

## 10. SUBMISSION ON TRANSIT NZ DRAFT 10-YEAR STATE HIGHWAY FORECAST

<b>General Manager responsible:</b>	General Manager City Environment 941 8656
<b>Officer responsible:</b>	Transport and City Streets Manager
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### PURPOSE OF REPORT

1. The purpose of this report is to seek adoption of a proposed submission (attached) on the Transit NZ draft 2006/2007 - 2015/2016 10-Year State Highway Forecast, on which Transit New Zealand are currently consulting, and to approve attendance at a subsequent hearing for submitters offered by Transit. This consultation is an annual requirement under the Land Transport Management Act 2003 as part of Transit's land transport programme formulation. The due date of the submissions is 24 March 2005.

### EXECUTIVE SUMMARY

2. Under legislation, each year Transit New Zealand is required to consult on its forward work programme. The draft forecast proposes a 10-year forward programme for large projects which cost in excess of \$3.4M, and a three-year forward programme for other projects estimated to cost less than \$3.4M. It shows a major lift in the total expenditure on state highways, with over \$12B over 10 years proposed. The draft forecast was released for consultation on 22 February 2006.
3. The value of the State Highway Forecast has increased by some 40% since 2003/04, during which time the construction price index increased by about 20%. For 2006/07, Transit are proposing an annual programme expenditure of some \$1.1B on capital and maintenance projects.
4. With lower projected funding (from LTNZ) and sharply increasing construction costs, there are significant financial pressures on the Transit programme. This is resulting in significant changes to the current 2005/06 forecast. Emphasis is made by Transit that the forecast is indicative only, due to inherent uncertainty in estimating costs, project scopes up to a decade in advance, future funding revenue streams and cost escalations. It also may change depending upon the availability of various funding sources (such as higher proportions of R funding going to state highway projects, additional Government contributions, or tolling) and feedback on issues surrounding this draft programme.
5. Transit is working with Land Transport NZ and the Government on matters of funding levels and programme delivery, as well as seeking ways to retain and extend efficiencies in their contracting processes and supply chain. Notwithstanding this work, the forecast is based on current indicative funding for State Highways, and has resulted amongst other things in deferral of timelines for a large number of major projects across the country.
6. The Council has an important opportunity through this mechanism to influence and contribute to the finalisation of this year's Transit 10-year State Highway Forecast. It is important therefore to compile the Council's views into a submission to respond to Transit's draft proposals. The Council could also choose to communicate with central Government and Land Transport New Zealand on the need for adequate funding to meet the justifiable needs of the transport system and which clearly is lacking.

7. Staff consider that the Council should express its views on the following key issues:
- That transport planning in Christchurch should be based on our philosophy that **prevention is better than cure**. Therefore the urgent demands in Auckland and Wellington should not unnecessarily detract from our ability to continue with good planning and implementation. The assumed use of 65% of the regionally allocated funds (from Land Transport New Zealand) on Transit projects is acceptable. However, the level of proposed national (N) funding allocated to Canterbury (and Christchurch) is completely unacceptable. R funding was never intended as simple substitution funding for N funding in a region; it was expected that Canterbury and Christchurch would continue to have received generally historical levels of N funding, with R funding added to “purchase additional outputs” in our region.
  - **The Southern Motorway**, which is the key major project in Canterbury for the next 10 years (and one of only two now proposed in the draft forecast for funding), has had its **construction start deferred three years** to 2012/13, but shortened to four years construction. Its design funding is deferred from 2005/06 until 2010/11. (The other project being proposed for funding is a Christchurch TDM (Travel Demand Management) project in 2009/10-10/11).
  - Concern should be strongly expressed about the **much reduced number of Large Projects** proposed for Canterbury over the next 10 years (**down to two from nine** proposed last year), despite the proposed use of 65% of regional funding. The deferred large projects are proposed for funding somewhere beyond 10 years, including construction of the north Christchurch roading projects and the Russley-Johns bypass widening
  - In addition, there is **no funding shown for planning work** in the next 10 years for the other identified large projects. The need for planning certainty and investigations for future transport network improvements in the city should be stressed. Support should be given for the re-introduction of planning funding for at least the next stages of the north Christchurch projects (from NROSS), namely the rural Northern Arterial, QEII four laning and the Western Belfast Bypass.
8. A copy of the proposed City Council submission is attached for discussion, amendment if necessary, and adoption.
9. In the consultation material, Transit has asked as to whether the Council wishes to take an opportunity to present its submission to a hearing panel. Officers believe that this is a key mechanism to promote and optimise the chances of success in addressing our issues. Therefore officers intend to accept the opportunity, and are recommending that the presentation be delegated to the General Manager City Environment and the Transport and City Streets Manager. Should Councillors wish to participate, then the recommendation (b) below should be modified and Councillors nominated to do so. Information to date regarding these hearings is only that they will be regionally-held and will occur sometime between 3 and 13 April 2006 inclusive. Following release of the confirmed forecast around the turn of the new financial year, all submitters will be informed of the decisions, along with reasons, made by the Transit Board.

#### **FINANCIAL AND LEGAL CONSIDERATIONS**

10. There are no direct financial implications related to this submission.
11. The Council is not under any legal obligations in relation to this submission.

#### **STAFF RECOMMENDATIONS**

It is recommended that the Council:

- (a) Adopt the attached submission, subject to any agreed amendments, for forwarding to Transit New Zealand as its views on the Transit NZ draft 2006/07-2015/16 10-Year State Highway Forecast.

- (b) Grant approval for the General Manager City Environment and the Transport and City Streets Manager to represent the Council's submission to the regional hearings.
- (c) Communicates its concerns about the lack of adequate funding for the land transport system to central government and Land Transport New Zealand.
- (d) Supports the preparation of a submission from the RLTC which reinforces a united regional approach to meeting the challenges of the future.