



NLTP

National Land Transport Programme

Fact sheet | June 2008



The National Land Transport Programme

The National Land Transport Programme (NLTP) is the mechanism through which Land Transport New Zealand (Land Transport NZ) allocates funds across the following activity classes:

- > Maintenance and renewal of local roads.
- > Maintenance and renewal of state highways.
- > Improvement of local roads.
- > Improvement of state highways.
- > Regional development.
- > Use of the land transport system (walking and cycling, community focused activities, transport demand management, and rail and sea freight).
- > Passenger transport.
- > Administration.
- > Research, education and training.
- > Road policing (the road policing programme provides funding for NZ Police and is approved by the Minister of Transport externally to the NLTP).

Land Transport NZ provides financial assistance to the following approved organisations:

- > Territorial authorities and unitary authorities (comprising city and district councils) to jointly fund maintenance and renewal and improvement of local roads, passenger transport infrastructure, promotion of walking and cycling, community programmes and administration and project control. Land Transport NZ provides a national average of 50 percent financial assistance for maintenance programmes and an additional 10 percent for improvement projects, with local rates and other local authority revenue providing the balance.
- > Territorial authorities in the Northland and Tairāwhiti areas for regional development. This is 100 percent funded by Land Transport NZ.
- > Regional councils, unitary authorities and ARTA for the provision of passenger transport services, transport demand management and activities to transfer freight from road to rail and coastal shipping. The level of financial assistance from Land Transport NZ varies, but is generally at least 50 percent.
- > Transit New Zealand (Transit) for New Zealand's state highway system, including maintenance

and renewal and improvement of state highways, promotion of walking and cycling, passenger transport related state highway projects and administration and project control. Land Transport NZ fully funds work on the state highway system, though tolls and developer contributions may also contribute to a project's funding.

- > The Department of Conservation and the Waitangi Trust, to fund roads under their control; eg, access to the West Coast glaciers.
- > To individuals or organisations for research, education and training.

Some activities are approved for funding at this time; others are approved or likely to be approved during the year. Not every planned activity proceeds according to the expected timeframe or cash flow requirement so amendments are made to the NLTP from time to time. Consequently, the NLTP is an ongoing programme through which activities are approved for funding throughout the year and allocations to activity classes are adjusted.

To have activities approved for funding during the year, approved organisations must include them in their land transport programme or long-term council community plan. Land Transport NZ considers these submissions and decides which activities should be included in the NLTP.

Land Transport NZ's objective

The Land Transport Management Act 2003 (LTMA) sets a challenging framework for Land Transport NZ to follow in allocating funding. It reflects a multi-modal approach, encourages long-term planning and allows funding flexibility.

Under the LTMA, Land Transport NZ is required to contribute to an integrated, safe, responsive and sustainable land transport system.

In meeting its objective, Land Transport NZ is required to demonstrate a sense of social and environmental responsibility, which includes:

- > avoiding, to the extent reasonable in the circumstances, adverse effects on the environment, and
- > ensuring, to the extent practicable, that organisations preparing land transport programmes:

- take into account the views of affected communities
- give early and full consideration to land transport options and alternatives
- provide early and full opportunities for relevant persons and organisations to contribute to the development of the programmes.

Land Transport NZ must also be satisfied the NLTP contributes to the objectives of the New Zealand Transport Strategy by:

- > assisting economic development
- > assisting safety and personal security
- > improving access and mobility
- > protecting and promoting public health
- > ensuring environmental sustainability.

In addition, Land Transport NZ must take into account relevant regional land transport strategies and the National Energy Efficiency and Conservation Strategy.

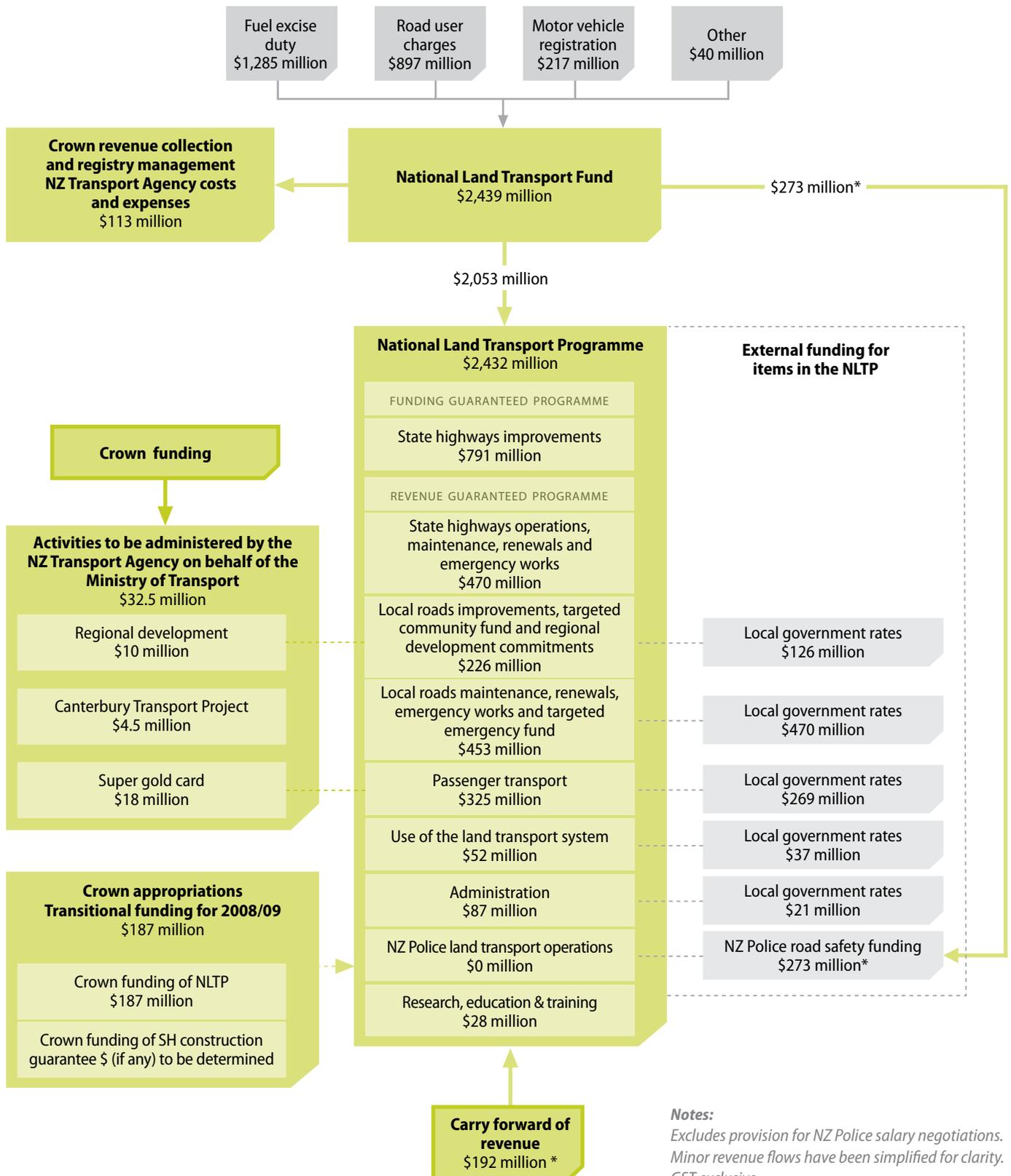
How land transport is funded

Land transport funding comes from road user charges, a dedicated portion of fuel excise tax, and motor vehicle registration and licensing fees. This income goes into the National Land Transport Fund, a dedicated land transport fund within the government's accounts. A portion is used for road policing by NZ Police. Another portion is allocated for collection and refund of land transport revenue. The remainder goes into the National Land Transport Account, which is managed by Land Transport NZ and allocated through the NLTP.

Land transport funding is supplemented by grants from Crown funds allocated by government for specific regional projects.

The government has guaranteed revenue levels from fuel excise duty, road user charges and motor vehicle registration in the NLTP from 2007/08 to 2010/11. The government has undertaken to provide additional funding for state highway construction from 2007/08 to 2010/11 should costs escalate above the level built into the programme. In May 2007, the government announced it was considering full hypothecation of petrol tax, making it all available for expenditure through the NLTP.

How Land Transport NZ is funded



Notes:
 Excludes provision for NZ Police salary negotiations.
 Minor revenue flows have been simplified for clarity.
 GST exclusive.

Land Transport NZ's funding allocation process

Land Transport NZ has developed a process for allocating funding in accordance with the LTMA. The allocation process is outlined below.

Stage 1: formulation

Approved organisations formulate land transport programmes and identify funding options. Land Transport NZ encourages approved organisations to discuss and seek funding for proposals that contribute to the purpose of the LTMA.

Stage 2: assessment

Approved organisations are required to assess their proposals in terms of the LTMA, using forms that lead to a consideration of the relevant requirements as specified in the LTMA. Land Transport NZ reviews the assessment and assigns a profile to each proposal covering the:

- > seriousness and urgency of the issue or problem being addressed
- > effectiveness of the proposed solution in contributing to Land Transport NZ objectives and the outcomes of the LTMA
- > economic efficiency of the proposal.

Stage 3: prioritisation

- > Land Transport NZ uses the profiles to assist the prioritisation, having regard to the provisional allocation of funds to each activity class and the specific prioritisation processes applying to certain activity classes.

Stage 4: programming

Programming is the final step leading to the production of the NLTP. It involves a balancing by Land Transport NZ of the priority order of proposals with the estimated revenue and proposed allocation to activity classes.

Stage 5: approval of funding of activities

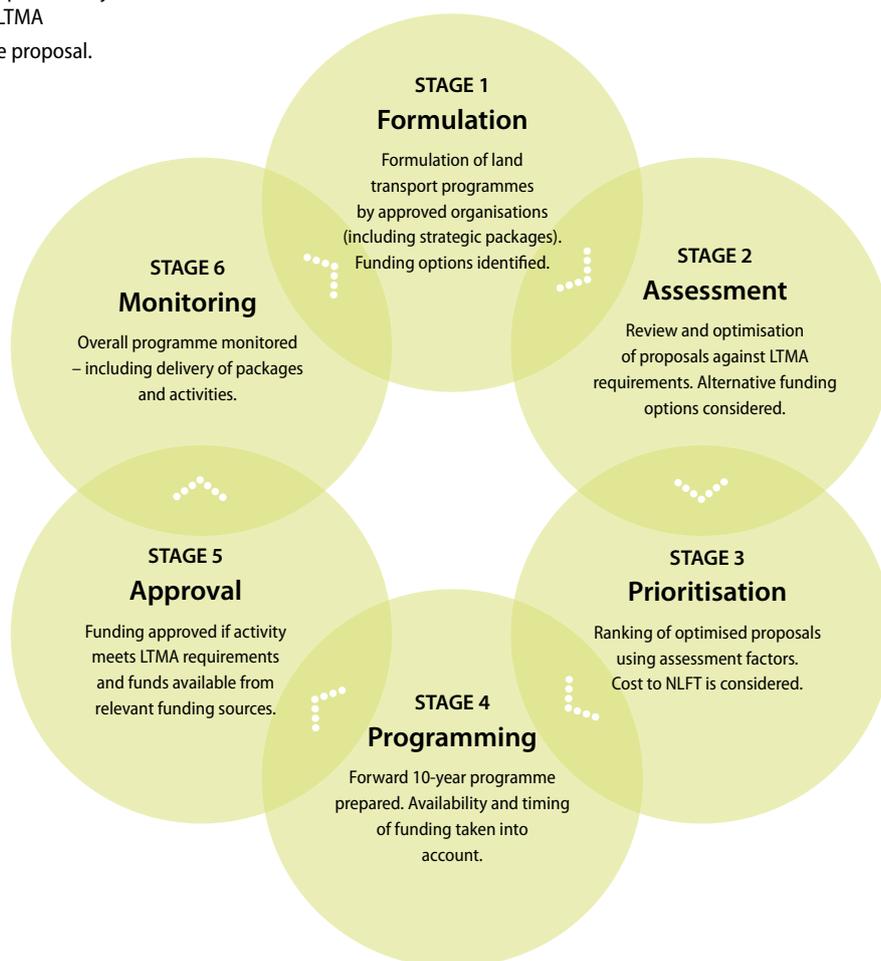
Before approving funding of an activity or activity class, Land Transport NZ verifies the assessments made in stage 2 and ensures all other requirements of the LTMA are met.

Stage 6: monitoring and review

Land Transport NZ monitors the implementation of the NLTP through:

- > assisting, advising and coordinating the development of performance monitoring tools for approved organisations
- > performance monitoring of selected elements of the transport system
- > monitoring the effectiveness of the overall programme at the strategic outcome level
- > auditing packages of integrated proposals where appropriate monitoring of individual activities within the NLTP.

As a result of its monitoring process, Land Transport NZ will assist and advise approved organisations to review their land transport programmes to make them more effective in future years.



Activity classes

Maintenance and renewal of local roads and state highways

Around 40 percent of the NLTP is allocated to the maintenance of the roading network. Land Transport NZ's policy is to fund the most cost-effective maintenance strategy for each section of road over the medium to long term.

Land Transport NZ negotiates an appropriate level of funding with each of the 74 local authorities and Transit, largely based on the funding requirements of each authority's asset management plan, road pavement modelling and trends in key network performance measures about the condition of the roading network.

Improvements of local roads and state highways

Within the NLTP, some projects are ready to proceed early in the year as all planning, consent and property purchase processes are complete. These projects are approved for funding and are described as Category 1 projects. Those projects which are not yet ready for funding due to planning, consent and property purchase requirements, but which may be approved for funding during the year, are referred to as Category 2. Land Transport NZ anticipates a proportion of these projects will come forward for funding approval during the year.

Projects considered low risk and/or low cost are funded on a block allocation basis to streamline administration and procedures. Projects in the block allocation still have to meet certain minimum criteria before they are progressed.

Regional development

This activity class is focused on regions with acute transport needs. The two regions eligible for regional development funding are Northland and Tairāwhiti. In these regions, projects are identified in an agreed regional transport plan. Regions to be funded are notified to Land Transport NZ by the Minister of Transport. Project prioritisation and programming is guided by the priorities outlined in the regional transport plan and by a regional industry prioritisation group.

Use of the land transport system

- > Walking and cycling
This activity class provides activities relating to the promotion of walking and cycling. It provides for cycling or pedestrian projects that do not otherwise comprise an integral part of a road construction project.
- > Community focused activities
Community focused road safety and sustainability activities (formerly CRSP activities) are now funded through the NLTP. Councils will work with their local community groups to plan, develop and deliver local land transport safety and sustainability activities.
- > Transport demand management, rail and sea freight
This activity class provides for funding of travel behaviour change, rail and sea freight activities.

Passenger transport

Land Transport NZ provides funding for passenger rail, bus and ferry operations through:

- > community services, which provides for bus, rail and ferry services contracted by regional authorities
- > social services, which provides services for persons dependent on public transport – services include concessionary fares for passengers on bus, rail and ferry, and total mobility services for health, education and social welfare purposes
- > passenger rail refurbishment and infrastructure, and other passenger transport infrastructure such as bus interchanges, integrated ticketing and real-time information systems.

Administration

This activity class provides for the cost of administration and project control activities associated with management of the land transport network. This includes assistance with administration costs relating to road networks, regional land transport planning, passenger services and administration.

Research, education and training

Land Transport NZ provides funding for innovative research which contributes to a more integrated, safe, responsive and sustainable land transport system for New Zealand. The education and training components are a collection of activities from a range of other programmes, along with some new initiatives to address the wider objectives of the NZTS. These activities include national advertising on land transport related issues, national promotion of walking and cycling and other land transport related issues, nationally managed school-based education on land transport issues, and other land transport education and training.

Road policing activities

The primary purpose of this group of activities is to provide road safety enforcement to address speeding, alcohol or drug affected driving, restraint wearing and other road code and traffic laws, along with commercial vehicle investigation and road user charges enforcement, crash attendance and investigation, traffic management, sanctions and prosecutions, Police community services and school road safety education.

More information...

Land Transport New Zealand

PO Box 2840 | Wellington, New Zealand

Telephone 04 894 5400 | Facsimile 04 894 6100 | info@landtransport.govt.nz | www.landtransport.govt.nz