

ACTIVITY PLAN CONTROL SHEET

1. The Project Manager for this Activity Plan is:		
Date	Name	Designation
Throughout Preparation	Russell Hawkes	Asset Manager Rooding

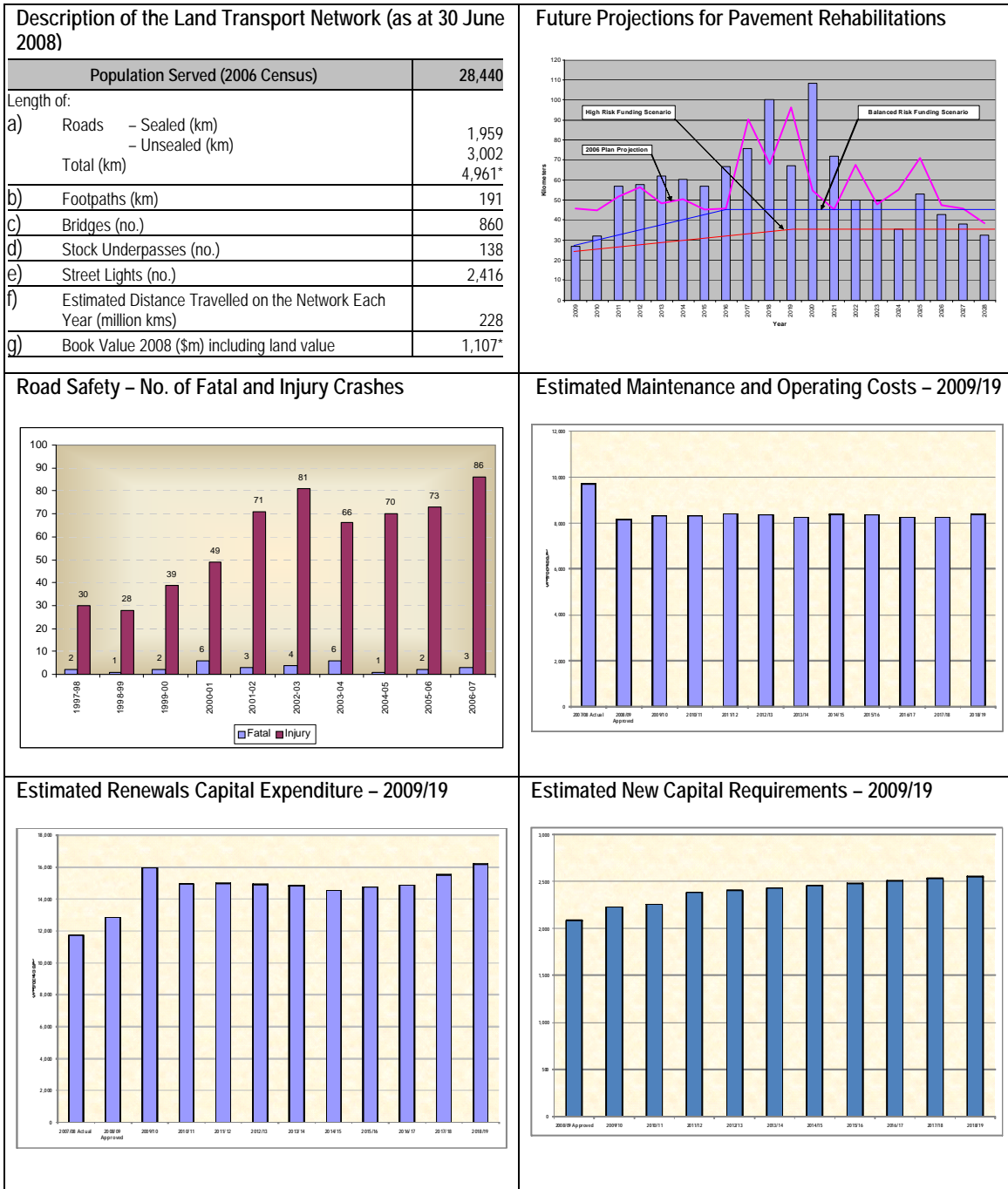
2. Plan Prepared / Reviewed / Updated by:		
Date	Name	Designation
17/10/08	John Laskewitz / Russell Hawkes	Client Service Manager / Asset Manager Rooding
07/11/08	John Laskewitz	Client Service Manager
16/11/08	Brian Smith (Peer Review)	Independent Consultant
17/11/08	John Laskewitz / Russell Hawkes	Client Service Manager / Asset Manager Rooding

3. Council Consideration / Adoption:		
Date	Minute No.	Reason / Decision
29/10/08	Activities Performance Audit Committee Meeting – Item 5.1 – page 4	Feedback on Initial Draft
26/11/08	Council Meeting – Item 6.9	Adoption for LTCCP Consultation Draft
16/03/09	Extra Ordinary Council Meeting – Item 3.1 – Resolution C – page 7	Adoption for Consultation with LTCCP

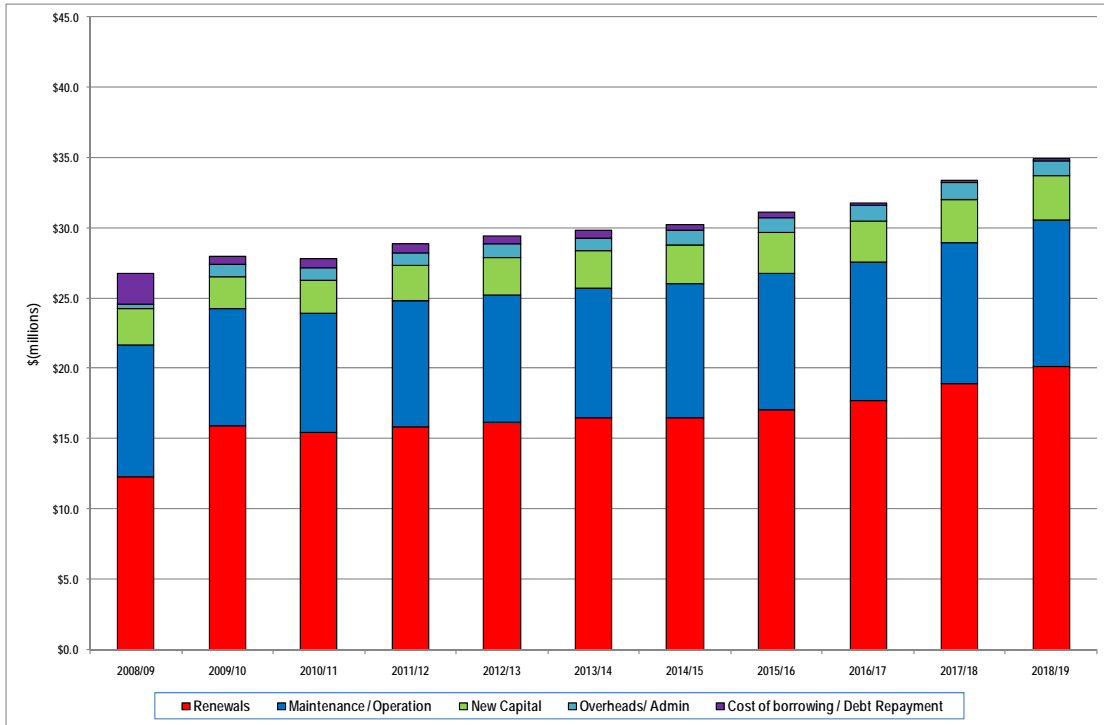
4. Public Consultation (relating to the whole plan itself):	
Date	Form of
20 April 2009	Alongside LTCCP Consultation

5. Plan Update and Review by Management:	
Date	Record of

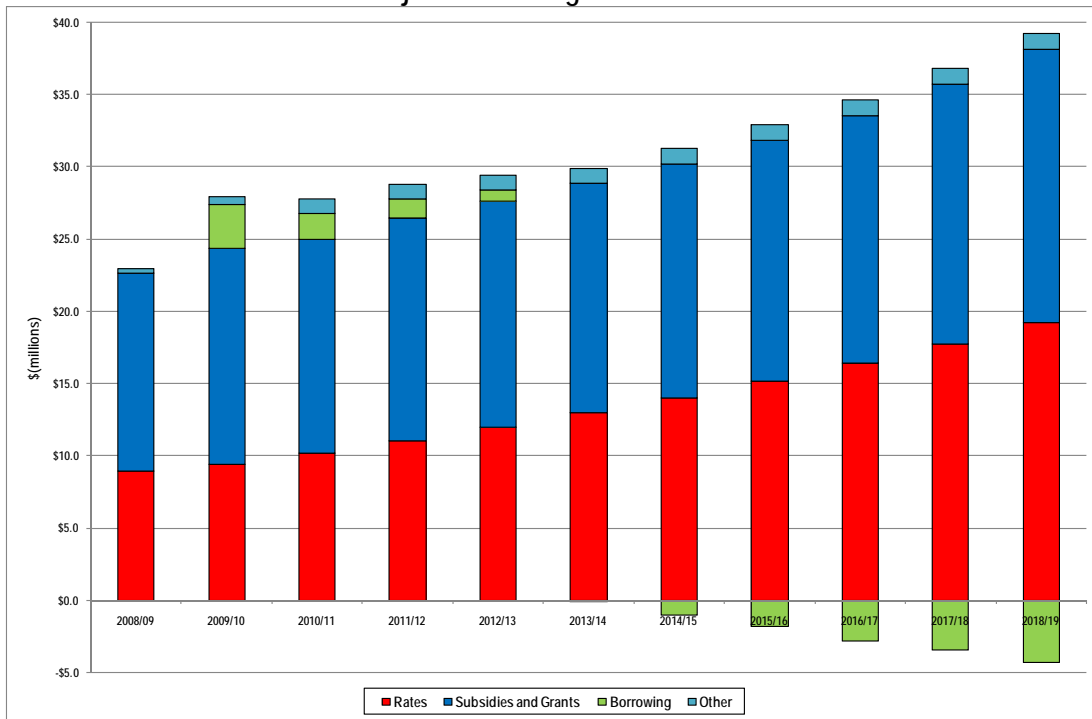
Executive Summary



Total Projected Roding Expenditure 2008/2019



Total Projected Roding Revenue 2008/2019



Key Issues

- The District has an aging network of sealed roads, many of which were built during a peak period in the 1960's and 1970's. These are rapidly coming to the end of their economic lives leading to the need to fund an increase in Pavement Rehabilitation.
- The need to allocate more funds annually for drainage in order to help prolong pavement life.
- The availability of subsidy from NZTA and ability to rate for the rest, largely determines "the size" of the roading programme each year. The Council is not prepared to allocate additional ratepayer funds unless it can be satisfied that NZTA is prepared to pay a fair share.
- The increasing amount of heavy traffic using the network is accelerating the deterioration of the pavements and making the roads feel too narrow in many cases.
- A significant portion of the sealed roads have shoulders that are underwidth by a metre or more.
- General ratepayer expectations, combined with increased tourist use of the network, increases pressure on Council to deliver a higher standard of roading network in terms of driving surfaces, road widths, delineation and signage.
- Cost increases well in excess of what was able to be allowed for in the 2006 Land Transport Activity Management Plan (LTAcMP) have meant that expenditure has failed to keep up with programmed work. This Plan brings the cost of programmed requirements up-to-date which results in a step increase in funding requirements.
- The 2008 financial crisis means that there is significant pressure on Council to keep the rates requirement as low as possible. It also means that the major shortage of construction personnel may ease and present a window of opportunity to get work that has been held off or delayed due to lack of resources done.

Activity Description and Service Levels

1. Introduction

1.1 Background and Rationale for the Council's Involvement

The term 'land transport' means¹:

- i) Transport on land by any means*
- ii) The infrastructure, goods and services facilitating that transport, and*
- iii) Includes coastal shipping (including transport by means of harbour ferries, or ferries or barges on rivers or lakes)"*

The reason why the Council is engaged in the activity is:

- a) Because the provision of an integrated, safe, responsive and sustainable land transport system is a fundamental requirement for every District; and
- b) Because the Council is the road controlling authority under the Local Government Act 1974, with responsibility for all of the local roads in the area.

The activities that the Southland District Council undertakes on its roading network are required to fit within the Regional Transport Strategy (RTS), which in turn is required to comply with the New Zealand Transportation Strategy (NZTS) and Government Policy Statement (GPS).

This Plan has been developed in an attempt to comply with these requirements and to be consistent with the Southland Regional Land Transport Strategy and Council's Roothing Policy. The Plan generally conforms with the targets of the August 2008 GPS but the Government are reviewing this at present and changes required as a result of this review will be incorporated into the final document (if necessary). One item added to cover the NZTS expectations is an amount to develop a strategy to comply more fully with the active transport and public transport expectations.

Due to the development time involved in pulling this Southland District Council Land Transport Activity Management Plan together and the concurrent development of some of the other documents above, the Plan can only attempt to comply as fully as possible based on the knowledge at the time of writing the Plan. The final version of the Plan will need to be reviewed and refined where needed for consistency against these other documents.

For the purposes of this Southland District Council plan the activities related to rail transport have not been covered as Southland District Council have no involvement or influence over them.

The roading network that the Council manages comprises all of the roads, streets and bridges in the District, except the State Highways (which are owned and managed by Transit New Zealand) and National Park roads (which are owned and managed by the Department of Conservation).

¹ Reference: Section 2, Land Transport Management Act 2003.

Footpaths are also covered in the Plan. These are all owned by the Council but managed by Community Boards.

Table 1 illustrates the 'size' of the activity.

Table 1 The 'Size' of the Land Transport Activity (as at 30 June 2008)

Population Served (2006 Census)	28,440
Length of:	
a) Roads – Sealed (km)	1,959
– Unsealed (km)	3,002
Total (km)	4,961*
b) Footpaths (km)	191
c) Bridges (no.)	860
d) Stock Underpasses (no.)	138
e) Street Lights (no.)	2,416
f) Estimated Distance Travelled on the Network Each Year (million kms)	228
g) Book Value 2008 (\$m) including land value	1,107*

The Council 'owns²' all of these roads, and they are managed in nine separate groups.

Table 2 describes the groups, and shows the length of roads in each.

Table 2 Roads in Hierarchical Order – Length (km)

ARAMP Group	Central Area	NW Area	SE Area	Joint Bdy Rds Maintained by others	Totals
Group 1 ADT 800+	41.4	9.7	45.9	0.0	97.0
Group 2 ADT 400-799	118.3	143.7	125.1	6.3	393.4
Group 3 ADT 200-399	194.6	101.2	142.2	2.1	440.1
Group 4 ADT 50-199	435.6	366.9	172.1	2.5	977.1
Group 5 ADT 0-49	24.8	12.4	13.2	1.3	51.8
Sealed Roads Sub Totals	814.7	633.9	498.6	12.2	1959.3
Group 7 ADT 80+	73.8	97.3	85.5	0.0	256.6
Group 8 ADT 20-79	625.7	528.2	528.4	11.0	1693.3
Group 9 ADT 0-19	331.9	381.6	298.3	14.4	1026.2
Group 10 Tracks	5.7	13.3	6.9	0.0	25.9
Unsealed Roads Sub Totals	1037.2	1020.3	919.2	25.4	3002.1
Totals	1851.9	1654.2	1417.8	37.6	4961.4

ADT – Average daily traffic

Table 3 shows the size, make up and location of the footpath network.

² Pursuant to the provisions of Part XX of the Local Government Act 1974, the ownership of all local roads is vested in the territorial local authority.

Table 3 Footpath Network (as recorded at 30 June 2008)

Town	Asphaltic Concrete		Concrete		Dense Graded Emulsion Mix		Interlocking blocks		Metal		Seal		Other		Totals	
	m2	m	m2	m	m2	m	m2	m	m2	m	m2	m	m2	m	m2	m
ATHOL															0	0
BALFOUR			4,616	2,732			7	3							4,623	2,735
BROWNS	291	107							894	445					1,184	552
COLAC BAY	2,047	834	942	707											2,989	1,541
CURIO BAY															0	0
DIPTON															0	0
DRUMMOND															0	0
EDENDALE	1,707	841	13,629	6,876					1,852	1,060					17,188	8,777
FORTROSE															0	0
GARSTON															0	0
GORGE ROAD	215	122	126	60					299	199					639	381
LIME HILLS															0	0
LUMSDEN	2,077	777	3,905	1,946					1,474	638					7,456	3,361
MAKAREWA WORKS*															0	0
MANAPOURI	180	136	7,396	5,186					3,489	2,587					11,065	7,909
MONOWAI															0	0
MOSSBURN	325	165	5,047	3,383					136	66					5,509	3,614
NIGHTCAPS	70	34	8,098	4,146					1,182	372					9,351	4,552
OHAI	36	21	9,784	5,557							147	85			9,968	5,663
ORAWIA															0	0
OREPUKI	897	297	695	617											1,593	914
OTAUTAU	3,266	1,721	17,301	9,256			228	69	572	402					21,368	11,448
RIVERSDALE	724	319	4,350	2,523					127	66					5,200	2,908
RIVERTON	5,453	1,976	16,971	12,975			16	5	6,750	4,919	1,572	625	286	148	31,048	20,648
RURAL	2,494	1,038	2,802	1,997					1,801	647					7,096	3,682
STEWART ISLAND			462	339			1,194	598	122	112	298	232			2,076	1,281
TE ANAU	14,006	7,712	70,619	42,761			12,330	6,049	217	115					97,172	56,637

Town	Asphaltic Concrete		Concrete		Dense Graded Emulsion Mix		Interlocking blocks		Metal		Seal		Other		Totals	
	m2	m	m2	m	m2	m	m2	m	m2	m	m2	m	m2	m	m2	m
THORNBURY			1,250	833											1,250	833
TOKANUI	623	324	39	13					1,054	460	1,062	470			2,777	1,267
TUATAPERE	1,713	533	13,192	8,136			24	8	868	291	567	151			16,363	9,119
WAIANIWA			300	100											300	100
WAIKAIA			850	367							291	101			1,141	468
WAIKAWA									71	59					71	59
WAIMAHAKA															0	0
WAIRIO															0	0
WALLACETOWN	705	232	2,223	1,289											2,928	1,521
WINTON	25,162	11,342	6,167	3,068	4,746	2,266	524	147	25,288	11,480	3,231	1,429			65,117	29,732
WOODLANDS	286	175	366	188					1,247	553	360	90			2,259	1,006
WYNDHAM	7,199	2,923	15,342	7,429					368	201	249	113			23,158	10,666
Totals	69,475	31,629	206,472	122,484	4,746	2,266	14,324	6,879	47,810	24,672	7,776	3,296	286	148	350,888	191,374

1.2 How Land Transport Services Delivered

The service is managed by staff employed by the Council, assisted by MWH (New Zealand Limited) as the Council's principal professional services advisor.

The physical work to maintain and operate the roading network has been outsourced to private contractors. There are three separate network contracts:

- a) For the North Western Area (Te Anau, Five Rivers, Waikaia and Tuatapere Wards)
- b) For the Central Area (Wallace, Winton, Riverton and Wallacetown Wards)
- c) For the South Eastern Area (Toetoes, Waihopai, Te Tipua and Stewart Island Wards)

Most renewal and new capital work is let on a competitive tender basis.

1.3 Community Outcomes to Which the Land Transport Activity Primarily Contributes

The community outcomes to which the land transport activity primarily contributes (and how it contributes) are shown in Table 4.

Table 4 Community Outcomes to which the Land Transport Activity Primarily Contributes
(Primary Outcomes shown in italics)

Community Outcome(s)	How the Land Transport Activity Contributes
Outcome 1 Southland is a great place to live	Roads provide access to activities and facilities. Footpaths, walkways and cycleways also provide for recreational activities.
<i>Outcome 2</i> <i>A diverse economy built from our strengths, for growth and prosperity.</i>	
2.1 <i>We have quality infrastructure with potential for growth.</i>	<i>The roading network provides access throughout the District which enables businesses and the local economy to operate easily. Roads provide a corridor for the efficient movement of goods and services. Vehicle parking improves ease of access to retail, commercial, industrial areas. Footpaths also provide a defined corridor for people to move around and access services and facilities.</i>
<i>Outcome 3</i> <i>Safe places in a caring society that is free from crime.</i>	
3.1 <i>We have safe roads.</i>	<i>Road design, maintenance, street lighting and roadside pest plant control all aim to improve the safety of roads. Footpaths and walkways also separate pedestrian and vehicular traffic. Road safety programmes also raise public awareness of road safety such as seat belts, signage and driving conditions.</i>
Outcome 4 We are healthy people	
4.1 We are able to live healthy lifestyles	Active transport methods such as walking and cycling help people to be active and healthy.
4.3 We live in a compassionate caring community	The total mobility scheme provides affordable transport options for less mobile members of the community and provision of disabled parking spaces also improves accessibility for this portion of the community.
4.4 We have equity of access to	A well maintained road network provides a speedy corridor for emergency

Community Outcome(s)	How the Land Transport Activity Contributes
health services	services to respond to emergencies and also makes it easier for residents across the District to access local, district or national health services.
Outcome 6 A treasured environment which we care for and which supports us now and into the future	
6.2 We have a healthy, safe and accessible built environment	The road network provides a controlled and managed transportation system which improves the ability to access the built environment and the safety of moving around it. Set standards for new developments under the District Plan ensure that new roading, footpaths and street lighting is also safe and accessible.
6.3 We have an environment protected from the negative effects of human activities	The roading network provides a defined corridor for vehicles which prevent them from using other open spaces and causing environmental damage as a result. Environmental impacts are considered in making maintenance and renewal decisions.
Outcome 7 7. A well-educated and skilled community continually seeking further opportunities to learn	
7.1 We have accessible learning opportunities	The Council provides funding to and works together with Road Safety Southland to educate road users to reduce deaths and injuries in Southland. Projects involve working with local schools and communities to improve driver behaviour, traffic flow, volumes and drop-off/pick-up areas, pedestrian crossings and general road safety awareness. Council also undertakes activities to improve awareness of road safety through articles in its magazine.

1.4 The Activity Goal, Principal Objectives, and Levels of Service

The Council has two principal land transport responsibilities:

- a) To act as service provider for the transportation network (including Active Transport), and
- b) To work with NZTA and the New Zealand Police and others regarding the safe use of roads.

In order to ensure that it is able to carry out these responsibilities in the most effective and efficient manner, a lot of work has been done to define what the land transport goal and principal objectives (and what the Council's strategic approach for achievement of them) should be. As a result of:

- a) The extensive public consultation that has taken place over the years, including the feedback received:
 - i) In response to Annual Plans
 - ii) From sessions that were held around the District to discuss future levels of service during 2005, and
- b) The feedback received by way of the requests and complaints that are continuously being received; plus

Taking into account the forward planning that is constantly being done (often in consultation with the affected and / or interested parties at the various stages in the decision-making process), the Council believes that the following summarises the main things that the ratepayers and residents expect it to be doing.

a) **Goal**

That the Council:

Will plan, provide, maintain, develop and improve a roading network that enables people to move, and goods to be moved:

- Conveniently
- Comfortably
- Safely, and
- Efficiently

b) **Principal Objectives**

That the Council's principal objectives in its effort to achieve this goal will be:

- i) To provide a quality service
- ii) To ensure that the roads are adequately maintained – so that their service capacity and long-term integrity is not reduced
- iii) To properly anticipate the time when it may be necessary to extend or upgrade existing roads, or build new roads – and to plan and provide for the identified future needs accordingly
- iv) To have a sound management regime for all matters relating to the provision of an appropriate, effective, sustainable, thoroughly integrated, land transport network for the District

c) **Levels of Service**

Expressed more precisely, the ratepayers and residents have indicated to the Council that they expect it to be concentrating on the following:

- i) Maintain the assets so as to achieve the least whole of life cost
- ii) Renew the assets at the optimal time
- iii) Upgrade the roads to current standards when it is economical to do so
- iv) Ensure that all subdivision roads are constructed to Council standards
- v) Maintain an efficient arterial network
- vi) Improve road user safety by education, engineering and appropriate enforcement
- vii) Plan for localised expansion
- viii) Manage the network so that it operates safely and efficiently, and
- ix) Maximise the amount of subsidy that is available from NZTA

d) **Compliance with NZTS and GPS**

Council is now required through the updated New Zealand Transportation Strategy (NZTS) and Government Policy Statement (GPS) to develop and submit its programmes through the Regional Transport Committee. These programmes are required to comply with the NZTS and GPS.

This Plan has been developed to comply with these requirements and to be consistent with the Southland Regional Land Transport Strategy and Council Roading Policy.

Due to the development time involved in pulling this Southland District Council Land Transport Activity Management Plan together and the concurrent development of some of the other documents above, the Plan can only attempt to comply as fully as possible based on the knowledge at the time of writing the Plan. In future the Plan will need to be reviewed for consistency against these other documents.

1.5 Development of this Plan

This Land Transport Activity Management Plan (LTAcMP) has been developed as a joint project between Southland District Council and MWH New Zealand Ltd (Council's Network Engineering Consultant).

The Plan has updated the 2006 Plan to take account of changes to the network, the pressures and expectations on the network, current costs, and feedback from an audit of the 2006 Plan to improve the document.

Aspects of the update have been rewritten by staff from both organisations and all have been reviewed, modified and accepted by Southland District Council's Asset Manager Roading prior to discussion with Southland District Council's executive members and passing onto Council for review and feedback.

Apart from the full plan being reviewed and adopted by Council, specific aspects have also been taken to Council meetings for feedback and approval.

The dates of the Council reviews and adoptions are summarised on the Activity Plan control sheet. The Plan will continue to be a living document with further changes possible as a result of the public consultation process, changes brought about by the new GPS and as information comes to hand which either confirms or dispels the assumptions made throughout the development of this LTAcMP.

Throughout this Plan there are improvements listed that can be made. These are brought together in an overall improvement plan which will be progressively worked on (as resources and budget allow) over the next three years in the lead into the 2012 LTCCP.

2. Future Performance Measures and Targets, and Linkage with Community Outcomes

Before proceeding to explain what the Council proposes to do in the ten year period ahead, it is necessary to identify a set of performance measures and targets.

The purpose of this is to establish a base against which the progress that is being actually made in the future, towards achievement of the things the ratepayers and residents have said they want, will be able to be measured and judged.

The proposed performance measures and targets are listed in Table 5.

The Council is required to monitor, and to not less than once every three years, report on the progress that is being made by the community in achieving the community outcomes for the District.

The extent to which the land transport activity is contributing towards the achievement of those outcomes to which it primarily contributes will also be reported in the manner shown in Table 5.

Table 5 Proposed Performance Measures (Refer to Table B.1 in Appendix B for more detail on these measures)

Primary Outcome: A diverse economy built from our strengths for growth and prosperity								
Intermediate Outcome: We have a quality infrastructure with potential for growth								
id	What Council will provide		How Council will measure the service provided					
	Category	Level of Service	Key Performance Indicator	Actual	Our Targets			
				07/08	09/10	10/11	11/12	2012-19
LT02	Customer (LTCCP measure)	Roads to provide a smooth and comfortable ride quality	Response to defects identified by customer service request system within timeframes (as measured by the time between receiving the complaint and the time that the customer is advised of response being taken)	54% <i>(previous 12-months quarterly results to be presented in future AMPs)</i>	70%	75%	85%	95%
LT03	Technical (LTCCP measure)	Roads to provide a smooth and comfortable ride quality	Percentage of requests to fix roading surface faults are completed within the timeframe specified in contracts	76% <i>(previous 12-months quarterly results to be presented in future AMPs)</i>	75%	80%	85%	100%
LT04	Customer (LTCCP measure)	Roads to be maintained to an appropriate standard	Percentage of residents that agree that sealed roads are adequately maintained	76%	75%	75%	75%	75%
LT05	Technical (LTCCP measure)	Roads to be rehabilitated to avoid catastrophic failures	Length (or percentage) of the roading network rehabilitated this year compared with targets	55%	100%	100%	100%	100%
LT07	Technical (LTCCP measure)	Roads to be resealed to avoid catastrophic	Length (or percentage) of the roading network resealed this year compared with targets	74%	100%	100%	100%	100%

Primary Outcome: A diverse economy built from our strengths for growth and prosperity									
Intermediate Outcome: We have a quality infrastructure with potential for growth									
id	What Council will provide		How Council will measure the service provided						
	Category	Level of Service	Key Performance Indicator	Actual	Our Targets				
				07/08	09/10	10/11	11/12	2012-19	
	measure)	failures.							
LT11	Customer (LTCCP measure)	Footpaths to be provided where needed - wide enough to carry the users, and free of overhanging obstructions.	Percentage increase of resident satisfaction with footpaths over the previous year.	An increasing five year trend	An Increasing Trend	An Increasing Trend	An Increasing Trend	An Increasing Trend	
LT12	Technical (AMP measure)	Roadside pest plants to be kept under control	Percentage of roads free of pest plants	95% <i>(previous 12-months quarterly results to be presented in future AMPs)</i>	90%	90%	90%	90%	
LT14	Technical (AMP measure)	Lighting issues, queries and faults to be dealt with in a timely fashion.	Percentage of requests to fix street lights are completed within timeframes specified in the contract.	69% <i>(previous 12-months quarterly results to be presented in future AMPs)</i>	70%	75%	80%	90%	
LT15	Technical (AMP measure)	The local road network to be continuously upgraded, developed and improved to properly taking into	All capital works (both 'new capital' and renewals) for which financial provision was made during the year were actually completed, to the predetermined scope and standards within their	82%	100%	100%	100%	100%	

Primary Outcome: A diverse economy built from our strengths for growth and prosperity								
Intermediate Outcome: We have a quality infrastructure with potential for growth								
id	What Council will provide		How Council will measure the service provided					
	Category	Level of Service	Key Performance Indicator	Actual	Our Targets			
		account the forecasted future demand	respective approved budgets, during the year	07/08	09/10	10/11	11/12	2012-19
LT16	Technical (AMP measure)	Expenditure to be within the approved budget for the year.	Actual cost versus budget	Within budget	Within +1% and -3% of the budget	Within +1% and -3% of the budget	Within +1% and -3% of the budget	Within +1% and -3% of the budget
LT17	Technical (AMP measure)	All requests / complaints to be answered promptly. (Every letter to be given a formal written reply).	% of the requests for service in Worksmart with no outstanding actions over three months.	New Measure	95%	95%	95%	95%

Primary Outcome: Safe places in a caring society that is free from crime								
Intermediate Outcome: We have safe roads								
id	What Council will provide		How Council will measure the service provided					
	Category	Level of Service	Key Performance Indicator	Actual	Our Targets			
				07/08	09/10	10/11	11/12	2012-19
LT01	Technical (LTCCP measure)	Roads to provide a smooth and comfortable ride quality	Percentage of sealed roads providing a smooth and comfortable ride	95%	95%	90%	85%	85%
LT09	Technical (AMP measure)	Roads to be wide enough for traffic to travel at the designated speed	The length of sealed roads that have sealed widths less than the recommended minimum	75%	73%	71%	69%	Gradual reduction
LT10	Technical (LTCCP measure)	Roads and bridges to provide a safe roading network for all road users	Reducing number of total injury crashes due to road factors (average)	Reducing over five years	A reducing trend	A reducing trend	A reducing trend	A reducing trend
LT13	Customer (LTCCP measure)	To provide an adequate level of street lighting for safe and efficient movement of vehicles, cyclists and pedestrians.	Percentage of residents satisfied with basic lighting levels in urban streets.	86%	80%	80%	80%	80%
LT18	Technical (AMP measure)	To inspect bridges to maintain safety	% required bridge inspections each year	100%	100%	100%	100%	100%
LT19	Technical (AMP measure)	To help direct Police efforts to areas of highest need in road safety within the District	% of total Police hours programmed for safety within the Southland District are delivered	New Measure	100%	100%	100%	100%

Primary Outcome: Safe places in a caring society that is free from crime

Intermediate Outcome: We have safe roads

id	What Council will provide		How Council will measure the service provided					
	Category	Level of Service	Key Performance Indicator	Actual	Our Targets			
				07/08	09/10	10/11	11/12	2012-19
LT20	Technical (AMP measure)	Roads to comply with delineation standards	% Compliance with contract delineation standards for each group of roads	New Measure	100%	100%	100%	100%
LT21	Customer (AMP measure)	Roads to provide a smooth and comfortable ride quality	KPI 1.1 -> % sealed roads providing a smooth & comfortable ride. Frequency = 6 monthly	New Measure	95%	95%	95%	95%
LT27	Technical (LTCCP measure)	Roads to provide a smooth and comfortable ride quality	KPI 2.1 -Percentage of gravel road tests where the roughness of the road does not meet acceptable standards	New Measure	95%	90%	85%	85%
LT77	Technical (AMP measure)	Assistance is provided for people with impairments to get around	Funding assistance provided for transport within Southland via the Total Mobility initiative	New Measure	Yes	Yes	Yes	Yes

Just reporting against these measures each year in isolation can however, be a relatively meaningless exercise. It is often not the result for the year that matters, so much as the longer-term trends – whether the performance over time is getting better or is worse. The Council intends therefore to issue the results in a graphical form each year.

There will undoubtedly be times when there are quite valid reasons why the ‘wants and needs’ have not been able to be met – and the reasons for that will be explained. On other occasions, it may be that there is no justifiable reason for the ‘failure to perform’. The Council is committed to being totally open and honest when that happens too – and when it does, to putting in place steps to make sure that it does not happen again.

In summary, the measures in Table 5 have been carefully selected to enable any interested person to readily see the extent to which:

- a) The roads are being properly maintained for the long-term, and are safe.
- b) Upgrading and development work is being carried out when it is due.
- c) The service is being provided for a reasonable cost, and costs are being carefully controlled.
- d) Financial assistance is being received from NZTA.
- e) The people are satisfied with the Council’s efforts and the rate of progress that is being made.

Operations, Capital Development and Funding

3. Funding Land Transport Costs – Who Pays?

3.1 Rates

The land transport activity is funded (almost entirely) by way of subsidies from the New Zealand Transport Agency (NZTA), and a combination of a uniform annual charge (for access to the network) and a targeted roading rate that is levied on the land value basis differentially, against all properties in the District.

Councils approach to targeted rating is spelled out in Attachment A, Appendix L.

The basic subsidy rate is currently 54%. This is expected to remain at 54% at least until the end of the 2010/2011 year. With the change of National Government, the issue of funding of roading work is being reviewed which may lead to a change in how local roading is funded. Depending on the outcome of this review, the subsidy rate could go up or down. In the absence of any better information this plan with its 10 year horizon has been based on the assumption that the subsidy rate will remain at 54% throughout the period.

3.2 Development Contributions / Financial Contributions

The Council may require subdividers and developers to pay a financial contribution under the Resource Management Act 1991 towards the capital cost of upgrading works caused by growth.

The amount of the contribution is assessed on a case-by-case basis, up to 50% of the cost of improving roads to cater for additional traffic generated by the development. The amount involved is not expected to be significant over the life of this Plan, and has been allowed for through a nominal annual allowance of \$100,000 for seal extension for Council's share of the costs of improvements.

4. The Proposed Future Financial Programme

4.1 Introduction

Table 6 summarises the proposed future programme (all figures in inflated July 2009 dollar terms)

The main points to note are that over the ten year period 2009/19:

- a) The annual roading 'rate take' requirement is forecasted to have to increase by 7.3% pa (including inflation).
- b) Loan funding/rates smoothing will be used long term to smooth out the initial jump in funding required, leading to a steady increase.

The principal reasons why this is the case are explained through out this document.

Table 6 Forecasted Statement of Financial Performance (\$000) - 2009/19 including inflation
(covers basic subsidised Roothing Activity)

2008/09	Statement of Financial Performance	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Expenditure (\$000)										
	Operating Costs										
9,353	Maintenance Costs (Table E.1)	8,314	8,555	8,920	9,053	9,178	9,493	9,682	9,825	10,061	10,407
	Interest	243	214	184	151	115	82	56	35	22	9
14,984	Depreciation	16,281	16,896	17,522	18,054	18,559	19,056	19,584	20,142	20,728	21,329
337	Overheads & Indirect Costs										
	- Business Unit	425	437	448	459	470	481	493	507	520	535
	- Corporate Overheads allocated	434	473	457	512	432	553	564	566	621	496
24,674	Total Operating Costs	25,696	26,576	27,531	28,228	28,753	29,665	30,380	31,075	31,952	32,775
15,489	Less Activity Income (as described below)	15,805	15,191	15,798	16,089	16,368	16,649	17,133	17,600	18,466	19,426
9,185	Net Cost of Service	9,892	11,385	11,733	12,139	12,385	13,016	13,247	13,475	13,486	13,349
12,296	Renewals (Table F.1.a)	15,953	15,397	15,864	16,176	16,478	16,504	17,081	17,692	18,890	20,095
2,548	New Capital (Table H.1.a)	2,233	2,323	2,523	2,610	2,698	2,785	2,878	2,977	3,078	3,177
1,401	Vested Assets (Table I.1)	463	0	0	0	0	0	0	0	0	0
2,200	Debt Repayment	354	383	413	446	482	326	352	156	168	181
18,445	Total Capital Expenditure and Debt Repayment	19,003	18,103	18,800	19,232	19,657	19,615	20,310	20,824	22,136	23,453
27,630	Total Funding Required	28,895	29,488	30,533	31,372	32,042	32,632	33,557	34,299	35,622	36,802
	Funded By:										
8,929	Rates Income	9,440	10,216	11,056	11,965	12,949	14,014	15,167	16,414	17,764	19,225
3,516	Loans										
214	Reserves	204	600	600	600	600	600	600	600	600	600
0	Rates Reserve	2,984	1,789	1,368	766	-52	-1,025	-1,781	-2,844	-3,456	-4,338
14,984	Unfunded Depreciation	16,267	16,883	17,508	18,041	18,545	19,042	19,571	20,129	20,714	21,315
27,643	Total Funds Provided	28,895	29,488	30,533	31,372	32,042	32,632	33,557	34,299	35,622	36,802
	Activity Income Includes:										
1,401	Vested Assets	463	0	0	0	0	0	0	0	0	0
0	User Fees	53	54	55	57	58	59	61	62	64	65
0	Interest Received	0	0	0	0	0	0	0	0	0	0
350	Petrol Tax	340	351	359	368	376	384	393	402	411	422
13,698	Subsidies and Grants	14,949	14,785	15,383	15,664	15,935	16,206	16,680	17,137	17,991	18,939
40	Other Income	0	0	0	0	0	0	0	0	0	0
15,489	Total Activity Income	15,805	15,191	15,798	16,089	16,368	16,649	17,133	17,600	18,466	19,426
-13	Funding Deficit (Surplus)	0	0	0	0	0	0	0	0	0	0

Notes:

Table includes the Council's Business Units

- 10855 Roothing District Wide
- 11950 Allocations
- 721 Roothing/Bridging

Local Community costs are excluded.

- Figures beyond 2019 not included as not all are available.
- See Appendix F for notes relating to Renewals and New Capital.
- Historic costs have been excluded from this table as they have not been collected in a format which fits in to this table.
- Vested Asset dollars are all at replacement cost.

Inflation has been included in all figures in the above table. Details of the inflation rates allowed for are provided in Appendix R, Attachment G.

Reliability of Financial Forecasts

As with all forecasting, a series of assumptions and estimates are required to be made to enable the forecasts to be developed. These are covered in detail throughout this Plan but the following table sets out an estimate of the degree of reliability associated with major aspects of the plan.

Issue	Reliability *	Area Covered in Plan
Programmes of Renewals (excluding Rehabilitations)	High	Throughout Appendix F
Pavement Rehabilitation Programmes	Medium	Appendix F Attachment B
Contract Rates in Various Estimates for Programmes	High based on existing rates	Throughout Appendix E, F and H
Potential Effects of Cost Fluctuations on Costs of Roading Works	Low (very hard to predict)	Appendix R Attachments A and G
General Assumptions	As shown Table R.A.1	Appendix R Attachments A and G

* Reliability Rating

High

Medium

Low

Basis of Rating

Forecast funding is based on existing rates with allowances for inflation based on general assumptions.

Forecast funding is based on existing rates with allowance for inflation but external influences outside our control are likely to have an effect.

External influences are the primary driver for changes that are outside the control of Southland District Council.

Table 7 Inflation Indices

Financial Year	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
% Annual Increase	5.7	4.9	3.8	5.0	3.3	2.9	2.9	2.4	2.3	2.2	2.3	2.4	2.4	2.2

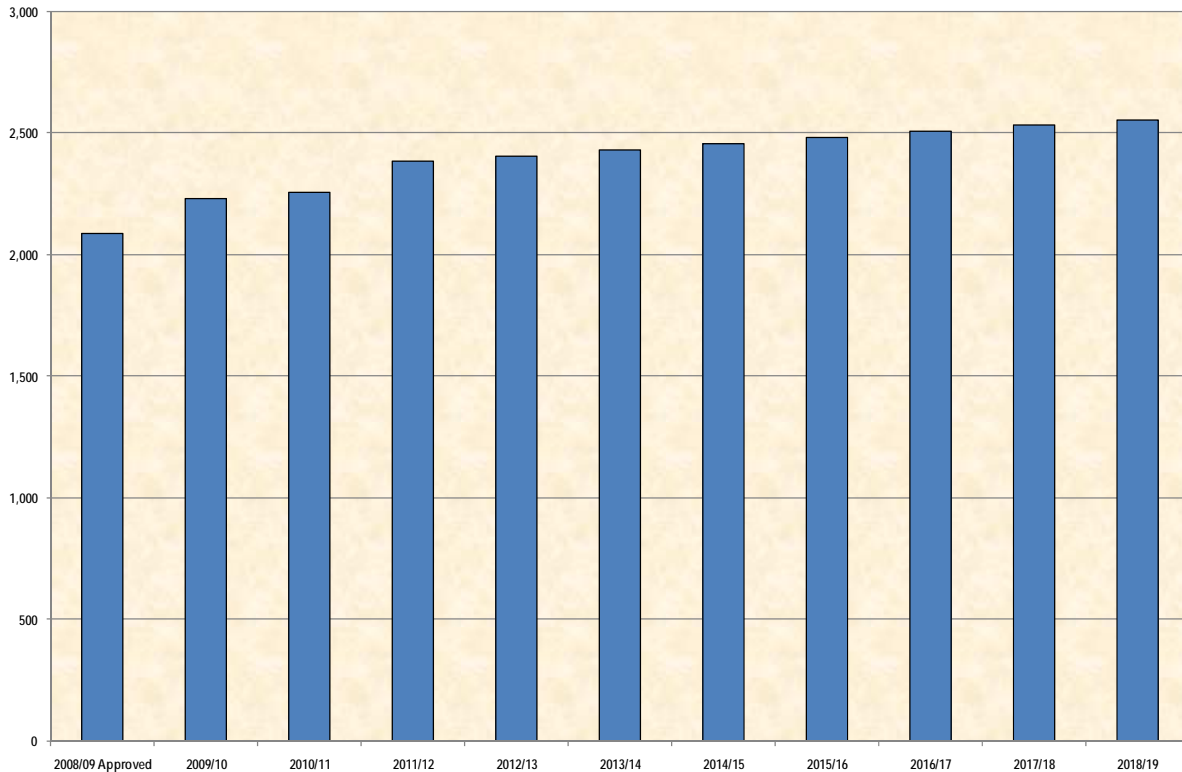
The inflation figure for the year shown has been applied from the start of the year.

4.2 New Capital Expenditure

The key aspects of the proposed new capital development programme are discussed first, because the size and content of it influences the amount that has to be budgeted annually for operating costs. It has depreciation and maintenance implications.

A detailed breakdown of the proposed new capital works programme is in Attachment 'B', and is illustrated in summary form in Table 8.

Table 8 Proposed New Capital Works Programme - 2009/19



The main points to note in Table 8 are:

- The major components of New Capital Expenditure involve widening of roads and bridges beyond their current widths to improve safety and Levels of Service (LOS)
- Most of the other expenditure is also safety related with minor improvement projects and signs upgrades.
- Drainage improvements and increased loading capacity on bridges increase the LOS provided to users of the network.
- While all of these improvements enhance the network, they also increase the future maintenance liability.

4.3 Renewals Capital Expenditure

As has been explained earlier, renewals capital expenditure is expenditure that is necessary to upgrade, refurbish or replace existing assets with assets of equivalent capacity or performance capability.

Ensuring that renewal work is carried out on the roads when it is due is a very important aspect of land transport management. Whilst there will sometimes be good reasons for deferring work, it can later cost several times what it would have done had it been carried out when it should have been.

A detailed breakdown of the proposed renewals works programme is in Attachment 'C', and is illustrated in summary form in Table 9. Attachment 'C' includes maps showing the draft (as at 9 June 2009) 3 year renewals programme.

Table 9 Estimated Renewals Capital Expenditure – 2009/19

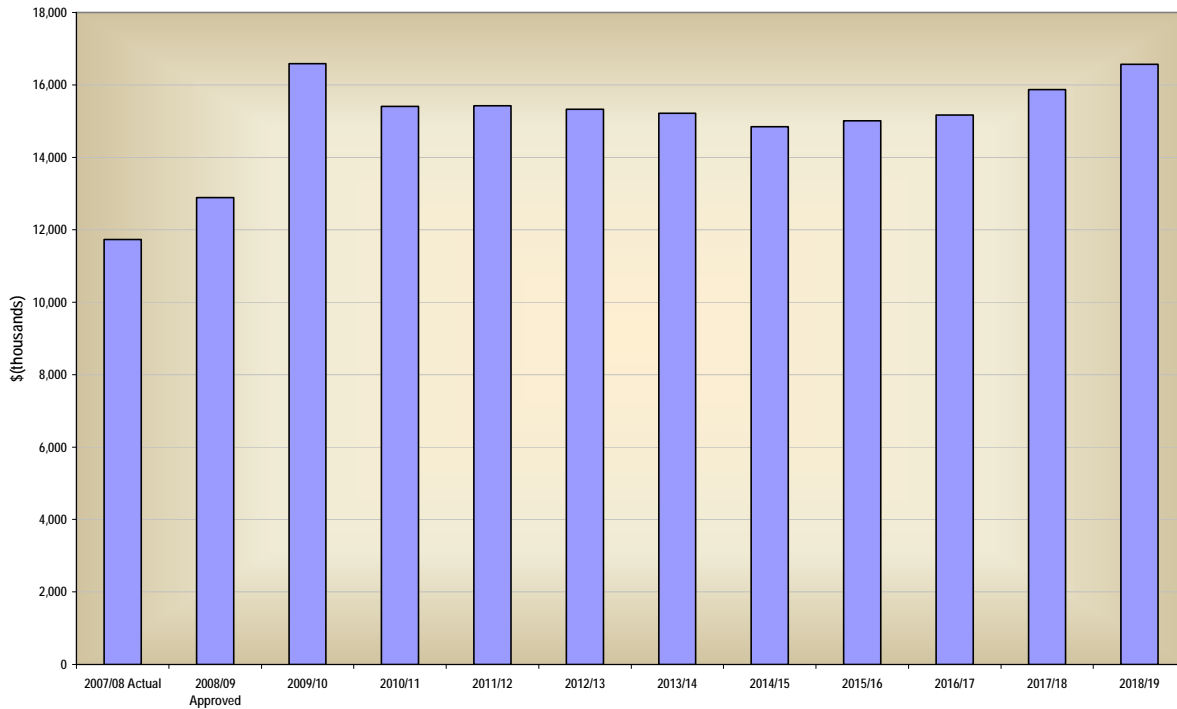


Table excludes footpaths

Renewals are driven by the need to maintain the Level of Service provided by the network as assets wear out and reach the end of their useful lives.

With pavements the renewal programme (pavement rehabilitations) is driven by:

- The rate at which the pavements deteriorate
- The age profile of the pavements (majority built in 1960's and 1970's)
- The increasing heavy traffic damaging the pavement

These factors combine to require an increase in pavement rehabilitations over the current and historic level.

With reseals the renewal programme is driven by:

- The size of the network (this is increasing with seal widenings and past seal extensions)
- The age and size profile of existing reseal treatments
- The age of the pavements meaning that older pavements which are in worse condition need more expensive seal treatments to achieve a reasonable life.
- Traffic loadings with increased stress on seals from heavy traffic leading to use of more expensive two coat seals to withstand the stresses.

The other assets involved in renewals are not expected to vary greatly over the coming 10 year period from current needs.

All renewals are detailed more fully in Appendix F.

4.4 Operating Costs

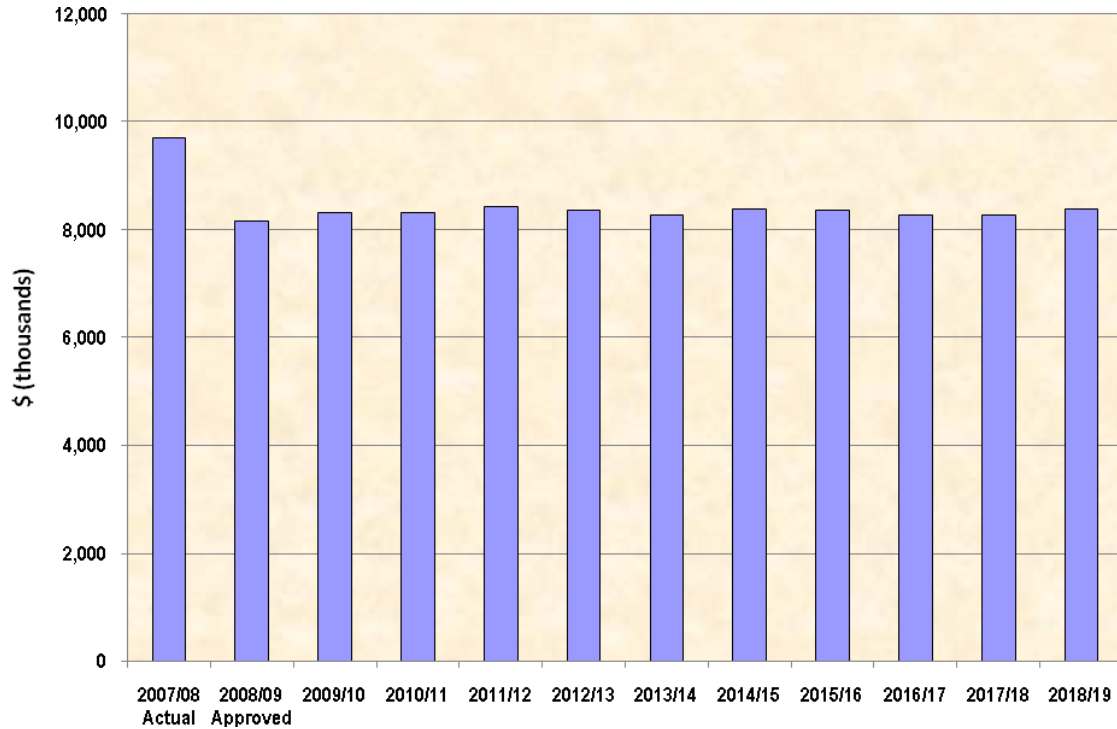
4.4.1 Five Categories of Operating Costs

Operating costs fall under five main headings:

- | | | |
|----|--------------------------------|--|
| a) | Direct Costs: | The cost of work done to actually maintain the roading network. |
| b) | Interest: | The cost of interest on loans that have been raised to finance new capital expenditure. |
| c) | Depreciation: | The annual provision that has to be made to recognise the extent to which the roading assets are wearing out. |
| d) | Corporate Overheads: | The proportion of the general cost of running the whole Council organisation that the land transport activity is required to bear each year. |
| e) | Management and Administration: | The annual cost of managing and administering the land transport activity. |

The forecasted operating costs for the next ten years have been shown earlier in Table 6, and are illustrated in summary form below. A detailed breakdown is in Attachment 'C'.

Table 10 Estimated Maintenance and Operating Costs – 2009/19



4.4.2 Points to Note

The main points to note are:

- Operating costs are “business as usual” with minor allowances made for the maintenance and depreciation on an increasing network.
- Inflation is reflected in these estimated costs.

Environmental Management, Assumptions and Risks

5. Environmental Management

5.1 Sustainability

National

Introduction

There are three principal drivers that require sustainable environmental management and sustainable development to be encompassed in all transportation management in New Zealand. These are;

- the Resource Management Act 1991 (RMA) which has as its purpose “the sustainable management of the natural and physical resources”
- the Local Government Act 2002 (LGA) which has a “sustainable development” driver that requires all actions and programmes to be considered in terms of the four well-beings (environmental, social, cultural and economic)
- The trend of increasing energy costs and the Kyoto Treaty

Sustainable Energy Management (SEM)

As energy prices remain volatile we need to look beyond the basics and find energy efficiencies within the transportation processes to meet the increasing demand for sustainability, greenhouse gas (GHG) reduction and energy efficiency. A focus is required on both behavioural change and capital projects that can increase energy efficiencies while decreasing energy cost and lowering greenhouse gas emissions.

Behavioural changes can result in significant short-term decreases in energy consumption. In the long term, however, capital intensive projects will be required to make significant steps towards achieving greater energy savings and GHG reductions.

A SEM programme for improvement would consist of four phases:

- establishing energy programme criteria
- conducting energy efficiency assessments
- implementing Energy Conservation Measures (ECM's)
- and tracking performance.

The Energy Efficiency and Conservation Authority (EECA) of New Zealand provides assistance with energy studies and SEM work.

Climate Change

Climate change, refer MfE (870). ‘Climate Change Effects and Impacts Assessment: A guidance manual for Local Government in New Zealand’ New Zealand Climate Change Office, Ministry for the Environment, Wellington. May 2008, will have implications for transportation as greater variation in weather patterns is

predicted leading to disruption due to flooding, landslides, fallen trees and lines, direct effects of wind exposure on heavy vehicles, softening of bitumen and changed maintenance needs for public transport (road, rail) infrastructure. A wetter environment will affect the moisture content of roading materials which will lead to more rapid degradation of the road pavement

District

Specific references to sustainable transportation in the Southland District Plan (Operative June 2001) are given in the following Objectives:

- TRAN.1 To mitigate the adverse effects of land use activities on the District's transportation system.
- TRAN.2 To achieve appropriate public safety levels.
- TRAN.3 To ensure the efficient flow of people and goods along the District's transportation routes.
- TRAN.4 To avoid, remedy, or mitigate the adverse effects of transportation activities on the environment, while enabling the continual development and upgrading of the transportation network.
- TRAN.5 To recognise links between the transportation, energy and climatic changes by encouraging development of a sustainable transportation network.
- TRANS.6 To reduce the emission of greenhouse gases which result from transport activities.

Table 11: Sustainability Issues Associated with Land Transport Activity

	Sustainability Issues	RECOMMENDED ACTIONS
Social Well-being	<ul style="list-style-type: none"> • Health and safety risks associated with the construction, maintenance or operation of the transportation infrastructure. • The impact of public health from the reliance of cars. 	<ul style="list-style-type: none"> • Improve safety of the transportation network to reduce the occurrence of crashes. (LT10) • Promote the active transport modes such as walking and cycling.* • Investigate the future demand for public transport services and infrastructure.*
Cultural Well-Being	<ul style="list-style-type: none"> • The loss and degradation of this resource through drainage and pollution. • Excavation of archaeological or waihi tapu site during construction. 	<p>Ensure that:</p> <ul style="list-style-type: none"> • The cultural use values of the site are identified. • The health of the stormwater runoff from roads does not damage cultural sites. • There is a protocol for conserving sites with cultural significance.
Economic Well-Being	<ul style="list-style-type: none"> • Affordability of the transportation network. • The efficiency and safety of the network impacts on the movement of people and freight in the District (delays, level of service). • Sustainable Energy Management. 	<ul style="list-style-type: none"> • Minimise disruption caused from activities on the transportation network. • Ensure that the transportation network operates in an efficient and safe manner for all road users. (LT02) • Behaviour modification (demand management) and energy efficiency required.

	Sustainability Issues	RECOMMENDED ACTIONS
Environmental Well-Being	<ul style="list-style-type: none"> The effects on the environment from discharges of greenhouse gases from maintenance and construction activities of transportation infrastructure. The effects of the construction process including the sourcing and disposing of materials. The effects on the environment from the operation of the transportation network including vehicle emissions and stormwater run off. Carbon Footprint. 	<ul style="list-style-type: none"> Ensure that the health of the stormwater runoff from roads and sediment control does not create further environmental issues in adjacent land and water courses Consider investigating recycling of pavement materials for road maintenance and construction activities. Promote active transport modes that reduce vehicle emissions.*

*Refer to Appendix F Attachment M for further detail on active transport modes. (LTxx refers to Level of Service id in Table B1, Appendix B).

5.2 Significant Negative Effects

Negative effects that the transport activity may have on the social, economic, environmental or cultural well-being of the community include:

- a) The number (and cost) of people killed or injured on roads each year (or whose deaths are attributable to road use).
- b) Excessive noise from busy roads.
- c) The quality of the stormwater from roads that discharges into adjacent coastal or other waters.
- d) The economic cost to the community (or to the National or Regional economy) of road congestion.
- e) The extent to which the roading network impacts on the quality of life of a particular community (or commercial area).
- f) Fumes from motor vehicles.
- g) The amount of carbon footprint of vehicles that use the roads.
- h) The environmental degradation and / or the delay to travel times that can occur when new roads are built, or existing roads are upgraded.
- i) The excessive use by heavy motor vehicles of all types, on local roads.
- j) The deposit of soil and cow excrement on the roads, and the discharge of effluent onto them, from stock trucks.

Table 12 lists those that are potentially relevant to the Southland situation, and identifies the mitigation mechanisms.

Table 12: Potential Negative Effects

Actual or Potential Effect	Mitigation Mechanisms
a) Road Deaths and Injuries	<ul style="list-style-type: none"> • Prepare a 'minor improvement projects' plan each year. • Prepare renewals plans and maintenance plans to address potentially unsafe road surfaces (especially blackspots). • Set appropriate speed limits. • Maintain a road safety strategy and a road safety action plan. Also, a road safety systems policy. • Work closely with NZTA, the New Zealand Police and Road Safety Southland re road user education and policing.
b) Excessive Noise	<ul style="list-style-type: none"> • Install noise barriers where appropriate. • Set appropriate speed limits. • Use appropriate surfacing on busy roads in residential areas.
c) Contamination of Waterways by Stormwater Discharged from Road Surfaces	<ul style="list-style-type: none"> • Ensure proper attention is paid to water run-off / sediment control management when carrying out work on the roads. • Police the discharge of effluent onto the roads from stock trucks (and encourage the provision of disposal facilities at appropriate locations). • Progress roads to grassed shoulders.
d) Dissection of Communities by Road Corridors	<ul style="list-style-type: none"> • Ensure adequate public consultation and proper attention given to the compatibility of main roads and the adjoining neighbourhood when carrying out future planning.
e) Environmental Degradation from Road Construction or Upgrading Works	<ul style="list-style-type: none"> • Consent compliance. • Ensure proper attention is paid to the environmental aspects when designing, upgrading, or new road works.
f) Travel Delays Caused by Road Construction or Upgrading Works	<ul style="list-style-type: none"> • Ensure proper attention is paid to the preparation of, and adherence to, traffic management plans when carrying out upgrading or new road works.
g) Damage / Nuisance Caused to Vehicles by Soil and Cow Excrement on the Roads	<ul style="list-style-type: none"> • Encourage the construction of underpasses in places where stock numbers regularly cross busy roads. • Enforce the Council's bylaw re the removal of soil and other material dropped on roads.

Whilst some of these issues will arise only occasionally, all of the matters listed are just good land transport management practice. The Council's policy is to maintain an ongoing awareness of them (ie use them as a checklist), and to ensure that they are implemented / adhered to, to the extent appropriate, as and when the situation warrants.

Regarding road deaths and injuries, the Council has a comprehensive plan for managing road safety. It:

- Has a safety management system that ensures that its consultants, contractors and it have a consistent, comprehensive, systematic and proactive approach to road safety throughout the District
- Works closely with the New Zealand Police in their traffic enforcement role, and with the other territorial local authorities in the area, and with the health agencies to promote road safety
- Makes submissions to NZTA each year about where available land transport safety funds might best be allocated or targeted for the ensuing twelve month period – relating specifically to the Southland District
- Includes provision for road safety improvements in its Annual Plan each year, and

- e) Makes an annual application to NZTA for financial assistance, under the Government's Community Road Safety Programme

5.3 Property Designations and Resource Consents

Whenever a new road is planned, or a major upgrading is proposed, in addition to promulgating the matter for public discussion via the LTCCP or Annual Plan, the Council's policy is to publicly discuss the matter with affected and interested individuals.

Sometimes, the work will need to be designated in the District Plan or a resource consent will be required. When that happens, concerned people have the statutory right to make a submission, be personally heard, and if still dissatisfied after the Council has made its decision, to appeal to the Environment Court.

6. Significant Forecasting Assumptions, Risk Management, and Management Improvements

6.1 Assumptions

The Council has had to make several assumptions when endeavouring to predict what is likely to happen during the next ten years. The key ones that underlie the financial projections in this plan are listed in Table 13. The Council also has a range of corporate wide assumptions which it has made across all of these activities. These assumptions, detailed separately in the Long Term Council Community Plan, were developed concurrently with this Plan. While this has resulted in variations in the format, analysis and description of the assumptions, the nature of the assumptions listed in Table 13 and the likely impact of these on the activity are consistent with those corporate assumptions.

Table 13 Significant Forecasting Assumptions and Risks / Uncertainties

No.	Assumption	Degree of Risk or Uncertainty	Comments – Including the Likely Impact if the Assumption is Not Realised or is Not Acceptable
1	<u>Storm or Earthquake Damage</u> That there will not be any extraordinary natural event (eg a serious flood or earthquake) during the ten year period, or an extraordinarily bad prolonged winter period, that will cause the Council to incur significant unplanned repair costs.	Reasonably Certain	Significant additional 'one-off' repair costs (and therefore probably higher rates) – although financial assistance from NZTA could be expected.
2	<u>NZTA Subsidies</u> That financial assistance from NZTA will be available to the extent, at the subsidy rate, and at the times, forecasted in this plan.	Medium / High Uncertainty	If financial assistance is not available to the extent that has been indicated in this plan and when required, the Council will have to review the programme – and this may result in certain proposed works being either deferred or deleted, or a greater level of rate input being decided to offset the higher than projected cost increase. Conversely, NZTA may offer a greater level of financial assistance to enable the Council to do more work – but only if there is a greater level of rate input as well. In

No.	Assumption	Degree of Risk or Uncertainty	Comments – Including the Likely Impact if the Assumption is Not Realised or is Not Acceptable
			those circumstances, the Council will have to decide whether to charge more rates or to decline the offer.
3	<p>Inflation and Other Increased Costs</p> <p>All of the figures that are in this Plan (except the total programme figures) have been expressed in July 2009 dollar values.</p> <p>The total roading programme figures include anticipated inflation and any other increased costs (eg increases in the cost of construction index) that are likely to occur during the ten year period.</p> <p>It is assumed that the increases that are actually subsequently incurred will not be more than what it has been forecasted they would be.</p>	Medium Risk	<p>If significant 'higher than forecasted' annual cost increases occur, the Council will have to review the likely preparedness of the ratepayers to pay higher annual rates to accommodate them.</p> <p>If the answer to that question is 'no', the proposed programme will have to be amended – perhaps resulting in a future lower level of service.</p>
4	<p>Heavy Vehicle Impacts</p> <p>That the Council has made sufficient provision in this plan for the impact of heavy vehicles on the roads – especially forestry vehicles and milk tankers.</p>	Medium / Low Risk	<p>Most of the wear and tear on the roads is caused by heavy vehicles – not by cars.</p> <p>In formulating the proposed ten year programme, the Council has done work to forecast what the future likely heavy traffic volumes and the affected routes are likely to be. However, changes in the logging industry's market practices (for instance, changes to the time when the forests are harvested or to the destinations to which the logs have to be taken for processing or sea transport) could mean that these change.</p> <p>Also, the plan does not specifically allow extra costs for the potential of any legislative changes being made to permit trucks with a higher gross laden weight, and possibly longer trucks, on the District's roads.</p> <p>If either of these things happen, the Council may have to review the sufficiency of the annual programme and / or its work priorities.</p>
5	<p>Significant Land Use Changes</p> <p>That there will not be any substantial (either general or localised – eg a new power station or smelter plant) changes to land uses in the District during the ten year period, that have consequential impacts on road use, that have not been foreseen.</p>	Low Risk	<p>If unforeseen land use, of a type that has potential significant effects on road use, occurs, the Council will need to assess the situation.</p> <p>Generally, the likelihood is low.</p> <p>The risk is also minimised by the fact that the Council is able to impose appropriate conditions at the time of resource (or other planning) consent to minimise effects – including the power to require work to be done, or money to be paid, to fund the cost of addressing the direct impacts, and the payment of a financial contribution to address the indirect impacts.</p>
6	<p>Maintenance of the Integrity of the Network</p> <p>That the proposed programme of work will be sufficient to maintain the integrity of the roading network for its useful life (but especially during the ten year period of this plan).</p>	Medium	<p>The programme of works has been developed based on the best available data and knowledge of the current state of the network with a moderate allowance for heavy traffic growth of around 5%. There has been no attempt to be conservative with the projections. Therefore, should traffic growth be greater or the</p>

No.	Assumption	Degree of Risk or Uncertainty	Comments – Including the Likely Impact if the Assumption is Not Realised or is Not Acceptable
			<p>network be in a worse state than allowed for, then a larger programme of work may be required to maintain the network.</p> <p>To cope with this Council may be required to increase rates, utilise loan funding, carry out short term treatments until funding is at a level which matches need or reduce the level of service that it provides to its rate payers.</p>
7	<p>Environmental Considerations That environmental considerations do not lead to a significant increase in road maintenance and construction costs.</p>	Medium	<p>There are ongoing pressures to obtain / use materials for road construction in more environmentally friendly manners.</p> <p>This includes reduced use of gravel from rivers and less use of cutback bitumens which release petro-chemicals to the atmosphere.</p> <p>If less relatively accessible and cheap gravel is available in the future, the options are to increase rates to pay the extra cost, accept a lower level of service, or try to use alternatives such as stabilising existing materials which may come at a higher risk.</p> <p>If cutback bitumens get phased out, the more expensive emulsions will need to be used. Options will need to be sought to keep this cost down as much as possible, and / or accept higher rates or a potentially lower level of service in the future.</p>

6.2 Risk Management

The Council maintains a schedule of all identified risks.

This is kept continuously updated, and a process is in place to improve it and to monitor the effectiveness of the identified mitigation strategies.

6.3 Management Improvement Plan

The Council also has a prioritised plan for improving its management of the whole activity.

Conclusion

Overall the SDC's Transportation network is in good shape and generally satisfies the Levels of Service (LOS) Expectations of the road users. There are a number of significant challenges which Council will have to manage in the future which include:

1. Increasing funding requirements to maintain the existing LOS.
2. Aging pavements leading to a great renewals need.
3. Pressure for seal extensions in tourist areas and from increasing spread of life style blocks.
4. Maintaining safety on the network with increasing use and to meet the Government's 2010 targets.
5. Working with NZTA to ensure fair funding is received to maintain the Southland Network.
6. Working through the step increase in funding required due to the problems caused by using the BERL cost fluctuation forecasts in the 2006 LTAcMP.

Attachment 'A'

Proposed Ten Year New Capital Works Programme

Proposed New Capital Development Programme (\$'000) – 2009/19

2007/08 Actual	2008/09 Approved	Work Category No	New Capital Requirements	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
306	344	211	Unsealed road metalting	299	299	299	299	299	299	299	299	299	299
62	70	213	Drainage New Capital	75	75	75	75	75	75	75	75	75	75
3	0	222	Traffic services New Capital	57	57	57	57	57	57	57	57	57	57
604	600	231	Associated improvements	620	645	670	694	719	744	769	794	818	843
21	62	322	Bridge New Capital	55	55	55	55	55	55	55	55	55	55
0	0	325	Seal extension	100	100	100	100	100	100	100	100	100	100
934	1,009	341	Minor improvements	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027
0	0	451	Pedestrian Facilities	0	0	50	50	50	50	50	50	50	50
0	0	452	Cycle Facilities	0	0	50	50	50	50	50	50	50	50
0	0												
1,930	2,085		TOTALS	2,233	2,258	2,383	2,407	2,432	2,457	2,482	2,507	2,531	2,556
			Inflation Allowances	0	65	140	203	266	328	396	470	547	621
			Total New Capital (incl inflation)	2,233	2,323	2,523	2,610	2,698	2,785	2,878	2,977	3,078	3,177

Excludes Footpaths

Proposed Rooding Related Urban Works New Capital Development Programme (\$1,000) – 2009/19

New Capital Projects	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Footpaths										
BALFOUR	37	0	0	0	0	0	0	0	0	0
COLAC BAY	18	0	0	0	0	0	0	0	0	0
EDENDALE	15	0	0	0	0	0	0	0	0	0
MANAPOURI	250	0	0	0	0	0	0	0	0	0
STEWART ISLAND	10	10	10	0	0	0	0	0	0	0
TE ANAU	70	0	0	0	0	0	0	0	0	0
THORNBURY	6	0	0	0	0	0	0	0	0	0
WALLACETOWN	40	0	40	0	40	0	40	0	40	0
WOODLANDS	7	0	0	0	0	0	0	0	0	0
Kerb and Channel										
MANAPOURI	250	0	0	0	0	0	0	0	0	0
NIGHTCAPS	0	0	50	0	10	0	0	0	0	10
TUATAPERE	3	3	3	3	3	3	3	3	3	3
WALLACETOWN	0	0	50	0	0	50	0	0	50	0
WINTON	5	5	5	5	5	5	5	5	5	5
Street Lights										
RIVERTON	1	1	1	1	1	1	1	1	1	1
STEWART ISLAND	12	0	8	0	0	0	0	0	0	0
TE ANAU	10	10	0	0	0	0	0	0	0	0
Totals excluding inflation	733	28	166	8	58	58	48	8	98	18

Attachment 'B'

Proposed Ten Year Renewals Capital Works Programme

Including Maps of Draft 3 Year Renewals Programme

(not currently provided – to be included in
final version of Plan)

Estimated Renewals Expenditure Required (\$'000) – 2009/19

2007/08 Actual	2008/09 Approved	Work Category No	Renewals By Type	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
2,756	3,096	211	Unsealed road metalling	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690
3,853	4,341	212	Sealed road resurfacing	5,336	5,336	5,336	5,103	4,870	4,404	4,404	4,404	4,870	5,336
62	70	213	Drainage renewals	75	75	75	75	75	75	75	75	75	75
4,193	4,002	214	Pavement rehabilitation	4,241	4,411	4,580	4,750	4,920	5,089	5,259	5,428	5,598	5,768
0	0	215	Structures Component Replacements	250	250	100	100	100	100	100	100	100	100
56	9	222	Traffic services renewals	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021
188	558	322	Bridge renewals	495	495	495	495	495	495	495	495	495	495
623	673	341	Minor improvements	685	685	685	685	685	685	685	685	685	685
0	140		Stewart Island Storm Damage/Slips	1,160	0	0	0	0	0	0	0	0	0
11,731	12,889		TOTALS	15,953	14,963	14,982	14,919	14,856	14,559	14,729	14,898	15,534	16,170
			Inflation Allowances	0	434	882	1,257	1,622	1,945	2,352	2,793	3,355	3,925
			Total Renewals (incl inflation)	15,953	15,397	15,864	16,176	16,478	16,504	17,081	17,691	18,889	20,095

Notes relating to Table F.1.a:

- Costs based on programmes set out in attachments to Appendix F.
- Gravel road renewals based on estimated assessments of underpinned and additional negotiated quantities provided for under maintenance contracts. 90% of costs taken as renewals and 10% as new capital reflecting width, strength and shape improvements.
- 90% of bridge replacement costs taken as renewal with the rest taken as new capital to allow for those bridges which are replaced with two lanes rather than the existing one or with a higher load carrying capacity than the original design loading.
- Drainage costs are split 50% renewals/50% new capital.
- The age profile of streetlights is such that few renewals are expected.
- Table excludes Footpaths.
- All Physical Works costs include fees.
- Cost fluctuations not included in figures above.
- Forward projected budgets based on costs assessed as at 1 July 2009.
- Minor Improvements calculated as 8% of Maintenance and Renewals Expenditure. The total is split 40% to Renewals and 60% to New Capital
- Figures are assessed in July 2009 dollars. Inflation is added to the combined total using the rates described in R.G.2.

**Estimated Renewals Expenditure Required for Roading Associated
Urban Works (\$1,000) – 2009/19 (Excludes Inflation)**

Renewals Requirements	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Footpaths										
EDENDALE	10	10	10	10	10	0	0	0	0	0
OHAI	4	3	3	3	3	3	3	3	3	3
OTAUTAU	10	10	10	10	10	10	10	10	10	10
RIVERTON	40	40	40	40	40	40	40	40	40	40
TE ANAU	15	15	0	0	0	50	50	50	50	50
TOKANUI	5	5	5	5	5	0	0	0	0	0
TUATAPERE	60	0	0	0	15	15	15	15	15	15
WINTON	100	0	0	250	0	0	0	0	0	0
WYNDHAM	3	3	3	3	3	3	3	3	3	3
Kerb and Channel										
TE ANAU	180	7	7	0	0	0	0	0	0	0
Totals Excluding Inflation	427	93	78	321	86	121	121	121	121	121

Note:

- Long term programme not fully known at this stage.
- The financial information relating to footpaths is allowed for in the Local Community Budgets.
- Table excludes inflation.

Attachment 'C'

Detailed Breakdown of Projected Operating Costs

Estimated Maintenance & Operating Costs (\$'000) – 2009/19

Excluding – Depreciation
– Loan Interest
– Footpaths

2007/08 Actual	2008/09 Approved	Work Category No	Maintenance and Operating Cost	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
0	0	2	Studies & Strategies	120	120	150	75	0	100	75	0	0	100
2,964	3,180	111	Sealed pavement maintenance	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272
1,736	1,158	112	Unsealed pavement maintenance	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863
861	575	113	Routine drainage maintenance	588	588	588	588	588	588	588	588	588	588
379	545	114	Structures maintenance	539	539	539	539	539	539	539	539	539	539
1,522	510	121	Environmental maintenance	525	525	525	525	525	525	525	525	525	525
1,111	1,078	122	Traffic services maintenance	245	245	245	245	245	245	245	245	245	245
0	0	124	Cycle Path Maintenance	0	0	15	15	15	15	15	15	15	15
16	25	131	Level crossing warning devices	25	25	25	25	25	25	25	25	25	25
0	0	141	Emergency reinstatement	0	0	0	0	0	0	0	0	0	0
1,100	1,078	151	Network and asset management	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132
0	0	511	Bus Services	0	0	15	15	15	15	15	15	15	15
0	0	514	PT Operations & Maintenance	0	0	50	50	50	50	50	50	50	50
0	5	517	Total Mobility	5	5	5	5	5	5	5	5	5	5
9,689	8,154		TOTALS	8,314	8,314	8,424	8,349	8,274	8,374	8,349	8,274	8,274	8,374
			Inflation Allowances	0	241	496	703	903	1,119	1,333	1,551	1,787	2,033
			Total Maintenance (incl inflation)	8,314	8,555	8,920	9,052	9,177	9,493	9,682	9,825	10,061	10,407

Note:

- Most of the maintenance activities are flat lined as the network is not growing sufficiently, through the addition of vested assets, to produce a significant increase in maintenance costs. It is also assumed that increasing renewals expenditure will be sufficient (pavement rehabilitations, gravel roading metalling, reseals) to keep up with the extra degradation on the network so that maintenance expenditure can stay reasonably constant.
- Special Purpose Roads (SPR) are excluded from all tables as these are funded separately at 100% subsidy by NZTA. The only SPR in the District is now the Lower Hollyford Road (16kms of gravel road). This is maintained under a separate maintenance contract (part of the Milford Road State Highway contract) and a separate Professional Services agreement. Costs are therefore passed directly on to NZTA.
- The total expenditure on maintenance on SPR is of the order of \$75,000pa. Given the relatively small amount spent and the special nature of this road with its 100% subsidy, this expenditure has not been included in the figures in Table E.1 above.
- Only the subsidised portion of street cleaning is included under Environmental Maintenance in the above table. The rest of the cost is covered in individual Community Board budgets.
- Figures are assessed in 1 July 2009 dollars. Inflation is added to the combined totals using the rates described in Table R.G.2.
- Figures for sealed pavement maintenance assume sufficient funding for pavement rehabilitations is maintained to avoid a significant increase in heavy duty maintenance funding.
- Most of Traffic Services are in Traffic Services Renewals.
- The table excludes management and administration costs. These are separately shown on Table M.1. An allowance of 2.25% from these is subsidised by NZTA.
- The above allows to carry out strategic reviews and studies to see how best Active and Passenger Transport can be encouraged and supported within Southland District. An allowance is made to progress these issues through work categories 124, 151, 511, 514, and 517.