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Regional Land Transport Expenditure and Income

Report to Environment Canterbury

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Disclaimer

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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 land transport provision.

Environment Canterbury wishes to strengthen the information reporting concerning transport funding and expenditure so that future RLTSs and subsequent monitoring reports can include this aspect in more detail.

To this end Environment Canterbury commissioned work with the following objectives:

- Provide a transport funding profile for Canterbury
- Provide a breakdown of expenditure by mode and Road Controlling Authority
- Provide a brief analysis of changes in expenditure
- Provide a base method for collecting funding data for future RLTS Annual Monitoring Reports.

This report sets out the information collected and analysed. Section 3 provides an overview of the information reported and discusses methodological issues, terminology, information constraints etc. Section 4 provides a collated summary of income and expenditure information, and Section 5 gives recommendations concerning future data collection.

The report contains 9 appendices in which the information collected is tabulated and graphed in more detail.

2. Overview of land transport expenditure in the region

Expenditure on land transport comprises a mix of both public and private expenditures.

Public expenditure is made by both central and local government entities. The processes by which income is sourced and expenditures are made, derives from an institutional framework that includes legislation (such as the Land Transport Act, and the Local Government Act) and strategic priorities (such as the New Zealand Transport Strategy).

At the central government level, Transfund New Zealand approve an annual distribution of expenditure via the *National Land Transport Programme (NLTP)*. This funding supports all State Highway expenditure in the region (through Transit New Zealand), and partially supports the provision of local roading and passenger transport services by local authorities. Revenue is derived from fuel taxes and road user charges, and is channelled through the National Roads Account.

Further central government funding is provided to support regional road safety outcomes defined by the New Zealand Road Safety Programme. This funding is provided to the New Zealand Police, and to the Land Transport Safety Authority (LTSA) who fund local authorities to provide road safety activities.

At the local level public investment in transport is made predominantly by local authorities. The 10 territorial local authorities in the region (in their role as Road Controlling Authorities)¹ invest in local roads and associated infrastructure/services. The regional council (Environment Canterbury) has responsibilities for administering public transport, and has a regional transport planning role. Local authorities derive part of their income via the NLTP process, plus much smaller amounts from the LTSA. The balance of income derives from local sources, mainly rates. Funding from Transfund contributes to what is known as *subsidised* expenditure, which applies to particular outputs with pre-determined rates of subsidy (known as Financial Assistance Rates (FARs)). Some land transport expenditure does not attract Transfund subsidies, and is often termed *non-subsidised* expenditure.

The balance of land transport expenditure in the region occurs privately. This includes expenditure made by private transport providers for the purposes of freight and passenger transport, and expenditure on transport made by individuals and institutions.

¹ The geographical area coverage of the Canterbury Regional Council includes the catchment of the Waitaki River, part of which lies within the area administered by the Waitaki District Council. Transport expenditure by the Waitaki District Council, regardless of whether it can be identified as being spent within the area covered by the Canterbury Regional Council, has not been included in this report.

3. Overview of information reported

3.1. 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. As already noted 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.

3.2. Data sources and methodology

Information for this report was sourced predominantly from the following:

Transit New Zealand - Seven years of data on Canterbury State Highways expenditure was provided, broken into 3 main categories of expenditure – “Projects”, “Maintenance”, and “Property”. The Projects and Maintenance categories were further broken down into 4 sub-categories.

Environment Canterbury – Ten years of data on passenger transport expenditure and funding streams in the region was obtained. A limited breakdown of expenditure was carried out for this study, although the database would be available from ECan to further break down expenditure into sub-categories, and into geographic areas², should it be required. Ten years of data on expenditure for regional transport planning, administration and road safety was also obtained.

LTSA – Ten years of data have been obtained on the allocation of road safety monies from central government to 1) local authorities under the Community Road Safety Programme (CRSP), and 2) the New Zealand Police under the New Zealand Road Safety Programme (NZRSP). It is emphasised that these categories report budgeted expenditure rather than actual. It is understood that actual expenditure is close to budgeted expenditure³.

Transfund – Two sets of data have been used:

- A 10 year record of planned, annual expenditures under the NLTP relating to the subsidised portion of land transport expenditure. Note that this database reports budgeted expenditure, not actual. Comparisons suggest there is a reasonable correlation between planned and actual expenditure.

² Note that most passenger transport expenditure (95%+) is for the greater Christchurch area

³ Pers Comm Denis Robertson, LTSA

- A 5 year record of actual subsidised expenditure by the 10 TLAs in the region, broken into the NLTP's recognised categories of expenditure.

TLAs – A somewhat patchy record of TLA income and expenditure has been derived by a combination of 1) searching published material, and 2) direct feedback from TLAs. The process involved the consultant assembling a draft breakdown of income and expenditure from published material (mainly Annual Reports) and from Transfund's NLTP reports for each TLA. These were sent to each TLA for checking and revision. The emphasis was on confirming an internally consistent record for the 2002/03 year, which would then be able to serve as a baseline for future data collections. Some pre 2002/03 data was collected, but a comprehensive historical database has not been assembled largely because of the excessive time that this exercise would have entailed.

The 10 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), and so should be regarded as indicative only.

3.3. Types of transport expenditure covered by this report

Expenditure covers all or most of the following within the Canterbury region:

Public expenditure on roads and other transport infrastructure. Capital and maintenance costs of local roads and State Highways. The "other" infrastructure covers cycling and pedestrian facilities, parking facilities, associated amenity/landscaping costs, developer investment in new roads and facilities (where these are identified as "developer contributions"), property purchase, and associated design and overhead costs.

Public expenditure on public passenger transport. This covers the costs of contracts between Environment Canterbury and bus service providers, the provision of Total Mobility services, the costs of *Metro* information and other services (such as Metrocard), and staffing and overhead costs within ECan. Also covered is expenditure by TLAs on public transport fixed infrastructure and services.

Road safety expenditure. This covers regional expenditure under the NZRSP, which includes the regional allocation of police hours, and allocations under the CRSP. Also covered is any additional expenditure from TLAs.

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

Specifically not covered in this report are the following:

- Local roading/transport expenditure within Waitaki District (as noted in S3.1 above)

- Staffing, administration and overhead costs associated with the regional offices of national transport institutions – ie 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).
- Accident Compensation Corporation (ACC) transport related costs. These costs are two-fold: personal injury costs involving motor vehicles on public roads, and the costs of ACC's road safety prevention activities⁴. Personal injury costs are by far the largest and are paid from the corporation's Motor Vehicle Account, funded from petrol excise duty and from a levy collected with the motoring relicensing fee. In 2002/03, \$415M was collected across the country.
- External costs imposed by the transport system. Such costs could include environmental externalities (eg. greenhouse gas emissions, localised emissions of pollutants to air and to waterways, and noise). Similarly, this report does not cover the cost of road safety externalities. For example, in addition to the ACC costs above, the transport system is considered to incur additional costs on society through the value of loss of life and injury. For instance Transfund's evaluation procedures establish national values for loss of a life and injury. When applied across the country the implied external cost of road crashes is over \$1B, only part of which is recovered by the transport system (as above).
- Private expenditure on transport by individuals and businesses.

3.5. Items where coverage is inconsistent

The following are areas of allocation where there is likely to be partial (or inconsistent) coverage of expenditure:

- Allocation of local authority overheads to transport provision. Most councils provided information on this item, but it is unclear whether consistent criteria have applied.
- Allocation of roading expenditure between output categories. Again, it is unclear whether consistent criteria have been applied by all councils in allocating total roading expenditure between various categories.

3.6. Terminology and methodological issues

Categorisation of expenditure: Overall public expenditure on transport can be considered to be the sum of:

- Expenditure on new roads and other new infrastructure (capital expenditure)
- Expenditure for renewing or replacing existing roads or other existing infrastructure (capital expenditure)

⁴ If any of the ACC road safety prevention funding is channelled through TLAs, then this would likely be reflected in overall TLA expenditure.

- Expenditure for maintaining existing roads or other infrastructure (operational expenditure)
- Expenditure for the provision of various transport-related services eg. contracts for bus services, road safety co-ordination, electricity for street lighting etc. (operational expenditure).

While in theory such categories can be reasonably clearly established, in practice the lines of definition are not always consistently drawn.

Operational versus capital: One of the difficulties in getting a coherent picture of expenditure is the different methodologies/conventions adopted around the allocation and presentation of expenditure data. For example, Transfund categorise roading expenditure within the NLTP under two major categories:

Maintenance:

- Output Group 1: Maintenance of local roads
- Output Group 2: Maintenance of State Highways)

Improvement and Replacement:

- Output Group 3: Improvement and replacement of local roads
- Output Group 4: Improvement and replacement of State Highways.

On the face of it, this allocation of expenditure should align with the split between operational and capital expenditure. Yet, there is a very large difference between the Transfund allocation, and allocations between operational and capital expenditure reported by TLAs through their Annual Reports. Because of this, in the summary reporting of expenditure, capital and maintenance are not separated.

Depreciation: A further caution is the treatment of “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” 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 (see also description and comments in Appendix 2).

Reporting of subsidised and non-subsidised works: All TLAs have a mix of subsidised and non-subsidised works. Some TLAs lump all expenditure together when reporting. For others, there is a separation of subsidised and non-subsidised works. Sometimes, particular output categories (in particular non-subsidised outputs) are reported separately eg. Ashburton DC reports footpaths separately from roading.

For most TLAs subsidised expenditure is much higher than non-subsidised expenditure, although for the CCC this order is reversed.

3.7. Indexing

Indexing has been applied to time series data in order to generate \$ expenditures in equivalent (2003) dollars.

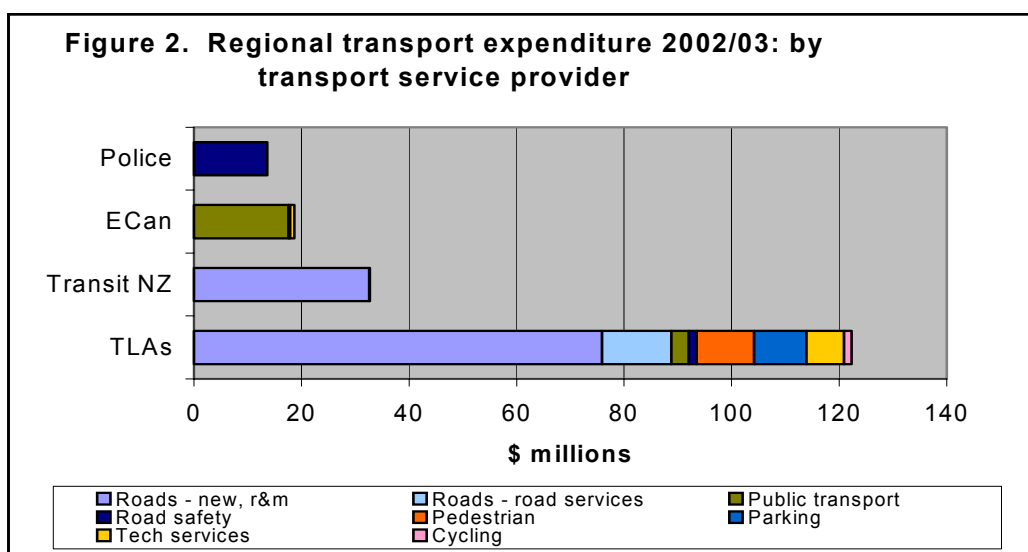
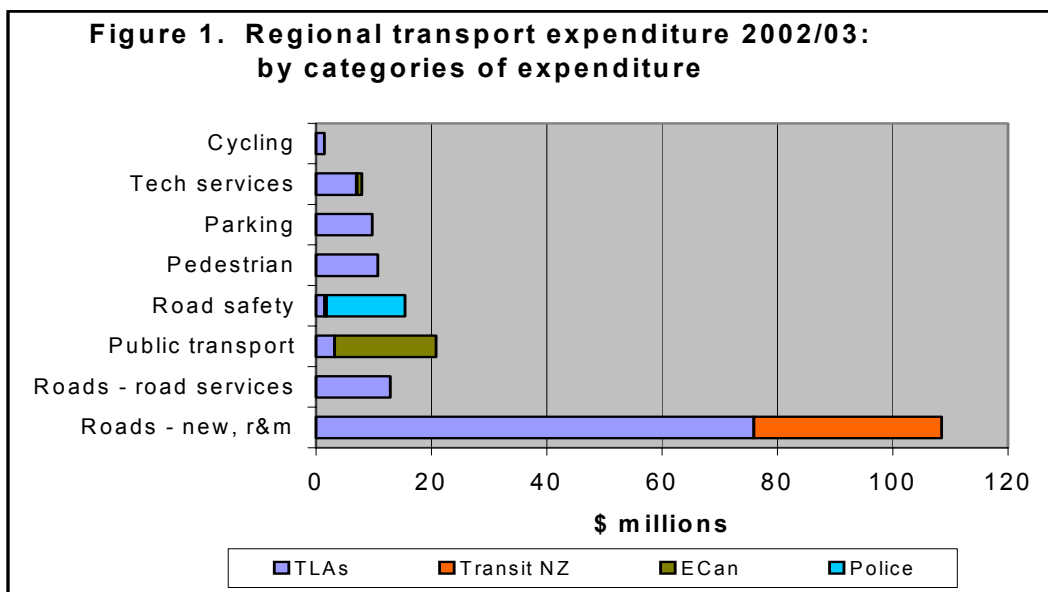
The indices used have been the Transfund “Construction Index” and the Transfund “Passenger Transport” index. These are an index series with the June 1991 year as the base. The values were inverted to create an index with the June 2003 year as the base (Base = 100) (see Appendix 1).

4. Summary of Expenditure and Income

4.1. Expenditure 2002/03

A total of \$187M expenditure has been identified for 2002/03. Of this, over \$120M was spent on roading and the provision of roading services, with the balance comprising expenditure on public transport, road safety, pedestrian facilities, parking, technical services associated with transport, and cycling (Figures 1&2, and Table 1). All the background information to this breakdown is contained within the Appendices.

The footnotes to Table 1 explain the way expenditure items have been allocated.



The 10 TLAs in the region accounted for \$122M of the expenditure (65%), with Transit NZ accounting for \$33M, Environment Canterbury \$19M and NZ Police \$14M.

Table 1. Summary of regional transport expenditure 2002/03 (\$M)

Service provider		TLAs	Transit NZ	ECan	Police	Total
Expenditure category	Notes					
Roads – new, r&m	1	76.0	32.6			108.6
Roads – roading services	2	12.9				12.9
Public transport	3	3.2		17.6		20.8
Road safety	4	1.5		0.3	13.6	15.4
Pedestrian	5	10.7				10.7
Parking	6	9.6				9.6
Tech services/overheads	7	7.0	0.1	0.8		7.9
Cycling	8	1.4				1.4
Total		122.3	32.7	18.7	13.6	187.3

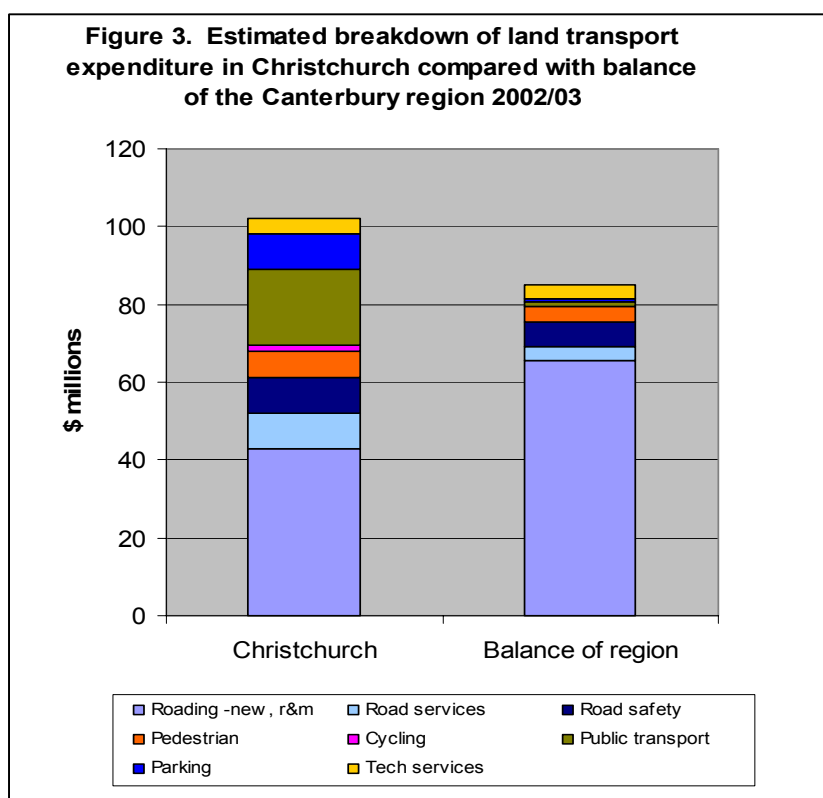
Notes:

- 1 New roads, repairs and maintenance to existing roads, associated drainage works, emergency works, safety works etc. Includes both operational and capital expenditure
- 2 Covers street lighting, signals and operations, street cleaning
- 3 Public transport infrastructure (bus stops, bus exchange, RTI etc), public transport service contracts, Total Mobility services, Metro information, overheads and administration
- 4 Covers operational road safety activities (policing, road safety co-ordinators, advertising). Does not include road works designated as "safety works"
- 5 Footpaths, pedestrian facilities etc.
- 6 Capital and operational expenditure of parking facilities
- 7 Road/transport design and planning, TLA overheads associated with transport
- 8 Dedicated cycling expenditure eg. cycleways, road markings, strategy and information

Subsidised and non subsidised roading expenditure - Expenditure on *roading* and *roading services* totalled over \$120M in 2002/03, comprising just under two-thirds of total land transport expenditure. Of this amount, \$63.2M is accounted for by subsidised expenditure by local authorities, and \$32.6M is accounted for by expenditure on State Highways. This implies that local authorities were spending about \$25M on non-subsidised roading expenditure (ie. about 29% of their total roading expenditure).

Breakdown of roading expenditure - The limited information obtained from TLAs does not allow a full itemised breakdown of roading expenditure. However, the categories of expenditure for Transfund subsidised work and State Highways (Appendices 3, 4 & 7) suggests maintenance (grading, resealing etc) accounts for approximately 60% of road costs, and new works about 15%. Other smaller specific items include drainage, bridges, amenity works, minor safety works and emergency works. The main categories of roading services expenditure are lighting, traffic services (traffic lights, signs etc.) and street cleaning.

Geographic nature of expenditure – It is estimated from the data gathered that a little over \$100M of expenditure in 2002/03 was within Christchurch city⁵. As can be seen from Figure 3, a high proportion of non-roading expenditure is focused on Christchurch, in particular public transport, parking provision and cycling/pedestrian infrastructure. In contrast, the majority of expenditure in the rest of the region is roads focused.



⁵ This is Christchurch city, rather than the area covered by greater Christchurch which would include infrastructure and services to commuter towns such as Rangiora, Kaiapoi, Lincoln, and Lyttelton and surrounding areas.

4.2. Income 2002/03

The \$187M of identified expenditure must be matched by an equal amount of income. Various revenue streams have been identified and allocated to the 4 main delivery agencies (Figures 4 & 5, and Table 2). Again, further details are contained in the Appendices.

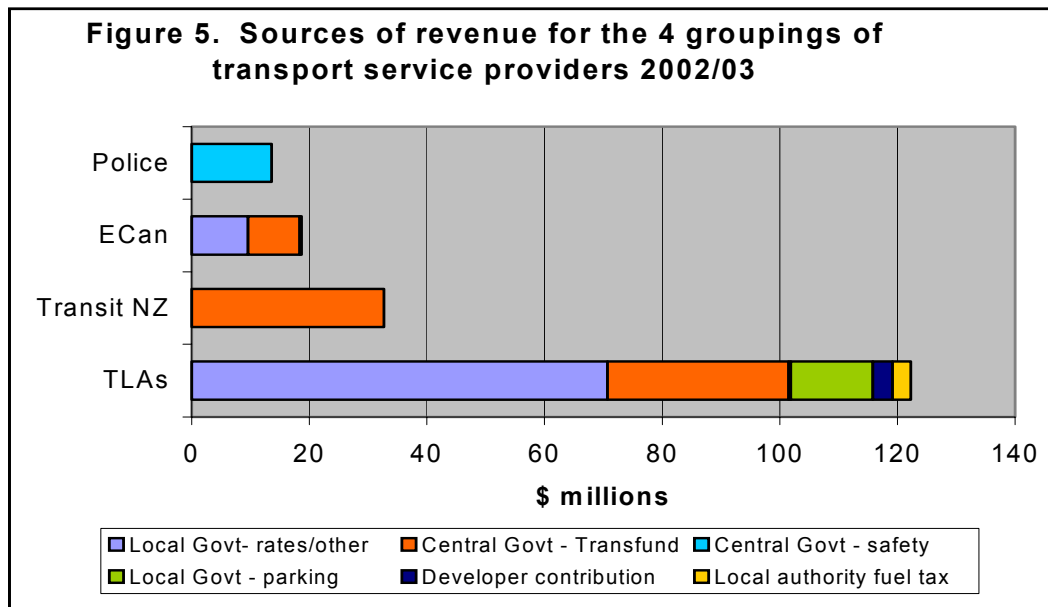
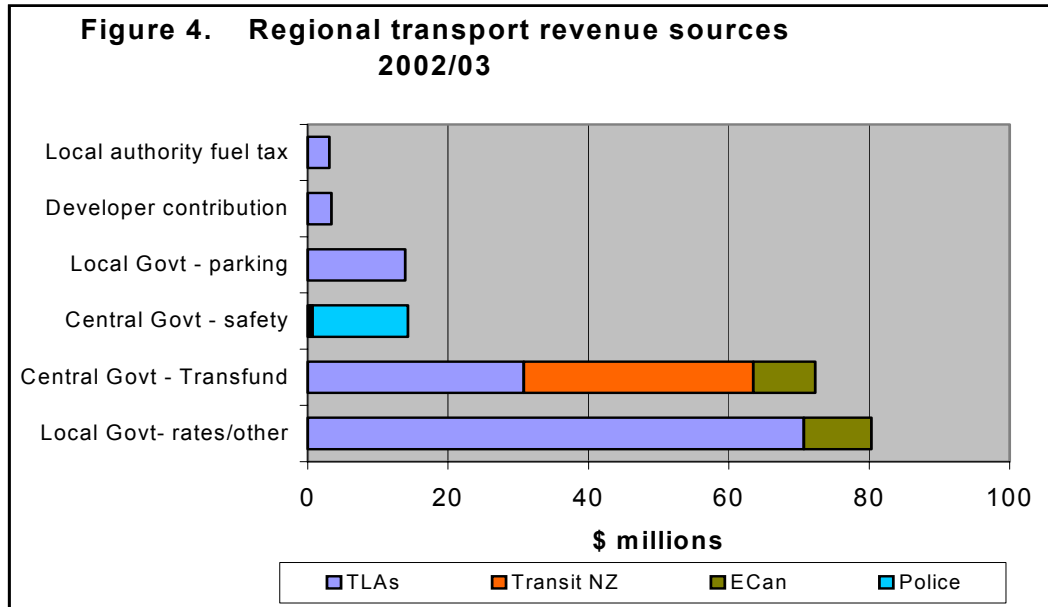


Table 2. Summary of regional transport revenue sources 2002/03 (\$M)

Service provider		TLAs	Transit NZ	Ecan	Police	Total
Revenue sources	Notes					
Parking	1	13.9				13.9
Central Govt – Transfund	2	30.8	32.7	8.8		72.3
Local Authority Fuel Tax	3	3.1				3.1
Developer contribution	4	3.4				3.4
Local Auth – Rates/other	5	69.2		9.6		78.8
Local Auth – Other	6	1.5				1.5
Central Govt – safety	7	0.4		0.3	13.6	14.3
Total		122.3	32.7	18.7	13.6	187.3

Notes:

1. User charges from local authority parking provision
2. Revenue derived from the National Roads Fund, distributed by Transfund through the NLTP
3. Local Authority Fuel Tax income – as reported by TLAs.
4. Investments by developers in new transport infrastructure (as a condition of development or in lieu of local authorities investing directly themselves)
5. 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. Note that this category is calculated as a residual
6. “Other” as specified in TLA returns
7. Central government revenue stream funded via LTSA to TLAs and ECan, and funding for NZ Police under the New Zealand Road Safety Programme.

\$72M of income was derived through the national funding agency Transfund, providing partial funding to TLAs and ECan for local roading and public transport, and full funding to Transit New Zealand for State Highways. The other area of central government funding was road safety, with \$14M being provided under the NZRSP to the NZ Police and local authorities (via LTSA).

\$101M of income was derived from local sources. This was raised both directly from users, and indirectly from users and non-users alike. \$13.9M of income was raised from parking revenue, mostly generated from within Christchurch city. Smaller revenue streams, about \$3M each, were generated by the Local Authority fuel tax (see Appendix 8), and from developers investing in new transport infrastructure (as a condition of development or in lieu of local authorities investing directly themselves). The balance of income was from rates/other sources (\$80M). Revenue in this category has been calculated as a residual (ie. the amount outstanding after deducting other revenue sources from expenditure). The reason for adopting this approach, rather than relying on published income from the TLA accounts, is that the excess of parking revenue over expenditure is assumed here to accumulate into a nominal regional 'transport account', effectively offsetting other forms of income. This is different from the accounting adopted by some TLAs, where excess parking revenue accrues as general revenue, not just to offset other transport expenses⁶.

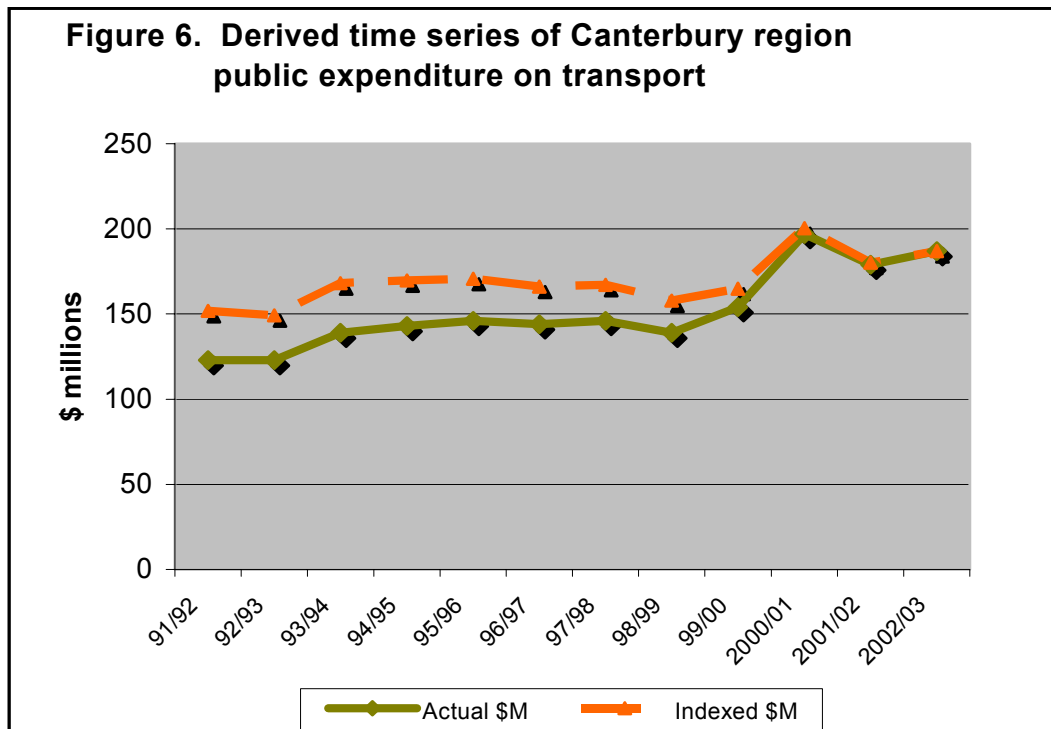
Rates and other local revenue sources are estimated to provide funding to the following output areas:

- Passenger transport - \$13M (providing approximately 60% of total public costs)
- Cycling/pedestrian expenditure - \$11.5M (providing over 90% of total public costs)
- Local roading – approx \$49M (providing approximately 55% of total public costs).

⁶ Note that the CCC keep parking income and revenue separate from other transport.

4.3. 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). It is emphasised that estimates have been made of some of the data in earlier years (in particular relating to TLA non-subsidised expenditure), so the trend should be regarded as indicative. The solid (green) line in Fig 6 tracks estimated actual expenditure; the broken (orange) line provides an indexed (inflation adjusted) trend.



The trend indicates relatively steady expenditure levels through the mid-late 1990s (with a slight decline in real terms), with average expenditure in the last 2 years about 10% higher than during the 1990s. The peak in expenditure in 2000/01 can be explained by a number of one-off expenses – a set of large property purchases by Transit New Zealand as well as a relatively high level of new projects expenditure; the cost incurred by the Christchurch City Council in building the Bus Exchange; and emergency repair works incurred by several RCAs as a result of storm damage to the roading network.

5. Recommendations for future data collection

Since it is the intention of Environment Canterbury to develop regular reporting of transport funding and expenditure in the region, there is a need to consider future processes for information gathering and analysis.

All data streams assembled here should be able to be extended into future years without too much difficulty. The information from specialist agencies (Transit New Zealand, Environment Canterbury, LTSA) has been found to be readily accessible, and should be able to be collected in a form that will enable continuity with the database reported here.

The two areas of most difficulty are likely to be:

- Timely and consistent data collection from TLAs.
- Maintaining consistent categorisation of transport expenditure (ie. between Transfund categories, and TLA practices).

The future collection of TLA data will need to reconcile the many slightly different approaches taken in the reporting of relevant information by the 10 TLAs in the region. For this current exercise a questionnaire template was developed which sought to structure TLA responses around a standard and consistent categorisation (See Appendix 9). This was only partially successful because it did not set the information out in a way that was familiar to all TLAs (for example, one difficulty for a few TLAs was that the template didn't distinguish between subsidised and non-subsidised expenditure). However, it is considered there are relatively simple ways of overcoming this – Appendix 9 also sets out a variation on the standard template that would allow for subsidised and non-subsidised expenditure to be recorded separately.

It is recommended that ECan uses the current templates as a starting point, and that ECan consults with TLAs and further develops the template in order that a mutually acceptable form of data collection is used.

In terms of timing, revenue and expenditure data for each financial year should be reasonably finalised within 2 months of the end of that financial year. However because of audit and other requirements, it might be some months before information could be released in a form suitable for reporting. Again, this is a matter for discussion between ECan and the TLAs in the region.

Additional collections of transport expenditure information might be added to the basic database in the future (eg. TrackCo rail regional expenditure; freight services/infrastructure), but the ease of data collection (and confidentiality issues) will need to be explored.

Appendices

- Appendix 1 Indexing
- Appendix 2 Explanatory note on expenditure categories
- Appendix 3 Territorial Local Authorities
- Appendix 4 Transit New Zealand (State Highways)
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Appendix 1 Indexing

Indexing has been applied to the time series in order to generate \$ expenditures in equivalent (2003) 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 2003 as the base (Base = 100).

Table 3. Transport cost indices used in this report

June year	Transfund Construction Index		Transfund Passenger Transport Index	
	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		103.2	
1994	102.9	82.7	102.6	82.2
1995	104.7	84.2	103.5	82.9
1996	106.3	85.5	104.5	83.7
1997	107.9	86.7	106.4	85.3
1998	108.7	87.4	107.0	85.7
1999	109.5	88.0	108.0	86.5
2000	116.2	93.4	118.1	94.6
2001	122.3	98.3	124.4	99.7
2002	123.5	99.3	123.7	99.1
2003	124.4	100	124.8	100

Source: Index data provided by Transfund New Zealand

Appendix 2 Explanatory note on expenditure categories

A2.1 Capital

Capital expenditure can be categorised as:

- Expenditure on new works ie. that add to the capital asset base
- Expenditure on renewals ie. renewing existing infrastructural assets at or near the end of their life.

Comment:

Capital expenditure will typically vary significantly from year to year, largely because new works tend to be lumpy, irregular expenditure items.

Over time though, average annual capital expenditure on renewals should closely align with average annual depreciation. If average annual capital expenditure is significantly lower then it suggests that the rate of infrastructure renewal is not keeping up with depreciation of the asset.

Capital expenditure can be subsidised or non-subsidised. Revenue to pay for the local contribution can come from various sources: rates, reserves, developer contributions (compulsory or voluntary), or sometimes loans taken out for the purpose.

A2.2 Operating expenditure

Operating expenditure includes a range of categories:

- Maintenance and ongoing operational expenditure on roads and other assets
- Regular, planned maintenance as well as unplanned maintenance - as may be caused by extreme weather events
- Contracts for services ie. contracts for street cleaning, multi-year contracts for bus services etc
- Staff and overhead costs associated with transport outcomes (eg. asset and transport planning staff, road safety personnel, Metro information services etc)

Comment:

Operational expenditure can be subsidised or non-subsidised, for two main reasons 1) maintenance requirements might exceed Transfund's agreed funding through the NLP, and 2) some categories of expenditure may not qualify for subsidy (such as footpaths).

Revenue to pay for the local contribution typically comes from rates, the TLA petrol tax component, and other sources such as interest or reserves.

Operational expenditure tends to be reasonably consistent year to year, although a rapidly expanding asset base would likely see maintenance increasing over time. On

the other hand investment in capital works such as new sealing of a previously gravelled road, would reduce ongoing maintenance of that road.

A2.3 Depreciation (category under operating expenditure):

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.

Comment:

It must be realised that the depreciation amount in the annual accounts is not “real” expenditure as such. It could be considered a ‘consumption’ charge that effectively assigns an annual cost to the asset value.

The annual value of depreciation should provide a reasonably reliable guide to the annual cost of renewing current assets (assuming that depreciation rates closely align to reality).

In determining total annual costs, care must be taken not to double count depreciation and capital expenditure on renewals. For example, say the average life of assets was 50 years. Annual depreciation will record the loss of approximately 1/50th of the value of the total asset base each year. Annual renewal capital expenditure would be typically focussed on fully replacing 2% (1/50th) of the asset base each year. Over time, they should equate to the same thing⁷. To add both together will be double counting.

A2.4 Treatment of GST

All costs/expenditures are exclusive of GST

⁷ Bearing in mind that in a situation where the value of the asset base is increasing through new capital works, accumulated depreciation will likely run slightly ahead of accumulated annual replacement expenditure.

Appendix 3 Territorial Local Authorities

A3.1 Total income and expenditure

Because of the complexities involved in the data collection and time required to search information sources for previous years, the emphasis has been on confirming an internally consistent record for 2002/03.

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 2002/03 Annual Reports
- 2) Filling in the template by a combination of information gleaned from Annual Reports, and direct feedback received from TLAs
- 3) Adjusting the TLA allocation of expenditure by reference to Transfund's record of actual subsidised expenditure under the NLTP. The adjustment was one of simply re-allocating expenditure to categories (where appropriate), not an adjustment to total revenue or expenditure. Note that the re-allocations were relatively minor, and consisted mainly of shifting expenditure from the general "roading – repairs and maintenance" category to the category "roading – services". Note that the split between operational and capital expenditure was entirely from the information provided by the TLAs.

Income and expenditure was reconciled for each TLA by the following process:

- Calculating total actual expenditure for the year as the sum of:
 - Operational expenditure +capital expenditure (incl. 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 (ie. Transfund subsidy, parking income, local authority fuel tax, develop contribution) were identified and deducted from total income to leave a residual.
 - The residual was assumed to be the income from "rates/other".

Table 4 summarises income and expenditure for each of the 10 TLAs for 2002/03. A total of \$122M net expenditure was identified (net of depreciation). Of this \$63M was categorised as capital expenditure, about \$5M of which was identified as being for new works. By comparison, transport infrastructure depreciation for 2002/03, as recorded by TLAs, totalled about \$44M.

Table 4. Summary of TLA estimated income and expenditure 2002/03 \$(000)

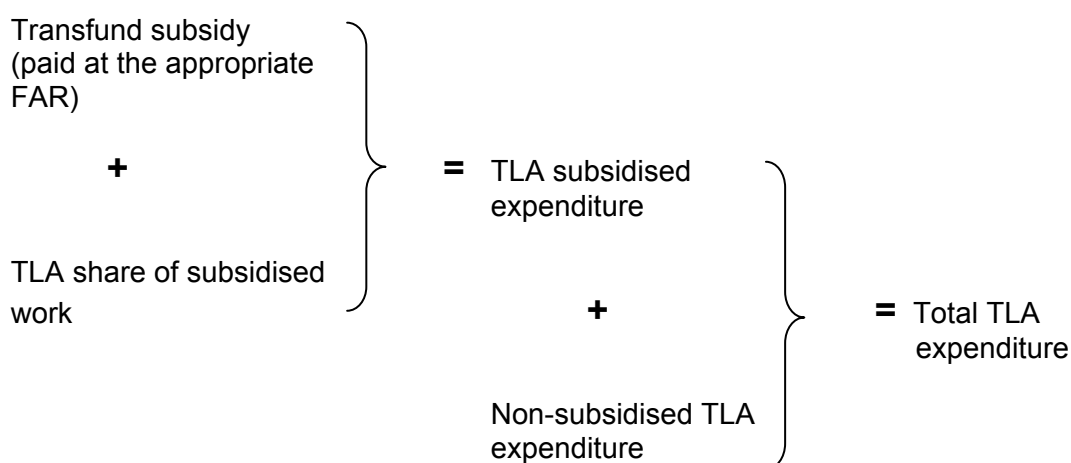
	Kaikoura	Hurunui	Waimakariri	Christchurch City	Selwyn	Banks Pen	Ashburton	Timaru	Mackenzie	Waimate	TOTALS
Revenue											
Parking	16	0		13133		0	211	542	0	0	13902
Transfund	367	1738	3158	12109	3116	1587	3282	3088	1083	1299	30827
Fuel tax	33	150	270	2097	110	50	225	68	63	66	3132
Developer contribution				2698	687		50				3435
Rates/other	515	1361	4517	42882	4681	2188	4222	6575	832	1385	69158
Other	51	668	328			212	437	64	108		1868
Total	982	3917	8273	72919	8594	4037	8427	10337	2086	2750	122322
Revised expenditure											
Roading –new, r&m	380	1336	2556	11023	28005	1682	703	3080	515	1125	76137
Road services	48	235	673	5699	3384	342	515	1053	86	123	12865
Road safety	23	85	54	988	95	84	35	36	16	5	1531
Pedestrian		42	15	1367	5475	98	698	1110	27	11	10716
Cycling				229	1150			2			1381
Public transport				2824	416						3240
Parking	38			8957			154	433			9582
Tech services	79	325	955	3402	363	343	495	578	119	311	6970
Depreciation	420	1550	3258	22296		1433	3721	4577	1338	1218	44133
Total	988	414	7696	56785	38430	3982	6321	10869	2158	2793	166455

Source: Derived estimates from TLA returns, and from NLT/P subsidised expenditure records (Transfund)

[] estimate

A3.2 TLA subsidised expenditure

A 5 year record of TLA subsidised expenditure was obtained from Transfund New Zealand's record of expenditure under the NLTP, broken down by expenditure class and categories (Figure 7 and Table 6). Note that this graph (and subsequent tables reported in this section) records the total expenditure which attracts the subsidy, but does not record any non-subsidised expenditure. The important thing to remember is that subsidised expenditure reported in this section provides just a partial view of overall expenditure on transport by local authorities. Excluded are items of expenditure not qualifying for the Transfund subsidy (or where the Transfund subsidy was not sought). These items are typically those related to pedestrian facilities (footpaths etc), road landscaping etc. The relationship between the Transfund subsidy, subsidised TLA expenditure, non-subsidised TLA expenditure and total expenditure is as follows:



In 2003/03, 52% of total TLA transport expenditure attracted a Transfund subsidy, although this is heavily weighted downwards by the two major urban councils (CCC at 37% and Timaru at 55%), 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 5 years to 2002/03.

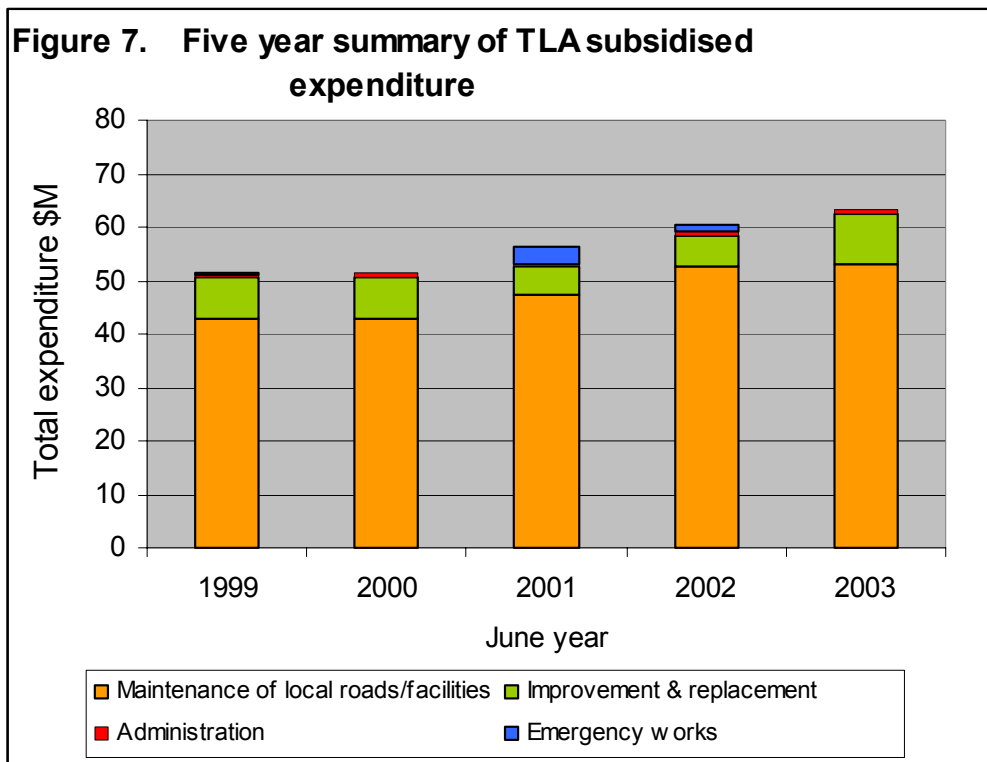


Table 5. TLA Expenditure – relationship between subsidised and total expenditure 2002/03

	Estimated total expenditure \$000	Subsidised expenditure \$000	Ratio (Subsidised:total)
Kaikoura	982	727	74%
Hurunui	3,917	3,386	86%
Waimakariri	8,273	6,418	78%
CCC	72,919	27,172	37%
Banks Peninsular	4,037	3,112	77%
Selwyn	8,594	6,009	70%
Ashburton	8,427	6,586	78%
Timaru	10,337	5,638	55%
Mackenzie	2,086	1,827	88%
Waimate	2,750	2,335	85%
TOTAL	122,322	63,207	52%

Table 6. Subsidised TLA expenditure by output class and category 1999-2003 \$(000)

		1999	2000	2001	2002	2003
Output Class 1: Maintenance of Local Roads						
1	Pavement Maintenance	16202	13676	14116	15884	15569
2	Area-wide Pavement Treatment	958	1243	1965	2175	3130
3	Major Drainage Control	5042	5814	6283	5755	6334
4	Maintenance Chip Seals	5406	5691	7406	7491	9633
5	Thin Asphaltic Surfacing	776	983	1106	2201	1679
6	Seal Widening	481	556	226	458	236
7	Bridge Maintenance	976	928	776	1065	863
10	Amenity/ Safety Maintenance	4	1475	1658	2015	1784
11	Street Cleaning	702	645	650	735	811
12	Traffic Services	3081	2936	3496	3616	3395
13	Carriageway Lighting	4570	4417	4774	4729	4518
14	Cycleway Maintenance	85	130	138	42	69
15	Level Crossing Warning Devices	0	0	86	164	132
17	Professional Services	3545	4007	4429	6185	5030
	Maintenance Management	577	0	0	0	0
	Undetermined/error	151	52	174		
	Total	42556	42553	47283	52515	53183
Output Class 3: Improvement & Replacement of Local Roads						
	Minor Safety Projects	975	1051	1681	1884	1931
	Projects	5271	6197	2711	3224	5060
	Other	1300	724	789	648	1254
	Total	7546	7972	5181	5756	8245
Output Class 8: Walking/cycling		485	207	0	132	978
Output Class 9: Admin		540	548	605	645	659
Emergency works/preventive maintenance		122	328	3181	1554	142
TOTAL		51248	51608	56250	60602	63207

Source: NLTP data obtained from Transfund records.

Table 7 Subsidised expenditure for the 10 regional TLAs 2002/03

	Kaikoura	Waimak	Hurunui	CCC	BP	Selwyn	Ashburton	Timaru	M'knzie	Waimate	TOTAL
Output Class 1: Maintenance of Local Roads											
1	257	1574	1873	3392	1166	2365	1499	1514	751	1178	15569
2		720	119	241	187	233	1007	526	97		3130
3	37	193		5071	60	40	484	391	6	52	6334
4	75	840	605	2435	389	1540	2045	1064	146	494	9633
5		17		1416	108	20		118			1679
6		172	64								236
7	26	146	31	102	112	125	66	148	48	59	863
10	63	256	75	581	302	80	184	110	60	73	1784
11	3	31	9	608	16	19	70	41	10	4	811
12	16	371	182	1641	79	350	277	280	91	108	3395
13	16	271	44	3323	171	177	168	295	42	11	4518
14				67				2			69
15	1	13	4	60		8	23	16		7	132
17	58	607	287	2208	308	300	423	513	95	231	5030
											0
	Sub Total	551	3294	21145	2898	5257	6247	5017	1346	2218	53183
Output Class 3: Improvement & Replacement of Local Roads											
	26	140	39	857	84	215	225	202	54	89	1931
	141	929		3725		444	42	354	403		6038
			15	211	20	30					276
	Sub-Total	167	1069	4793	104	689	267	556	457	89	8245
				978							978
	8	69	38	256	35	63	72	65	24	29	659
		67			75						142
	TOTAL	727	3386	27172	3112	6009	6586	5638	1827	2335	63207

Source: NLTP data obtained from Transfund records.

Table 8a. Kaikoura District Council

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

Source: NLTP data obtained from Transfund records.

Table 8b. Hurunui District Council

TOTAL SUBSIDISED EXPENDITURE (FROM TRANSFUND RECORDS)						
		1999	2000	2001	2002	2003
Output Class 1: Maintenance of Local Roads						
1	Pavement Maintenance	1584	1558	1651	1667	1873
2	Area-wide Pavement Treatment	4		101	88	119
3	Major Drainage Control					
4	Maintenance Chip Seals	141	271	277	390	605
5	Thin Asphaltic Surfacing					
6	Seal Widening					64
7	Bridge Maintenance	158	132	16	67	31
10	Amenity/ Safety Maintenance		52	59	33	75
11	Street Cleaning	12	10	11	10	9
12	Traffic Services	95	123	128	113	182
13	Carriageway Lighting	55	55	50	51	44
14	Cycleway Maintenance					
15	Level Crossing Warning Devices			12	4	4
17	Professional Services	221	199	291	272	287
	Maintenance Management	44				
	Total	2313	2401	2595	2694	3294
Output Class 3: Improvement & Replacement of Local Roads						
	Minor Safety Projects	70	69	110	115	39
	Projects					
	Other	398	532	176		
	Total	469	600	286	115	39
Output Class 9						
		33	38	38	40	38
SPR 237						
				47	272	15
Emergency Works/ Preventative Maintenance						
				321	215	
Total						
		2815	3238	3285	3336	3386
Transfund income						
		1487	1740	1706	1801	1719
Average implied financial assistance rate (FAR)						
		0.53	0.54	0.52	0.54	0.51

Source: NLTP data obtained from Transfund records.

Table 8c. Waimakariri District Council

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

Source: NLTP data obtained from Transfund records.

Table 8d. Christchurch City Council

TOTAL SUBSIDISED EXPENDITURE (FROM TRANSFUND RECORDS)						
Output Class 1: Maintenance of Local Roads		1999	2000	2001	2002	2003
1	Pavement Maintenance	3155	2460	2462	3216	3392
2	Area-wide Pavement Treatment			169	343	241
3	Major Drainage Control	3689	4414	4943	4259	5071
4	Maintenance Chip Seals	1608	1457	1837	859	2435
5	Thin Asphaltic Surfacing	540	735	951	1910	1416
6	Seal Widening					
7	Bridge Maintenance	84	70	72	106	102
10	Amenity/ Safety Maintenance		735	695	665	581
11	Street Cleaning	431	377	406	513	608
12	Traffic Services	1455	1428	1910	1837	1641
13	Carriageway Lighting	3260	3079	3460	3561	3323
14	Cycleway Maintenance	74	125	126	23	67
15	Level Crossing Warning Devices			38	60	60
17	Professional Services	1607	1715	1861	3451	2208
	Maintenance Management	206				
	Undetermined/error			174		
	Total	16109	16594	19104	20798	21145
Output Class 3: Improvement & Replacement of Local Roads						
	Minor Safety Projects	395	420	788	830	857
	Projects	4309	4537	2062	1657	3725
	Other			166	169	16
	Property purchase					185
	Total	4704	4957	3016	2656	4783
Kick Start						
						10
Emergency works						
				638		
Output Class 8: Walking/cycling						
	Investigations					200
	Construction pedestrians					39
	Construction cycling	485	207		132	739
	Promotion					
	Total	485	207		132	978
Output Class 9:		211	212	223	232	256
TOTAL		21508	21973	22981	23818	27172
Transfund income		9613	9805	10150	10515	12109
Average implied financial assistance rate (FAR)		0.45	0.45	0.44	0.44	0.45

Source: NLTP data obtained from Transfund records.

Table 8e. Selwyn District Council

TOTAL SUBSIDISED EXPENDITURE (FROM TRANSFUND RECORDS)						
		1999	2000	2001	2002	2003
Output Class 1: Maintenance of Local Roads						
1	Pavement Maintenance	2533	2162	2385	2842	2365
2	Area-wide Pavement Treatment			55	27	233
3	Major Drainage Control		6	16	15	40
4	Maintenance Chip Seals	522	826	1193	1556	1540
5	Thin Asphaltic Surfacing			20	18	20
6	Seal Widening	155	337			
7	Bridge Maintenance	127	67	97	115	125
10	Amenity/ Safety Maintenance		56	45	247	80
11	Street Cleaning	76	65	23	21	19
12	Traffic Services	346	259	325	497	350
13	Carriageway Lighting	163	182	177	173	177
14	Cycleway Maintenance					
15	Level Crossing Warning Devices				21	8
17	Professional Services	218	354	306	269	300
	Maintenance Management	130				
	Total	4271	4314	4642	5800	5257
Output Class 3: Improvement & Replacement of Local Roads						
	Minor Safety Projects	100	113	138	205	215
	Projects	418	598	213	173	444
	Other				15	30
	Total	518	711	351	393	689
Output Class 9		45	52	53	64	63
Emergency Works				226	90	
TOTAL		4835	5129	5273	6347	6009
Transfund income		2187	2316	2416	2910	2878
Average implied financial assistance rate (FAR)		0.45	0.45	0.46	0.46	0.48

Source: NLTP data obtained from Transfund records.

Table 8f. Banks Peninsula District Council

TOTAL SUBSIDISED EXPENDITURE (FROM TRANSFUND RECORDS)						
		1999	2000	2001	2002	2003
Output Class 1: Maintenance of Local Roads						
1	Pavement Maintenance	1210	1065	935	1085	1166
2	Area-wide Pavement Treatment	192	209	208	98	187
3	Major Drainage Control		80	74	108	60
4	Maintenance Chip Seals	297	286	408	454	389
5	Thin Asphaltic Surfacing		67	33	88	108
6	Seal Widening	61	88	60		
7	Bridge Maintenance	108	172	143	272	112
10	Amenity/ Safety Maintenance		157	204	330	302
11	Street Cleaning	6	10	30	35	16
12	Traffic Services	68	103	92	132	79
13	Carriageway Lighting	115	126	148	133	171
14	Cycleway Maintenance					
15	Level Crossing Warning Devices					
17	Professional Services	116	155	221	318	308
	Maintenance Management	20				
	Total	2193	2518	2556	3054	2898
Output Class 3: Improvement & Replacement of Local Roads						
	Minor Safety Projects	24	49	54	113	84
	Projects				349	
	Other				60	20
	Total	24	49	54	523	104
Output Class 9: Administration						
		26	31	59	51	35
Emergency works/preventive maintenance						
		60	318	1601	595	75
Total						
		2303	2916	4270	4223	3112
Transfund income						
		1166	1407	2699	2337	1596
Average implied financial assistance rate (FAR)						
		0.51	0.48	0.63	0.55	0.51

Source: NLTP data obtained from Transfund records.

Table 8g. Ashburton District Council

TOTAL SUBSIDISED EXPENDITURE (FROM TRANSFUND RECORDS)						
Output Class 1: Maintenance of Local Roads		1999	2000	2001	2002	2003
1	Pavement Maintenance	2155	1643	1746	1872	1499
2	Area-wide Pavement Treatment	90	75	712	624	1007
3	Major Drainage Control	316	434	326	476	484
4	Maintenance Chip Seals	1385	1146	1753	1734	2045
5	Thin Asphaltic Surfacing					
6	Seal Widening	89			170	
7	Bridge Maintenance	59	72	115	49	66
10	Amenity/ Safety Maintenance		113	83	163	184
11	Street Cleaning	37	48	53	47	70
12	Traffic Services	[300]	303	287	235	277
13	Carriageway Lighting	258	307	291	241	168
14	Cycleway Maintenance					
15	Level Crossing Warning Devices			12	11	23
17	Professional Services	278	307	301	379	423
	Maintenance Management					
	Undetermined/error	28				
	Total	4995	4450	5679	6002	6247
Output Class 3: Improvement & Replacement of Local Roads						
	Minor Safety Projects	133	118	191	112	225
	Projects			156	101	42
	Other					
	Total	133	118	347	213	267
Output Class 9: Admin		57	51	68	69	72
Emergency works/preventive maintenance		62			29	
TOTAL		5246	4619	6094	6313	6586
Transfund income		2584	2313	3074	3126	3268
Average implied financial assistance rate (FAR)		0.49	0.50	0.50	0.50	0.50

Source: NLTP data obtained from Transfund records.

[] estimate

Table 8h. Timaru District Council

TOTAL SUBSIDISED EXPENDITURE (FROM TRANSFUND RECORDS)						
		1999	2000	2001	2002	2003
Output Class 1: Maintenance of Local Roads						
1	Pavement Maintenance	1583	1308	1521	1572	1514
2	Area-wide Pavement Treatment	240	489	322	415	526
3	Major Drainage Control	450	462	448	403	391
4	Maintenance Chip Seals	479	550	693	928	1064
5	Thin Asphaltic Surfacing	133	181	86	182	118
6	Seal Widening		74	71	102	
7	Bridge Maintenance	101	114	82	197	148
10	Amenity/ Safety Maintenance		52	50	50	110
11	Street Cleaning	70	68	71	60	41
12	Traffic Services	393	252	247	259	280
13	Carriageway Lighting	392	366	352	351	295
14	Cycleway Maintenance	2	2	2	2	2
15	Level Crossing Warning Devices			10	15	16
17	Professional Services	437	510	490	490	513
	Maintenance Management	56				
	Undetermined/error	123	10			
	Total	4459	4438	4444	5026	5017
Output Class 3: Improvement & Replacement of Local Roads						
	Minor Safety Projects	110	105	163	191	202
	Projects	754	22		354	354
	Other	417	487	400		
	Total	1281	614	563	545	556
Output Class 9						
		68	59	58	65	65
Total						
		5808	5101	5065	5636	5638
Transfund income						
		3076	2673	2655	2955	2962
Average implied financial assistance rate (FAR)						
		0.53	0.52	0.52	0.52	0.53

Source: NLTP data obtained from Transfund records.

Table 8i. Mackenzie District Council

TOTAL SUBSIDISED EXPENDITURE (FROM TRANSFUND RECORDS)						
		1999	2000	2001	2002	2003
Output Class 1: Maintenance of Local Roads						
1	Pavement Maintenance	856	808	768	775	751
2	Area-wide Pavement Treatment			37	40	97
3	Major Drainage Control	19				6
4	Maintenance Chip Seals	106	119	99	150	146
5	Thin Asphaltic Surfacing	24				
6	Seal Widening					
7	Bridge Maintenance	66	7	30	69	48
10	Amenity/ Safety Maintenance		52	38	98	60
11	Street Cleaning	12	12	10	13	10
12	Traffic Services	79	91	77	46	91
13	Carriageway Lighting	48	54	58	52	42
14	Cycleway Maintenance					
15	Level Crossing Warning Devices					
17	Professional Services	44	64	51	114	95
	Maintenance Management	40				
	Total	1293	1206	1169	1357	1346
Output Class 3: Improvement & Replacement of Local Roads						
	Minor Safety Projects	32	34	51	54	54
	Projects					403
	Other					
	Total	32	34	51	54	457
Output Class 9						
		17	16	17	18	24
Emergency works						
			10	95		
Total						
		1341	1266	1331	1429	1827
Transfund income						
		752	709	760	829	1083
Average implied financial assistance rate (FAR)						
		0.56	0.56	0.57	0.58	0.59

Source: NLTP data obtained from Transfund records.

Table 8j. Waimate District Council

TOTAL SUBSIDISED EXPENDITURE (FROM TRANSFUND RECORDS)						
		1999	2000	2001	2002	2003
Output Class 1: Maintenance of Local Roads						
1	Pavement Maintenance	1377	984	1153	1275	1178
2	Area-wide Pavement Treatment		38		33	
3	Major Drainage Control	41	20	40	48	52
4	Maintenance Chip Seals	311	331	390	507	494
5	Thin Asphaltic Surfacing					
6	Seal Widening				13	
7	Bridge Maintenance	97	40	56	50	59
10	Amenity/ Safety Maintenance		56	74	106	73
11	Street Cleaning	10	2	2	3	4
12	Traffic Services	81	84	94	90	108
13	Carriageway Lighting	59	43	31	16	11
14	Cycleway Maintenance					
15	Level Crossing Warning Devices			5	6	7
17	Professional Services	181	212	210	221	231
	Maintenance Management	16				
	Undetermined/error		6			
	Total	2173	1816	2056	2370	2218
Output Class 3: Improvement & Replacement of Local Roads						
	Minor Safety Projects	61	49	65	94	89
	Projects					
	Other					
	Total	61	49	65	94	89
Output Class 9						
		28	23	31	33	29
Emergency Works						
				300	179	
TOTAL						
		2262	1882	2452	2576	2335
Transfund income						
		1271	1059	1421	1498	1299
Average implied financial assistance rate (FAR)						
		0.56	0.56	0.58	0.58	0.56

Source: NLTP data obtained from Transfund records.

Appendix 4 Transit New Zealand (State Highways)

Transit New Zealand provided 7 years of information regarding state highway expenditure in the region (Figures 8 & 9 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. While maintenance expenditure is reasonably consistent from year to year, expenditure on large one-off projects and property purchases can vary significantly from year to year.

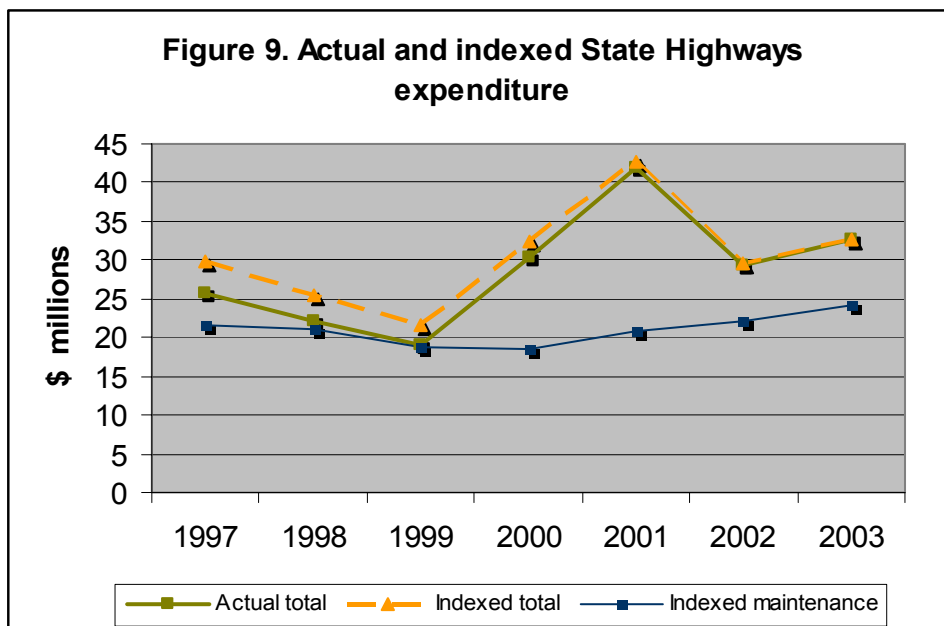
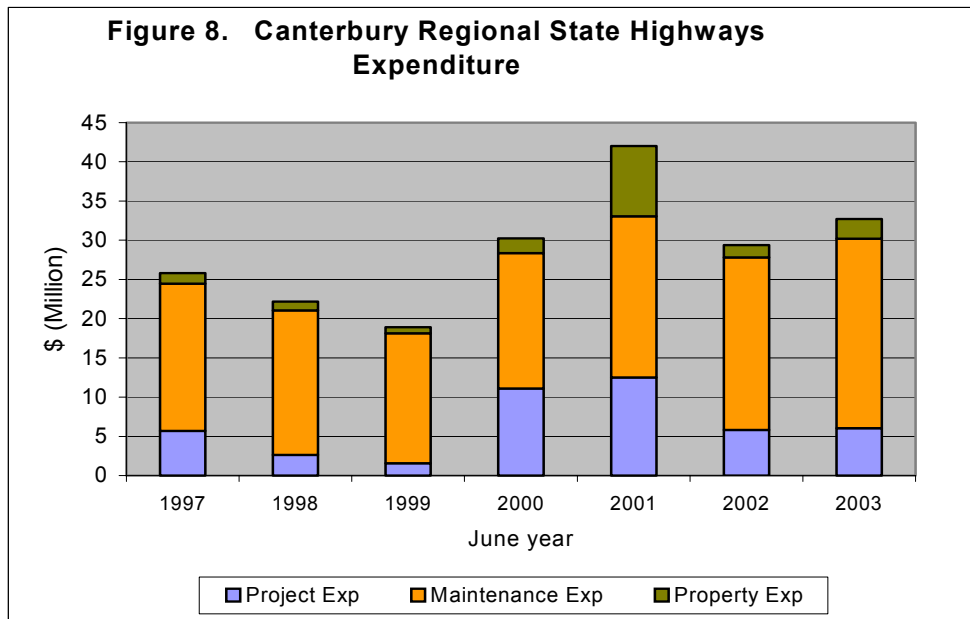


Table 9. Summary of State Highways expenditure for Canterbury \$(000)

DESCRIPTION	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Bridge Renewals	794.4	152.6	66.5	820.4	2,277.6	165.8	836.8
New Roads for Bridges	0	3.1	0	2,051.0	1,831.0	2,085.6	168.3
Road Reconstruction	4,867.2	2,430.3	1,469.2	8,159.2	8,034.6	3,264.9	4,901.6
Strategy / Transportation Studies	15.8	31.1	26.0	57.2	386.4	275.7	117.9
TOTAL PROJECT EXPENDITURE	5,677.4	2,617.1	1,561.7	11,087.8	12,529.6	5,792.0	6,024.6
Routine Maintenance	17,864.0	17,828.0	15,868.0	16,824.0	18,562.0	20,045.7	22,349.2
Preventive Maintenance	0	71.8	0	0	0	159.1	57.4
Emergency Works	203.0	152.1	290.4	0	1,341.9	926.7	818.3
Minor Safety	720.4	399.0	417.0	449.0	620.5	903.4	955.4
TOTAL MAINTENANCE EXPENDITURE	18,787.4	18,450.9	16,575.4	17,273.0	20,524.4	22,034.9	24,180.3
Property Expenditure	1,333.0	1,129.8	788.6	1,861.0	8,957.6	1,557.9	2,498.4
TOTAL EXPENDITURE	25,797.8	22,197.8	18,925.7	30,221.8	42,011.6	29,384.8	32,703.3

Source: Transit New Zealand

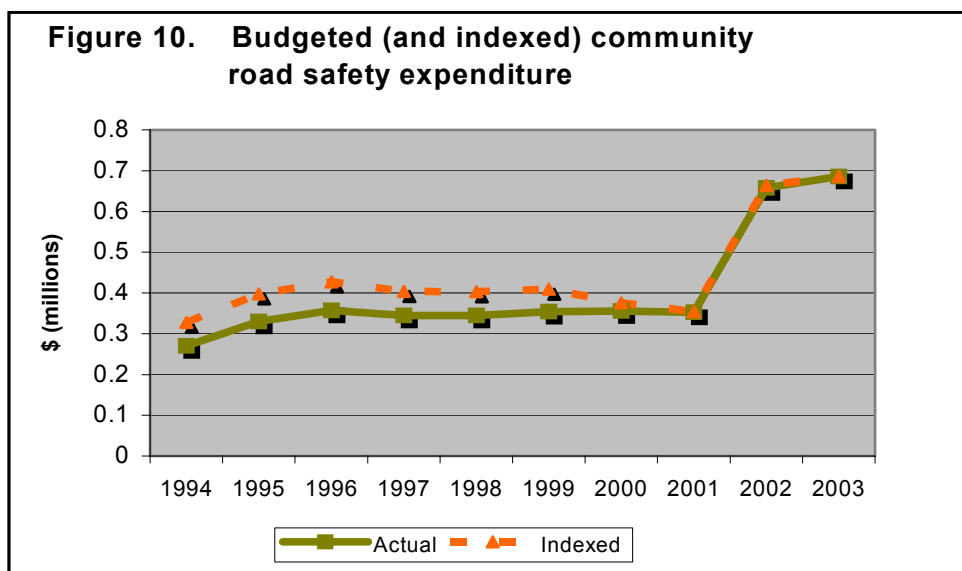
Appendix 5 Central Government Road Safety

Information was obtained from the LTSA⁸ relating to two aspects of expenditure by central government on road safety in the region. It is emphasised that the information reported in this section is budgeted, rather than actual expenditure.

A5.1 Approved expenditure by local authorities under the Community Road Safety Programme (CRSP)⁹

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 10 and Figure 10). According to the LTSA the budgeted expenditure should be close to actual expenditure¹⁰. After a period of flat expenditure levels throughout the 1990s (declining in real terms 1996-2001), there was a significant increase in funding for regional activities, mainly channelled through Environment Canterbury. A further increase to \$801,000 (excluding Kaikoura) has occurred in the current (2003/04) year.

While for some local authorities CRSP funding accounts for most of their expenditure on road safety, for others additional local funding is applied. In the case of the CCC, the amount of local funding relative to central government is very large (eg. \$0.99m was recorded for road safety by the CCC in 2002/03 – only \$0.15m was provided by the LTSA through the CRSP). In the region overall, an estimated \$1.8m was spent on road safety in 2002/03, with \$0.7m coming via the CRSP.



⁸ All information obtained from the published annual community road safety programme (LTSA)

⁹ Previously known as the Safety Administration Programme (SAP)

¹⁰ Pers Comm Denis Robertson, LTSA.

Table 10. Community Road Safety Programme (previously SAP) - budgeted central govt expenditure \$(000)

	1993/94*	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Ecan		23	38	38	38	39	39	39	255	280
Kaikoura	4			5	5	8	10	7	19	22
Waimakariri	20	5	23	18	18	19	19	19	44	54
Hurunui	11	15	20	21	21	21	21	21	22	22
Christchurch	149	167	159	149	149	149	149	149	152	152
Selwyn	28	27	20	23	23	23	23	23	29	28
Banks Pen	6		4	16	16	16	16	16	20	22
Ashburton	32	36	31	24	24	24	24	24	46	35
Timaru	14	31	35	30	30	30	30	30	36	36
Mackenzie	6	13	12	10	10	11	11	11	16	16
Waimate		16	15	11	11	14	14	14	19	19
Totals	270	333	357	345	345	354	356	353	658	686

*Includes joint crash investigations

Source: LTSA

A5.2 Police Hours

Police hours budgeted for each of the territorial local authority areas under the New Zealand Road Safety Programme are shown in Figure 11 and Table 11. These hours record time budgeted for the following activities:

- Road policing (highway patrol, speed control, drink/drugged driver control, road safety enforcement, commercial vehicle policing etc)
- Incident and emergency management (crash attendance and investigation etc)
- Road policing prosecutions and sanctions
- Community road safety engagement (community, schools education).

Over the last 10 years there has been an overall decline in the number of budgeted police hours.

For the purposes of costing this programme the NZ Police use a cost of \$75 per hour. Hence in 2002/03 the 181,840 hours budgeted for Canterbury were valued at \$13.6m.

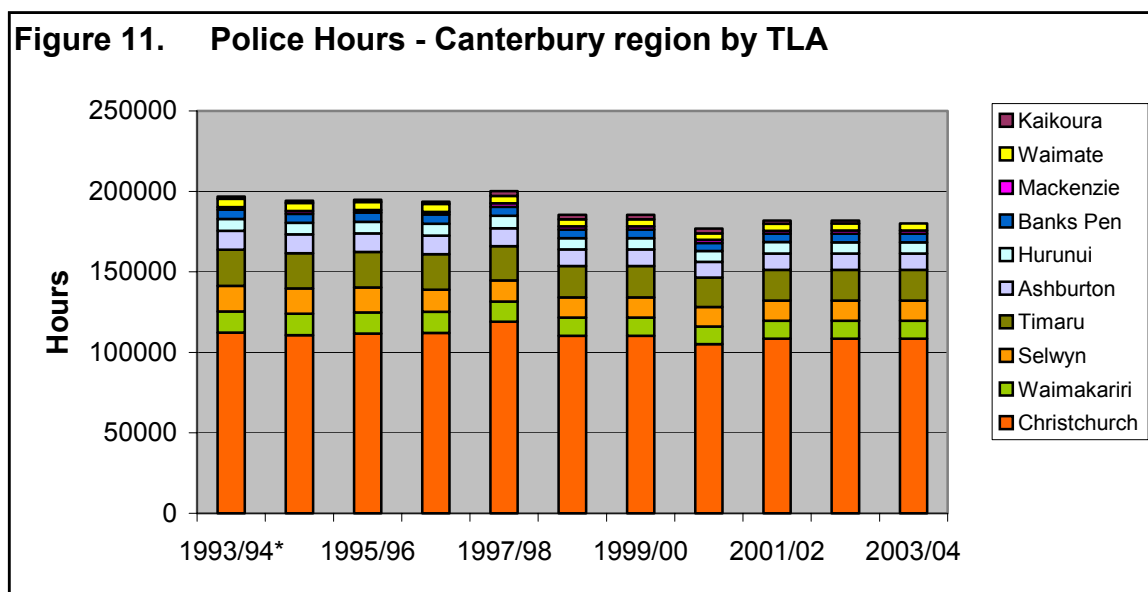


Table 11. Police Hours for the Canterbury region

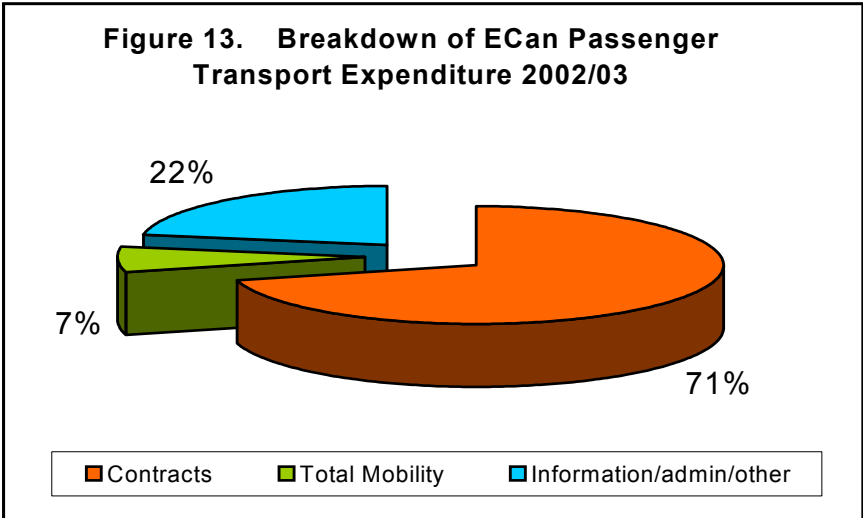
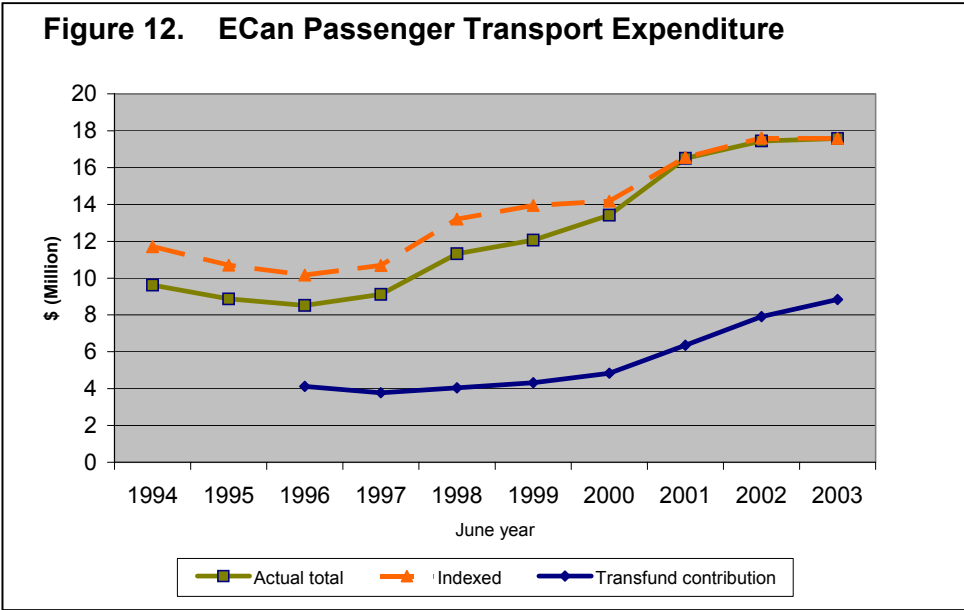
Local Authority	1993/94*	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Kaikoura	1,420	1,380	1,380	1,380	2,920	2,920	2,920	2,910	1,860	1,860	[1,800]*
Waimakariri	13,200	13,240	13,150	13,130	12,500	11,310	11,310	10,840	11,210	11,210	11,210
Hurunui	7,240	7,160	7,150	7,210	7,720	7,060	7,060	6,740	7,010	7,010	7,010
Christchurch	112,270	110,750	111,600	112,110	119,000	110,300	110,310	105,130	108,440	108,440	108,440
Selwyn	15,900	15,650	15,620	13,770	13,200	12,560	12,560	12,190	12,460	12,410	12,410
Banks Pen	5,770	5,680	5,670	5,730	5,700	5,270	5,270	4,990	5,170	5,290	5,290
Ashburton	11,750	11,570	11,570	11,580	11,110	10,290	10,290	9,820	10,200	10,210	10,210
Timaru	22,410	22,020	21,980	21,990	21,190	19,410	19,410	18,230	19,120	19,120	19,120
Mackenzie	1,740	1,720	1,720	1,770	2,090	1,990	1,990	1,920	1,960	1,960	1,960
Waimate	5,020	4,920	4,860	4,940	4,670	4,360	4,360	4,120	4,330	4,330	4,330
Totals	196,720	194,090	194,700	193,610	200,100	185,470	185,480	176,890	181,760	181,840	181,840

* Estimated - note that Kaikoura is now itemised under the Tasman police district, and is lumped together with Marlborough District.

Appendix 6 Environment Canterbury

A6.1 Passenger Transport

Ten years of passenger transport expenditure was obtained from Environment Canterbury via published data in Annual Reports (Figure 12). The 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 (eg timetables), and other costs associated with the Metro brand (Figure 13 and Table 12). Most of the costs (>95%) are incurred within the greater Christchurch area.



Also shown in Figure 12 is the funding contribution provided by Transfund. In 2002/03 the Transfund contribution was 50% of total public costs. This is a significant increase over the period 1997-2000 where the average contribution was 36%, and is attributable to the increased funding through the patronage funding and kickstart mechanisms.

A6.2 Regional transport

ECan also incurs transport related expenses through its regional transport responsibilities. This includes regional road safety co-ordination, regional transport planning, and monitoring. Total expenditure is shown in Table 12. The significantly increased expenditure from 2000/01 is a result of increased regional land transport planning activity (eg. RLTS review and follow-on actions) and increased road safety activity (through increased funding from the CRSP via LTSA).

Table 12. Environment Canterbury transport expenditure \$(M)

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Passenger Transport	9.62	8.87	8.51	9.12	11.32	12.06	13.42	16.50	17.44	17.58
Regional Transport	0.53	0.28	0.34	0.22	0.43	0.52	0.59	0.95	1.00	1.13

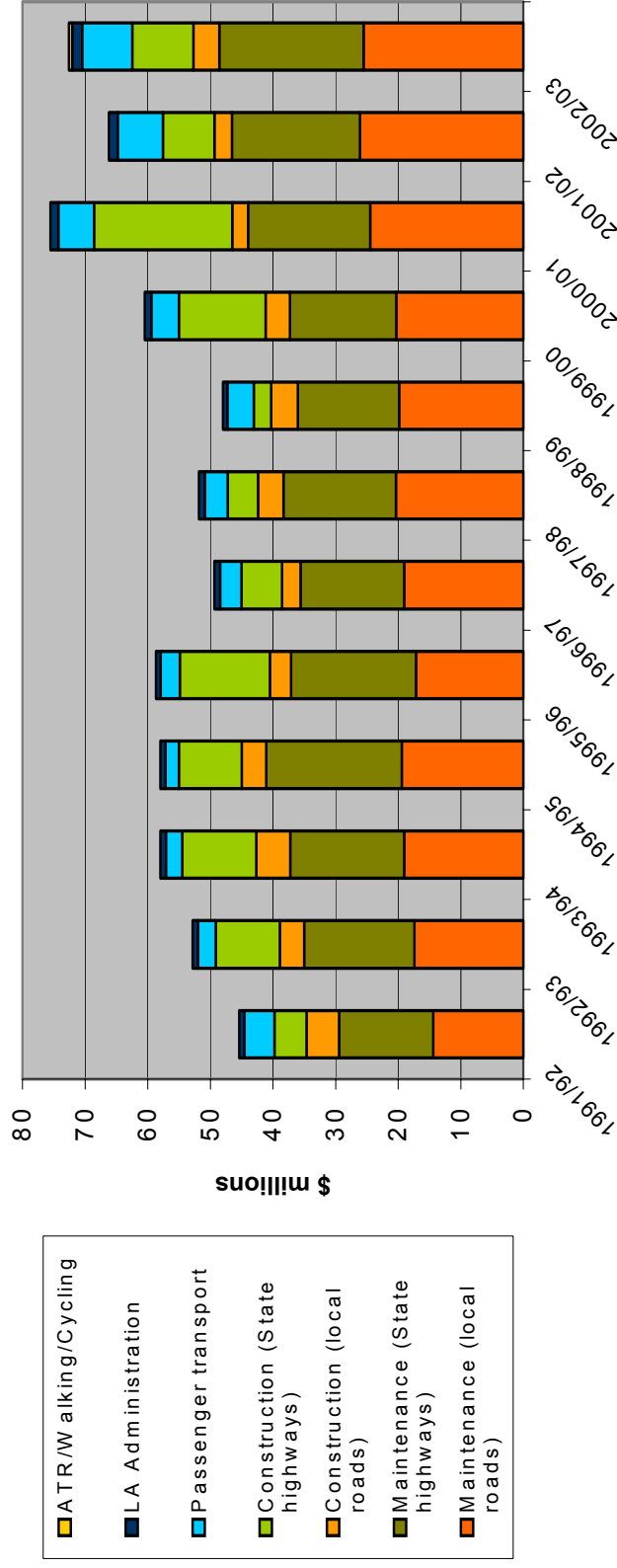
Appendix 7 Transfund New Zealand

The information series reported in this section is a 12 year time series of budgeted allocations made by Transfund as approved under the NLTP (Figure 14). This includes the following:

- The Transfund subsidy for construction and maintenance expenditure for local roads (as channelled through TLAs)
- The Transfund subsidy for passenger transport (as channelled through ECan)
- Total expenditure for State Highways (as channelled through Transit NZ)
- The Transfund subsidy for local authority administration costs (as channelled through TLAs and ECan)
- Other categories where there is now a Transfund subsidy (eg. cycling, walking, alternatives to roading).

Note that this is budgeted expenditure, not actual. Actual expenditure varies a little through approved changes made during the year (such as emergency expenditure), or through under-expenditure. Overall though it appears that actual expenditure is within 10% of budgeted expenditure, so this time series provides a valuable information source tracking the trends in subsidised transport expenditure in the region over the last decade.

Figure 13. Transfund NLTP Budgeted Allocations for Canterbury



	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Construction (State highways)	5.14	10.26	11.79	10	14.36	6.45	4.84	2.79	13.86	22.04	8.23	9.77
Construction (local roads)	5.16	3.88	5.45	3.93	3.39	2.99	4.07	4.24	3.9	2.52	2.8	4.13
Maintenance (State highways)	15.08	17.62	18.19	21.68	19.94	16.57	17.97	16.17	16.98	19.52	20.45	23.06
Maintenance (local roads)	14.37	17.4	19.03	19.4	17.16	19.01	20.32	19.86	20.29	24.47	26.1	25.51
Passenger transport	4.78	2.82	2.63	2.12	3.06	3.4	3.64	4.22	4.37	5.74	7.22	8.01
LA Administration	0.86	0.86	0.87	0.85	0.8	0.92	0.99	0.72	1.09	1.27	1.39	1.56
ATR/Walking/Cycling	0	0	0	0	0	0	0	0	0	0	0	0.57
Total	45.39	52.84	57.96	57.98	58.71	49.34	51.83	48	60.49	75.56	66.19	72.61

Appendix 8 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 the TLAs suggest a total income from the fuel tax of \$3.1M in 2002/03. By way of comparison, a cross check was carried out using information from Environment Canterbury's Regional Energy Survey 2002¹¹. Petrol and diesel sales in the region for 2002 were estimated as follows (millions of litres).

	South Canterbury	Central Canterbury	North Canterbury	Total
Petrol	66	264	36	366
Diesel	110	169	39	318

At the specified tax rate this would equate to regional income of approximately \$3.5M.

¹¹ Ref at www.ecan.govt.nz/energy/

Appendix 9 Questionnaire templates

Standard Template - income and expenditure summary 2002/03

				Revenue		Operational exp	Capital
Roading:			NOTES:	[\$[000]]		[\$[000]]	[\$[000]]
Road maintenance & repairs	1						
Services – roading	1						
Other – roading	1						
Road safety	2						
Road renewal	3						
New works	3						
Misc roading expenditure	4						
Cycling	5						
Pedestrian facilities	5						
Public transport	5						
In house tech services/other	6						
Parking facilities/services	7						
Transfund subsidy	8						
Rates	8						
Petrol tax/misc	8						
Other income – roading	8						
Depreciation	8						
Roading total	9						
Community facilities:							
Pedestrian/footpaths	10						
Street cleaning	10						
Misc	10						
Rates	10						
Other income	10						
Depreciation							
Total							

Data required to be filled in (if applicable) or confirmed

- Notes:
- 1 Maintenance expenditure to include pavement maintenance, asphaltting, bridge repairs, safety maintenance etc. Service to include street cleaning, street lighting, traffic services etc.
 - 2 To cover road safety activities (eg. co-ordinator, CAAPs)
 - 3 Capital expenditure should be distributed between these 2 categories as much as possible
 - 4 Where possible these expenditure items should be re-distributed to other categories
 - 5 Please itemise these expenditure items as much as possible, re-distributed from other exp categories. Pedestrian facilities might all be accounted for below?
 - 6 Total (net) costs attributed to transport/roading planning, net costs of in-house professional services, and any other overheads allocated to transport.
 - 7 Itemise any revenue and costs from parking facilities if applicable
 - 8 As estimated from the Annual Report, with "other income" adjusted to fit amended total (see Note 9)
 - 9 Note that total revenue is calculated as total operational exp + capital exp, minus depreciation
 - 10 Derived from "Community Facilities" section of Annual Report (if applicable). Please check allocation of costs between operational and capital.

Alternative template:

(includes separation of subsidised and non-subsidised expenditure)

Transport income and expenditure summary 2002/03					Operational exp.		Capital exp.	
				Revenue	Subsidised	Non subsidised	Subsidised	Non subsidised
Roading:			NOTES:	[\$000]	[\$000]		[\$000]	
Road maintenance & repairs								
Services – roading								
Other – roading								
Road safety								
Road renewal								
New works								
Misc roading expenditure								
Cycling								
Pedestrian facilities								
Public transport								
In house tech services/other								
Parking facilities/services								
Transfund subsidy								
Rates/other								
Petrol tax								
Developer contribution								
Depreciation								
Roading total								
Community facilities (if applicable):								
Pedestrian/footpaths								
Street cleaning etc								
Misc								
Rates								
Other income								
Depreciation								
Total								

Comment:

The alternative template would allow individual TLAs to provide a split of subsidised and non-subsidised expenditure, if it is easier for them to report information in this way.
