

Chapter 5 Programme development

5.1 Overview

Introduction

This chapter describes how land transport programmes (LTPs) are to be prepared, consulted on and submitted to Land Transport NZ to conform with the requirements of the *Land Transport Management Act* (LTMA).

In this chapter

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5.2 Requirements of the *Land Transport Management Act*

Introduction	This section describes the requirements of the <i>Land Transport Management Act</i> (LTMA) in relation to the development of land transport programmes and the National Land Transport Programme (NLTP).
Land transport programmes [LTMA s12]	Each financial year, every approved organisation must prepare a land transport programme (LTP) for the next financial year. This consists of the approved organisation's recommendations for inclusion of activities and activity classes in the NLTP.
Consistency with strategies [LTMA s12(5)]	An approved organisation must, in preparing an LTP, take into account: <ul style="list-style-type: none">• how each activity or activity class contributes to the objectives of the <i>NZ transport strategy</i> – refer to section 1.3 – which are embedded in the LTMA• any current national land transport strategy• the <i>National energy efficiency and conservation strategy</i>• relevant regional land transport strategies, except in the case of the Auckland Regional Transport Authority (ARTA) which must give effect to the Auckland regional land transport strategy unless it is required to do otherwise by operational considerations that affect the sequencing and timing of activities, the funding available to it, or its statutory functions or powers.
Needs of transport disadvantaged [LTMA s35]	In preparing an LTP, every approved organisation must consider the needs of persons who are transport disadvantaged. This also applies to Land Transport NZ in preparing the ALTP and NLTP.

5.2 Requirements of the *Land Transport Management Act*, continued

What shall be included in the LTP [LTMA schedule 1, part 1]

Every LTP must contain the following information:

- Outstanding payments
 - List each approved activity and each activity class included in any earlier NLTP for which any payments due from Land Transport NZ are outstanding or any payments may become due, and the amount concerned.
 - If it is proposed that an approved activity or activity class, or output be varied, suspended or abandoned, give an explanation of the proposed action.
- Activities
 - List all activities and activity classes, for which any payment is sought in the current financial year from Land Transport NZ, in order of the priority that the organisation thinks should be given to those activities or activity classes.
 - For activities and activity classes, indicate their total cost, proposed starting date and duration.
 - Indicate the options and alternatives (including demand management) considered for the activities and activity classes.
 - Include any activities or activity classes that the approved organisation recommends for inclusion in the ALTP for the next financial year.
- Expenditure funded by tolling revenue
 - Include expenditure to be funded from tolling revenue.
 - In the case of Transit NZ, also include all significant expenditure (as indicated in its statement of intent) from sources other than Land Transport NZ.
 - In the case of ARTA, also include all significant expenditure from sources other than Land Transport NZ.
- Objectives of activities and how they contribute to the purpose of the LTMA
 - State the objective or objectives to be achieved by each activity and activity class.
 - State how each activity or activity class contributes to the purpose of the LTMA.

Continued

5.2 Requirements of the *Land Transport Management Act*, continued

What shall be included in the LTP [LTMA schedule 1, part 1],
continued

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- Assessment of activities
 - Include an assessment of how each activity and activity class
 - o contributes to the objectives of the *NZ transport strategy* – refer to section 1.3 – which are embedded in the LTMA
 - o takes account of any current national land transport strategy, the *National energy efficiency and conservation strategy* and relevant regional land transport strategies.
 - Consultation
 - Include a summary of the consultation carried out in the preparation of the LTP.
 - Steps for developing options and alternatives
 - Include the steps the organisation intends to take in developing land transport options and alternatives.
 - Long-term financial forecast
 - Include a long-term financial forecast that contains a forecast of anticipated revenue and expenditure on activities for the current financial year and the nine following financial years.
 - Policy directions
 - In the case of Land Transport NZ and Transit, include policy directions given under part 3 of the *Crown Entities Act 2004*.
 - Form
 - The LTP must be in the form and contain the details prescribed by Land Transport NZ. [The form and details are prescribed in this manual and in *LTP online*.]
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5.2 Requirements of the *Land Transport Management Act*, continued

Consultation principles [LTMA schedule 2, part 1(1)]

Consultation must be undertaken in accordance with the following principles:

- that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the approved organisation with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons
- that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the approved organisation to present their views to the approved organisation
- that the persons who are invited or encouraged to present their views to the approved organisation should be given clear information by the approved organisation concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented
- that persons who wish to have their views on the decision or matter considered by the approved organisation should be provided by the approved organisation with a reasonable opportunity to present those views to the approved organisation in a manner and format that is appropriate to the preferences and needs of those persons
- that the views presented to the approved organisation should be received by the approved organisation with an open mind and should be given by the approved organisation, in making a decision, due consideration
- that persons who present views to the approved organisation should be provided by the approved organisation with information concerning both the relevant decisions and the reasons for those decisions.

How principles are to be observed [LTMA schedule 2, part 1(2)]

The principles set out above are to be observed by an approved organisation in such manner as the approved organisation considers, in its discretion, to be appropriate in any particular instance.

5.2 Requirements of the *Land Transport Management Act*, continued

Application of discretion
[LTMA schedule 2, part 1(3)]

An approved organisation must, in exercising its discretion have regard to:

- the views and preference of persons likely to be affected by, or to have an interest in, the matter
 - the principle that consideration must be given at:
 - (i) the stage at which the problems and objectives related to the matter are defined
 - (ii) the stage at which the options that may be reasonably practicable options of achieving an objective are identified
 - (iii) the stage at which reasonably practicable options are assessed and proposals developed
 - (iv) the stage at which proposals of the kind described in subparagraph (iii) are adopted
 - the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the approved organisation
 - the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter
 - the provisions of part 1 of the *Local Government Official Information and Meetings Act 1987* (if the organisation is a local authority) or the provisions of the *Official Information Act 1982* (in any other case), and
 - the costs and benefits of any consultation process or procedure.
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5.2 Requirements of the *Land Transport Management Act*, continued

Consultation with Maori [LTMA s18]

An approved organisation that is required to consult Maori in the course of preparing an LTP must use the special consultation procedures set out in part 2 of schedule 2 of the LTMA.

- Part 2 of schedule 2 of the LTMA applies to all approved organisations but is subject to section 15(5) of the LTMA.
- In addition to complying with part 2 of schedule 2, an approved organisation must do everything reasonably practicable to separately consult Maori affected by any proposed activity that affects or is likely to affect:
 - Maori land
 - land subject to any *Maori Claims Settlement Act*, or
 - Maori historical, cultural, or spiritual interests.
- In addition to complying with part 2 of schedule 2 of the LTMA the responsible approved organisation must consult the land holding trustee (as defined in section 7 of the *Waikato Raupau Claims Settlement Act 1995*) about any proposed activity that affects or is likely to affect land registered in the name of Pootatau Te Wherowhero under section 19 of that Act.
- Land Transport NZ, Transit NZ and approved public organisations other than local authorities must:
 - establish and maintain processes to provide opportunities for Maori to contribute to the organisation's land transport decision-making processes
 - consider ways in which the organisation may foster the development of Maori capacity to contribute to the organisation's land transport decision-making processes, and
 - provide relevant information to Maori for the purposes of the above two points.
- The bullet point above does not limit the ability of Land Transport NZ, Transit NZ, or an approved public organisation to take similar action in respect of any other population group.

Consultation required under other legislation [LTMA schedule 2, part 1 (4)]

If an approved organisation is authorised or required by the LTMA or any other enactment to undertake consultation in relation to any decision or matter and those consultation requirements are not consistent with the consultation principles above, then the approved organisation may vary its process to comply with the legislation.

5.2 Requirements of the *Land Transport Management Act*, continued

Transit NZ consultation [LTMA s15(1)]

When preparing its land transport programme, Transit NZ must consult:

- Land Transport NZ
 - every affected local authority
 - every affected approved public organisation
 - the Accident Compensation Corporation
 - the Commissioner of Police
 - the Ministry of Health
 - the New Zealand Historic Places Trust
 - land transport users and providers
 - affected communities
 - Maori, and
 - the public.
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Regional council consultation [LTMA s15(2)]

When preparing a land transport programme, a regional council (or a territorial authority having the powers of a regional council) must consult:

- Land Transport NZ
 - Transit NZ
 - the territorial authorities in the region
 - the adjoining regional councils and territorial authorities
 - every affected approved public organisation
 - the district health boards in the region
 - the Accident Compensation Corporation
 - the Commissioner of Police
 - the New Zealand Historic Places Trust
 - land transport users and providers
 - affected communities
 - Maori of the region, and
 - the public in the region.
-

5.2 Requirements of the *Land Transport Management Act*, continued

**Territorial
authority
consultation
[LTMA s15(3)]**

When preparing a land transport programme, a territorial authority must consult:

- Land Transport NZ
 - Transit NZ
 - all regional councils whose jurisdiction includes the district
 - the adjoining territorial authorities
 - the district health boards in the district
 - the Accident Compensation Corporation
 - every affected approved public organisation
 - the Commissioner of Police
 - the New Zealand Historic Places Trust
 - land transport users and providers
 - affected communities
 - Maori of the district, and
 - the public in the district.
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5.2 Requirements of the *Land Transport Management Act*, continued

Other approved organisation consultation [LTMA s15(4)]

When preparing a land transport programme, any other approved organisation must consult:

- Land Transport NZ
- Transit NZ
- every affected regional council
- every affected territorial authority
- every affected approved organisation
- affected district health boards
- the Accident Compensation Corporation
- the Commissioner of Police
- the New Zealand Historic Places Trust
- land transport users and providers
- affected communities
- Maori, and
- the public.

Alternative local authority consultation [LTMA s15(5)]

A local authority need not consult any organisation or person referred to in *regional council consultation* or *territorial authority consultation* above, about any matter if it has already consulted that organisation or person about the matter in the course of preparing its current long-term council community plan or annual plan in accordance with the *Local Government Act 2002*.

Key points to note for this process are:

- Section 12 applies in full to the land transport aspects of the LTCCP/AP. As a result, the provisions of this manual form part of the requirements for preparing the land transport elements of the LTCCP/AP.
- Consultation on land transport activities through the LTCCP/AP should clearly state that the LTP is being consulted on as part of the LTCCP/AP process and be in accordance with schedule 2 of the LTMA.

If the LTCCP/AP is not in a form consistent with the provisions of this manual then the local authority must make a copy of the LTP component available for public inspection.

5.2 Requirements of the *Land Transport Management Act*, continued

ARTA consultation [LTMA s15(5)]

ARTA must consult under *Other approved organisation consultation* above with respect to its LTP, but need not otherwise consult any organisation or person referred to in that section about any activity in its LTP if an Auckland local authority has already consulted that organisation or person about the activity in the course of preparing its current LTCCP or annual plan in accordance with the *Local Government Act 2002*.

Distribution of LTPs [LTMA s12(1)(b) and (c)]

By a date appointed by Land Transport NZ, every approved organisation shall make a copy of its completed LTP available to the public in written form, and also forward a copy to:

- Land Transport NZ
 - Transit NZ
 - the Commissioner of Police, and
 - the Secretary for Transport.
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5.2 Requirements of the *Land Transport Management Act*, continued

National land transport programme [LTMA s19 and schedule 1, part 2]

Land Transport NZ will, for each financial year:

- prepare and adopt a NLTP, and
- make it available to the public in a written form.

The NLTP must include:

- identification of any significant upcoming national land transport issues reasonably known by Land Transport NZ
- approved activities and activity classes
- activities that Land Transport NZ anticipates approving under section 20 in the next financial year
- any activity or activity class to be delivered by NZ Police
- a forecast of Land Transport NZ's anticipated revenue and expenditure for the current financial year and the nine following financial years, and
- relevant policy directions under part 3 of the *Crown Entities Act 2004*.

Before adopting an NLTP, Land Transport NZ must be satisfied that the programme contributes to the purpose of the LTMA and to the objectives of the *NZ transport strategy* – refer to section 1.3 – which are embedded in the LTMA, and that the Minister of Transport's approval has been given to the ALTP if applicable.

Land Transport NZ must take into account any current national land transport strategy, relevant regional land transport strategy, and the *National energy efficiency and conservation strategy*.

Changes to NLTP [LTMA s19(5)]

Land Transport NZ:

- may add, suspend, or abandon any activities or activity classes, and
 - must from time to time amend the NLTP to reflect such decisions, but
 - need not make an amendment available to the public in a written form unless it is satisfied that the amendment is significant.
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5.2 Requirements of the *Land Transport Management Act*, continued

Authority's land transport programme [LTMA s12A and schedule 1, part 1]

Land Transport NZ will prepare a land transport programme for each financial year covering activities and activity classes to be delivered by NZ Police.

Before preparing Authority's land transport programme (ALTP), Land Transport NZ must consult the Commissioner of Police.

The ALTP must include:

- the contents specified under *What shall be included in the LTP* above
- activity and activity classes to be delivered by NZ Police
- the recommended funding for NZ Police
- an estimate of the revenue to be received by NZ Police from sources other than the national land transport fund applicable to the outputs for which funding is sought from the NLTP.

In preparing the ALTP, Land Transport NZ must take into account:

- how each activity or activity class contributes to the objectives of the NZ transport strategy – refer to section 1.3 – which are embedded in the LTMA
- any current national land transport strategy, the *National energy efficiency and conservation strategy* and any relevant regional land transport strategies.

Land Transport NZ must obtain the approval of the Minister of Transport for the ALTP.

Note: Section 12(a) of the LTMA provides that, in addition to NZ Police activities, any Land Transport NZ activities to be funded from the NLTP are also to be included in the ALTP. However, Land Transport NZ does not have any such activities. Research, education and training activities managed by Land Transport NZ (activity class 12) are funded under the provisions of section 21 of the LTMA and Land Transport NZ's costs and expenses (activity class 13) are funded under section 10(4)(b) of the LTMA.

5.2 Requirements of the *Land Transport Management Act*, continued

Land Transport NZ consultation [LTMA s15(4A)]

When preparing the ALTP, Land Transport NZ must consult:

- Transit
- every affected regional council
- every affected territorial authority
- every affected approved public organisation
- the Ministry of Health
- the Accident Compensation Corporation
- the Commissioner of Police
- the Secretary for Transport
- the Ministry of Justice
- land transport users and providers
- affected communities
- Maori, and
- the public.

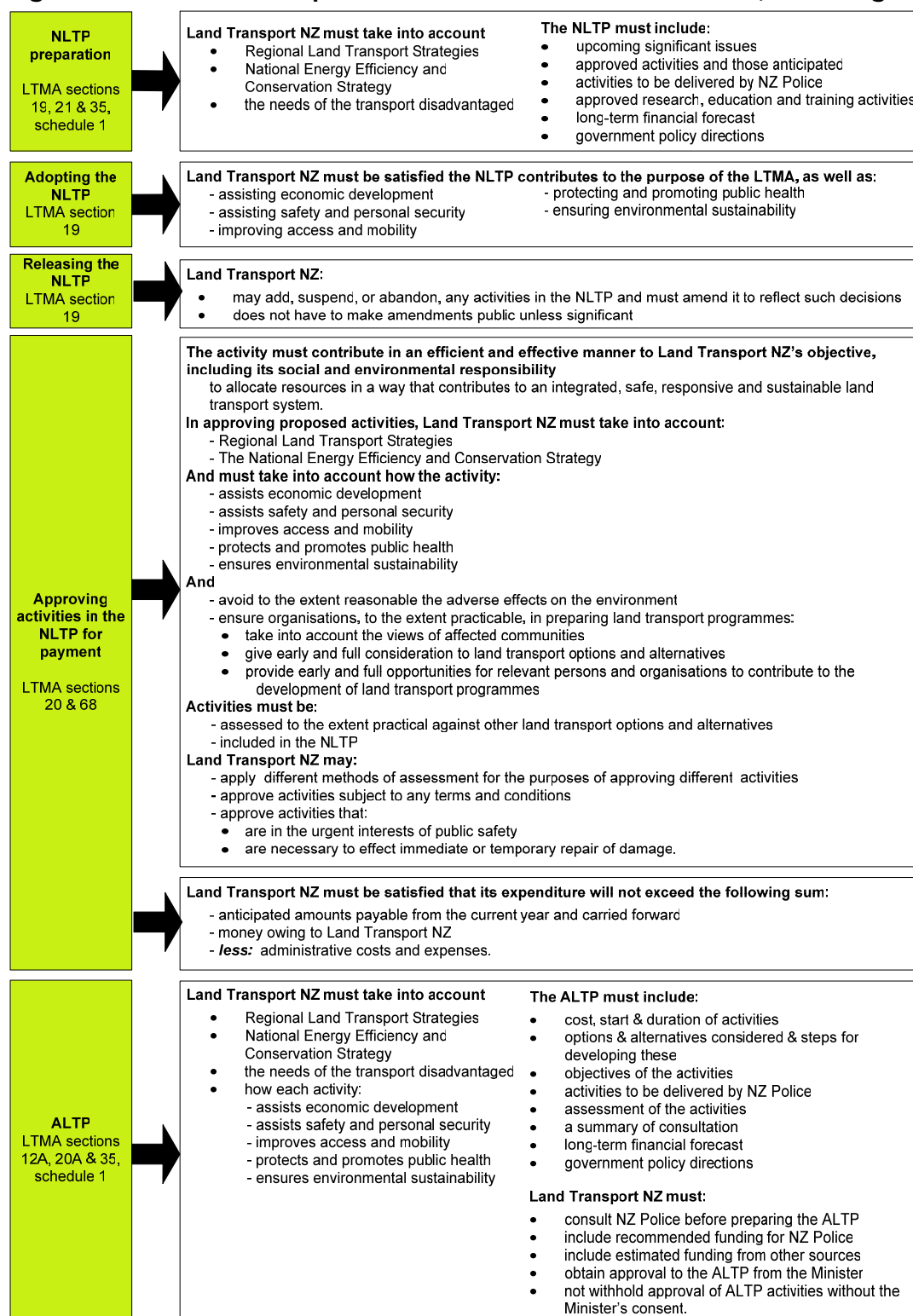
Alternative Land Transport NZ consultation [LTMA s15(4B)]

Land Transport NZ need not consult any organisation or person referred to above about any activity or activity class to be included in the ALTP if an approved organisation has:

- recommended that the activity or activity class is to be included in the ALTP, and
 - already consulted that organisation or person about the activity or activity class.
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5.2 Requirements of the *Land Transport Management Act*, continued

Figure 5.1 LTMA requirements for the NLTP and ALTP (excluding consultation)



5.3 General programme preparation requirements

Introduction

This section describes general requirements for preparing and submitting LTPs.

Note: This section covers the requirements for all approved organisations including road controlling authorities and regional authorities. However, not all topics, nor blocks of information within topics, are applicable to all approved organisations.

Date for submission of land transport programmes

The *Land Transport Management Act* (LTMA) requires LTPs to be submitted to Land Transport NZ by a date or dates appointed by Land Transport NZ. Dates are given in this chapter and are summarised in section 1.10.

Note: A late submission of supporting documentation may result in Land Transport NZ being unable to include proposed projects in the NLTP.

Land Transport NZ annual guidelines and briefing

Land Transport NZ will provide annual guidelines for preparing LTPs, together with briefings for approved organisations in **September**.

Rules for land transport programmes

LTPs shall be prepared on the basis of the work categories defined in this manual. All costs are to be shown **exclusive** of GST.

LTPs are to include all activities and activity classes proposed for inclusion in the National land transport programme (NLTP), complete with supporting documentation, and project evaluations where required in the following sections.

LTPs are to include recommendations on activities and activity classes to be included in the Authority's land transport programme (ALTP).

LTPs for road controlling authorities are to include:

- a justified 10-year road maintenance and renewal programme.

LTPs for territorial authorities are to include:

- community focused activities, together with an indicative ten-year forward programme.

LTPs for regional authorities are to include:

- a 10-year programme for passenger transport services, operations and maintenance
- travel demand management, rail freight and sea freight proposals, together with an indicative 10-year forward programme.

5.3 General programme preparation requirements,

continued

Submission of LTPs	LTPs are to be submitted to Land Transport NZ using <i>LTP online</i> – see section 5.11.
Guidelines for applying escalation	<p>Escalation need not be applied to future years' costs or budgets, but if it is applied then it shall be applied consistently in each work category to the related projects and budgets in the same manner as escalation is reflected in the most recent LTCCP or annual plan for those activities.</p> <p>When escalation is included in a budget, the relevant year-on-year rates shall also be included in the appropriate table so that Land Transport NZ is able to adjust budgets on a comparative basis.</p>
Confirmation of LTP	<p>The approved organisation's chief executive or delegated representative is to:</p> <ul style="list-style-type: none"> • no later than early April (specific date to be advised in annual guidelines) - confirm the organisation's LTP • by 31 July - confirm that consultation requirements have been met.
Quality of LTP submission	<p>The approved organisation responsible for submitting an LTP is responsible for its quality, including its completeness, accuracy and timeliness, and for ensuring that its development complies with Land Transport NZ and statutory requirements.</p>
Conformity of submission with other plans	<p>Land Transport NZ expects that submitted LTPs, projects, packages and 10-year budgets will be substantially the same as those included or referenced in the approved organisation's annual plan or long-term council community plan (LTCCP) or other equivalent documents. Land Transport NZ acknowledges that, because of differing timeframes, some variances may arise. However, these are expected to be small at the time the final submission is made.</p>
Variation of LTPs [LTMA s14]	<p>The organisation responsible for preparing an LTP may, by agreement with Land Transport NZ, vary the LTP from time to time during the financial year in which it applies.</p> <p>Any variation to an LTP must comply with all the requirements for the preparation of the initial programme.</p> <p>Note: Land Transport NZ may (without limitation) decline to agree to a variation of an LTP if it is reasonably satisfied that the subject matter of the variation could reasonably have been included in the organisation's land transport programme.</p>

5.4 Road maintenance and renewal programme

Introduction

This section sets out the requirements for preparing and submitting a road maintenance and renewal programme as part of an LTP. The road maintenance and renewal programme should reflect maintenance, renewal and operational expenditures that are planned or expected to be funded through the NLTP, and include supporting information.

Key dates

Key dates for preparation and submission of the road maintenance and renewal programme by road controlling authorities are:

- **31 July** – submit copies of asset/activity management plan updates
 - **end of September** - Land Transport NZ provides results of end of year review of performance measures and comments on road asset management plans
 - **early November** (date to be advised in annual guidelines) – submit draft LTP with full supporting documentation
 - **November to February** - funding requests are discussed, clarified and agreed with Land Transport NZ's partnership managers
 - **late February** (date to be advised in annual guidelines) – submit final road maintenance and renewal programme
 - **May** – Land Transport NZ advises regional authorities of their passenger transport allocations
 - by **30 June** – Land Transport NZ publishes the NLTP.
-

Road maintenance and renewal programme

Land Transport NZ accepts that a basic road maintenance and renewal programme is required to retain the operational capability of the existing road system.

The cost will be directly related to such factors as:

- the length of the road network
- the age and condition of the road network
- traffic volumes
- soil and climatic conditions
- the availability and cost of roading materials.

These factors will affect roading costs to different degrees in different parts of the country.

5.4 Road maintenance and renewal programme, continued

Composition of road maintenance programme

A road maintenance programme submission should cover the work categories in the following table as appropriate.

Improvements to roading infrastructure outside of these work categories are considered to be improvement projects. They should be included in an LTP as described in section 5.6: *Improvement projects*.

Operations and maintenance	Work category
Structural maintenance	111 Sealed pavement maintenance
	112 Unsealed pavement maintenance
	113 Routine drainage maintenance
	114 Structures maintenance
Corridor maintenance and operations	121 Environmental maintenance
	122 Traffic services maintenance
	123 Operational traffic management
	124 Cycle path maintenance
Level crossing warning devices	131 Level crossing warning devices
Network and asset management	151 Network and asset management
Property management	161 Property management (state highways)
Renewal	Work category
Structural renewals	211 Unsealed road metalling
	212 Sealed road resurfacing
	213 Drainage renewals
	214 Pavement rehabilitation
	215 Structures component replacements
Corridor renewals	221 Environmental renewals
	222 Traffic services renewals
Associated improvements	231 Associated improvements

Note that a preventive maintenance budget should be submitted when expenditure is expected, as a work category budget in the 10 year forward programme.

5.4 Road maintenance and renewal programme, continued

Key focus of road maintenance and renewal programme

Land Transport NZ's objective when allocating road maintenance and renewal funds is to have confidence that cost-effective maintenance, renewal and operational strategies are adopted for each road network, and that these are sustainable. Emphasis should be on operational effectiveness rather than simply asset maintenance.

Land Transport NZ expects road controlling authorities to use robust asset/activity management planning processes to develop maintenance programmes, which achieve these goals.

Supporting information

Land Transport NZ expects that road controlling authorities will maintain their core asset information so that it is sufficiently complete, accurate and current for the uses made of it. Land Transport NZ expects that information supplied in the road controlling authority's submission will reflect strategies and initiatives identified in its LTCCP and transportation asset/activity management plan.

The road controlling authority should supply documentation supporting the road maintenance and renewals programme entered in *LTP online*. The following documentation should be provided to Land Transport NZ by either attaching the electronic files to the road maintenance and renewal programme within *LTP online* or sending a copy to your Land Transport NZ regional office (confirmation of transfer details is required in *LTP online*):

- the transportation section of the LTCCP
- the transportation asset/activity management plan
- asset condition reports (including RAMM or equivalent reports)
- a description of the treatment selection algorithms
- deterioration modelling reports
- price and scope change reports.

Other supporting documentation should also be provided by attaching the relevant electronic files to the maintenance programme within *LTP online*. These documents may include: additional RAMM or equivalent reports, such as a seal life histogram; or locally relevant maintenance guidelines, such as a maintenance intervention strategy.

5.4 Road maintenance and renewal programme, continued

Block road maintenance allocation

Land Transport NZ provides an annual *block road maintenance allocation* covering the following activities:

- structural maintenance
- corridor maintenance and operations
- network and asset management
- structural renewals
- corridor renewals
- associated improvements.

Determination of block road maintenance allocation

Land Transport NZ will use the following information when assessing requests for the block road maintenance allocation:

- the road controlling authority's submission for maintenance and renewals funding
- the road controlling authority's road asset/activity management plan
- the road controlling authority's LTCCP and any relevant annual plan
- the relevant regional land transport strategy
- targeted levels of service
- Land Transport NZ's *Maintenance guidelines for local roads*
- recommendations from treatment selection algorithm and/or pavement deterioration modelling
- trends in network condition
- benchmarking comparisons with other approved organisations
- committed programmes
- balance between routine maintenance, renewals and capital improvement activities
- LTMA purpose and objectives and the *New Zealand transport strategy* objectives
- previous levels of investment
- movement in relevant cost indexes
- the condition of the road network derived from physical inspections
- findings from technical audit reports.

5.4 Road maintenance and renewal programme, *continued*

Pavement deterioration models

Land Transport NZ always looks for evidence based submissions and performance prediction modelling is one of the tools that can help to provide justification for forward works programmes, but only when the analysis is properly undertaken using reliable data and models which are fully adapted to local conditions.

The first priority for all road controlling authorities, however, should always be in achieving a high level of data integrity (asset inventory, condition, cost and traffic data) and basic asset management planning. Only once confidence in these elements is complete should organisations consider moving onto advanced predictive methods of long term planning.

Negotiation process

The annual funding level for a road controlling authority's block road maintenance allocation will be determined by Land Transport NZ, which will take into account negotiations between Land Transport NZ's regional partnership managers and the road controlling authority representatives. The negotiation process is outlined below.

5.4 Road maintenance and renewal programme, continued

Step	Negotiation process	Timeframe
1	The road controlling authority forwards a copy of its current road asset/activity management plan and provides a statement on the completeness of their RAMMS (or equivalent) inventory database. If there is a significant difference between a road controlling authority's levels of service and Land Transport NZ's <i>Maintenance guidelines for local roads</i> , then this should be discussed in the asset/activity management plan.	31 July
2	Land Transport NZ provides to each road controlling authority the results of the end of year review of performance measures and comments on road asset management plans.	End September
3	The road controlling authority submits its draft funding request with full supporting documentation. If there is a significant difference between a road controlling authority's request and their asset management plan, the reasons for the difference should be given in the road controlling authority's request to Land Transport NZ.	Early November (date to be advised in annual guidelines)
4	<p>Funding requests are discussed, clarified and agreed with Land Transport NZ's regional partnership managers.</p> <p>Land Transport NZ's partnership managers recommend allocations for each road controlling authority. Land Transport NZ's maintenance advisory group, in consultation with the road controlling authority, will review any difference of views.</p> <p>If agreement is not possible, an industry group on road maintenance funding will consider the road controlling authority's case and advise Land Transport NZ of the appropriateness of the road controlling authority's standards and intervention levels.</p> <p>Where a road controlling authority wishes to maintain a maintenance activity to a higher standard than that agreed to in step 4, the portion of expenditure receiving financial assistance will be based on the expenditure required to achieve the agreed standards and intervention levels.</p> <p>Where a road controlling authority wishes to maintain a maintenance activity to lesser standards and intervention levels than Land Transport NZ's guidelines, financial assistance will be based on the least expenditure. If the lower standards and intervention levels cause deferred maintenance, Land Transport NZ reserves the right to not financially assist any future cost greater than the equivalent optimal life-cycle cost.</p>	November to February
5	Road controlling authority submits its final road maintenance and renewal programme.	Late February (date to be advised in annual guidelines)
6	Land Transport NZ staff recommend maintenance allocations for each road controlling authority for Board approval.	Early April
7	The Land Transport NZ Board considers the staff recommendations for approval of the final allocations.	April meeting
8	Land Transport NZ advises road controlling authorities of their road maintenance and renewal allocations.	May
9	NLTP published	By 30 June

5.4 Road maintenance and renewal programme, *continued*

Requests for emergency reinstatement

Requests for emergency reinstatement funding should not be made during the programme preparation process. Land Transport NZ will make a national level provision for this activity. Road controlling authorities should submit a funding application after each event – refer to section 3.7 - using *LTP online*.

Requests for preventive maintenance

Road controlling authorities should use *LTP online* to inform Land Transport NZ of their budgets for preventive maintenance. However, actual applications for preventive maintenance:

- will be handled at programme reviews, and
- should be entered in *LTP online*.

Requests for financial grants

Requests for funding for financial grants should not be made during the programme preparation process. These will be handled at programme reviews.

5.4 Road maintenance and renewal programme, continued

Ten-year maintenance and renewal programme

All road controlling authorities must submit details of their maintenance and renewals programme for the next 10 years as part of their LTP submission.

The detail required in the submission is grouped into three periods:

- the first financial year of the LTP
- the following two financial years
- the remaining seven financial years.

The requirements for each period are outlined below. The information requirements for forward years reflect two issues:

- the desire in the industry to move to multi-year programming and budgeting to match local authority planning cycles and add certainty to forward work programmes
- an increasing emphasis being given to medium-term asset/activity management planning as the basis for setting budgets and work programmes.

Land Transport NZ uses this information to:

- improve long-term planning and investment in land transport and ensure that funding is allocated in an efficient and effective manner
 - give an indication of what can be achieved for land transport in New Zealand, relative to the requirements of the LTMA with the resources likely to be available
 - identify any rationing criteria required when developing the NLTP
 - identify the likely value of forward funding requirements for road maintenance and renewal
 - determine the funding available for other land transport activities in the NLTP.
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5.4 Road maintenance and renewal programme, *continued*

Maintenance and renewal programme for the first financial year

Information requirements for the road maintenance and renewal programme for the first financial year of the LTP include discussion on levels of service, asset management practices, detailed budgets for each work category within the block road maintenance allocation in both dollar terms and quantitative terms, and explanations of changes from previous forecasts.

For the activities: structural maintenance, corridor maintenance and operations structural renewals, corridor renewals, and network and asset management, approved organisations are requested to comment on the variance between the requested allocation for the first financial year of the LTP compared with that shown in the current year's programme.

This provides a structured review of the causes of budget movements, both locally and nationally. It enables appropriate responses to large variances to be developed, or initiatives to be recognised. Where the causes of variance are controllable, Land Transport NZ expects each road controlling authority to be taking appropriate action to mitigate any increase in cost while achieving suitable asset condition and performance targets.

Maintenance and renewal programme for the following two financial years

The following information is required:

- detailed budgets for each work category within the block allocation in both dollar terms and quantitative terms
- a description of the cause of each significant difference between current forecasts and those supplied last year, with supporting information as appropriate.

Maintenance and renewal programme for the remaining seven financial years

The following information is required:

- budgetary information for the period for the activities: road maintenance, operations, and renewals.
 - a description of the cause of each significant difference between current forecasts and those supplied last year, with supporting information as appropriate.
-

5.4 Road maintenance and renewal programme, continued

Variance factors Land Transport NZ requires road controlling authorities to provide an explanation of the factors driving the difference between last year's prediction and the request for the first financial year of the LTP and forecasts for the following nine years. Indicate the proportion of change attributable for each of the following factors:

Definition changes – Budget changes due to definitional changes in work categories.

Asset base changes – Budget difference due to differences in the quantity of assets.

Demand changes – Budget differences caused by differences in demand on asset beyond that previously forecast, generally through increasing heavy vehicle numbers.

Condition changes – Budget differences caused by the actual condition differing from the predicted condition, eg, pavements deteriorating more rapidly than expected for their circumstances and thus requiring increased renewal works.

Service and quality changes – Budget differences due to increased or reduced activity to change the service level or quality of the network, eg, increased network operational management.

Efficiency/effectiveness changes – Budget differences caused by new methods, materials or techniques.

Work quantity changes – Budget differences caused by the quantity of works undertaken being different to that required to meet the lowest life-cycle cost target, this generally being established through advanced asset/activity management planning.

Price change – Budget differences caused by input price movements different from those anticipated.

The influence of any factor on the overall variance need only be reported to within +/- 10 percent.

Where the factors are controllable, describe what actions will be taken to control cost escalation.

Supporting documentation is expected for significant changes from previous forecasts.

5.4 Road maintenance and renewal programme, *continued*

Cost escalation

Land Transport NZ will accept submissions using any escalation assumptions, but expects that road maintenance and renewal programme submissions will use the same assumptions as used in the road controlling authority's LTCCP and annual plan. Details of the escalation basis shall be submitted for each work category or group of work categories with the same escalation assumptions.

The information required for each work category or group of work categories is:

- each year for years one, two and three
- combined assumption for years four to 10.

Land Transport NZ uses this information when developing its 10-year forecast, and when merging information from different road controlling authorities.

Road network performance

Each road maintenance and renewals programme submission should include discussion on recent network performance and future trends in performance. The performance measures to be discussed are subdivided into three categories: road user satisfaction, safety, and asset preservation and are described in detail in Land Transport NZ's *Maintenance guidelines for local roads*. These maintenance guidelines have been prepared in consultation with road controlling authorities.

For each measure listed, the road controlling authority is required to identify whether its road network is:

- on target
- above target and constant
- below target and constant
- improving to target
- worsening from target.

For each measure provide comment on why the performance is above or below target and the current and expected future trend. Land Transport NZ expects that funds will be appropriately allocated to each road class within the network, to assure the correct level of maintenance and renewal effort is being applied in order to optimise the efficiency and safety of the network. Road controlling authorities should provide, within their LTP, assurances that the optimal level of maintenance and renewal effort is matched to the use of each road type.

5.4 Road maintenance and renewal programme, continued

Asset/activity management planning

Land Transport NZ expects road controlling authorities to use asset/activity management plans (AMP) to set forward work programmes and budgets, and that AMP-based quantities and financial forecasts are derived from sound network inventory and condition information, appropriate condition modelling, treatment selection analysis and field inspection. Road controlling authorities should be able to demonstrate how the road maintenance, renewal and capital minimise the life-cycle costs of their network assets.

Because there may be differences between quantities and budgets in AMPs and LTCCPs, submissions should include quantities relating to both the AMP and the LTP road maintenance and renewals programme submission. Land Transport NZ expects the submitted programme to match that in the LTCCP.

Information regarding asset/activity management planning is required in a structured format. This is used to establish the basis of forward programmes and trends in asset/activity management practices. The questions to be answered (with more detailed comments where necessary) are shown in the following table.

Asset management processes	Response
When was the asset/activity management plan last peer reviewed, if at all?	Month/Year
When was the forward programme in the asset/activity management plan last reviewed?	Month/Year
Is the asset/activity management plan used to derive the maintenance programme?	Yes/No
Is deterioration modelling used when developing forward programmes?	Yes/No
Is RAMM treatment selection algorithm used when developing the programme?	Yes/No
Is field validation done of proposed programmes?	Yes/No
Do you use benchmarking as part of planning and review?	Yes/No
Is any asset/activity management plan improvement plan being implemented?	Yes/No
When was the traffic data in RAMM last reviewed/updated thoroughly?	Month/Year
When were the unit rates in RAMM last reviewed/updated?	Month/Year
When was the last condition survey used to develop the programme and what percentage of the network was surveyed?	Month/Year

5.5 Passenger transport programme

Introduction

This section sets out the requirements for preparing and submitting a passenger transport programme as part of an LTP submission.

Information must be provided for both the first year of the LTP and the 10-year period commencing with the first year of the LTP.

Key dates

Key dates for preparation and submission of the passenger transport programme are:

- **early November** (date to be advised in annual guidelines) – regional authorities submit draft LTPs together with supporting documentation using *LTP online*
 - **November to February** – funding requests are discussed, clarified and agreed with Land Transport NZ's partnership managers
 - **late February** (date to be advised in annual guidelines) – regional authorities submit final passenger transport programme
 - **May** – Land Transport NZ advises regional authorities of their passenger transport allocations
 - by **30 June** – Land Transport NZ publishes the NLTP.
-

Key focus of passenger transport programmes

Land Transport NZ expects passenger transport programmes to reflect cost-effective and sustainable strategies. It expects programmes to target progressive goals for services while still being cost-effective and sustainable at regional and national levels.

5.5 Passenger transport programme, continued

Composition of passenger transport programme

A passenger transport programme submission should cover the work categories in the following table as appropriate.

Improvements to passenger transport infrastructure outside of these work categories are considered to be improvement projects. They should be included in an LTP as described in section 5.6: *Improvement projects*.

Passenger transport	
511	Bus services
512	Ferry services
513	Bus and ferry concession fares
514	Bus and ferry facilities maintenance and operations
515	Passenger rail services
516	Passenger rail facilities and operations
517	Total mobility services
518	Total mobility facilities maintenance and operations
519	Replacement wheelchair hoists
520	Passenger transport services management
521	Total mobility flat rate payments
Administration	
631	Regional land transport planning
632	Passenger transport administration
633	Total mobility administration

5.5 Passenger transport programme, continued

Determination of annual passenger transport allocation

Land Transport NZ will use the following information when assessing passenger transport programme funding requests:

- the passenger transport funding submission
- patronage and passenger kilometre history and projections
- fare revenue history and projections (contracted)
- future spikes or trends
- the basis of forecasts
- the accuracy of recent forecasts
- previous levels of investment
- benchmarking comparisons with similar regions
- deliverability of programme in the forward years
- balance between standard services (bus, ferry and rail, where applicable) and total mobility services
- set targets (at a national level) for end of year performance indicators
- proportion spent on passenger transport administration compared with the programme as a whole
- the purposes and objectives of the LTMA
- the LTCCP
- the regional passenger transport plan
- causes of variance between previous passenger transport programmes and the requested programme.

Submission of passenger transport programmes

Passenger transport programmes are to be submitted using *LTP online* – see section 5.11.

There are three main parts in a passenger transport programme:

- passenger transport statistics – boardings, kilometres and contracted fares
- passenger transport operational expenditure – operations, administration and minor improvements
- regional authority administration.

Requirements for these parts are detailed on the following pages.

5.5 Passenger transport programme, continued

Passenger transport statistics: boardings, kilometres and fares

Estimated targets for passenger boardings, passenger kilometres and farebox recovery must be submitted as part of a passenger transport programme for each mode of transport in the region. *LTP online* only shows fields relevant to the modes of transport that operate in each region.

Land Transport NZ will use the passenger transport statistics when:

- benchmarking expenditure and unit rates
- setting national targets for end of year reporting purposes.

For each mode of passenger transport that is operated, Land Transport NZ expects the submission to include estimates of the following:

Boardings

- Contracted service boardings.
- Known commercial boardings. *
- School service boardings. **

Kilometres

- Contracted service kilometres.
- Known commercial kilometres.*
- School service kilometres. **

Farebox recovery

- Fares on contracted services (excluding schools).
- Known fares on commercial services (excluding schools).*
- Fares on contracted school services (schools only).

Where:

*Commercial boardings, kilometres and fares only apply to bus and ferry information.

**School service boardings and kilometres only apply to bus information.

In addition:

Land Transport NZ expects both future forecast and end-of-year passenger boardings and kilometre information to follow the data verification principles set out in section 4.11.

5.5 Passenger transport programme, continued

**Passenger
transport
operational
expenditure**

Regional authorities must submit a description of operational and administrative activities as part of their passenger transport programme.

Land Transport NZ uses this information to:

- analyse the submitted passenger transport programme and identify the likely forward year funding requirements for passenger transport in the region
- improve long-term planning and investment in land transport, ensuring funding is allocated in an efficient and effective manner
- identify contributions of the NLTP to the purposes and objectives of the LTMA
- identify any rationing criteria required when developing the NLTP
- set national targets for end of year reporting purposes.

Regional authorities must submit an expenditure budget for each work category for which they are seeking funding for any time in the 10 years starting with the first financial year of the LTP. Expenditure must be presented for each work category in the passenger transport programme.

5.5 Passenger transport programme, continued

Expenditure variances

Any differences between:

- the expenditure forecasts for the first financial year in the submitted LTP, and the forecast expenditure for that year in the previous year's LTP, and between
- the expenditure forecasts for the first financial year in the submitted LTP, and the forecast expenditure for that year in the regional authority's LTCCP or annual plan.

Must be explained in terms of the key drivers:

- price escalation
- patronage changes
- service changes
- efficiency/effectiveness changes
- other factors.

This will provide a structured review of the causes of expenditure movements, both locally and nationally. Where the causes of variance are controllable Land Transport NZ expects the regional authority to take appropriate action to mitigate any increase in cost.

Cost escalation

Budgets may include allowances for escalation. This may reflect estimates of changes in contract prices. The submission should treat escalation in the same manner as in the LTCCP or annual plan. The appropriate check box in *LTP online* must be used to show whether escalation is included in the programme or not. In consultation with the approved organisation, Land Transport NZ may decide to limit the level of cost escalation in a programme. In doing so, a contingency beyond this limit may also be set aside. Further information on this is provided with Land Transport NZ's annual guideline instructions.

Historical data

Land Transport NZ will supply historical data based on previous submissions, end of year actuals and statistical returns for the latest financial year that this is available.

5.5 Passenger transport programme, continued

Specific information required for work categories

LTP online has a separate screen for each passenger transport work category. Each screen contains the core information required for all work categories, and in some cases additional information required for that specific work category.

Work categories 632 and 633: *Passenger transport administration* and *Total mobility administration* – Detailed information must be provided for each of the first three financial years and summary information for the further seven years.

Work category 514: *Bus and ferry facilities maintenance and operations* – Improvements under this work category are limited to new and replacement facilities up to a value of \$20,000 each. Detailed information must be provided for each of the first three financial years and summary information for the further seven years.

Regional land transport planning

A description of regional land transport planning activities must be submitted as part of the passenger transport programme.

Supporting documents

Land Transport NZ expects supporting information to be provided in the following areas:

- detailed explanations of any significant cost increase, eg, administration and operational costs
- details of costs or factors explaining changes in expenditure in years two to 10, describing passenger boardings/kilometres or contracted fares
- studies that have been carried out, such as a study on forecasted patronage or fare subsidy structure.

These and other documents should be submitted using *LTP online* by uploading the relevant files as part of the online submission.

5.6 Improvement projects

Introduction

This section provides guidance on the development and submission of a programme of improvement projects. This process is used for all types of improvement projects including road improvements, passenger transport infrastructure improvements, and improvements to use of the land transport system such as travel demand management, pedestrian and cycle facilities, and rail freight and sea freight operations that improve use of the road network.

Key dates

Key dates for preparation and submission of improvement projects are:

- **early November** (date to be advised in annual guidelines) – approved organisations submit draft LTPs together with supporting documentation using *LTP online*
- **November to March** – funding requests are discussed, clarified and agreed with Land Transport NZ's partnership managers
- **early April** (date to be advised in annual guidelines) – approved organisations provide confirmation of LTPs and submit final LTP
- **by 30 June** – Land Transport NZ publishes the NLTP.

Definition of improvement projects

Improvement projects are activities that focus on improving the way the transport system, networks and services contribute to the purposes and objectives of the LTMA, but do not include the ongoing maintenance and operation of the transport system, networks or services themselves. Improvement projects have a specified change target, a defined start and end and are not included under either the passenger transport or road maintenance and renewals sections of this chapter.

Improvement projects include:

- studies leading to improvement projects
- improvement of roads
- passenger transport infrastructure improvements
- walking and cycling facilities
- other improvements to infrastructure, or the land transport system, whether these are capital or operational expenditure.

Improvement projects include projects funded within the work categories shown in the following table.

5.6 Improvement projects, continued

Improvement project work categories	Improvement of roads	
	311	Road studies
	321	Traffic management
	322	Bridge renewals
	323	New roads and bridges
	324	Road reconstruction
	325	Seal extension
	331	Property purchase (state highways)
	332	Property purchase (local roads)
	333	Advance property purchase
	341	Minor improvements
	Use of the land transport system	
	411	Regional transport studies
	412	System use studies
	421	Travel demand management
	441	Rail freight operations
	442	Sea freight operations
	451	Pedestrian facilities
	452	Cycle facilities
	Passenger transport	
	531	Bus and ferry infrastructure
	532	Passenger rail infrastructure
	533	Passenger transport road improvements

5.6 Improvement projects, *continued*

Types of improvement projects

Land Transport NZ recognises that different projects carry different funding risks, and that there are many similarities between common types of improvement projects. These factors enable Land Transport NZ to minimise information and process requirements for low risk common types of works and only require full submissions and evaluation for high risk or unique projects.

There are six types of improvement projects:

- studies
- indicative projects
- generic projects
- standard projects
- complex projects
- community projects (described in section 5.7).

These are described below.

Studies

These are studies that lead to one or more improvement projects if a feasible solution is found to the issue or problem being addressed. They are different from an investigation phase of a project.

The critical aspect of these studies is whether the breadth and depth of the study, in relation to the issue and its context, will lead to an optimum recommendation on any ensuing projects or packages. The correct scoping plus the seriousness and urgency of the issue or problem being addressed are the critical issues.

Land Transport NZ welcomes applications for funding of road studies, regional studies and system use studies (work categories 311, 411 and 412) that will assist the development of integrated and sustainable packages. Applications for broadly based regional and local strategy studies (not restricted to road construction) are encouraged.

5.6 Improvement projects, continued

Indicative projects

Indicative projects are only used to represent an improvement project or projects within a package when these have not yet been developed sufficiently to be included as another type of project.

They allow the full scope of a package to be shown in LTPs, even when package development is not fully complete.

They are a form of simplified project.

They must be replaced or converted to another project type before they are funded.

Generic projects

Generic projects are projects where the construction/implementation cost estimate is less than \$4 million involving simple routine types of improvements for which a generic assessment can reasonably be used to prioritise the projects in lieu of specific review for each project. Note that the construction/implementation cost estimate is to include the present value of operational and lease costs (other than standard infrastructural maintenance costs) over the life of the project.

Generic projects require:

- basic project information in the application
- BCR information to develop the economic efficiency rating and so complete the assessment profile.

Assessment profiles for generic projects are shown in section 6.2 of this manual.

Using generic projects

Land Transport NZ expects most small value, conventional improvement projects to be generic projects. To be considered a generic project it must conform to the definition of a generic project

When a small project does not conform to the definition of a generic project, it will likely be appropriate to classify it as a standard project.

5.6 Improvement projects, continued

Generic project descriptions

WC	Generic project		Profile*
	Works included	Works excluded	
321	Traffic management – network efficiency		HM_
	<ul style="list-style-type: none"> The implementation of traffic messaging, surveillance and control systems to increase the transport capacity and efficiency of networks and routes, including: <ul style="list-style-type: none"> ATMS, LATMS including SCATs, VMS, CCT Ramp metering 	<ul style="list-style-type: none"> Miscellaneous upgrades to traffic infrastructure which may be conducted under the traffic services category 222. Route improvements with carriageway and/or pedestrian improvements plus traffic infrastructure improvements would generally be either a minor improvement project under category 341, or a reconstruction project under work category 324 depending on the details of the project. Projects costing > \$4 million. 	
321	Effluent disposal facilities		MM_
	<ul style="list-style-type: none"> The provision of facilities to receive stock effluent from tanks to obviate discharges of stock effluent to roadways or elsewhere from stock trucks. 	<ul style="list-style-type: none"> The provision of facilities where there is no reasonable plan for their management Projects costing > \$4 million. 	
322	Bridge renewals – structural, seismic strengthening		MM_
	<ul style="list-style-type: none"> Renewal of existing bridges when it is more economic to renew than continue maintenance to meet service targets. Renewal of existing bridges when it is more economic to renew than replace in order to meet current seismic standards. The existing bridge is a necessary and economic component of the transport network. 	<ul style="list-style-type: none"> Upgrades to remove weight restrictions. Projects costing > \$4 million. Bridge renewals instigated to improve service levels 	
323	New roads and bridges – safety		HM_
	<ul style="list-style-type: none"> The construction of new roads and bridges to address a safety problem, where safety benefits contribute more than 50% to the total benefits. 	<ul style="list-style-type: none"> Projects costing > \$4 million. 	
323	New roads and bridges – route efficiency		MM_
	<ul style="list-style-type: none"> Construction of new roads or bridges to improve route efficiency, where travel time related benefits contribute more than 50% to the total benefits 	<ul style="list-style-type: none"> Projects developed without both consideration of TDM measures at the network or regional level, and of options to increase the efficiency of the current route Projects costing > \$4 million. 	
324	Route efficiency improvements at intersections or along urban routes		MM_
	<ul style="list-style-type: none"> Improvements to the efficiency of existing routes, where travel time related benefits contribute more than 50% to the total benefits 	<ul style="list-style-type: none"> Projects developed without both consideration of TDM measures at the network or regional level, and of options (including traffic management) to increase the efficiency of the current route Projects costing > \$4 million. 	

5.6 Improvement projects, continued

WC	Generic project		Profile*
	Works included	Works excluded	
324	Passing lanes <ul style="list-style-type: none"> The provision of new or extended passing lanes alongside existing carriageways to reduce congestion, travel delays, driver frustration and increase safety. 	<ul style="list-style-type: none"> Projects costing > \$4 million. 	MM_
324	Rural realignment (travel time) <ul style="list-style-type: none"> The realignment of rural roads to reduce travel time. 	<ul style="list-style-type: none"> Realignments where travel time related benefits <50% of total monetised benefits. Projects costing > \$4 million. 	MM_
324	Rural realignments (safety) <ul style="list-style-type: none"> The realignment of rural roads to increase safety, where safety is a significant and well established problem of a type that will be significantly resolved by the realignment proposal. 	<ul style="list-style-type: none"> Realignments where safety related benefits <50% of total monetised benefits. Projects costing > \$4 million. 	MM_
324	Safety improvements at intersections/along urban routes <ul style="list-style-type: none"> The improvement of intersections to enhance safety. The improvement of traffic management infrastructure, road alignment, crossing points, visibility etc. along an urban route to improve safety. 	<ul style="list-style-type: none"> Improvements where safety related benefits <50% of total monetised benefits. Projects costing > \$4 million. 	HM_
324	Safety retro-fitting <ul style="list-style-type: none"> The improvement of existing features to increase safety. The addition of new features to increase safety, eg guardrails. 	<ul style="list-style-type: none"> Improvements where safety-related benefits <50% of total monetised benefits. Projects costing > \$4 million. 	HM_
324	Seismic retro-fitting <ul style="list-style-type: none"> The improvement of existing features to increase route security. The addition of new features to increase route security. 	<ul style="list-style-type: none"> Improvements to structures where alternative routes are generally available. Projects costing > \$4 million. 	MM_
324	Streetlighting improvements <ul style="list-style-type: none"> The improvement of existing streetlighting. Route treatment, treatment of blackspots. Installation of new poles and fittings. 	<ul style="list-style-type: none"> Amenity lighting. Replacement of existing fittings at the end of their effective life with more efficient types. Projects costing > \$4 million. 	MM_
324	Pavement smoothing <ul style="list-style-type: none"> Operations to provide a smooth ride for the benefit of road users. 	<ul style="list-style-type: none"> Pavement smoothing arising from pavement renewal works Projects costing > \$4 million 	MM_

5.6 Improvement projects, continued

WC	Generic project		Profile*
	Works included	Works excluded	
325	Seal extensions <ul style="list-style-type: none"> Seal extensions for local user benefit. 	<ul style="list-style-type: none"> Seal extensions for strategic purposes or in support of particular economic initiatives. Projects costing > \$4 million. 	MM_
332	Advanced property purchase – safety <ul style="list-style-type: none"> Property purchase prior to any design or construction phase being included as approved or on an indicative priority list in an NLTP. 	<ul style="list-style-type: none"> Property purchase where the primary contribution to the outcomes of the LTMA is not safety and personal security. Projects costing > \$4 million. 	MM_
332	Advanced property purchase – route efficiency <ul style="list-style-type: none"> Property purchase prior to any design or construction phase being included as approved or on an indicative priority list in an NLTP. 	<ul style="list-style-type: none"> Property purchase where the primary contribution to the outcomes of the LTMA is not economic development. Projects costing > \$4 million. 	MM_
332	Advanced property purchase – alternative modes <ul style="list-style-type: none"> Property purchase prior to any design or construction phase being included as approved or on an indicative priority list in an NLTP. 	<ul style="list-style-type: none"> Property purchase where the primary purpose of the project is other than the provision of passenger transport, walking or cycling routes. Projects costing > \$4 million. 	MH_
451 or 452	Purpose-built walking or cycling infrastructure <ul style="list-style-type: none"> The construction of purpose built facilities for walking or cycling. 	<ul style="list-style-type: none"> Walking or cycling facilities retrofitted to existing carriageways, or where there is no reasonable safety separation from vehicle traffic. Projects costing > \$4 million. 	HM_
451 or 452	Improvements to existing mixed walking or cycling networks <ul style="list-style-type: none"> The construction of walking or cycling facilities as a retro-fit to existing carriageways. 	<ul style="list-style-type: none"> Purpose built walking or cycling facilities with safety separation from vehicles. Projects costing > \$4 million. 	HM_
521	Passenger transport infrastructure improvements <ul style="list-style-type: none"> The development, and implementation of improvements to passenger transport infrastructure that will increase patronage or reduce the decline in patronage by: <ul style="list-style-type: none"> improving trip reliability, and travel times in comparison with other vehicles on a similar route improve access to and perceived security of passenger transport services and facilities where poor access or perceived danger suppress demand. 	<ul style="list-style-type: none"> Paratransit, PT social services. Trivial improvements which will not provide a sufficient change in the attractiveness of services to cause any mode shift. Improvements on routes with no suppressed demand for PT services. Projects costing > \$4 million. 	HH_

* Note that the assessment profile of a project reflects: the seriousness and urgency of the problem, the effectiveness of the solution and its efficiency. Generic profiles reflect a rating for the seriousness and urgency of the problem and the effectiveness of the solution, but the efficiency must be determined on a project by project basis.

5.6 Improvement projects, continued

Standard projects

Standard projects are those that have particular features that mean that the generic assessment does not adequately describe the project's attributes. They are neither complex nor generic; they cost less than \$20 million.

They require basic information on most aspects of information, which can be satisfactorily captured through 'application forms', and additional documentation for particularly contentious or complex aspects of projects.

Creating standard projects

Land Transport NZ expects that most standard projects will be developments of a similar generic project type. *LTP online* has a facility that copies the assessment of a generic project into the project record for a standard project. This provides submitters with a base for developing their standard project submission. Changes to the generic project information should focus on the particular areas of the standard project that differ from the generic project.

Complex projects

Projects which require a full and specific review, because, for example:

- they have a construction/implementation cost estimate greater than \$20 million (including the present value of operational and lease costs other than standard infrastructure maintenance)
- optimisation requires a package of proposals requiring analysis at the package level to include synergistic benefits not described at the project level
- optimisation requires subsequent actions or operational management to ensure the benefits are sustained
- the proposal has significant adverse social or environmental effects, whether mitigated or not
- there are feasible alternatives
- they require a new designation
- they involve significant construction/implementation risk or performance risk
- they involve untested technology or have a heavy reliance on technology
- they have significant non-monetised transport efficiency
- a significant feasibility study or investigation is required to provide sufficiently robust and detailed information to assess and optimise the proposal or package of proposals using stage 2 of the allocation process.

Projects which require in-depth information in applications, to be supplied through documentation such as scheme assessment reports in addition to that reasonably summarised in online applications.

5.6 Improvement projects, *continued*

Project phases

Generic and standard projects must have at least one phase but can have more. Each phase is one of investigation, design or construction/implementation. Complex projects should possess all three phases. A study has at least one phase. An indicative project has at least one phase.

Each phase has a detailed expenditure budget, work category and funding information specific to it. The information describing the project and used to assess its priority is associated with the project as a whole. Project funding is approved, claimed and paid on a phase-by-phase basis as each project moves through its development and implementation cycle.

Length of project specific programme

All improvement projects expected to be brought forward for funding in the first year of the programme should be included in the LTP submission – sufficiently developed and described to be included in the NLTP as either an indicative priority (category 2) project or approved (category 1) project. *LTP online* provides guidance on which fields are required for each status. All fields marked by the LTMA 's19' icon must be completed satisfactorily if the project is to be included on the indicative priority list. In addition, all fields marked with the LTMA 's20' icon must be completed satisfactorily if the project is to be included in the NLTP with funding approved, or whenever funding approval is sought subsequently.

Land Transport NZ encourages the submission of projects and packages with a start beyond the first year of the LTP as this increases certainty of forward allocations and assists the evaluation of packages with forward projects. Such projects and packages should be the same as those in the approved organisation's LTCCP.

Ten-year budgets

Approved organisations must submit a budget for each improvement project work category for the next 10 years. The budgets should include an allowance for all projects expected to be implemented, whether these are loaded in *LTP online* or not.

Describe any variance in budgets over time when this is not reflected by projects also submitted, eg, if the bridge renewal budget increases significantly in a particular financial year and there is no project submitted which explains this increase, then describe the variance in the budget commentary identifying the project or feature.

Land Transport NZ's regional staff will assist with the development and programming of any major projects or packages of projects.

Allowance for escalation

The budget need not include escalation, but if it does, enter the year-on-year escalation applied in *LTP online*. Escalation in the LTP submission should be the same as in the LTCCP or annual plan, and the amount of escalation noted in the submission.

5.6 Improvement projects, continued

Transport strategies

Land Transport NZ encourages approved organisations to submit transport strategies that require substantial funding to Land Transport NZ for consideration.

Early consideration of a transport strategy will guide and simplify the evaluation of the subsequent projects seeking funding approval. Projects that are part of a strategy or package may be given a higher evaluation and funding priority.

Strategies should contain objectives and targets, preferably quantified, and a package of interrelated and complementary activities that can achieve the targets.

Packages

Land Transport NZ encourages approved organisations to develop 'packages' of interrelated and complementary activities when developing LTPs.

Packages should support regional land transport strategies, the *National state highway strategy*, and LTCCPs, and should address clearly identified land transport issues or problems. As with stand-alone projects, packages should be optimised to make the most efficient and effective use of LTP resources in addressing those issues and problems.

Packages should be composed of interconnected and coordinated activities. Packages may involve different organisations and different types of activities with different time periods. Approved organisations are encouraged to develop joint packages with other approved organisations and NZ Police where this is appropriate.

Where activities are not formulated in packages, Land Transport NZ will continue to consider individual activities on an equal basis to packages. Road maintenance and passenger transport payments will generally fall into this category. Other examples might be isolated road schemes including seal extensions. Approved organisations are, however, encouraged to indicate links between related activities where appropriate.

Advantages of packages

Developing proposals in terms of packages has the following advantages:

- Where interdependent and complementary activities can be formed into packages, additional benefits can often be realised from the cumulative and synergetic impacts. This is particularly the case for transport demand management activities. Packages may include activities from more than one activity class, eg, travel demand management, walking and cycling facilities, passenger transport, improvement of roads, road policing.
 - A package approach provides flexibility and opportunities for approved organisations to develop integrated packages of activities in keeping with the *New Zealand transport strategy* objectives.
 - This approach offers a potentially simpler way of presenting and justifying proposals consisting of multiple activities.
 - A package-based formulation of proposals will also assist the alignment of the NLTP with the *New Zealand transport strategy* and with supporting regional land transport strategies.
 - Packages encourage approved organisations to adopt an integrated approach to activities under their control and those under the control of associated organisations.
-

5.6 Improvement projects, continued

Examples of packages

Below is a list of examples of packages. It is important to note that packages are dependent on the nature of the area concerned. Therefore, the list is not meant to be comprehensive or prescriptive, as it is important to retain flexibility and to encourage imaginative and innovative packages to be developed.

Examples of packages include:

- integrated travel behaviour change, walking and cycling infrastructure, road safety education and training, community road policing, traffic management and public transport measures (including bus priorities)
- rural highway improvements and safety treatments incorporating speed management measures on sub-standard sections of road
- network management, incorporating travel demand management and associated co-funding opportunities
- balanced and integrated urban traffic control and walking and cycling networks
- rapid transit network development and shared track initiatives with heavy rail corridors
- integrated transport and land use development, incorporating private sector contributions, to assist economic development and to maintain levels of service on the strategic road network
- new highways in urban areas with travel demand management/traffic growth constraint measures included
- community-based improvements encouraging safe and sustainable use of the land transport system involving business, school and community travel plans, neighbourhood accessibility plans, school and community road safety promotion/training, minor improvement works including traffic calming measures, school safety zones, walking and cycling infrastructure and changes to bus routes and frequencies.

For the purposes of the funding allocation process, Land Transport NZ does not consider the following as packages:

- An entire *Regional land transport strategy (RLTS)*. A RLTS links a number of packages at a strategic level. It is essential for the testing and preparation of overall strategies but not suitable for use as a package for consideration by Land Transport NZ for inclusion in the NLTP.
- Other individual/isolated activities (eg, sealing projects, a group of minor improvement works, passenger transport improvements).

5.6 Improvement projects, *continued*

Creating a package

Packages have two aspects:

- the package description, which is similar to a complex project, with a strategic context, an owner, a timeframe, etc
- projects or indicative projects that will collectively deliver the outcomes sought from the package.

Projects that are components of packages are similar to normal projects, except:

- they are linked to a package
- they have reduced strategic information requirements.

Packages must have a complete scope before Land Transport NZ will consider them. To do this all components of a package must have been included, the purpose and goals of the package completed in *LTP online* and the status of the package changed to reflect this.

An indicative project can be included as a proxy for a project or projects. Indicative projects will not be funded. You should only use indicative projects when there are insufficient details to create the projects that will be funded and implemented and submit them with either a category two or one status.

The minimum details required are:

- a description
 - its contribution to the package outcomes
 - its costs, benefits and funding sources (Land Transport NZ, local share)
 - its timeframe
 - its managing organisation.
-

Assessment of transport strategies and packages

When Land Transport NZ prioritises projects prior to allocating funds it will consider the contribution of the strategy or package as a whole to the purposes and outcomes of the LTMA, and whether other projects supporting the same package have been funded, or if funding has been allocated to the package as a whole.

Strategies and packages enable good integration and have the advantage of encapsulating a series of projects that achieve a specific strategic goal or target a local outcome. Projects that are part of a strategy or package can therefore be given a higher evaluation and funding priority.

Consideration of a transport strategy by Land transport NZ will be based on an assessment of the land use management and transport objectives and targets of the strategy, the effectiveness of the proposed package of activities to achieve the targets, the financial feasibility and viability of the proposed package of activities and the risks associated with the strategy.

Collaboration in package development

When packages span organizations, the parties must work collaboratively to ensure that the necessary projects are submitted in LTPs and progressed as required to deliver the package as a whole. This is the responsibility of the package owner and the other organisations delivering the package.

5.6 Improvement projects, continued

Project assessment

All improvement projects in the following work categories must have an assessment profile, economic evaluation and project evaluation checklist (from Land Transport NZ's *Economic evaluation manual, volume 1*) submitted with the funding request:

- work category 321: *Traffic management*
- work category 322: *Bridge renewals*
- work category 323: *New roads and bridges*
- work category 324: *Road reconstruction*
- work category 325: *Seal extension*
- work category 421: *Travel demand management*
- work category 441: *Rail freight operations*
- work category 442: *Sea freight operations*
- work category 451: *Pedestrian facilities*
- work category 452: *Cycle facilities*
- work category 531: *Bus and passenger ferry infrastructure*
- work category 532: *Passenger rail infrastructure*
- work category 533: *Passenger transport road improvements.*

The economic evaluation must be completed using the procedures in the latest version of Land Transport NZ's *Economic evaluation manual, volumes 1 and 2*, whichever is appropriate, at the time of the analysis. Full economic evaluation is required for projects before funding approval or LTMA section 20 approval is sought.

Economic evaluations are not required for:

- studies (work categories 311, 411 and 412)
- property purchase (work categories 331, 332 and 333).

A project feasibility report level analysis should be submitted for these activities.

5.6 Improvement projects, continued

Project assessment, continued

Approved organisations should complete and retain an assessment profile and economic evaluation for minor improvement projects.

For activities with a total cost less than \$4 million, the first year rate of return (FYRR) should be used as an indicator of optimal project timing. For activities with a total cost greater than or equal to \$4 million, FYRR will be considered in conjunction with the potential impacts of delaying the activity, including impacts such as planning timetables, land and property purchase options, land development, and costs of construction. Further information on FYRRs can be found in Land Transport NZ's *Economic evaluation manual, volume 1*.

Electronic copies of project evaluations (or scheme assessments that include the project evaluation) must be submitted for all projects over \$1.0 million and fees projects over \$200,000 (whether subject to an independent peer review or not) using software issued by Land Transport NZ.

Accountability for quality of project evaluations

The approved organisation is responsible for the accuracy, completeness and appropriateness of the information used, the assumptions made and the calculation for determining the economic efficiency of improvement projects.

Note: Approval of a project in the NLTP does not necessarily mean that Land Transport NZ has validated the information or economic analysis provided by the approved organisation. The approval of a project means that the economic evaluation is only verified in terms of the *checklist for project evaluations*.

Peer review of project evaluations

Complex projects – Land Transport NZ requires approved organisations to have their project evaluations independently reviewed by an external peer reviewer, to increase confidence in the quality of the evaluations and give greater certainty that the projects will be approved.

Standard projects and generic projects over \$1 million – Land Transport NZ encourages approved organisations to have their project evaluations independently reviewed by an external peer reviewer, to increase confidence in the quality of the evaluations and give greater certainty that the projects will be approved.

Land Transport NZ reserves the right to require any project to be independently reviewed by an external peer reviewer or to review any project itself.

A peer review brief and template applicable to most projects is available on the Land Transport NZ NZ's website: www.landtransport.govt.nz.

For all improvement projects with a construction/implementation cost estimate over \$50 million, a parallel estimate of costs undertaken by an independent external reviewer will be provided to Land Transport NZ at each funding application.

Audit of project evaluations by Land Transport NZ

Land Transport NZ will audit a sample of submitted project evaluations throughout the year to assess approved organisations' competence and performance.

Should the audit reveal incompetence, negligence or fraudulent behaviour on the part of an approved organisation to the extent that funding should not have been approved, Land Transport NZ reserves the right to require a refund of any money paid and to cancel funding for the remainder of the project.

Committed activities

Commitments arising from approved activities do not have to be prioritised. This is because they will have already been accepted by Land Transport NZ as approved activities.

5.6 Improvement projects, continued

Investigation and design phase requests

Approved organisations will submit separate requests for each phase (investigation, design and construction/implementation) of complex improvement projects. This enables Land Transport NZ involvement early in the project development where it can best provide advice and assistance to approved organisations on funding requirements and project evaluation.

Transit NZ may submit requests for the investigation phase and the design phase of generic and standard improvement projects prior to requesting funds for the construction/implementation phase.

Local authorities may submit separate requests for the investigation and design phases of generic and standard improvement projects provided that the local authority has made a commitment to proceed with the project once the investigation and design phases are complete, or within the next three years. These requests may be a lump sum to cover all qualifying improvement projects and named 'advance fees' in the funding request.

For other improvement projects, excluding complex projects, local authorities may either:

- request a lump sum amount for advance fees in order to develop those projects for possible construction funding within the next three years, or
- claim the fees when the construction/implementation phase of the project is approved.

Allocation for the property activity

Requests for allocations or the property activity (work categories 331, 332 and 333) shall be included in the LTP as a project phase of the project to which the property purchase relates.

Minor improvements

Approved organisations are not required to submit individual projects for minor improvements (work category 341), but are required to submit a 10-year budget. Land Transport NZ expects that most authorities wish to receive the full eight percent of block maintenance, but if a lesser amount is preferred, the amount and an explanation should be entered in the LTP submission.

The maximum expenditure for any one project within the minor improvements work category is \$150,000.

All minor improvements projects require the specific approval of Land Transport NZ's partnership manager. Details of individual projects must be held by the approved organisation for audit purposes.

5.6 Improvement projects, *continued*

Submission details

The level of detail required when entering improvement project information into *LTP online* depends on the complexity of the project and its context.

Schedule 1 of the LTMA requires that every LTP states what contribution is made to the purposes and objectives of the Act by each activity. Land Transport NZ expects that all activities in an LTP will make some contribution and requires that this is specified in the LTP submission in answer to the *LTP online* question 'Describe the national strategic significance this proposal has'.

Conformity with other plans

Land Transport NZ expects the submitted LTP, its improvement projects and its 10-year budgets to be substantially the same as those included or referenced in the approved organisation's annual plan or LTCCP. It is acknowledged that, because of differing timeframes, some variances will arise, but these are expected to be small at the time of the final LTP submission.

Status of estimates for activities less than \$4 million

Three types of cost estimates are used for the purposes of project development. These suggest the estimate's accuracy based on the amount of information available when the estimate is prepared.

For improvement projects, with a construction/implementation cost estimate of less than \$4 million, these estimates are:

- rough order of cost (ROC)
- preliminary assessed cost (PAC)
- firm estimate of cost (FEC).

For state highway improvement projects, the requirements of Transit NZ's *Cost estimation manual* (SM014) applies.

Land Transport NZ reserves the right to request a risk analysis by Monte Carlo based simulation for any project of any value.

5.6 Improvement projects, continued

Status of estimates for activities between \$4 million and \$20 million

Projects of between \$4 million and \$20 million construction/implementation cost estimate should follow EEM1 appendix A13 for risk assessment to identify and classify construction/implementation cost risks.

If the risk assessment shows:

- Medium to high risk for projects with construction/implementation cost estimate of up to \$10 million. A risk mitigation plan and specific reporting of contingencies are required as part of the risk assessment.
- Low to medium risk for projects between \$10 million and \$20 million construction /implementation cost estimate. A risk mitigation plan and specific reporting of contingencies is required as part of the risk assessment.
- High risk for projects between \$10 million and \$20 million cost estimate. Requires full risk assessment by risk analysis using a Monte Carlo based simulation.

Land Transport NZ reserves the right to request a risk analysis by Monte Carlo based simulation for any project of any value.

For state highway improvement projects, the requirements of Transit NZ's *Cost estimation manual* (SM014) applies.

The risk analysis, if needed, will be undertaken at each funding application and applies to the construction/implementation costs of the project.

If risk analysis is required, the expected construction/implementation cost estimate, the 5th and 95th percentile cost estimates and the risk profile graph will be reported. The report will also identify and describe the main risk variables from the analysis, their share of the variability and the impact that 10% movements in these variables have on construction/implementation costs.

Status of estimates for activities greater than \$20 million

Projects above \$20 million construction/implementation cost estimate require full risk assessment including risk analysis using a Monte Carlo based simulation.

For state highway improvement projects, the requirements of Transit NZ's *Cost estimation manual* (SM014) applies.

The risk analysis will be undertaken at each funding application and applies to the construction/implementation costs of the project.

The risk analysis report shows the expected construction/implementation cost estimate, the 5th and 95th percentile cost estimates and the risk profile graph. It will also identify and describe the main risk variables from the analysis, their share of the variability and the impact that 10% movements in these variables have on construction/implementation costs.

5.6 Improvement projects, *continued*

Rough order of cost (ROC)

The ROC estimate is an early estimate based on limited knowledge of a project before a specific brief is prepared or a site is secured. There may be little known of the possible type of construction/implementation or of the possible layout of the project. No preliminary site information may be available.

The ROC estimate should only be used for:

- the broad and long-term planning of expenditure
- preparing a project evaluation to justify funds for developing a more detailed cost estimate.

Note: The ROC estimate has a probable accuracy of between -30% and +50%.

Preliminary assessed cost (PAC)

The PAC estimate is based on a complete brief for the project. This brief would be based on the preferred option and sketch plans that show the dimensions and extent of construction/implementation. Basic preliminary site investigations and design would have been done to determine a feasible form of construction/implementation for the project.

Detailed working drawings and quantities for the components of the facility would not be available.

Note: The PAC estimate has a probable accuracy of between -25% and +25%.

Firm estimate of cost (FEC)

The FEC estimate is based on construction/implementation drawings, specifications, and a schedule of quantities as detailed for pricing by tenderers. Where ground conditions are not fully known, provisional quantities might be needed for some items.

All significant construction/implementation operations and costs must be covered.

Note: The FEC estimate has a probable accuracy of between – 5% and +10%.

5.6 Improvement projects, *continued*

Rules

The following rules apply:

- Improvement projects for which investigation fees are being sought must be supported by a project feasibility report containing an assessment profile and a BCR based on an ROC estimate.
- Funds for design fees must be supported by a scheme assessment containing an updated assessment profile and a BCR based on a PAC estimate.
- Construction/implementation allocations may be sought on the basis of the scheme assessment. However, the allocation is provisional and subject to confirmation of the assessment profile including the BCR based on an FEC estimate.
- When the project cost is re-estimated at each stage of the project development process for the purpose of project assessment, the current property value is to be included in the project cost.

Project development status

To provide certainty that approved projects will utilise the funds allocated, funding approval for improvement projects is conditional on the projects having progressed to certain points on the project development flow chart.

Category 1 projects

A project phase will only be included in the NLTP as category 1 when the prior phase has been completed and the project has been assessed as meeting the funding criteria applying to the next phase. Approved organisations must confirm that these projects have substantially reached the specified point before Land Transport NZ will consider funding approval.

Category 2 projects

A project phase will be listed in the NLTP as category 2 when either the prior phase has not been completed or the project not assessed as meeting the funding criteria. Projects accepted in this category will be listed in the NLTP and considered for funding approval at monthly programme reviews once they have reached the appropriate point to allow them to progress to category 1.

5.6 Improvement projects, *continued*

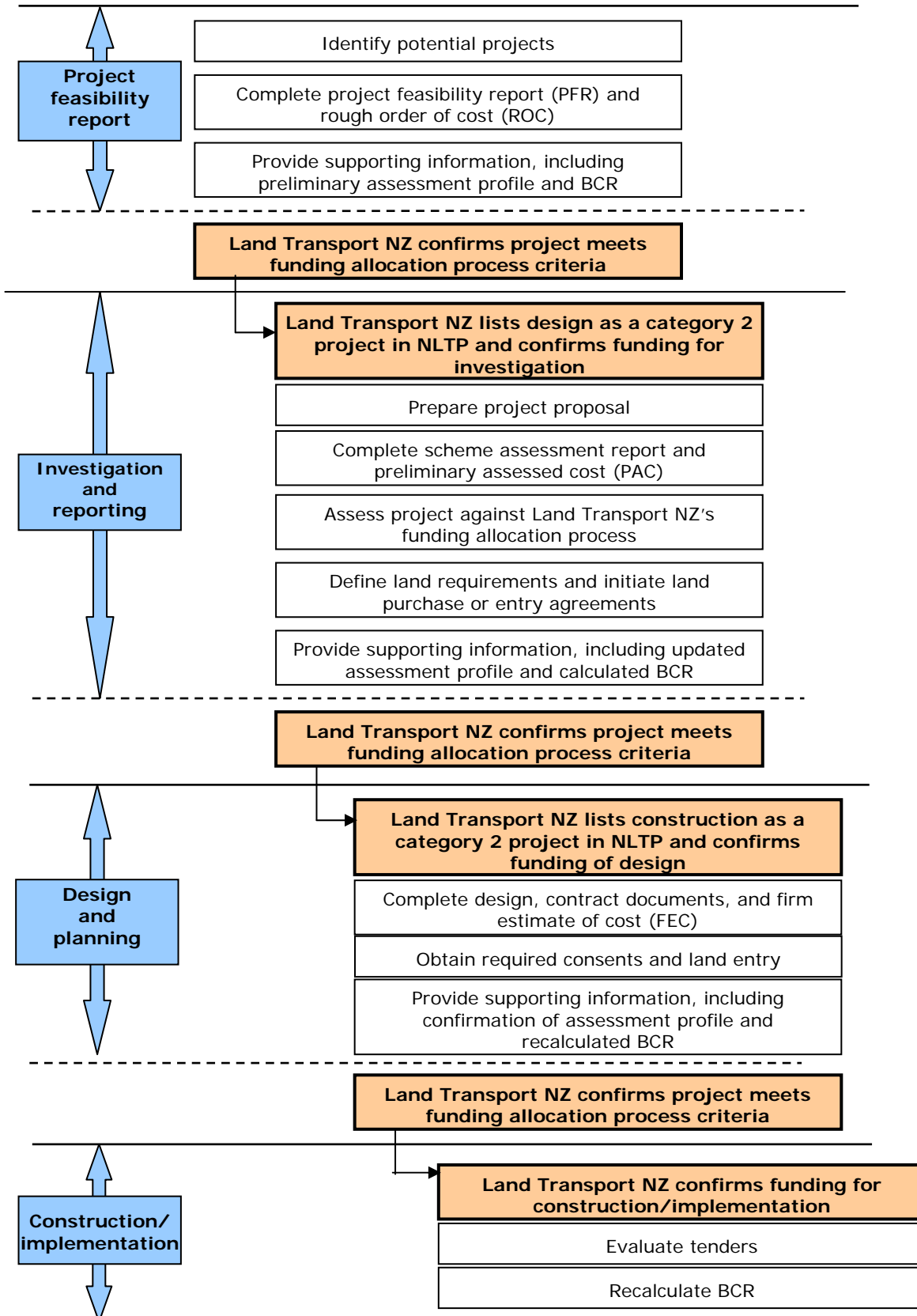
Land Transport NZ's expectation

Land Transport NZ expects that improvement projects submitted as category 1 and subsequently approved in the published NLTP will be advertised for tender by 30 September and contractually committed (ie, tender awarded) by 30 November. Land Transport NZ also expects that improvement projects approved at monthly NLTP reviews will be advertised for tender by the end of the following month (ie, four weeks after approval) and contractually committed within a further two months.

Unless Land Transport NZ decides otherwise (after receiving a status report from the approved organisation), those improvement projects not contractually committed by the above dates will revert back to category 2 status and will therefore need to be re-submitted for funding approval.

5.6 Improvement projects, continued

Figure 5.2 Project development flow chart for improvement projects



5.6 Improvement projects, continued

Notification of minor improvements allocation

The allocation for minor improvements will be notified with the road maintenance and renewals programme.

Notification of improvement projects

Land Transport NZ will in **early June** make available draft details of improvement projects included in the NLTP, including:

- a list of improvement projects approved in previous years that have a financial commitment into the first year of the new NLTP
- a list of new improvement projects for which a specific financial allocation has been made in the NLTP. The activities on this list will be known as *approved activities*
- lists of improvement projects for which financial provision has been made in the NLTP sufficient to fund some of the projects. The activities on this list will be known as 'indicative priority' (category 2) projects. Individual projects within this list are not approved at this time, but will be eligible for consideration for funding approval at monthly programme reviews subject to them having reached category 1 status.

Note: Funding approval for new improvement projects depends upon the level of funding available in the national land transport account, the cases put forward in LTPs and the recommendation of the relevant Land Transport NZ partnership manager. Any organisation that commits or commences a new activity prior to funding approval does so at its own risk.

5.7 Community focused activities

Introduction

This section provides guidance on the preparation and submission of a programme of community focused activities. These activities can be part of a package that also includes other activities, eg, road works.

Key dates

Key dates for the preparation and submission of community focused activities are:

- **early November** (specific date to be advised in annual guidelines) – approved organisations submit draft LTPs using *LTP online*. The draft LTP should include:
 - 10-year budgets for community coordination, programmes and advertising activities
 - supporting documentation outlining project proposals for all community focused activities for which funding is sought in the first year of the LTP.
 - **November to March** – funding requests, and project details are discussed, clarified and agreed with Land Transport NZ's partnership managers
 - **late March** (specific date to be advised in annual guidelines) – approved organisations provide confirmation of LTPs and submit final LTP recommendations. These should include, for community focused activities:
 - updated 10 year budgets for community coordination, programmes and advertising activities
 - one project for community coordination, if there is expenditure proposed for the first year of the LTP, with supporting information
 - one project for all community programmes, if there is expenditure proposed for the first year of the LTP, and a separate project for any individual activities having proposed expenditure greater than \$150,000 in the first year of the LTP, with supporting information
 - one project for all community advertising, if there is expenditure proposed for the first year of the LTP, and a separate project for any individual activities having proposed expenditure greater than \$150,000 in the first year of the LTP, with supporting information.
 - **by 30 June** – Land Transport NZ publishes the NLTP.
-

5.7 Community focused activities, continued

Definition of community focused activities

Community focused activities are the group of work categories that provide for the coordination and delivery, at the community level, of activities addressing safe and sustainable use of the land transport system (work categories 431: *Community coordination*, 432: *Community programmes*, and 433: *Community advertising*) – refer to section 2.6 of this manual.

Composition of community focused activities in LTP online

A final programme of community focused activities in *LTP online* should consist of:

- One forward budget for each work category that will have any activity over the next 10 years ie, potentially a separate forward budget for each of work categories 431: *Community coordination*, 432: *Community programmes*, and 433: *Community advertising*.
- One community project with one phase in work category 431: *Community coordination*, if any such activity is to be undertaken in the first year of the LTP.
- One or more community projects, each with only one phase, in work category 432: *Community programmes*, if any such activity is planned for the first year of the LTP. One project and at least one associated phase is required for each activity that is to be undertaken in the first year of the LTP with expenditure greater than \$150,000. If you propose to implement projects addressing road safety, travel planning and neighbourhood accessibility in the first year of the LTP but they are each less than \$150,000 then only one project is required.
- One or more community projects, each with only one phase, in work category 433: *Community advertising*, if any such activity is planned for the first year of the LTP. One project and at least one associated phase is required for each advertising activity that is to be undertaken in the first year of the LTP with expenditure greater than \$150,000. All activities with expenditure less than \$150,000 can be grouped into a single project, for example, you may have one project containing two activities targeting both seat belt use and driving practices, with expenditure of \$10,000 and \$20,000 respectively.
- The community focused activities that have individual total costs of less than \$150,000 will be combined and entered in one project per work category. A list of these activities should be attached as supporting information including the financial data required for each activity; using the community focused activities FAR calculator spreadsheet; to match the totals that appear on the project template in LTP online.

5.7 Community focused activities, continued

Ten-year budgets

Approved organisations must submit a budget for all three community focused work categories for each of the next 10 financial years. The budgets should include an allowance for all projects expected to be implemented, whether these are loaded in *LTP online* or not.

Describe any variance in budgets over time when this is not reflected by projects also submitted, eg, if the community advertising budget increases significantly in a particular financial year and there is no project submitted which explains this increase, then describe the variance in the budget commentary identifying the project or feature.

Land Transport NZ's regional staff will assist with the development and programming of projects or packages of projects.

Community coordination

Approved organisations, particularly, territorial authorities, are encouraged to request annual funding for community coordination (work category 431: *Community coordination*). Funding will be an annual lump sum but a breakdown of the amount requested must be entered into *LTP online*.

You must create one community coordination project in *LTP online*, and one project phase. The project phase should only have cash flow in the first year of the LTP.

Approval of community advertising

Approved organisations may request annual funding for community advertising (work category 433: *Community advertising*). Proposals for local radio, television and print media must be consistent with Land Transport NZ advertising guidelines. Technical approval is required for the content of any advertising. Enquiries should be directed to Land Transport NZ's regional staff.

5.7 Community focused activities, continued

Community programme and community advertising projects

All community programmes and advertising activity expected to be delivered in the first year should be included in the LTP submission as appropriate projects and phases. All activities with expenditure less than \$150,000 can be grouped together in a single project within each work category.

One project with one associated phase is required for each activity with expenditure over \$150,000 in work category 432: *Community programmes*.

One project with one associated phase is required for each advertising activity with expenditure over \$150,000 in work category 433: *Community advertising*.

Land Transport NZ encourages the submission of projects with a start beyond the first year of the programme as this enables funds to be more specifically allocated by Land Transport NZ, increases certainty of forward allocations, and assists the evaluation of packages with forward projects.

Allowance for escalation

The budget need not include escalation, but if it does, enter the year-on-year escalation applied in *LTP online*. Escalation in the LTP submission should be the same as in the LTCCP or annual plan.

Approval of community focused activities

Funding approval for new community programme projects depends on the level of funding available in the national land transport account, the cases put forward in LTPs and the recommendation of the relevant Land Transport NZ partnership manager. Any organisation that commits or commences a new activity prior to funding approval does so at its own risk.

5.8 Regional recommendations on R and C funds

Introduction

Land Transport NZ expects regional groups to submit recommendations on the distribution of R funds and C funds (in regions where these are available) as part of submissions on the NLTP. The recommendations should:

- cover the remainder of the period during which the funds are available
- describe the proportions of R and C funds to be allocated to various categories of projects in each of the years, eg, local road construction, state highway large improvement projects, state highway block improvement projects, passenger transport infrastructure, etc
- identify packages and projects that could receive funds
- be consistent with relevant regional land transport strategies and LTPs.

This section provides a mechanism for doing this.

Regional advisory groups

Land Transport NZ wishes to see processes established for ensuring the relevant approved organisations in each region have the opportunity to give their coordinated views about the priority for the use of R funds and C funds where applicable. The following mechanism for regional input is recommended:

- Approved organisations in each region establish a regional advisory group of elected members drawn from the relevant approved organisations. A regional officers group will support the regional advisory group. Land Transport NZ's regional staff will be available to work with the regional officers group to provide advice and assistance.
 - How the advisory group is convened will be a matter for each region to decide. Some regions have indicated that the regional land transport committee will undertake the role of regional advisory group.
 - In Land Transport NZ's view a key requirement for each advisory group is representation by all approved organisations to ensure that the assessment of regional priorities is consistent with the land transport programmes of the approved organisations.
 - The purpose of the regional advisory group, and the supporting officer group, will be to develop an assessment of problems and preferred solutions and to recommend the priorities for the allocation of R and C funds.
 - The assessment would cover activities expected to start in the next financial year, with an indication of priorities for activities likely to start in any of the remaining years that the R and C funds are available.
-

5.8 Regional recommendations on R and C funds, *continued*

Process for input from the regional advisory groups

The process for input from the regional advisory groups is:

- **late October** (date to be advised in annual guidelines) – each regional advisory group should prepare a draft assessment of regional issues and recommended allocation of R funds, and C funds where applicable, and submit this to Land Transport NZ
- **early March** – Land Transport NZ will issue indicative allocations of N, R and C funds for each region in based on the draft land transport programmes
- regional advisory groups should consider these indicative allocations and advise Transit NZ on the prioritisation of the state highway programme
- **early April** (date to be advised in annual guidelines) – regional advisory groups finalise their assessment of regional priorities and use of N, R and C funds using the draft land transport programmes, and submit their final recommendations to Land Transport NZ
- **by 30 June** – Land Transport NZ will finalise and publish the NLTP
- Land Transport NZ also requests an assessment of regional priorities for future financial years where this is built into local authority LTCCPs.

Activity class allocations for R funds

One approach that can be used to determine potential allocations of R funds at an activity class level is to:

- estimate the expected N funds for that activity class, based on past funding and the forward budget for that activity class in the NLTP
- derive the additional activity level recommend for funding by an allocation of R funds.

Project level allocations for R and C funds

Land Transport NZ recommends assignment of R funds to projects in all activity classes, where possible.

An example is state highway construction, where a 10-year programme with indicative funding sources exists. The indicative allocation to state highway construction can be allocated to projects with an indicative R funding source in the NLTP and then to state highway block improvement projects. The regional advisory group should liaise with Transit NZ to determine, as far as possible, a forward programme of block improvement projects to enable allocation of R funding to specific projects.

Format of submissions

Land Transport NZ prefers that submissions for R and C funds use the form available for this purpose from Land Transport NZ's website.

5.9 Recommendations on the ALTP

Introduction	Section 2(5) of schedule 1 of the LTMA requires that approved organisations include in their LTP any activity or activity class that the approved organisation recommends for inclusion in the ALTP for the next financial year. This section describes the form and content for such recommendations.
Key dates	Recommendations for the ALTP should be submitted via <i>LTP online</i> by late September (date to be advised in annual guidelines). Land Transport NZ will advise road policing allocation in May (post budget).
Submitting ALTP recommendations	<p>Recommendations are required in the form specified in this section and should be submitted to Land Transport NZ through <i>LTP online</i>. Within <i>LTP online</i>, the section for ALTP recommendations is found by selecting 'LTP or activity edit' and then selecting the 'new component' page.</p> <p>Recommendations made are to take into account feedback resulting from the consultation undertaken for the approved organisation's LTP.</p>
Clusters	<p>Land Transport NZ encourages clustering of territorial authorities for purposes of planning, delivering and reporting on road policing activities. Clustering allows for greater alignment between the distribution of NZ Police resources and the delivery of land transport activities. This allows a more flexible enforcement response to address risk within the cluster as identified by RSAPs and RTPPs, and results in better outcomes and enhanced reporting.</p> <p>Where local authorities cluster together to present a joint recommendation on NZ Police activities, each local authority involved needs to make the cluster's recommendation. The reason for this is that the consultation that the recommendation is based on needs to be registered in each local authority's <i>LTP online</i> submission and consultation declaration.</p>
Base road policing programme	<p>The current year's allocations for the work categories in the road policing activity class – refer to section 2.9 – constitute the draft programme to be used by approved organisations to consult and make recommendations for the first financial year of the ALTP. These allocations are shown in the current year's NLTP by territorial authority area and in the <i>Road policing programme</i> published by the NZ Police.</p> <p>The <i>Road policing programme</i> (available at www.landtransport.govt.nz/funding or www.police.govt.nz/resources) provides details of road policing activity descriptions, outcomes sought, performance measures and resource levels together with details of NZ Police road policing resources for each territorial authority cluster or area.</p>

5.9 Recommendations on the ALTP, continued

Road policing activities

Approved organisations are requested to submit recommendations for the first financial year of the new ALTP on road policing activities, ie, strategic road policing (speed control, drinking and/or drugged driver control, restraint device control, visible road safety and general enforcement, and commercial vehicle investigation and road user charges enforcement); incident and emergency management (crash attendance and investigation, and traffic management services); community engagement (police community services and school road safety education); and road policing resolutions.

The recommendations should be presented in terms of adjustment to the current level of road policing activity in the area. Approved organisations are asked to indicate, by selecting the appropriate answer from the *LTP online* drop down box, their views about changes to the current level of road policing activities delivered in their area. The drop down box options available are:

- a lesser emphasis would be acceptable
- emphasis about right
- more emphasis needed.

In addition, approved organisations should provide explanatory comments on recommendations for road policing activities for the first financial year of the new ALTP.

All recommendations will be taken into consideration by Land Transport NZ, in consultation with the NZ Police, in the preparation of the ALTP.

New road policing activities

Where NZ Police proposes new activities, it is the NZ Police responsibility to complete the assessment profile and the economic efficiency evaluation. New road policing activities recommended by approved organisations in their land transport programmes are also to be supported by a completed assessment profile and economic efficiency evaluation as set out in section 6.6.

5.9 Recommendations on the ALTP, continued

Consultation

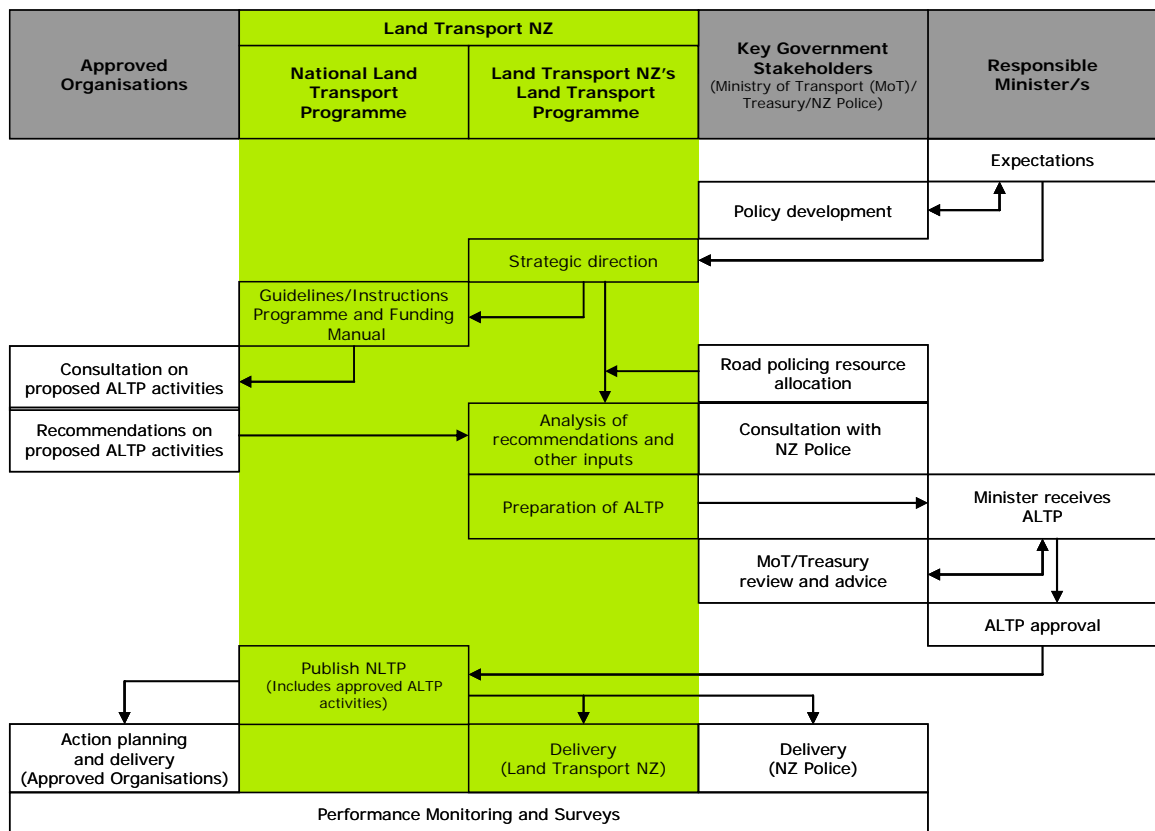
ALTP recommendations need to be based on consultation undertaken by the approved organisation in accordance with the LTMA. In the case of local authorities, the consultation may be undertaken in accordance with the *Local Government Act 2002* (LGA) as part of the LTCCP or annual plan processes.

LTP online contains a declaration section that seeks confirmation from the approved organisation that an appropriate consultation process will be undertaken by June 2006.

Process for the ALTP

Figure 5.3 outlines the process for the development of the ALTP.

Figure 5.3 Process for the Authority's land transport programme (ALTP)



5.10 Recommendations on education and training

Land Transport NZ's activities

Approved organisations are requested to submit recommendations on the following Land Transport NZ activities:

- nationally managed advertising
- nationally managed education and training related to safe and sustainable use of the land transport system (eg, the school based programme *Road sense – ata haere*)
- other nationally managed promotion (eg, support for the national walking and cycling strategy *Getting there – on foot by cycle*).

These activities are developed after consultation with central government agencies including the Ministry of Transport and NZ Police. Because the activities are complementary to road policing activities and local initiatives, Land Transport NZ also needs input from approved organisations.

Details about nationally managed advertising are available at:

<http://www.landtransport.govt.nz/advertising>.

Details about the *Road sense – ata haere* programme are available at:

<http://www.roadsense.govt.nz>

The current year's NLTP and Land Transport NZ's *Statement of intent* also provide a base to assist approved organisations to comment and make recommendations regarding these Land Transport NZ activities. These are available on Land Transport NZ's website: <http://www.landtransport.govt.nz>.

Approved organisations are asked to indicate, by selecting the appropriate answer from the *LTP online* drop down box, their views about the above Land Transport NZ activities. The drop down box options available are:

- a lesser emphasis would be acceptable
- emphasis about right
- more emphasis needed.

Approved organisations should take these national education and training activities into account when developing proposals for community focused activities.

5.11 *LTP online*

Introduction

LTP online is a web-based system for submission, management and reporting of LTPs and the NLTP. All LTPs are to be submitted using this system.

LTP online will remain the base source of data from which information is extracted to present the various reports for decision makers. Therefore, information entered into *LTP online* for activities that are submitted for funding approval must be complete, current and accurate to enable programme and funding decisions to be made. Incomplete submissions may result in delay to processing of applications.

Note: Activities can be entered into *LTP online* and remain with *draft* status until the information requirements have been completed and the activity is included in an LTP submitted to Land Transport NZ.

Available modules

LTP online modules that are live or about to go live are used to:

- submit all types of LTPs reflecting short and long-term programme perspectives, including packages of projects
- record and report the status of funding approvals and sources of funding, ie, N, C or R funds
- submit emergency reinstatement applications
- submit supporting information
- submit comments on the LTP including alternatives and options considered and certification of compliance with procedural requirements
- submit recommendations on the ALTP
- submit monthly review information
- submit annual reports.

Functionality will continue to be developed with an early focus on submitting, reviewing and comparing statistical information on work completed and network and service level condition and performance.

5.11 *LTP online*, continued

Help with computer system issues

Help with *LTP online* access problems and other technical matters is available by calling 0800 805263 (the same help line as CAS) or by emailing *LTP online* administration from any page within the application.

Help with non-IT matters is provided by the partnership staff at Land Transport NZ. They can assist with the content of a submission.

Application specific user guides that can be opened from the bottom of the left-hand menu on every page provide guidance on each module within *LTP online*. These can be printed if required. Context specific help screens are available throughout *LTP online* and can be opened by clicking the ? icon.

Access and security

Each approved organisation controls access to its own LTP held in *LTP online*. Each approved organisation has at least one local administrator who gives access to users they nominate at one of three levels of access: read only, edit or submit.

Consultants who are given access by one approved organisation can also be given access by another, but will have unique log-ins for each approved organisation to ensure that each organisation has control of its data.

In general, information concerning each LTP can only be viewed by that approved organisation's users and by Land Transport NZ staff. There are three exceptions, as follows:

- ARTA has access to the programme still entered by Auckland local authorities. This facilitates payment to ARTA and then to each local authority by retaining the relationship of each project and programme with the relevant local authority.
- Users from an approved organisation with a project within a package will be able to see information on the other projects within that package, irrespective of which approved organisation is responsible for it.
- In the future, Land Transport NZ expects to give wider access to all programme information at the level of detail published in the NLTP.

LTP online records all entries and amendments of information. It records who made the changes and when they were made. Users who have been given access to the 'Activity history' feature by their local administrator can review the individual changes made to a record, seeing when these were made and who made them.

Continued

5.11 *LTP online*, continued

Authorising *LTP online* users

Land Transport NZ recommends that the administrator at each approved organisation annually reviews the list of authorised *LTP online* users and amends it to give access rights to people who will be loading, reviewing or submitting the LTP. These users could be consultants or the organisations own staff.

Select the 'Edit user profile' option when adding, ending or editing a user's access level.

Authorisation of submissions

Submissions made by users with 'submit' access rights are taken as authorised by their organisation.

Navigating the website

When you log on to *LTP online* you will go to a web page called 'My *LTP online*' that provides access to the individual applications within *LTP online*. Select the link matching the action you wish to take, and then select the action from the table in the centre of the page or from the menu bar on the left of the page.

When creating or editing an activity or LTP record, attaching records to an LTP, or submitting the LTP to Land Transport NZ, select the 'LTP or activity edit' option.

From the 'LTP or activity edit' page you will be able to:

- select an activity and add further information or edit current information
- change the status of an activity
- obtain reports on projects.

Creating an LTP

Only a user with 'submit' access rights can create an LTP, attach records to it and then submit the LTP for consideration by Land Transport NZ. Select the 'LTP development' link in the left-hand menu to create an LTP.

You must complete and submit a description of how your LTP as a whole contributes to the purpose and objectives of the LTMA, and of some of the processes used to develop it. Schedule 1 of the LTMA sets these requirements – refer to section 5.2.

Submission on the ALTP

To make a submission on the ALTP, select 'New programme component' and choose 'ALTP recommendations' from the options. Complete the required questions and add any comments you may have.

5.11 *LTP online*, continued

Loading a road maintenance and renewal programme

To enter the road maintenance and renewal programme component of an LTP, select 'New programme component' and choose 'Maintenance programme' from the options.

A spreadsheet template of a road maintenance and renewal submission can be downloaded from *LTP online*. It can be used to submit aspects of a maintenance programme by completing the details of the submission in the template, then uploading it into *LTP online*.

Creating a passenger transport programme

You should create a passenger transport programme component of your LTP and complete the expenditure budgets, statistical entries and commentary, as outlined in section 5.5.

To do this, select 'New programme component' and choose 'Passenger transport programme' from the options.

Loading projects and packages

You should create or update as many project, project phase and/or indicative projects as necessary to reflect your proposed programme. The process for doing this is explained in the user guide within *LTP online*. Improvement projects can be generic, standard or complex projects, studies, packages or indicative projects.

To create new projects, packages or indicative projects, choose the appropriate project type or click 'Package'. To edit existing projects or packages or add a new phase to an existing project, go to the 'Activity list' and open and edit the existing record.

Confirm required information is complete

Some fields must be completed before programme components can be submitted for consideration by Land Transport NZ. The number of required fields depends on whether funding approval is sought or not. These mandatory fields are indicated by an 's20' or 's29' flag next to the question.

A draft programme can be tested for completeness prior to submission. *LTP online* will show a list of incomplete fields on screen telling you which fields or questions must be completed before final submission.

Submit programmes

The schedule of key dates in section 1.10 of this manual sets out the deadlines for the submission of LTP components.

A user with 'submit' level access must complete the submission. It is taken to be the official submission of your organisation.
