facilities.

5 Public transport infrastructure (bus stops, bus exchange, RTI etc), public transport service contracts, Total Mobility services, *Metro* information, overheads and administration.

6 Footpaths, pedestrian facilities etc.

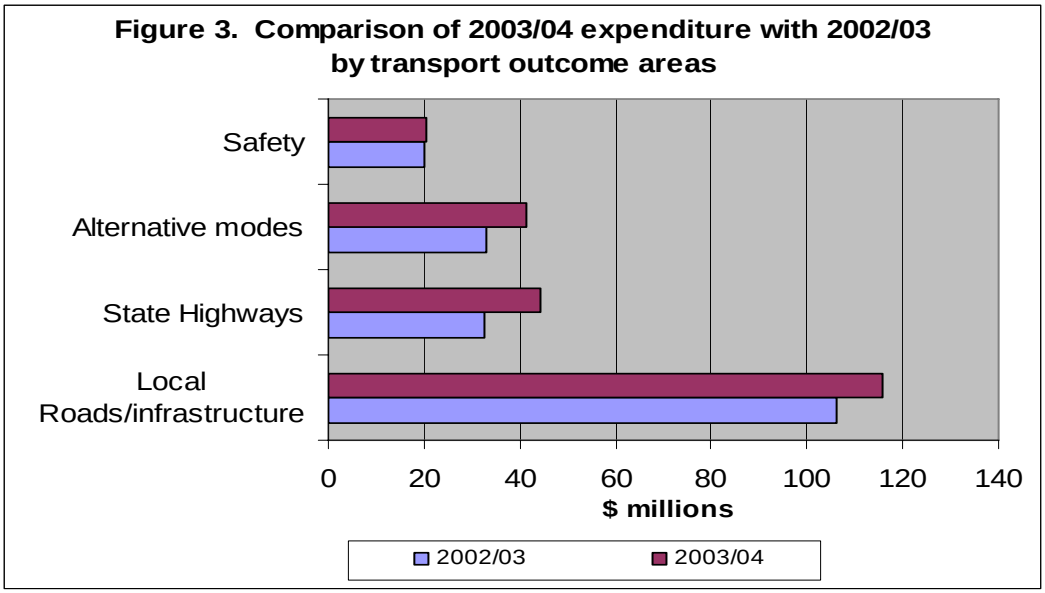
7 Dedicated cycling expenditure e.g. cycleways, road markings, strategy and information.

8 TDM trials and planning activities undertaken in Christchurch.

9 Covers operational road safety activities (policing, road safety co-ordinators, advertising). Does not include road works designated as “safety works”.

10 Road/transport design and planning, TLA overheads associated with transport.

Figure 3. Comparison of 2003/04 expenditure with 2002/03 by transport outcome areas



Expenditure highlights:

Expenditure highlights for the year included:

State highways – completion of the Glasnevin Weigh Station and Effluent Disposal Site; Otira Underpass; Hurunui Road Curve Re-alignement; Passing lanes at Winslow. In progress projects: 4-laning the Main North Road (and re-bridging) in Christchurch; Normanby re-alignment south of Timaru.

Local roads and infrastructure – Christchurch: completion of Fendalton Rd 4-laning. Waimakariri: Beach Rd project, reseals. Timaru: construction progressing on strategic road link between Temuka and Clandeboye.

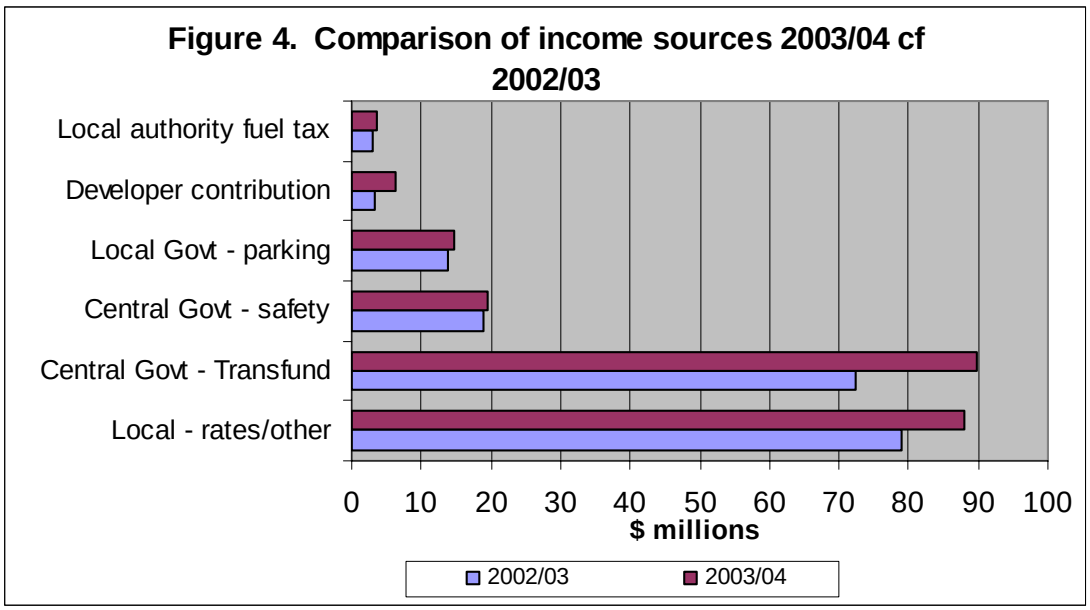
Alternative Modes - Passenger Transport: bus finder and information technology; Metrocard introduced; one-off funding boost of $3m from Transfund through patronage credits earned. Pedestrians: Increased investment in pedestrian facilities in Christchurch.

Income 2003/04

While a range of revenue streams provided for the $222m expenditure, 80% was provided by 2 key sources - the National Land Transport Programme (NLTP) via Transfund NZ, and local authority rates-based funding (which also includes some minor income derived through interest, loans etc.) (Figure 4 & Table 2). Funding from the NLTP, at almost $90m, was 25% higher than the previous year, with funding to Transit NZ for State Highways accounting for $12m of the increase.

Territorial Local Authorities (TLAs) accounted for 61% of the region's transport expenditure, and while property rates are still the main source of income, overall there is a diversity of income sources contributing (Figure 5 & Table 2).

Figure 4. Comparison of income sources 2003/04 cf 2002/03



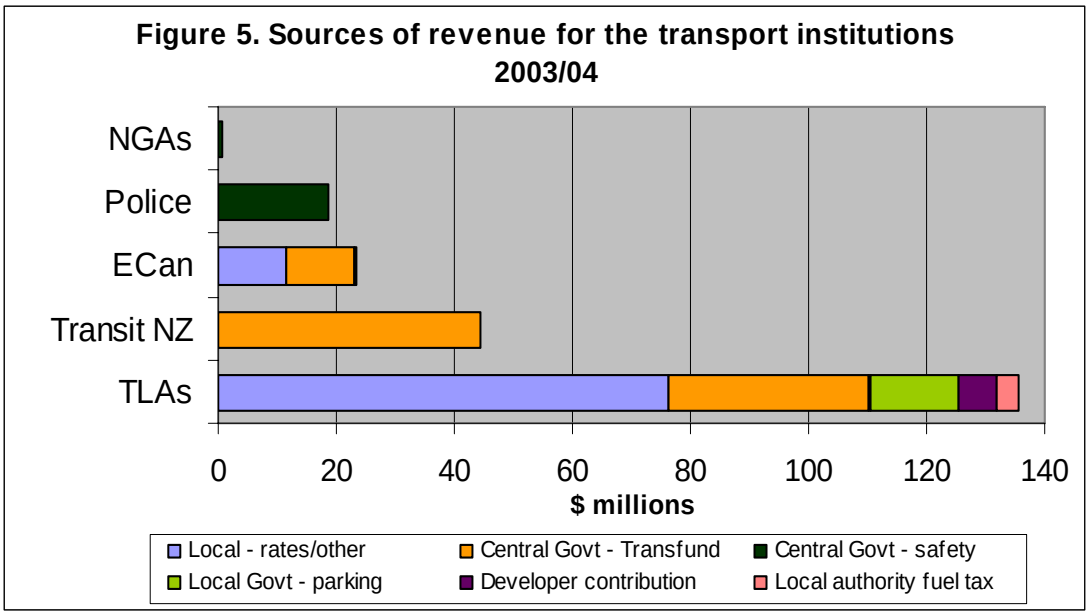


Table 2. Summary of regional transport revenue sources 2003/04 ($M).

		Transport provider/institution						
Income sources	**Notes**	**TLAs**	**Transit**	**ECan**	**Police**	**NGAs**	**Total**	**%[7]**
Local - rates/other	1	76.4		11.6			88.0	40%
Central Govt - Transfund	2	33.8	44.5	11.6			89.9	41%
Central Govt - safety	3	0.4		0.2	18.6	0.3	19.5	9%
Local Govt - parking	4	14.7					14.7	7%
Developer contribution	5	6.3					6.3	3%
Local authority fuel tax	6	3.7					3.7	2%
Total		**135.5**	**44.5**	**23.4**	**18.6**	**0.3**	**222.2**	

Notes:

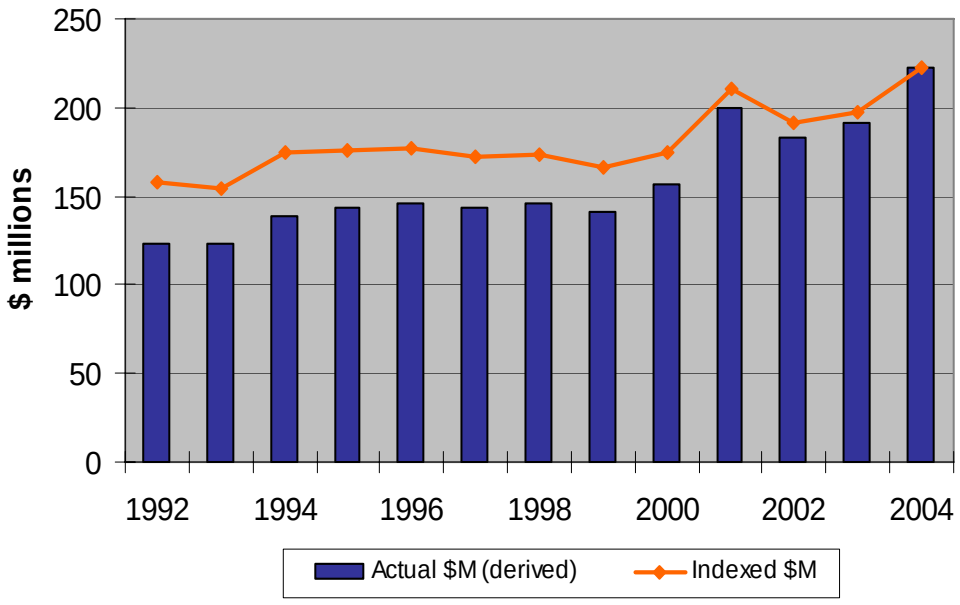
1. Local authority rates, levied as a dedicated transport rate, or from general rates. Category also includes other (unspecified) income sources which could include loans, interest or income from investments.
2. Revenue derived from the National Roads Fund, distributed by Transfund through the NLTP.
3. Central government revenue stream funded via LTSA to TLAs and ECan, and funding for NZ Police under the New Zealand Road Safety Programme.
4. User charges from local authority parking provision.
5. Investments by developers in new transport infrastructure (as a condition of development or in lieu of local authorities investing directly themselves.
6. Local Authority Fuel Tax income – as reported by TLAs.
7. Doesn't add to 100% because of rounding.

Time series of regional expenditure

A derived time series of regional transport expenditure has been assembled to provide an historical overview of the expenditure trend over the last decade (Figure 6). The plot shows expenditure in dollars of the day (bars), and real expenditure using 2003/04 as the base year (line). The real (indexed) expenditure was derived using the Transfund transport cost index (see Appendix 5).

It is emphasised that estimates have been made of some of the data in earlier years, so the trend throughout the 1990s should be regarded as indicative, but it suggests that 2003/04 expenditure is about 25% higher in real terms than typical levels during the 1990s.

Figure 6. Time series of public expenditure on transport in Canterbury



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1 Introduction

Environment Canterbury is required by the Land Transport Act 1998 to prepare an Annual Monitoring Report on the implementation of the Canterbury Regional Land Transport Strategy (RLTS). The monitoring report tracks trends in key outcome areas of the RLTS, as well as reporting on a range of information related to regional transport provision.

In 2004 Environment Canterbury commissioned a report to bring together region-wide information on public expenditure on transport and income sources up to 30 June 2003[3]. The report provided a detailed breakdown of expenditure and income for the 2002/03 year, as well as providing estimated information for previous years. The quality of information collected for the 5 years up to 2002/03 appeared to be reasonably sound, but was less reliable for earlier years. The pre-1997 time series information reported was thus indicative only.

The current report updates information for the year to June 2004 and continues with much of the reporting format developed in the initial report. However, much of the explanatory text and discussion contained in the initial report is not repeated here. A summary of terms and definitions is included as a glossary at the back of this report.

This year's report includes a new framework which is aimed at providing a clearer explanation of the linkages between funding sources, delivery agencies and outcome areas for expenditure.

Note also that some additional minor expenditure and income items have been identified and reported this year, and some minor corrections have been made to the database for previous years. Most of the changes relate to road safety expenditures within the last 5 years. All comparisons with pre-2004 information reported here are on the basis of an updated and corrected historical database.

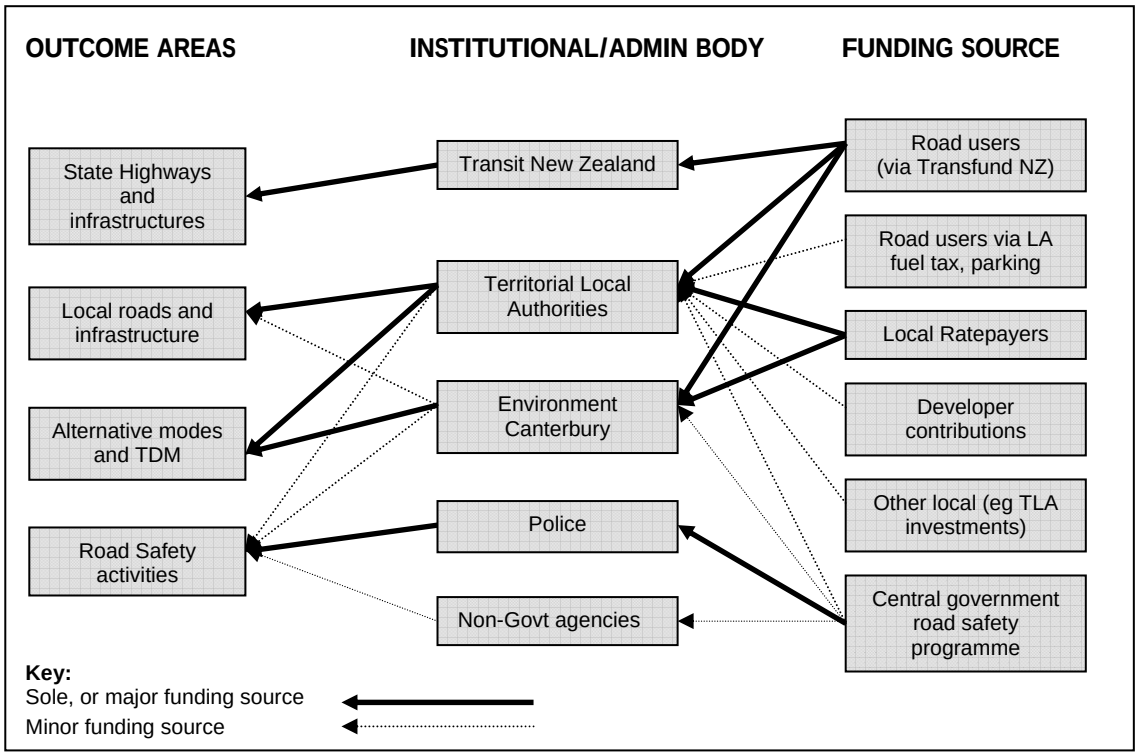
[3] Ian McChesney, 2004. Regional Land Transport Expenditure and Income. Report to Environment Canterbury June 2004. 51pp.

2 Overview of information reported

2.1 Framework

The framework adopted defines 4 main outcome areas, with funding from a range of sources channelled through 5 main types of institutional/ administrative bodies[4]. These outcome areas do not necessarily provide a precise alignment with result areas specified in the RLTS but further breakdowns are provided in the Appendices to enable a closer matching with RLTS result areas if required.

Outcomes framework for this report.



2.2 Outcome areas

State Highways: Covers operational and capital expenditure on state highways within the region including bridges, renewals, maintenance, emergency works, property expenditure etc. Information was sourced from staff at the Transit NZ Christchurch office.

Local roads and transport infrastructure: Covers capital and operational expenditure on local roads and infrastructure - infrastructure includes parking facilities, associated amenity/landscaping costs, developer investment in new roads and facilities (where these are identified as "developer contributions"), property purchase, and associated

[4] From December 2004, Transfund NZ and the Land Transport Safety Authority have been merged to form Land Transport New Zealand (LTNZ).

design and overhead costs. Also included, where identified, are the costs of transport planning and administrative overheads. Information was sourced primarily from local authorities via 2003/04 Annual Reports; direct contact and follow-up with various councils including access to accounting spreadsheets; and the record of TLA subsidised expenditure from Transfund NZ Christchurch office.

Alternative modes and Travel Demand Management (TDM): Covers capital and operational expenditure on cycling and pedestrian facilities (including information and publicity), the costs of contracts between Environment Canterbury and bus service providers, the provision of Total Mobility services, the costs of developing and maintaining fixed infrastructure, the costs of *Metro* information and other services, and staffing and overhead costs within ECan. Also covered is expenditure by TLAs on public transport fixed infrastructure. Information was sourced from TLAs and Transfund (as above), and Environment Canterbury.

Road safety activities: Covers regional expenditure under the New Zealand Road Safety Programme (NZRSP), which includes the regional allocation of police hours, and allocations under the Community Road Safety Programme (CRSP). Also covered is any additional road safety expenditure from TLAs and other bodies (this includes expenditure by the Accident Compensation Corporation (ACC) on road safety prevention activities). Information was sourced from LTSA Christchurch office, TLA Annual Plans, and direct communication with parties. The allocation of Police hours was sourced directly from the NZRSP 2003/04 Plan. It is emphasised that the LTSA and Police sources report budgeted expenditure rather than actual. It is understood that actual expenditure is close to budgeted expenditure[5].

2.3 Items of expenditure (or costs) not covered in this report

Specifically not covered in this report are the following:

- Local roading/transport expenditure within that part of the Waitaki District that falls within the Canterbury Regional Council boundary (see explanation in S2.6).

- Staffing, administration and overhead costs associated with the regional offices of national transport institutions – i.e. Transfund, Transit NZ, LTSA, NZ Police, Ministry of Transport. Part of the reason for not including these costs is that the geographical coverage of these offices often does not align with the Canterbury region (for example, the Canterbury office of Transit NZ also covers the West Coast).

- ACC personal injury costs involving motor vehicles on public roads transport related costs.

- External costs of the transport network. The recent Surface Transport Costs and Charges report released by Government identified two main externality costs – additional accident costs (not covered by the ACC), and environmental costs (e.g. greenhouse gas emissions, localised emissions of pollutants to air and to waterways, and noise)[6].

[5] Pers Comm Denis Robertson, LTSA.

[6] Ministry of Transport, 2005. Surface Transport Costs and Charges: Main Report. 161pp.

- Capital return on recoverable infrastructure (i.e. recoverable infrastructure is defined as having alternative uses, so a capital return is a way of approximating the opportunity cost)[7].

- Private provision of transport services and infrastructure. This includes all costs associated with the rail network and infrastructure in the region, as well as more localised infrastructure such as private parking provision.

- Private expenditure on transport by individuals and businesses.

2.4 Items where coverage is inconsistent

The expenditure area where there is likely to be partial (or inconsistent) coverage is the allocation of local authority overheads to transport provision. Most councils provided information on this item, but it is unclear whether consistent criteria have applied, or whether a full accounting of appropriate overheads has been made.

2.5 Inclusions and corrections made this year

Two significant inclusions and corrections were made this year compared with last year:

- Expenditure on a number of relevant road safety activities were not covered in last years report. The current report captures allocated Police hours (for the last 5 years) for the Enhanced Alcohol CBT (Compulsory Breath Testing) programme, the Highway Patrol, and the CVIU (Commercial Vehicle Inspection Unit), as well as expenditure by the ACC on local road safety programmes. These costs are outlined in Appendix A3. Overall, inclusion of these costs lifted expenditure by about $4.8m for 2002/03.

- Total transport expenditure for Timaru District – the analysis of 2003/04 data for Timaru suggested that there had been some double counting of non-subsidised expenditure in the 2002/03 analysis, up to about $1m i.e. TLA expenditure was overstated by about $1m.

The overall effect was that 2002/03 expenditure was corrected upwards to $191m compared with $187m reported last year, and earlier years were corrected as appropriate as well. All comparisons made in this report between 2003/04 expenditure/income and earlier years use corrected data.

2.6 Terminology and methodological issues

As noted in the initial report, achieving consistency in information reporting is problematic in some areas. The key issues, which still apply to this report, are as follows:

Depreciation: Depreciation is an accounting requirement of TLAs in which the annual replacement cost of the total asset value of transport infrastructure is entered into the accounts as an item of expenditure. As long as the capital expenditure on "renewals"

[7] Ministry of Transport, 2005.Ibid.

has been accounted for then it would be double counting to also include depreciation in the overall picture of regional expenditure. In this report, the convention when reporting overall expenditure has been to include all capital expenditure (because it represents actual expenditure), and to exclude depreciation.

Consistency of allocation of expenditure between output categories: Some items of roading expenditure are not being consistently reported by all councils. In particular, the category of transport-related "professional services" (which includes planning, design and contract administration) is allocated by some councils to particular roading output areas, while other councils report this as a separate item of expenditure. Therefore, the reporting of professional services in this report is partial in the sense that it only reports this category if councils have not already re-allocated it.

There are also issues between separating capital expenditure from operational expenditure, and in the reporting of subsidised and non-subsidised works.

Data qualifications: The 13 year summary of regional expenditure reported here is a synthesised record, developed by using the combination of databases available. In the end it contains a series of estimates (in particular for the non-subsidised spend by TLAs pre 1998), and so should be regarded as indicative only.

GST: All costs/expenditures are exclusive of GST.

2.7 Geographic coverage

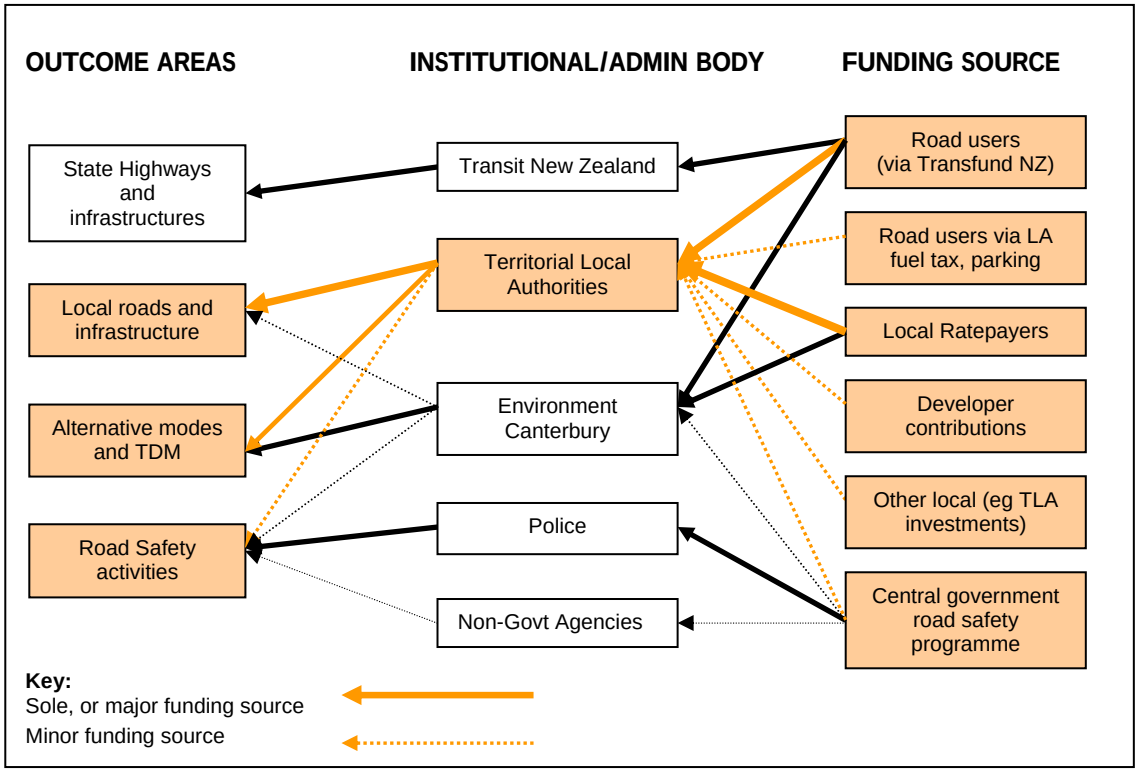
For the purpose of this report the Canterbury region is taken to be the area covered by the 10 territorial local authorities - Kaikoura District, Hurunui District, Waimakariri District, Christchurch City, Selwyn District, Banks Peninsula District, Ashburton District, Timaru District, Mackenzie District, and Waimate District. This is slightly different from the geographical area coverage of the Canterbury Regional Council which includes the catchment of the Waitaki River, part of which lies within the area administered by the Waitaki District Council. Transport expenditure within the Waitaki District, regardless of whether it can be identified as being spent on land transport within the area covered by the Canterbury Regional Council, is not included.

2.8 Indexing

Indexing has been applied to time series data in order to generate $ expenditures in equivalent (2004) dollars (i.e. sometimes referred to as 'real' expenditure). The indices used have been the Transfund "Construction Index" and the Transfund "Passenger Transport" index (see Transfund website). These are an index series with the June 1991 year as the base. The values were inverted to create an index with a June 2004 year base (Appendix 5).

Appendix 1 Territorial Local Authorities

A1.1 Functional Areas:



- Territorial Local Authorities play a key role in local transport provision, contributing directly or indirectly to all outcome areas[8].
- TLAs have a relatively complicated income regime, drawing funds from a range of central government and local sources.
- The primary sources of funding are the NLTP (via Transund) and local ratepayers.

A1.2 Total income and expenditure

Table 3 summarises income and expenditure for the 10 TLAs for 2003/04. This table was assembled by the following process:

1) Developing a questionnaire template of income and expenditure categories, based on a combination of Transfund expenditure categorisation and the general layout adopted by a number of TLAs in their 2003/04 Annual Reports

[8] Some TLAs also contribute indirectly to State Highway outcomes through sub-contracting for services, or through providing roading infrastructure which is subsequently designated as a state highway and passed over to Transit to administer and maintain.

2) Filling in the template by combining information gleaned from Annual Reports, and from direct feedback received from TLAs

3) Income and expenditure was reconciled for each TLA by:

- Calculating total actual expenditure for the year as the sum of:
  - Operational expenditure + capital expenditure (including all subsidised and non-subsidised expenditure) minus depreciation.
- Total income was assumed to equal total actual expenditure. Total income was split into a number of components:
  - Actual known or specified income sources (i.e. Transfund subsidy, parking income, local authority fuel tax, developer contribution, interest (if specified)) were identified and deducted from total income to leave a residual.
  - The residual was assumed to be the income from local sources, mainly rates but also including income from TLA investments, interest etc. (categorised as "rates/other").

Note that TLAs in general do not run a comprehensive transport account as such. For instance excess parking income is not necessarily assigned to help fund other transport outcomes. Hence in order to develop an internally consistent 'transport account' for this study it has been necessary to use the synthesised approach outlined above.

Expenditure highlights: Total expenditure of $135.5m by TLAs was estimated for 2003/04. This is an increase of about $14.5m (or 12%) from 2002/03[9]. Key areas of activity were:

- Roads and roading infrastructure – increased expenditure of about 16% over 2002/03, including an estimated $12m[10] on new capital projects.
- The alternative modes of walking (pedestrians), cycling and public transport infrastructure all indicated expenditure increase of over 20% compared with 2002/03, albeit from a relatively low base for cycling and PT. Most of the increased spending occurred in Christchurch City.
- Spending on roading services, road safety and parking provision was at similar levels to last year.

Income sources: Income from all sources appeared to increase in 2003/04, with parking charges (+6%), Transfund income (+9.7%), rates and other local contributions (+11.3%) and developer contributions (+~80% (from a very small base however)) the most significant sources of income.

[9] Last years report estimated total TLA expenditure at $122.3m for 2002/03. Subsequent analysis undertaken for this years report suggested that some double counting occurred in the assessment of Timaru DC's expenditure for 02/03, overstating total expenditure by about $1m.

[10] Not all TLAs reported this separately so this figure is a best estimate.

Table 3. Summary of TLA estimated income and expenditure 2003/04 $(000)

	Kaikoura		Hurunui		Waimakariri		Christchurch		Selwyn		Banks Pen		Ashburton		Timaru		Mackenzie		Waimate		TOTALS
Revenue																					
Parking	19		0		0		13,948		0		2		202		571		0		0		14,742
LTSA	23		35		58		199		70		0		46		0		0		0		431
Transfund	342		1,903		4,059		13,164		2,976		1,618		3,540		3,558		1,206		1,465		33,831
Petrol tax	35		160		282		2,143		138		119		219		454		67		70		3,687
Developer contribution					160		5,980		170				37								6,347
Rates/other local	507		1,204		6,297		47,110		4,448		3,151		4,645		4,694		853		1,424		74,333
Other	8		734		133		423		35		101		610				51				2,095
Total	934		4,036		10,989		8,2967		7,837		4,991		9,299		9,277		2,177		2,959		135,466
Expenditure	Operat-ional	Capital	Opera-tional	Capital	Operat-ional	Capital	Operat-ional	Capital	Operat-ional	Capital	Operat-ional	Capital	Opera-tional	Capital	Opera-tional	Capital	Operat-ional	Capital	Operat-ional	Capital	
Roading -maintenance	300		1,612		1,861		17,286		[1,795]		1,752		2,323		1,758		632		[1,357]		30,676
Roading - capital		297		1,416		5,733		31,377		[4,141]		2,116		5,375		3,647		1,182		[1,082]	56,366
Roading - services	44	45	245		629		6,089	2,639	770		278				1,128	89	122	82	97	54	12,311
Road safety	23		48		60		896		70		15		55		5		5		5		1,182
Pedestrian		25	45	171	370	60	1,978	6,946	134		82		727	537	993	501	18	32	9	15	12,643
Cycling					0		775	372													2,147
Public transport							3,567	488		33											4,088
Parking	33				0		9,421				5		167		462	92				12	10,192
Tech services	58		293		955				342		316				154		64		248		2,430
Admin o-hs	86	23	41		385				526		71		78				40		50		1,300
Misc			165		705	231	133		1		102	254		37	433				17	13	2,091
Depreciation	353		1,899		3,448		22,517		4,688		1,458		3,909		4,133		1,054		1,217		44,676
Total	897	390	4,348	1,587	8,413	6,024	62,662	4,2822	8,326	4,174	4,079	2,370	7,259	5,949	9,066	4,329	1,935	1,296	3,000	1,176	

Source: Derived estimates from TLA returns, and from NLTP subsidised expenditure records (Transfund)

[ ] estimated allocation between categories

A1.3 TLA subsidised expenditure

This section records the TLA expenditure which attracts the Transfund subsidy. It does not record any non-subsidised expenditure. Excluded are items of expenditure not qualifying for the subsidy, or where the subsidy was not sought. These items are typically those related to pedestrian facilities (footpaths etc), road landscaping, parking etc. As such, subsidised expenditure provides a very limited view. However, it is virtually the only region-wide dataset in existence that provides an historical record in a consistent manner, and so has some value in being able to track trends.

In 2003/04, $69.5m of TLA transport expenditure was subsidised, with the Transfund subsidy contributing $33.8m. Most of the subsidised expenditure fell within the category of Transfund's Output Class 1 Maintenance of Local Roads (Table 4). Total subsidised expenditure was 9.9% higher than in 2002/03 (Figure 7 and Table 6), continuing the upward expenditure trend noted over the previous 5 years. Over the whole region subsidised expenditure comprised an estimated 51%[11] of TLA's total transport spend in 2003/04 - although this is heavily weighted downwards by the Christchurch City Council at 36%, whereas for most other councils' subsidised expenditure accounts for over 75% of all transport expenditure (Table 5).

A series of further tables are provided which record subsidised expenditure for each of the 10 TLAs for the 6 years to 2003/04 (Tables 7a-7j).

[11] Note that these percentages should not be confused with the financial assistance rates (FARs) that are applied to categories of expenditure and determine the rate of subsidy for each TLA.

Table 4. Subsidised expenditure for the 10 regional TLAs 2003/04 ($(000))

		Kaikoura	Waimak	Hurunui	CCC	BP	Selwyn	Ashburton	Timaru	Mackenzie	Waimate	TOTAL
Output Class 1: Maintenance of Local Roads												
1	Pavement Maintenance	324	1,646	1,828	2,770	1,024	2,696	1,629	1,602	730	1,101	15,350
2	Area-wide Pavement Treatment		126	129	430	330	110	1,181	419	59	77	2,861
3	Major Drainage Control	27	888	0	6,257	92	36	530	395		77	8,302
4	Maintenance Chip Seals	95	733	472	1,543	420	1,476	1,969	1,040	208	598	8,554
5	Thin Asphaltic Surfacing		215		1,864	30	43	0	71			2,223
6	Seal Widening		272	0		1.5			62		99	434.5
7	Bridge Maintenance	13	129	189	260	126	92	180	123	55	49	1,216
10	Amenity/ Safety Maintenance	61	327	235	899	291	338	341	110	69	89	2,760
11	Street Cleaning	3	33	3	646	16	25	70	44	7	4	851
12	Traffic Services	30	392	185	2,285	88	498	251	327	106	80	4,242
13	Carriageway Lighting	24	205	58	3,660	174	188	190	312	43	13	4,867
14	Cycleway Maintenance		5		82				1			88
15	Level Crossing Warning Devices	1	7	7	40		4.5	13	10		7	89.5
17	Professional Services	70	904	284	2,506	316	342	399	525	64	248	5,658
	Total	647	5,881	3,391	23,242	2,907	5,847	6,753	5,041	1,341	2,441	57,496
Output Class 3: Improvement & Replacement of Local Roads												
	Minor Safety Projects	47	229	114	1,820	84	149	291	399	110	190	3,433
	Projects		1,767		3,125		60		1,147	538		6,637
	Other		31				1					32
	Total	47	2,027	114	4,945	84	210	291	1,546	648	190	10,102
Output Class 6: Passenger Transport							148					
Output Class 8: Promotion walking/cycling							887					
Output Class 9: Admin and Project control		8	89	41	288	36	65	78	78	27	32	742
Emergency Works/ Preventative Maintenance				36		72						108
Total		701	7,998	3,582	29,511	3,099	6,122	7,122	6,665	2,015	2,664	69,483

Source: NLTP data obtained from Transfund records.

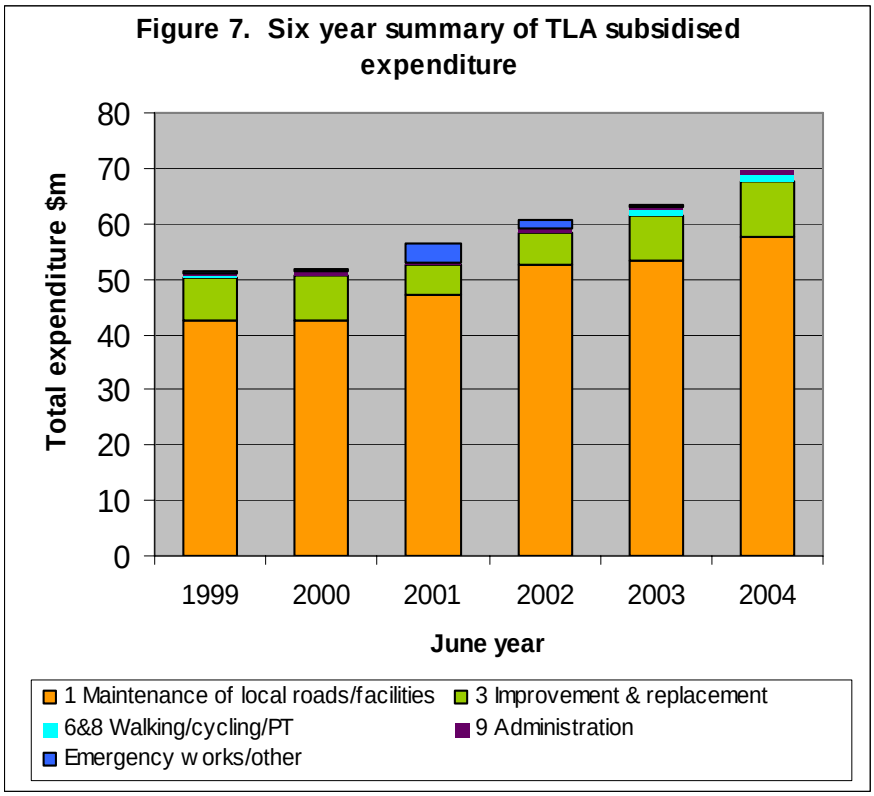


Table 5. TLA Expenditure – relationship between subsidised and total expenditure

	Est total 2003/04 Expenditure $000	Subsidised expenditure $000[1]	Ratio (Subsidised:total)
Kaikoura	934	701	75%
Hurunui	4,036	3,582	89%
Waimakariri	10,989	7,998	73%
Christchurch City	82,967	29,511	36%
Banks Peninsula	4,991	3,099	62%
Selwyn	7,837	6,122	78%
Ashburton	9,299	7,122	77%
Timaru	9,277	6,665	72%
Mackenzie	2,177	2,015	93%
Waimate	2,959	2,664	90%
TOTAL	**135,466**	**69,479**	**51%**

[1] The column records total TLA expenditure that attracts the Transfund subsidy. After allowing for the appropriate FAR rate for each TLA, the actual subsidy totalled $33.8m.

Table 6. Subsidised TLA expenditure by output class and category 1999-2004 $(000)

TOTAL (SUBSIDISED) TLA EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	16,202	13,676	14,116	15,884	15,569	15,306
2	Area-wide Pavement Treatment	958	1,243	1,965	2,175	3,130	2,861
3	Major Drainage Control	5,042	5,814	6,283	5,755	6,334	8,302
4	Maintenance Chip Seals	5,406	5,691	7,406	7,491	9,633	8,554
5	Thin Asphaltic Surfacing	776	983	1,106	2,201	1,679	2,223
6	Seal Widening	481	556	226	458	236	434.5
7	Bridge Maintenance	976	928	776	1,065	863	1,216
10	Amenity/ Safety Maintenance	4	1,475	1,658	2,015	1,784	2,760
11	Street Cleaning	702	645	650	735	811	851
12	Traffic Services	3,081	2,936	3,496	3,616	3,395	4,241
13	Carriageway Lighting	4,570	4,417	4,774	4,729	4,518	4,867
14	Cycleway Maintenance	85	130	138	42	69	88
15	Level Crossing Warning Devices	0	0	86	164	132	89.5
17	Professional Services	3,545	4,007	4,429	6,185	5,030	5,653
	Maintenance Management	577	0	0	0	0	0
	Undetermined/error	151	52	174			
	Total	42,556	42,553	47,283	52,515	53,183	57,446
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	975	1,051	1,681	1,884	1,931	3,433
	Projects	5,271	6,197	2,711	3,224	5,060	6,637
	Other	1,300	724	789	648	1,270	32
	Total	7,546	7,972	5,181	5,756	8,261	10,102
Output Class 6: Passenger Transport						10	148
Output Class 8: Promotion walking/cycling							
	Investigations					200	
	Construction pedestrians					39	
	Construction cycling	485	207		132	739	717
	Promotion						170
	Total	485	207		132	978	887
Output Class 9: Admin and Project control		540	548	605	645	659	742
Emergency Works/ Preventative Maintenance		122	328	3,181	1,554	142	306
Total		51,249	51,608	56,250	60,602	63,223	69,483
Indexed expenditure (2003/04 base)*		60,334	57,244	59,283	63,226	65,499	69,483
Index of expenditure (Base = 100 (2003/04))*		87	82	85	91	94	100

Source: NLTP data obtained from Transfund records.

* Index from Appendix 5

Table 7a. Kaikoura District Council subsidised expenditure $(000)

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	316	213	201	250	257	324
2	Area-wide Pavement Treatment						
3	Major Drainage Control					37	27
4	Maintenance Chip Seals	49	130	94	96	75	95
5	Thin Asphaltic Surfacing						
6	Seal Widening						
7	Bridge Maintenance	29	25	25	24	26	13
10	Amenity/ Safety Maintenance	4	46	44	39	63	61
11	Street Cleaning	6	10	3	3	3	3
12	Traffic Services	30	25	17	33	16	30
13	Carriageway Lighting	21	24	22	21	16	24
14	Cycleway Maintenance						
15	Level Crossing Warning Devices			1	1	1	1
17	Professional Services	55	30	67	64	58	70
	Maintenance Management						
	Total	510	502	474	531	551	647
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	5				26	47
	Projects			18	33	141	
	Other						
	Total	5		18	33	167	47
Output Class 9: Admin and Project control		6	11	6	6	8	8
Total		520	514	497	570	727	701
Transfund income		270	261	260	289	367	342
Average implied financial assistance rate (FAR)		0.52	0.51	0.52	0.51	0.50	0.49

Source: NLTP data obtained from Transfund records.

Table 7b. Hurunui District Council subsidised expenditure $(000)

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	1,584	1,558	1,651	1,667	1,873	1,784
2	Area-wide Pavement Treatment	4		101	88	119	129
3	Major Drainage Control						0
4	Maintenance Chip Seals	141	271	277	390	605	472
5	Thin Asphaltic Surfacing						
6	Seal Widening					64	0
7	Bridge Maintenance	158	132	16	67	31	189
10	Amenity/ Safety Maintenance		52	59	33	75	235
11	Street Cleaning	12	10	11	10	9	3
12	Traffic Services	95	123	128	113	182	184
13	Carriageway Lighting	55	55	50	51	44	58
14	Cycleway Maintenance						
15	Level Crossing Warning Devices			12	4	4	7
17	Professional Services	221	199	291	272	287	279
	Maintenance Management	44					
	Total	2,313	2,401	2,595	2,694	3,294	3,341
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	70	69	110	115	39	114
	Projects						
	Other	398	532	176			
	Total	469	600	286	115	39	114
Output Class 9: Admin and Project control		33	38	38	40	38	41
SPR 237				47	272	15	50
Emergency Works/ Preventative Maintenance				321	215		36
Total		2,815	3,238	3,285	3,336	3,386	3,582
Transfund income		1,487	1,740	1,706	1,801	1,719	1,842
Average implied financial assistance rate (FAR)		0.53	0.54	0.52	0.54	0.51	0.51

Source: NLTP data obtained from Transfund records.

Table 7c. Waimakariri District Council subsidised expenditure ($(000))

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	1433	1475	1294	1330	1574	1646
2	Area-wide Pavement Treatment	432	432	361	507	720	126
3	Major Drainage Control	527	398	436	446	193	888
4	Maintenance Chip Seals	508	575	662	817	840	733
5	Thin Asphaltic Surfacing	79		16	3	17	215
6	Seal Widening	176	57	95	173	172	272
7	Bridge Maintenance	147	229	140	116	146	129
10	Amenity/ Safety Maintenance		156	366	284	256	327
11	Street Cleaning	42	43	41	30	31	33
12	Traffic Services	234	268	319	374	371	392
13	Carriageway Lighting	199	181	185	130	271	205
14	Cycleway Maintenance	9	3	10	17		5
15	Level Crossing Warning Devices			8	46	13	7
17	Professional Services	388	461	631	607	607	904
	Maintenance Management	65					
	Total	4240	4278	4565	4882	5212	5881
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	45	94	121	170	140	229
	Projects						1767
	Other	275	508	262	689	929	31
	Total	320	602	383	859	1069	2027
Output Class 8: Promotion walking/cycling							0
Output Class 9: Admin and Project control		49	55	52	67	69	89
Emergency Works/ Preventative Maintenance					446	67	
Total		4609	4881	5000	6254	6418	7998
Transfund income		2232	2314	2385	3040	3158	4059
Average implied financial assistance rate (FAR)		0.48	0.47	0.48	0.49	0.49	0.51

Source: NLTP data obtained from Transfund records.

Table 7d. Christchurch City Council subsidised expenditure $(000)

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	3,155	2,460	2,462	3,216	3,392	2,770
2	Area-wide Pavement Treatment			169	343	241	430
3	Major Drainage Control	3,689	4,414	4,943	4,259	5,071	6,257
4	Maintenance Chip Seals	1,608	1,457	1,837	859	2,435	1,543
5	Thin Asphaltic Surfacing	540	735	951	1,910	1,416	1,864
6	Seal Widening						
7	Bridge Maintenance	84	70	72	106	102	260
10	Amenity/ Safety Maintenance		735	695	665	581	899
11	Street Cleaning	431	377	406	513	608	646
12	Traffic Services	1,455	1,428	1,910	1,837	1,641	2,285
13	Carriageway Lighting	3,260	3,079	3,460	3,561	3,323	3,660
14	Cycleway Maintenance	74	125	126	23	67	82
15	Level Crossing Warning Devices			38	60	60	40
17	Professional Services	1,607	1,715	1,861	3,451	2,208	2,506
	Maintenance Management	206					
	Undetermined/error			174			
	Total	16,109	16,594	19,104	20,798	21,145	23,242
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	395	420	788	830	857	1,820
	Projects	4,309	4,537	2,062	1,657	3,725	3,120
	Other			166	169	16	5
	Property purchase					185	
	Total	4,704	4,957	3,016	2,656	4,783	4,945
Output Class 6: Passenger Transport						10	148
Output Class 8: Promotion walking/cycling							
	Investigations					200	
	Construction pedestrians					39	
	Construction cycling	485	207		132	739	717
	Promotion						170
	Total	485	207		132	978	887
Output Class 9: Admin and Project control		211	212	223	232	256	288
Emergency Works/ Preventative Maintenance				638			
Total		21,508	21,973	22,981	23,818	27,171	29,511
Transfund income		9,613	9,805	10,150	10,515	12,109	13,164
Average implied financial assistance rate (FAR)		0.45	0.45	0.44	0.44	0.45	0.45

Source: NLTP data obtained from Transfund records.

Table 7e. Selwyn District Council subsidised expenditure $(000)

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	2,533	2,162	2,385	2,842	2,365	2,696
2	Area-wide Pavement Treatment			55	27	233	110
3	Major Drainage Control		6	16	15	40	36
4	Maintenance Chip Seals	522	826	1,193	1,556	1,540	1,476
5	Thin Asphaltic Surfacing			20	18	20	43
6	Seal Widening	155	337				
7	Bridge Maintenance	127	67	97	115	125	92
10	Amenity/ Safety Maintenance		56	45	247	80	338
11	Street Cleaning	76	65	23	21	19	25
12	Traffic Services	346	259	325	497	350	498
13	Carriageway Lighting	163	182	177	173	177	188
14	Cycleway Maintenance						
15	Level Crossing Warning Devices				21	8	4.5
17	Professional Services	218	354	306	269	300	342
	Maintenance Management	130					
	Total	4,271	4,314	4,642	5,800	5,257	5,847
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	100	113	138	205	215	149
	Projects	418	598	213	173	444	60
	Other				15	30	1
	Total	518	711	351	393	689	210
Output Class 9: Admin and Project control		45	52	53	64	63	65
Emergency Works/ Preventative Maintenance				226	90		
Total		4,835	5,129	5,273	6,347	6,009	6,122
Transfund income		2,187	2,316	2,416	2,910	2,878	2,976
Average implied financial assistance rate (FAR)		0.45	0.45	0.46	0.46	0.48	0.49

Source: NLTP data obtained from Transfund records.

Table 7f. Banks Peninsula District Council subsidised expenditure $(000)

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	1,210	1,065	935	1,085	1,166	1,024
2	Area-wide Pavement Treatment	192	209	208	98	187	330
3	Major Drainage Control		80	74	108	60	92
4	Maintenance Chip Seals	297	286	408	454	389	420
5	Thin Asphaltic Surfacing		67	33	88	108	30
6	Seal Widening	61	88	60			1.5
7	Bridge Maintenance	108	172	143	272	112	126
10	Amenity/ Safety Maintenance		157	204	330	302	291
11	Street Cleaning	6	10	30	35	16	16
12	Traffic Services	68	103	92	132	79	88
13	Carriageway Lighting	115	126	148	133	171	174
14	Cycleway Maintenance						
15	Level Crossing Warning Devices						
17	Professional Services	116	155	221	318	308	316
	Maintenance Management	20					
	Total	2,193	2,518	2,556	3,054	2,898	2,907
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	24	49	54	113	84	84
	Projects				349		
	Other				60	20	
	Total	24	49	54	523	104	84
Output Class 9: Admin and Project control		26	31	59	51	35	36
Emergency Works/ Preventative Maintenance		60	318	1,601	595	75	72
Total		2,303	2,916	4,270	4,223	3,112	3,099
Transfund income		1,166	1,407	2,699	2,337	1,596	1,618
Average implied financial assistance rate (FAR)		0.51	0.48	0.63	0.55	0.51	0.52

Source: NLTP data obtained from Transfund records.

Table 7g. Ashburton District Council subsidised expenditure $(000)

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	2,155	1,643	1,746	1,872	1,499	1,629
2	Area-wide Pavement Treatment	90	75	712	624	1,007	1,181
3	Major Drainage Control	316	434	326	476	484	530
4	Maintenance Chip Seals	1,385	1,146	1,753	1,734	2,045	1,969
5	Thin Asphaltic Surfacing						0
6	Seal Widening	89			170		
7	Bridge Maintenance	59	72	115	49	66	180
10	Amenity/ Safety Maintenance		113	83	163	184	341
11	Street Cleaning	37	48	53	47	70	70
12	Traffic Services	[300]	303	287	235	277	251
13	Carriageway Lighting	258	307	291	241	168	190
14	Cycleway Maintenance						
15	Level Crossing Warning Devices			12	11	23	13
17	Professional Services	278	307	301	379	423	399
	Maintenance Management						
	Undetermined/error	28					
	Total	4,995	4,450	5,679	6,002	6,247	6,753
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	133	118	191	112	225	291
	Projects			156	101	42	
	Other						
	Total	133	118	347	213	267	291
Output Class 9: Admin and Project control		57	51	68	69	72	78
Emergency Works/ Preventative Maintenance		62			29		
Total		5,246	4,619	6,094	6,313	6,586	7,122
Transfund income		2,584	2,313	3,074	3,126	3,268	3,540
Average implied financial assistance rate (FAR)		0.49	0.50	0.50	0.50	0.50	0.50

Source: NLTP data obtained from Transfund records.

Table 7h. Timaru District Council subsidised expenditure $(000)

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	1,583	1,308	1,521	1,572	1,514	1,602
2	Area-wide Pavement Treatment	240	489	322	415	526	419
3	Major Drainage Control	450	462	448	403	391	395
4	Maintenance Chip Seals	479	550	693	928	1,064	1,040
5	Thin Asphaltic Surfacing	133	181	86	182	118	71
6	Seal Widening		74	71	102		62
7	Bridge Maintenance	101	114	82	197	148	123
10	Amenity/ Safety Maintenance		52	50	50	110	110
11	Street Cleaning	70	68	71	60	41	44
12	Traffic Services	393	252	247	259	280	327
13	Carriageway Lighting	392	366	352	351	295	312
14	Cycleway Maintenance	2	2	2	2	2	1
15	Level Crossing Warning Devices			10	15	16	10
17	Professional Services	437	510	490	490	513	525
	Maintenance Management	56					
	Undetermined/error	123	10				
	Total	4,459	4,438	4,444	5,026	5,017	5,041
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	110	105	163	191	202	399
	Projects	754	22		354	354	1,147
	Other	417	487	400			
	Total	1,281	614	563	545	556	1,546
Output Class 9: Admin and Project control		68	59	58	65	65	78
Total		5,808	5,101	5,065	5,636	5,638	6,665
Transfund income		3,076	2,673	2,655	2,955	2,962	3,558
Average implied financial assistance rate (FAR)		0.53	0.52	0.52	0.52	0.53	0.53

Source: NLTP data obtained from Transfund records.

Table 7i. Mackenzie District Council subsidised expenditure $(000)

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	856	808	768	775	751	730
2	Area-wide Pavement Treatment			37	40	97	59
3	Major Drainage Control	19				6	
4	Maintenance Chip Seals	106	119	99	150	146	208
5	Thin Asphaltic Surfacing	24					
6	Seal Widening						
7	Bridge Maintenance	66	7	30	69	48	55
10	Amenity/ Safety Maintenance		52	38	98	60	69
11	Street Cleaning	12	12	10	13	10	7
12	Traffic Services	79	91	77	46	91	106
13	Carriageway Lighting	48	54	58	52	42	43
14	Cycleway Maintenance						
15	Level Crossing Warning Devices						
17	Professional Services	44	64	51	114	95	64
	Maintenance Management	40					
	Total	1,293	1,206	1,169	1,357	1,346	1,341
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	32	34	51	54	54	110
	Projects					403	538
	Other						
	Total	32	34	51	54	457	648
Output Class 9: Admin and Project control		17	16	17	18	24	27
Emergency Works/ Preventative Maintenance			10	95			
Total		1,341	1,266	1,331	1,429	1,827	2,015
Transfund income		752	709	760	829	1,083	1,206
Average implied financial assistance rate (FAR)		0.56	0.56	0.57	0.58	0.59	0.60

Source: NLTP data obtained from Transfund records.

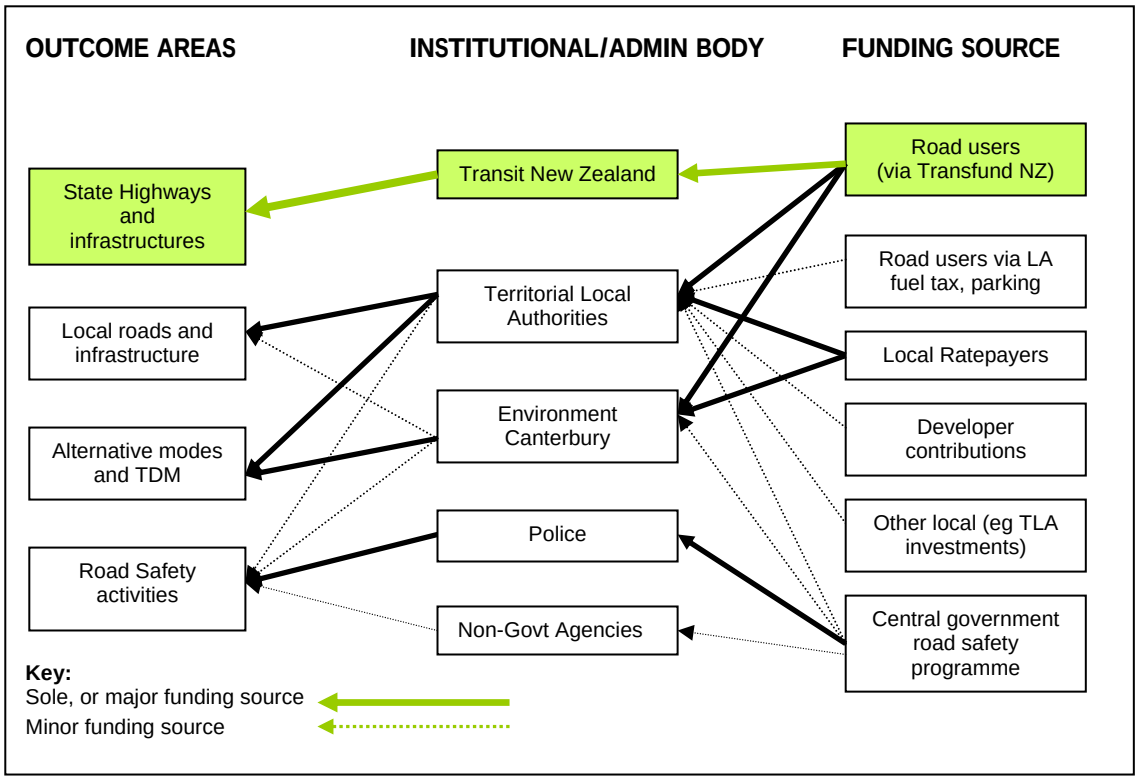
Table 7j. Waimate District Council subsidised expenditure $(000)

TOTAL (SUBSIDISED) EXPENDITURE FROM TRANSFUND RECORDS $(000)							
		1999	2000	2001	2002	2003	2004
Output Class 1: Maintenance of Local Roads							
1	Pavement Maintenance	1,377	984	1,153	1,275	1,178	1,101
2	Area-wide Pavement Treatment		38		33		77
3	Major Drainage Control	41	20	40	48	52	77
4	Maintenance Chip Seals	311	331	390	507	494	598
5	Thin Asphaltic Surfacing						
6	Seal Widening				13		99
7	Bridge Maintenance	97	40	56	50	59	49
10	Amenity/ Safety Maintenance		56	74	106	73	89
11	Street Cleaning	10	2	2	3	4	4
12	Traffic Services	81	84	94	90	108	80
13	Carriageway Lighting	59	43	31	16	11	13
14	Cycleway Maintenance						
15	Level Crossing Warning Devices			5	6	7	7
17	Professional Services	181	212	210	221	231	248
	Maintenance Management	16					
	Undetermined/error		6				
	Total	2,173	1,816	2,056	2,370	2,218	2,441
Output Class 3: Improvement & Replacement of Local Roads							
	Minor Safety Projects	61	49	65	94	89	190
	Projects						
	Other						
	Total	61	49	65	94	89	190
Output Class 9: Admin and Project control		28	23	31	33	29	32
Emergency Works/ Preventative Maintenance				300	179		
Total		2,262	1,882	2,452	2,576	2,335	2,664
Transfund income		1,271	1,059	1,421	1,498	1,299	1,465
Average implied financial assistance rate (FAR)		0.56	0.56	0.58	0.58	0.56	0.55

Source: NLTP data obtained from Transfund records.

Appendix 2 Transit New Zealand (State Highways)

A2.1 Functional Areas:



- Transit New Zealand has responsibility for the 1,248km State highways in the region (12.4% of the country's state highways)
- Transit receive 100% of their funding from Transfund NZ.

A2.2 Expenditure

Expenditure in 2003/04 increased by $11.7m over 2002/03, a 36% rise. Mostly this was due to a big increase in new capital expenditure on road reconstruction projects (see Table 8), and an increase in minor safety project expenditure.

The pattern of expenditure over the last 8 years is shown in Figure 8 and Table 9. The expenditure covers the cost of all works undertaken including external design and consultancy services, but excluding the costs of running the Christchurch regional office of Transit New Zealand and other overheads.

Table 8. Status of Transit's major projects in Canterbury 2003/04

Fees Projects	Construction commenced or underway	Construction completed
• Yaldhurst Road Intersection Signals Project (design) • Southern Motorway (design)	• Main North Road 4-Laning Stage 2 ($12.0m)* • Normanby Realignment ($4.6m) • Yaldhurst Intersection Signalisation ($2.4m) • Buchanans Intersection Signalisation ($1.5m) • Omihi Twin Culverts Realignment ($1.5m)	• Glasnevin Weigh Station and Effluent Disposal Site ($1.7m) • Otira Underpass ($1.4m) • Hurunui Road Curve Re-alignement ($1.1m) • Winslow Passing Lanes ($1.0m)

Source: Transit New Zealand Annual Report 2003/04.

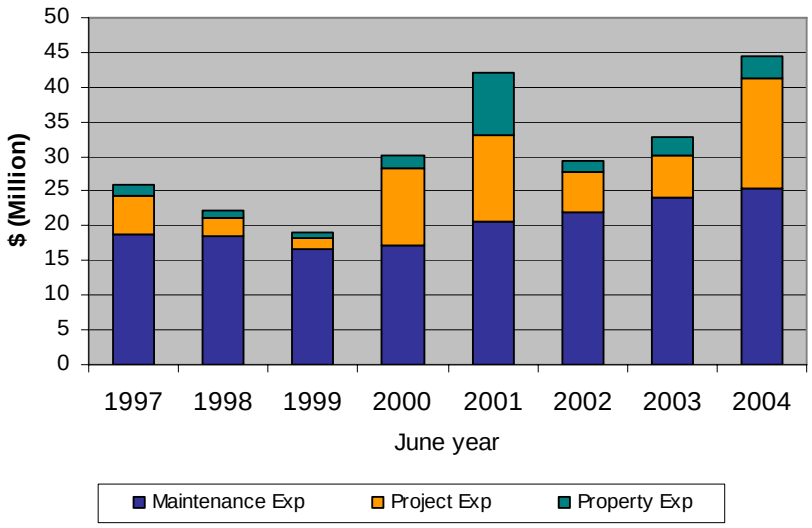
* Costs stated are total actual, or budgeted (where construction is still proceeding).

Table 9. Summary of State Highways expenditure for Canterbury $(000)

Description	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04
Bridge Renewals	794	153	67	820	2,278	166	837	662
New Roads & Bridges	0	3	0	2,051	1,831	2,086	168	194
Road Reconstruction	4,867	2,430	1,469	8,159	8,034	3,265	4,902	14,886
Strategy /Transportation Studies	16	31	26	57	386	276	118	73
Total Project Expenditure	5,677	2,617	1,562	11,088	12,530	5,792	6,025	15,815
Routine Maintenance	17,864	17,828	15,868	16,824	18,562	20,046	22,349	23,044
Preventive Maintenance	0	72	0	0	0	159	57	0
Emergency Works	203	152	290	0	1,342	927	818	157
Minor Safety	720	399	417	449	621	903	955	2,276
Total Maintenance Expenditure	18,787	18,451	16,575	17,273	20,524	22,035	24,180	25,476
Property Expenditure	1,333	1,130	789	1,861	8,958	1,558	2,498	3,171
TOTAL EXPENDITURE	**25,798**	**22,198**	**18,926**	**30,222**	**42,012**	**29,385**	**32,703**	**44,461**

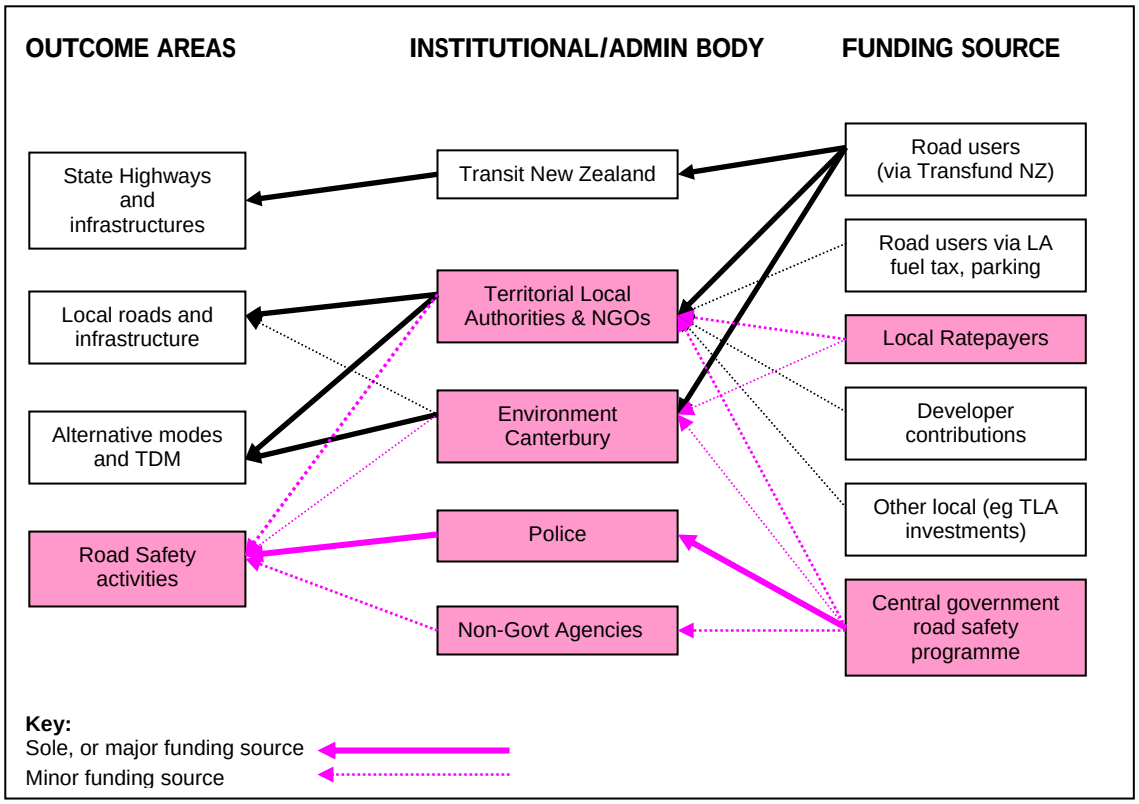
Source: Transit New Zealand.

Figure 8. Canterbury Regional State Highway Expenditure



Appendix 3 New Zealand Road Safety Programme

A3.1 Functional Areas:



- The core funding streams for road safety emanate from the New Zealand Road Safety Programme (NZRSP) which is developed each year by the LTSA and NZ Police. The NZRSP specifies the planned level of central government funding for road safety, and the outputs to be delivered by the Police and through the Community Road Safety Programme (CRSP) administered by the LTSA.

- The CRSP supports a range of road safety activities undertaken by TLAs, ECan and local non-government groups.

- Local funding contributions under the CRSP are also sought and are mostly derived from local rates.

A3.2 Police Hours[12]

Police time for road safety comprises a range of outputs:

- Local Authority outputs - strategic (drink driver control, speed, restraints etc); traffic management; education; and community programmes.

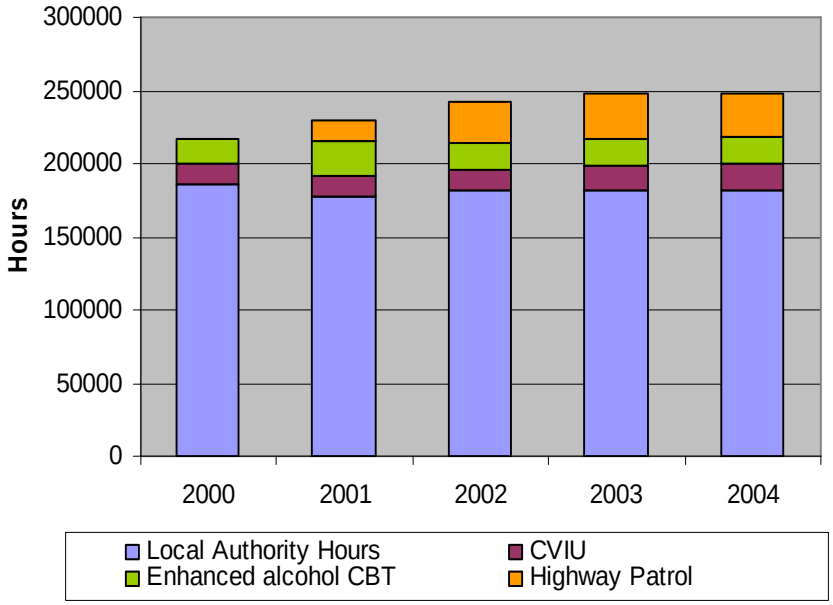
[12] Note that this section has been revised, and now captures a wider range of regional activities than were reported in the 2002/03 report.

- An Enhanced Alcohol CBT (Compulsory Breath Testing) programme – a national programme with allocated hours to Canterbury.
- CVIU (Commercial Vehicle Inspection Unit) – heavy vehicle inspections, weighing etc[13].
- Highway Patrol – a national level programme introduced in 2001 which has allocated hours to the Canterbury region.

Figure 9 summarises Police allocated hours for Canterbury over the last 5 years. The main increase in hours over that time has been through the addition of the Highway Patrol. In 2003/04 the average cost of Police time was $75 per hour. Hence in 2003/04 the 248,000 hours budgeted was valued at $18.6m.

Local Authority area-based road safety outputs remain the largest contribution of Police hours. The breakdown, by TLA and specific outputs is shown in Table 10 for 2003/04.

Figure 9. Canterbury Allocated Police Hours by Output



[13] The allocation of hours to Canterbury has been estimated as half of the hours allocated to the total South Island area.

Table 10. Allocation of Police Hours 2003/04 under NZRSP – local authorities

	K'kra	H'nui	Waimak	CCC	BPDC	Selwyn	Ashbtn	Timaru	Mkzie	W'mte	TOTAL	%
Strategic												
Speed control	505	2,400	2,560	25,040	1,100	5,100	3,000	2,980	760	1,020	44,465	25%
Drink/drugged driver control	420	1,630	3,370	24,140	1,190	1,770	2,270	4,860	290	830	40,770	22%
Restraint device control	200	430	790	9480	480	420	790	1,590	80	420	14,680	8%
Visible enforcement	290	1,310	1,980	15,520	1,090	1,450	2,050	4,760	280	1,140	29,870	16%
Sub Total	1,415	5,770	8,700	74,180	3,860	8,740	8,110	14,190	1,410	3,410	129,785	71%
Traffic Management	310	760	1,560	23,220	950	2,600	1,130	2,870	270	590	34,260	19%
Education	100	200	800	3,500	260	400	510	900	60	80	6,810	4%
Community	35	280	150	7,540	220	670	480	1,160	220	250	11,005	6%
TOTAL	**1,860**	**7,010**	**11,210**	**108,440**	**5,290**	**12,410**	**10,210**	**19,120**	**1,960**	**4,330**	**181,840**	**100%**

* Note that Kaikoura is now itemised under the Tasman police district, and is lumped together with Marlborough District

A3.3 Approved expenditure under the CRSP

These expenditures are those approved each year by the LTSA and include funding for road safety co-ordinators, specific projects, and other activities such as advertising (Table 11). According to the LTSA the budgeted expenditure should be close to actual expenditure[14]. In 2003/04 approved central government funding was $0.828m, an increase of 21% over the previous year. The programme included funding for Maori and Pacific Island road safety projects, included as part of the government's *Closing the Gaps* Programme. 2003/04 saw a continuation of the upward trend in expenditure after flat levels throughout the 1990s (declining in real terms 1996-2001) (Figure 10).

While for most local authorities CRSP funding accounts for most or all of their expenditure on road safety, in the case of the CCC, the amount of local funding relative to central government is very large (e.g. $0.9m was recorded for road safety by the CCC in 2003/04 with only $0.2m provided through the CRSP).

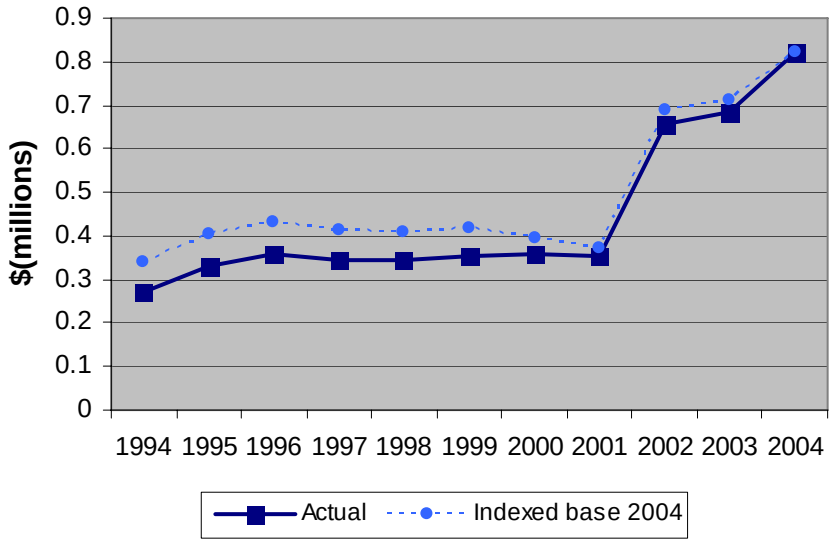
[14] Pers Comm Denis Robertson, LTSA.

Table 11. Approved central government funding under the Community Road Safety Programme 2003/04 ($000)

Applications Approved:	TLAs	Ecan	LA Trusts	Other	TOTAL
Kaikoura DC	23				
Waimakariri District	58				
Joint South Canterbury			85		
Canterbury Regional Council		201			
Selwyn/Banks Peninsula	70				
Hurunui District Council	35				
CCC (incl Alcohol & General Proj)	199				
Ashburton DC (incl RS Council)	53				
Pacifika Ed & Empl training Organisation				16	
Shakti Community Council Inc.				8	
Sub Total 1:	**438**	**201**	**85**	**24**	**747**
Pacific Peoples Applications				22	
Maori Funding Applications				48	
Sports Clubs - Nga Maata Waka (CAAP)				4	
Sub Total 2:				**74**	**74**
Total Fund Approval:	**438**	**201**	**85**	**98**	**821**

Source: LTSA Christchurch Office.

Figure 10. Allocated Community Road Safety Expenditure (actual and indexed)



A3.4 Other road safety spending

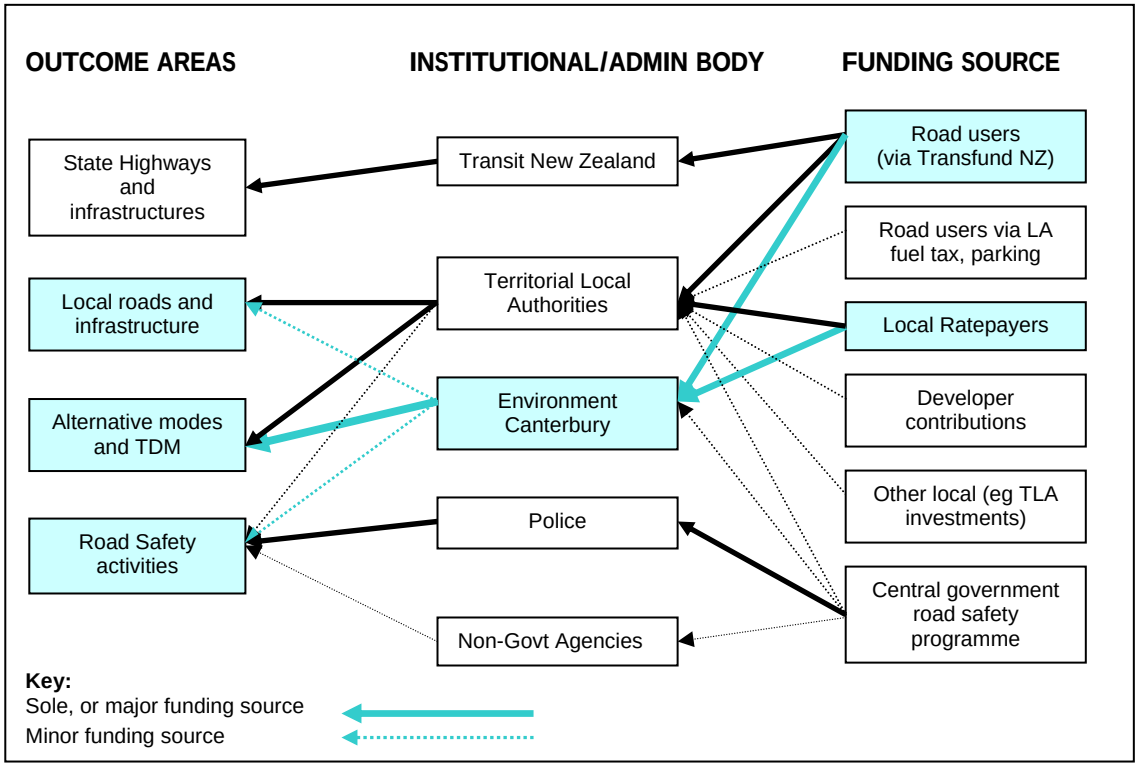
Smaller amounts of funding are channelled through the ACC to organisations such as Plunket, Pacific Safe Canterbury and other non-Govt agencies to assist with road safety outcomes, in particular restraints (seat belts), fatigue, speed and alcohol. Currently about $60,000 is spent in the Canterbury ACC region[15].

Other small levels of funding for community road safety in the region include charitable funding sources such as Trusts.

[15] Covers Kaikoura to Ashburton, but excludes South Canterbury. Information from Keith Permaine, ACC.

Appendix 4 Environment Canterbury

A4.1 Functional Areas:



- Environment Canterbury (ECan) has primary responsibility for providing public passenger transport in the region.
- It also has primary responsibility for matters which require an overview of regional transport e.g. development of the RLTS, regional road safety co-ordination and other projects.
- Funding is derived almost equally from Transfund NZ through the NLTP, and from ratepayers within the region.

A4.2 Passenger Transport

Expenditure covers the costs of contracts for passenger transport services, the public cost of the Total Mobility voucher scheme, and the administrative costs incurred by Environment Canterbury which includes contract administration, passenger transport planning, information services (e.g. timetables), and other costs associated with the Metro brand. Most of the costs (>95%) are incurred within the greater Christchurch area.

ECan expenditure on passenger transport in 2003/04 was $22.2m (Table 12), an increase of about 25% from 2002/03. A large proportion of this was a one-off payment of $3.3m from Transfund as a result of patronage growth credits earned under the patronage funding regime from 2001-2003. These credits were used primarily to fund a

number of capital items including security cameras on buses, GPS technology to assist bus scheduling, and a number of information technology items.

The other major new initiative for 2003/04 was the introduction of the *Metrocard* integrated ticketing system.

The recent pattern of expenditure and income sources shows a steady increase in expenditure since the mid-1990s with local ratepayers largely funding the increase through to 2001 but with Transfund's more favourable funding regime having provided most of the additional funding since then (Figure 11).

Total public expenditure on passenger transport in the region in 2003/04, which also accounts for expenditure from TLAs, was estimated at $26.3m.

Table 12. ECan passenger transport expenditure and income sources 2003/04 $(000)

		Funding sources		
	Notes	Transfund	Local	Total
Patronage growth credits	1	3,301	na	3,301
Shelters	2	436	na	436
Contracts - Greater Chch	3	6,080	7,659	13,930
- South Canterbury	3			414
Kick start funding	3	605	included in totals above	
TM/wheelchair hoists	3	543	882	1,425
Information provision	3	926	2,169	1,676
Ticketing	3			375
Other- overheads, admin etc	3			1,044
TOTAL		**11,891**	**10,710**	**22,601**
Net total ECan expenditure	2			**22,165**

Notes:

1 From Transfund, final ECan claim under the NLTP.

2 ECan claim the subsidy from Transfund but pass it through to TLAs who undertake shelter and fixed infrastructure construction. Of the $436k claimed, $423k was passed through to Christchurch City Council, and $13k to Selwyn DC, who supplement this income with local rates-based funding.

3 Transfund funding share from Transfund; ECan total expenditure from project expenditure records.

A4.3 Regional transport

Regional transport responsibilities include regional road safety co-ordination, regional transport planning, and monitoring. Total expenditure in 2003/04 was $1.24m, a 9% increase on the previous year. Expenditure details and income sources are shown in Table 13. The historical expenditure pattern is shown in Figure 12.

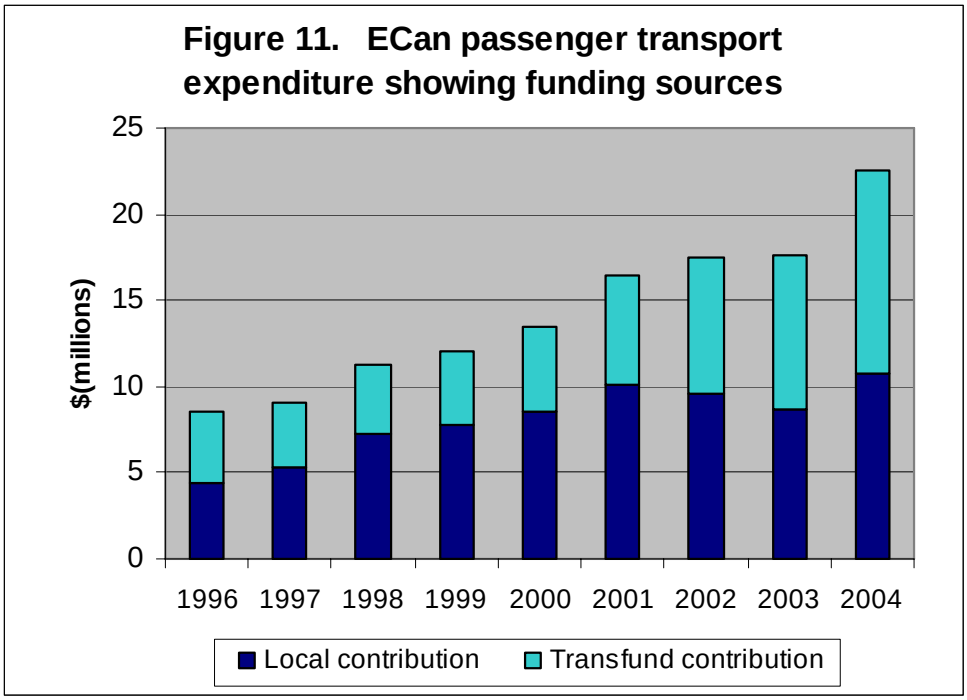


Table 13. ECan regional transport expenditure 2003/04 $(000)

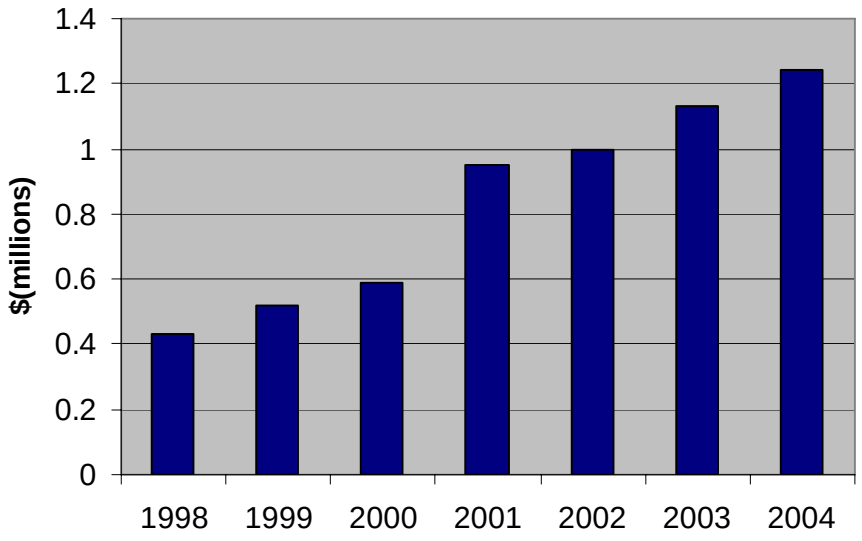
		Funding sources			
	Notes	**Transfund**	**LTSA**	**Local**	**Total**
Road Safety Progr	1		201	79	280
ATR Projects (TDM)	2	77		94	171
Stock truck effluent sites	2			65	65
RLT Planning/ overheads	2	58		663	721
TOTAL		**335**		**902**	**1,237**

Notes:

1 Information from LTSA and ECan.

2 Information from Transfund NLTP returns; ECan pers comm. Note information differs slightly from that reported in ECan's 2003/04 Annual Report.

Figure 12. ECan regional transport expenditure



Appendix 5 Indexing

Indexing has been applied to the time series in order to generate $ expenditures in equivalent (2004) dollars.

The indices used have been the Transfund "Construction Index" and the Transfund "Passenger Transport" index. These are index series with a year to June 1991 as the base. The values were inverted to create an index with year to June 2004 as the base (Base = 100).

Table 14. Transport cost indices used in this report

	Transfund Construction Index		Transfund Passenger Transport Index	
June year	**Base 100 = yr to June 1991**	**Base 100 = yr to June 2003**	**Base 100 = yr to June 1991**	**Base 100 = yr to June 2003**
1991	100		100	
1992	100.8		101.3	
1993	102.5	79.5	103.2	
1994	102.9	79.8	102.6	79.7
1995	104.7	81.3	103.5	80.4
1996	106.3	82.5	104.5	81.2
1997	107.9	83.7	106.4	82.7
1998	108.7	84.4	107.0	83.1
1999	109.5	84.9	108.0	83.9
2000	116.2	90.2	118.1	91.8
2001	122.3	94.9	124.4	96.7
2002	123.5	95.8	123.7	96.1
2003	124.4	96.5	124.8	97.0
2004	128.9	100	128.7	100

Source: Index data from Transfund New Zealand website

Appendix 6 Local Authority Fuel Tax

Since 1 February 1971 a Local Authority Fuel Tax has been applied to transport fuels, the income accumulating to the territorial local authority in which geographic area the fuel was sold.

The rates applying (unchanged since Feb 1971) are:

Petrol (all grades)	0.66c/litre
Diesel	0.33c/litre

Information collected from TLAs for 2003/04 suggests a total income from the fuel tax of $3.7m. This compares well with an estimated $3.5m in 2002 based on Environment Canterbury's Regional Energy Survey 2002[16].

[16] See analysis in 2002/03 Report.

Glossary of terms

Capital expenditure	Expenditure associated with either renewing the existing transport system asset base (sometimes referred to as cyclic renewals), or new works that add to the asset base.
Developer contribution	Expenditure by property developers on transport infrastructure that is undertaken at their expense as a condition of development, but which is then vested to the TLA for ongoing maintenance and upkeep.
Depreciation	Depreciation is an accounting (book) entry calculated around the depreciation schedules for all roading and transport related assets. Accounting procedures require depreciation to be accounted for in annual accounts (usually itemised as an operational cost). Depreciation in the annual accounts is not "real" expenditure as such - it can be considered a 'consumption' charge that effectively assigns an annual cost to the asset value.
Metro	Brand under which public passenger transport services in the greater Christchurch area are operated
Non-subsidised expenditure	Expenditure by local authorities that is not approved for subsidy by Transfund (Land Transport New Zealand)
Operational expenditure	Ongoing expenditure on transport infrastructure and services including: – Regular repairs and maintenance on roads and other assets – Unplanned repairs and maintenance – say as a result of damage caused by extreme weather events – Contracts for services (e.g. contracts for street cleaning, multi-year contracts for bus services etc.) – Staff and overhead costs associated with transport outcomes (e.g. asset and transport planning staff, road safety personnel)
Subsidised expenditure	Expenditure by local authorities which attracts Transfund funding. The types of expenditure that qualify for the subsidy, the financial assistance rates (FARs) that apply, and other rules etc. can be found in Transfund's Programme Manual and the 2003/04 National Land Transport Programme (NLTP). It is possible that some TLA expenditure might qualify for the subsidy, but has not been approved through the Transfund process.