

STATEMENT OF COST OF ACTIVITIES

transport

For the year ended 30 June 2011

Actual 30-Jun-10 Cost of Services \$		Note	Actual 30-Jun-11 Cost of Services \$	Annual Plan 30-Jun-11 Cost of Services \$	Variance \$
REVENUE					
1,042,831	Grants and Subsidies	1	959,077	1,043,626	(84,549)
672,439	User Charges		644,493	607,224	37,269
403,793	Targeted Rates		410,408	410,408	–
<u>2,119,063</u>	TOTAL OPERATING REVENUE		<u>2,013,978</u>	<u>2,061,258</u>	<u>(47,280)</u>
EXPENDITURE					
252,158	Personnel Costs		287,076	245,909	(41,167)
2,030,727	Other Operating Expenses	2	1,812,678	2,069,958	257,280
153,422	Support Costs internally allocated to Activity		173,696	160,682	(13,014)
<u>2,436,307</u>	TOTAL OPERATING EXPENDITURE		<u>2,273,450</u>	<u>2,476,549</u>	<u>203,099</u>
–	Less Non-Cash Items		–	–	–
<u>317,244</u>	NET CASH COST/(SURPLUS) OF ACTIVITY		<u>259,473</u>	<u>415,291</u>	<u>155,818</u>
Funded by:					
239,469	Targeted Council Service Rate		207,677	194,773	(12,904)
16,477	Investment Income		58,171	128,454	70,283
61,298	Transfer from/(to) Cash Reserves		(6,376)	92,064	98,440
<u>317,244</u>	TOTAL OPERATING FUNDING		<u>259,473</u>	<u>415,291</u>	<u>155,818</u>
TOTAL OPERATING EXPENDITURE BY ACTIVITY					
388,123	Regional Transport Management		407,653	393,933	(13,720)
2,048,184	Passenger Transport Administration	2	1,865,798	2,082,616	216,818
<u>2,436,307</u>	TOTAL TRANSPORT		<u>2,273,450</u>	<u>2,476,549</u>	<u>203,099</u>

Variance compared to 2010-2011 Annual Plan:

Revenue

1. Grants and Subsidies revenue was under budget as a number of transport projects were not undertaken this financial year. These differences are matched by lower than budgeted passenger transport costs.

Expenditure

2. As described above, Passenger Transport Administration expenditure is under budget due to a number of projects not eventuating during this financial year, these projects are:
- Provision for the CBEC Service in Kaitia as the economic evaluation undertaken did not meet NZTA - \$103,000;
 - Provision for a trial bus service in Hukurangi - \$56,000;
 - Provision for bus shelter maintenance and construction - \$48,000; and
 - Passenger number incentive claims and savings in legal fees - \$32,000.

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The Transport Group of Activities includes the activities:

- Regional Transport Management
- Passenger Transport Administration

Why we do these activities

Regional Transport Management

The overall aim of transport planning is to achieve an affordable, integrated, safe, responsive and sustainable land transport system for the region. The council's regional transport management work includes strategic planning for the future transport needs of the region, and the active operational involvement in regional road safety issues through:

- Convening the Regional Transport Committee, which includes representatives from the regional council, district councils, NZ Police, NZ Transport Agency and others;
- The development, implementation and monitoring of the Regional Land Transport Strategy for Northland;
- The development of the Regional Road Safety Plan; and
- Preparation of the Regional Land Transport Programme.

Passenger Transport Administration

Passenger transport is about providing affordable, safe, integrated, responsive and sustainable transport services to the public. The Northland Regional Council's Passenger Transport Administration activity includes:

- Registration of commercial passenger services;
- Administration of the Whāngārei Urban CityLink bus service;
- Registration and administration of public passenger transport services; and
- Administration of the Total Mobility Scheme for the transport disadvantaged.

The Whāngārei bus service had expenditure of \$1,249,919 against a budget of \$1,354,423. This includes the 50 percent subsidy from New Zealand Transport Agency.

Contribution to community outcomes

Northland residents are safe and healthy by:

- Working in partnership to promote road safety through implementing road safety programmes; and
- Working in partnership to promote the healthy benefits of walking and cycling.

Northland's infrastructure is developed in a sustainable way by:

- Improving roading and other transport infrastructure in Northland;
- Ensuring that the region's transport infrastructure is designed and built to meet future demand, as outlined in the Regional Growth Strategy;
- Providing affordable passenger transport services which reduce demand on roading infrastructure and reduce harmful emissions; and

- Ensuring that the roading network is a key component of a comprehensive transportation system with route security, through implementing the Regional Land Transport Strategy.

Northland is prosperous by:

- Ensuring that the region's transport infrastructure allows for the retention and future expansion of investment in Northland.

Northland has cohesive communities by:

- Improving the integration between land-use and transport planning;
- Providing passenger transport services which assist the transport disadvantaged; and
- Co-ordinating passenger transport services and transport planning efforts throughout Northland.

What we did

The road safety partners have been instrumental in achieving excellent results in recent years in raising road safety awareness and assisting in substantially reducing the annual fatal crash rate and reduced hospitalisations for serious injury across the region. In 2010-2011 there were 14 fatalities on Northland's roads, a 30 year low. Road safety initiatives in the last twelve months included:

- An elevated profile throughout the region with two new fortnightly road safety columns developed in the Whāngārei Report and new six-monthly Regional Road Safety newsletters produced.
- Coffee Brake promotion extended from eight cafes to 23 and an increase in sponsors (milk and coffee suppliers) from seven to 17.
- Northland Road Freight Cluster Group – acknowledged as one of the most effective working groups of its type in NZ at a similar group meeting in Auckland recently – new radio advertisements regarding heavy vehicles developed and aired regularly on radio during last four months.
- New Safe Beach Driving signs developed and deployed around Northland's coastal areas.
- New Safe Beach Driving brochure developed.

The New Zealand Land Transport's mid-term reporting on the 2009-2012 Land Transport Programme for Northland noted the following projects as highlights:

- Sealing and widening of the final 19 kilometres of SH1 from Waitiki Landing to Cape Rēinga has been completed.
- The Bulls Gorge project on SH10 has commenced construction.
- The Kamo Bypass and Spedding Road Link projects are under construction (the NZTA and Whāngārei District Council).
- The Lower Hātea Bridge and Porowini Avenue extension projects have been approved for construction (Whāngārei District Council).

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- Consultation with the community is underway for a number of complementary projects that aim to smooth the flow of traffic through Whāngārei on SH1.
- Northland is one of the few regions to have been allocated (Community Transport) funds, which has enabled some seal extension works in areas of socio-economic deprivation.
- A funding arrangement for the Hokianga vehicular ferry service has been concluded with Far North District, giving greater certainty around NZTA funding.
- A total of \$12.8 million of Crown regional development funding has been invested in Northland to support forestry activities (outside of the NLTP but managed by the NZTA).
- Work is progressing on several HPMV (high productivity motor vehicle) routes to assist economic performance of transport operations in the region.

Stock Truck Effluent disposal facilities

Design works will be complete for the Whāngārei district site in Kauri in August 2011 with consultation underway with the landowner.

The Kaipara district site uses a privately owned facility in Dargaville with site signage erected in July to alert passing stock trucks.

A new facility has recently been constructed at Pakaraka in the Far North using NZTA funding for the construction.

The operating expenditure for these projects in 2010-2011 was \$35,022 against a budget of \$53,242 (included 50 percent NZTA subsidy). The capital expenditure budget of \$90,000 (solely regional council funding) has been carried over to 2011-2012 for the construction phase of the Whāngārei district site at Kauri.

Passenger Transport

Whāngārei residents were urged to leave their cars at home and take a CityLink bus instead to mark World Car Free Day on 22 September 2010.

Since January 2011 the CityLink Whāngārei bus route through Onerahi includes a stop at Whāngārei Airport. The bus service timetable was not altered to specifically meet arriving/departing flights (service currently met by taxi and shuttle operators) the bus service simply offers an alternative means to get to the airport and back for those who want it.

Activity 5.1 Regional Transport Management

Objective: Collaborate with other agencies to develop a strategic approach to regional transport and road safety through a Northland road improvement programme.

2010-2012 Performance Measures and Targets

5.1.1 Develop strategic approaches in regional transport and road safety.	
Performance Measures and Targets	Actual Service Performance to 30 June 2011
<p>a. Develop a Regional Procurement Strategy in conjunction with Northland's district councils.</p> <ul style="list-style-type: none"> • Procurement strategies followed and reported to the Regional Transport Committee annually. 	<p>Achieved (2010: Not achieved).</p> <p>The council's Regional Procurement Strategy was developed in conjunction with the Northland's three district councils and was formally approved by NZTA on 24 August 2010 and by the Audit and Finance Committee on 15 September 2010. The council has not purchased any new/additional NZTA subsidised services since the procurement strategy was adopted.</p>
<p>b. Review the Regional Land Transport Strategy (RLTS) for Northland including the Regional Passenger Transport Plan.</p> <ul style="list-style-type: none"> • Provide a three year progress report on implementation of the RLTS by 30 October 2012. 	<p>Not applicable to this reporting period (2010: Not achieved).</p> <p>Three year progress report will be due in May 2013 (Strategy was operative May 2010).</p> <p><i>Note: The Land Transport Management Act 2003 no longer requires the RLTS to include a Regional Passenger Transport Plan (RPTP). Council will be reviewing its existing RPTP separately.</i></p>

Activity 5.1 Regional Transport Management continued

5.1.1 Develop strategic approaches in regional transport and road safety.									
Performance Measures and Targets	Actual Service Performance to 30 June 2011								
<p>c. Complete actions set out in the Regional Land Transport Strategy for Northland.</p> <ul style="list-style-type: none"> Progress on actions reported to the Regional Transport Committee annually by 30 October 2010 and 2011. 	<p>Not applicable to this reporting period (2010: Not applicable).</p> <p>The 30 Year Transport Strategy (incorporating the RLTS) was made operative on 31 May 2010. The first progress report will be presented to the Regional Transport Committee in October 2011.</p>								
<p>d. Review of the Regional Road Safety Plan for Northland in association with the RoadSafe Northland Forum.</p> <ul style="list-style-type: none"> Progress on actions reported to the Regional Transport Committee annually by 30 October 2010 and 2011. 	<p>Achieved (2010: Achieved).</p> <p>An annual progress report on the Regional Road Safety Plan was presented at the August 2010 Regional Transport Committee. The next annual report will be submitted to the August 2011 Regional Transport Committee meeting. The 2010-2011 fiscal year saw 14 fatalities on Northland's roads, the lowest in 30 years. Road safety initiatives undertaken throughout the year are outlined earlier in this section of the report.</p>								
<p>e. Reduce the number of road deaths and hospitalisations as a result of motor vehicle accidents in Northland.</p> <ul style="list-style-type: none"> No more than 440 road deaths and hospitalisations per annum. 	<p>Achieved for number of road deaths; data not available for hospitalisations. (2010: Not achieved).</p> <p>In 2010-2011 there were 14 fatalities which is a 30 year record low for the number of deaths for Northland.</p> <p>The target has been a nationally set figure which is no longer applicable under the recently released "Safer Journeys to 2020". Northland's totals were:</p> <p>Deaths 2007-2008 = 25 2008-2009 = 33 2009-2010 = 32 2010-2011 = 14</p> <p>Hospitalisation data has been incorrect in previous years with additional admittances included in the dataset.</p> <table border="0"> <thead> <tr> <th>Previous data</th> <th>Corrected data</th> </tr> </thead> <tbody> <tr> <td>2007 = 882</td> <td>2007-2008 = 469</td> </tr> <tr> <td>2008 = 765</td> <td>2008-2009 = 477</td> </tr> <tr> <td>2009 = 803</td> <td>2009-2010 = 417</td> </tr> </tbody> </table> <p>The 2010-2011 data was not available from the DHB as there is a significant lag between the end of the period and reporting being available. The previous data was for calendar years which had a longer lead in time.</p> <p>Regional road safety initiatives continue to aim toward the reduction of fatalities and hospitalisations in Northland through the "Northland Regional Road Safety Plan 2009-2012".</p>	Previous data	Corrected data	2007 = 882	2007-2008 = 469	2008 = 765	2008-2009 = 477	2009 = 803	2009-2010 = 417
Previous data	Corrected data								
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Activity 5.1 Regional Transport Management continued

5.1.1 Develop strategic approaches in regional transport and road safety.	
Performance Measures and Targets	Actual Service Performance to 30 June 2011
<p>f. Review the Regional Transport Plan, which sets out regional development (forestry) roading priorities in Northland.</p> <ul style="list-style-type: none"> Complete annual review by 30 September each year and report to the Regional Transport Committee. 	<p>Achieved (2010: Achieved).</p> <p>Progress report submitted to the August 2010 Regional Transport Committee meeting. The Regional Development Roding Joint Committee met in November 2010 to review the remaining projects and to identify potential savings.</p> <p>The Regional Transport Plan was formally completed on 30 June 2011. A report received in June 2011 stated that all projects would be completed within the allocated \$30 million budget.</p> <p>A final report on the plan will be requested from the Regional Development Roding Joint Committee.</p>
<p>g. Maintain the 2009-2012 Regional Land Transport Programme within the approved New Zealand Transport Agency subsidy levels.</p> <ul style="list-style-type: none"> Annual review to ensure that approved subsidy levels are not exceeded. 	<p>Achieved (2010: Achieved).</p> <p>The annual review of the 2009-2010 Regional Land Transport Programme was completed in July 2010 and submitted to the August 2010 Regional Transport Committee for its consideration. Progress reports are presented to each Regional Transport Committee meeting.</p> <p>The next annual report will be submitted to the August 2011 Regional Transport Committee Meeting.</p> <p>The three year funding programme gives the approved authorities the authority to move funds within the three year time period to cover for over/under expenditure. Final expenditure figures will only be confirmed after the submission of final claims in July 2012. To date, the regional council expenditure remains within its approved NZTA allocations. Subsidy claim levels are below the 2009-2012 Regional Land Transport programme levels because the bus service fare box recovery has improved (now at 52%) which means it qualifies for a lower subsidy level and the overall service was reduced in March 2010 (routes with poor patronage were removed, representing approximately 12-15% of the total service).</p>

Activity 5.1 Regional Transport Management continued

Significant positive and negative effects on wellbeing

The Regional Transport Management activity may have the following impacts on wellbeing:

Wellbeing	Positive effects	Negative effects
Social	Assists safety by planning for a safer transport network. Improves access and mobility by planning for the needs of the transport disadvantaged.	At this stage there are no known significant negative effects surrounding the council's planned Regional Transport Management activities.
Economic	Assist economic development by planning for the efficient movement of people and goods around the region.	
Environmental	Ensures environmental sustainability by considering the environmental impacts of the road transport network.	



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Activity 5.2 Passenger Transport Administration

Objective: Provide a cost effective passenger transport service that is affordable, integrated, safe, responsive, sustainable and meets the needs of local communities including groups who are transport disadvantaged.

2010-2012 Performance Measures and Targets

5.2.1 Administer a cost effective passenger transport service.	
Performance Measures and Targets	Actual Service Performance to 30 June 2011
<p>a. Administer the long-term contract for the subsidised bus services for the Whāngārei urban area.</p> <ul style="list-style-type: none"> At least 75% of customers rate the overall bus service provided in Whāngārei as either very good or excellent. 	<p>Not achieved (2010: Not achieved, 65%).</p> <p>The annual customer satisfaction survey as required by the NZ Transport Agency was completed in July 2011. 70% of the passengers rated the service very good or excellent. However, 94% of the customers rated the service good, very good or excellent.</p>
<p>b. On request, undertake the feasibility of operating subsidised bus services within the Northland region.</p> <ul style="list-style-type: none"> Report findings within three months of initial request in the CEO's report to council. 	<p>Not achieved (2010: Achieved).</p> <p>Community Business and Environmental Centre (CBEC) requested funding assistance with the Bus About Kaitāia service in late May 2011, after the Annual Plan consultation had ended. The New Zealand Transport Agency has agreed to provide the subsidy per passenger for the bus service and the Northland Regional Council has agreed in principle to fund the local share for the 2010-2011 year (\$35,000). Formal reporting and a formal resolution is scheduled for the September 2011 council meeting. The service will need to prove itself over the next year to secure future funding.</p>
<p>c. Effectively administer the Whāngārei Total Mobility scheme to meet the needs of its customers.</p> <ul style="list-style-type: none"> At least 75% of customers rate the overall service provided by the total mobility scheme as either very good or excellent. At least 35,000 total mobility trips provided per annum. 	<p>Achieved (2010: Achieved, 80%).</p> <p>The annual customer satisfaction survey, as required by the NZ Transport Agency was undertaken in May 2011. 80% of respondents rated the service at very good or excellent.</p> <p>Achieved (2010: Achieved, 36,262).</p> <p>Total Mobility Scheme trips undertaken for the 2010-2011 financial year was 35,043. The economic downturn has been noticed in this area, with some clients struggling to pay their 50% fare of a taxi trip.</p>

Activity 5.2 Passenger Transport Administration continued

5.2.1 Administer a cost effective passenger transport service.	
Performance Measures and Targets	Actual Service Performance to 30 June 2011
<p>d. On request investigate the viability of extending the scheme to urban areas outside of Whāngārei where taxi services may operate.</p> <ul style="list-style-type: none"> Report findings within three months of initial request in the CEO's report to council. 	<p>Not achieved (2010: Not applicable).</p> <p>One submission was made to the 2011-2012 Annual Plan for the provision of a service in Dargaville. Previous efforts to introduce such a service have been hindered by lack of local share funding and difficulty in finding a service provider. Investigations this year have again shown that no service provider is available (taxi operator). This was not formally reported to the council but was noted in the Annual Plan deliberations meeting.</p>
<p>e. Maintain an electronic register of commercial passenger transport services operating in Northland.</p> <ul style="list-style-type: none"> Update the register on a monthly basis. New service variations and abandonment of services reported on a monthly basis in the CEO's report to council. 	<p>Achieved (2010: Achieved).</p> <p>Update of the register is undertaken on a monthly basis. Variations for the 2010-2011 year included:</p> <ul style="list-style-type: none"> One application for registration of service (2010: 0); Eight applications for variations to services (2010: 16); Three applications for abandonment (2010: six). <p>All changes were reported in the CEO's report.</p> <p>The number of commercial passenger transport services has always been very low in Northland. The council undertakes economic feasibility studies when additional services are requested and has undertaken two eight-month bus service trials from Whāngārei to Hikurangi and Waipū/Ruakaka. Both bus routes were not economically viable and were terminated after the trial finished.</p>

Significant positive and negative effects on wellbeing

The Passenger Transport Administration activity may have the following impacts on wellbeing:

Wellbeing	Positive effects	Negative effects
Social	Improves the quality of life of those who do not have access to private transport and those who can not access bus services for reasons of disability.	At this stage there are no known significant negative effects surrounding the council's planned Passenger Transport Administration activities.
Economic	Reduces maintenance and upgrade costs to roading infrastructure. Provides the public with a low cost alternative to private vehicle use.	
Environmental	Reduces harmful emissions and congestion associated with private vehicles.	