



TRANSIT NEW ZEALAND'S 10-YEAR STATE HIGHWAY PLAN AND FORECAST FOR 2008/09 TO 2017/18

JUNE 2008

Incorporating Transit's 2008/09 Land Transport Programme



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Appendix 1 – State Highway Activities for 2008/09 (Land Transport Programme)

Appendix 2 – Contribution of generic projects to NZTS and LTMA objectives



The past two years stemming from the Government's 2006 Budget have been pivotal in the development of an efficient and sustainable land transport system for the future of New Zealand. The new system being set in place means a stronger integration between state and local transport planning. It ensures the expansion of safe and environmentally responsible transport options for communities, including improved cycling, pedestrian and bus access.

The Government's five-year guarantee of funding for a plan of works – now entering its third year – has provided stability and security for the rolling out of Transit's portfolio of large state highway projects. The certainty that this has given our stakeholders is evidenced by the smaller than usual number of submissions on this year's Land Transport Programme consultation document.

The next step in the future-proofing of the land transport system is the combining of two transport agencies – state highway planner, builder and operator Transit New Zealand with Land Transport New Zealand – into the one New Zealand Transport Agency (NZTA). The efficiencies expected to arise from this union will ensure a strong focus on value for money and an appropriate balance of land transport activities.

These are exciting times – the end of one era and the start of another in which there are many opportunities for the NZTA to build on the advances made thus far.

For one agency, however, there can be only one board. The establishment of the NZTA in July this year means the disestablishment of the Transit and Land Transport New Zealand boards.

I would like to take this opportunity to thank Transit's Chief Executive Rick van Barneveld and his staff for their inspired and diligent work that I have been able to see at first hand. It has been a privilege to work with you all.

Bryan Jackson
Acting Chairman



The Government's aims for the future of land transport

This 10-year State Highway Plan and Forecast for 2008/09 to 2017/18, incorporating Transit's 2008/09 Land Transport Programme, marks year three of the five-year plan of works made possible by Budget 2006.

Budget 2006 injected \$1.3 billion in extra funding into the National Land Transport Programme to complete a portfolio of "key deliverable" projects within this timeframe. The Government's five-year funding guarantee afforded the greatest level of stability to transport sector investment and Transit is currently on schedule to deliver the portfolio of just over 100 projects.

A series of changes are taking place in the land transport sector to ensure that it can deliver on the Government's vision of an integrated, safe, responsive and sustainable land transport system as set out in the New Zealand Transport Strategy and the Land Transport Management Act 2003.

The 2007 Next Steps Review focused on changes to the funding and planning of land transport. These have been incorporated in the Land Transport Management Amendment Bill, currently before the select committee. As a result, a new agency, the New Zealand Transport Agency, will combine the activities of Transit New Zealand and Land Transport New Zealand from July 2008.

During the change period, both agencies, together with the Ministry of Transport, will continue to deliver on their current work programmes.

Fulfilling the aims of the New Zealand Transport Strategy

The 2007 Transit National State Highway Strategy is the framework for future activities and sets out how Transit will ensure the state highway network contributes to the New Zealand Transport Strategy's objectives of economic development, safety and personal security, access and mobility, public health and environmental sustainability.

While we remain focused on the delivery of essential infrastructure, especially when completing urban and

inter-regional networks, we are increasingly responding to the challenges of climate change and resource efficiency. Our work promoting public transport initiatives and safe walking and cycling facilities on state highways is part of this. Transit recognises that it is a key player in managing the demand for travel and is working in partnership with other agencies, in particular local and regional government, on an environmentally sustainable approach.

Last year the Government launched its Sustainable Transport discussion document to update the New Zealand Transport Strategy (UNZTS). It recognises that the creation of a truly sustainable transport system – one that delivers on our environmental as well as economic and social needs – is not optional. Reducing transport's contribution to greenhouse gas emissions is vital.

Marrying the needs of everyone in society from industry, vehicle owners and local government to public transport users requires compromises and collaboration to succeed. The UNZTS is planned for publication in July 2008, and will provide a high-level strategic plan to enable this to happen, with indicative targets through to 2040.

Strategic plans, however, need short-term actions and priorities on land transport funding. This need is fulfilled in the new Government Policy Statement (GPS) due for release in July this year. It is a statutory document that will be issued on a three-year basis and will define the activity classes and range of funding to be made available for a six-year period, with forecast funding ranges out to a 10-year period.

Changes in funding and planning in the Land Transport Management Amendment Bill

Changes in funding and planning of land transport activities signalled in the Land Transport Management Amendment Bill include:

- › A need to fill the strategic planning gap between the broad directions for transport outlined in the New Zealand Transport Strategy and the delivery of programmes of works and services

- › The introduction of short to medium term funding policies and investment priorities that will be reflected in the Government Policy Statement, including reinforcing a “value for money” ethos
- › Regular reviews of funding levels to ensure the balances between investment priorities are sufficient to achieve desired outcomes
- › Enabling a more consistent approach to integrated transport planning at a regional level, including preparation of regional land transport programmes covering all transport activities, including state highway activities
- › Reducing “planning churn” by extending the annual land transport planning cycle to a three-yearly basis
- › The full hypothecation of all fuel excise duties to the National Land Transport Fund as from July 2008, which will ensure all revenue collected from motorists will be used for developing and maintaining the land transport network, including honouring the Government’s current commitments.

Delivering certainty

The expenditure reflected in this State Highway Plan and Forecast differs from that shown in last years document, as the debt funding for completion of the Auckland Western Ring Route has been removed

It covers large, small and medium-sized projects, passing lanes, walking and cycling projects, stock effluent disposal facilities and strategic studies. Large projects in the “key deliverables” portfolio are shown in the tables and on the maps as a reminder of which projects are committed and which are programmed. An updated “key deliverables” document is available on Transit’s website in the form of a list of large projects to be delivered by 2010/2011.

Small and medium sized projects are also shown on the tables and maps. Projects that have been either completed or substantially completed are no longer shown.

What are the key differences?

This State Highway Plan and Forecast includes key transport issues for each region, updated tables and maps to show if projects are committed or programmed and the location of these projects on the state highway network.

The main difference between this year and last year is that an extended programme for small and medium-sized projects has been created, including passing lanes, walking and cycling projects, stock effluent disposal facilities and strategic studies for each region. Previously, only a one-year programme was shown but this is now extended to three years. This reflects our response to consultation feedback received last year.

Capital Improvements

The “key deliverables” portfolio is proceeding well. Land Transport New Zealand will decide the funding type (Nationally allocated – \$N, or regionally allocated – \$R) for large projects at the time of application, therefore we are not showing funding type other than where projects are joint funded.

Projects listed in the small to medium-sized group are shown in priority order as defined by Land Transport New Zealand’s funding allocation process. They are listed as either committed or programmed. Committed projects are those that are funded and underway. Programmed projects are ready to have the final or next phase started. It is envisaged that at least the investigation stage of any new project will be undertaken within three years.

To achieve value for money, projects may be brought forward from future years, subject to suitability and funding availability. This is to compensate for those projects in the programme year that are delayed by unforeseen circumstances. Small to medium sized projects may be \$R or \$C funded by regional agreement.

Previous forecasts assumed additional revenue and expenditure for the completion of the Auckland Western Ring Route. Transit continues to progress the Auckland Western Ring Route projects including Waterview Connection, with the objective of

completing the route by 2015. Funding arrangements to allow project construction are currently under investigation. Funding options include the use of a Public Private Partnership (PPP), as is being investigated by the Waterview Connection Procurement Steering Group.

Transit's current expenditure programme provides funding to continue progressing the Waterview Connection project over the 2008/09 year, and the investigation and consenting phases are proceeding to a schedule that will allow for completion of the Auckland Western Ring Route by 2015.

Maintenance

The level of activity for 2008/09 is up on the current year (allowing for escalation) with modest increases in the levels of maintenance and operations activity arising from increased traffic management efforts and tighter environmental controls. The cost of maintenance is very small when compared with the combined costs of vehicle operations, travel time and social costs of accidents.

The increase in renewal expenditure is more significant. It reflects the continuing growth in heavy commercial vehicles, together with moves to address the backlog in structural repairs and renewals from the years 2005-2007 when cost escalation resulted in some planned work being scaled back. Fuel and bitumen prices have again surged and there remains concern about the effects of oil price changes in the future.

From the Transit Board's perspective, asset management and maintaining existing operations remains paramount. Detailed planning of future expenditure required to maintain levels of service indicate that significant funding, in addition to currently forecast allocations, may be required over the next 10-years. If this expenditure is required, the Board has resolved to prioritise this above other expenditure.

The most significant structural strengthening of the Auckland Harbour Bridge clip-ons has been programmed to start in July 2008 at a cost of \$45M. The work is part of on-going maintenance and is being undertaken to ensure that the box girders remain fit for purpose for at least the next 30 years.

Consultation

The number of submissions this year has halved from 268 last year down to 135. This is considered to be a reflection of the inherent stability of the programme. The AA National Submission focused on just three issues: large safety projects, congestion in Auckland and general road safety (KiwiRAP).

Common topics across the submissions included provision of more passing opportunities, safe walking and cycling facilities and gaps in the network of stock effluent disposal facilities. Transit is exploring and implementing a greater range of options in these areas through its new extended programme for small and medium-sized projects.

Other common concerns included the number of one-way bridges remaining on state highways. This is being addressed through a draft bridge replacement programme currently in development.

A number of additional strategic studies have been requested. Full consideration has been given to those that are linked to developments and growth areas and they have been prioritised based on the National State Highway Strategy and development growth expectations.

A number of suggestions for new projects or for advancing existing projects were received. Some have been previously considered and not listed but will be reconsidered if conditions change. Other suggestions will be reviewed this year for feasibility.

Issues around designations, resource consents, material shortages and community agreement on projects continue to affect what can be delivered and when. It continues to be a top priority for Transit to resolve these issues promptly with help from our transport partners, especially local and regional government and communities.



Table 1 – 10-year Financial Forecast 2008/09

Maintenance and Improvements

	08/09 (\$M)	09/10 (\$M)	10/11 (\$M)	11/12 (\$M)	12/13 (\$M)	13/14 (\$M)	14/15 (\$M)	15/16 (\$M)	16/17 (\$M)	17/18 (\$M)	Total (\$M)
Maintenance (Escalated) ²	Note ¹										
Road Maintenance and Operations	231	251	264	279	294	310	328	346	365	385	3,052
Road Renewals	185	201	212	223	236	249	262	277	292	308	2,444
Property Management	14	15	16	17	18	19	20	21	22	23	185
Preventive Maintenance	5	5	6	6	6	7	7	7	8	8	66
Emergency Works	34	36	37	39	40	41	42	43	45	48	405
Sub-Total ²	469	508	535	564	594	626	659	694	732	772	6,153
Improvements (Escalated) ³											
Minor Safety Projects	33	35	36	37	38	39	41	42	43	44	388
Committed Projects ⁴	530	287	243	0	0	0	0	0	0	0	1,060
New Large Projects ⁴	62	155	257	513	395	375	536	560	650	650	4,153
New Small & Medium Sized Projects	93	93	96	59	61	64	67	70	72	72	747
Property Purchase	96	58	60	45	45	66	68	70	72	74	654
Walking and Cycling	5	5	5	5	6	6	6	6	6	7	57
Sub-Total	819	633	697	660	545	550	718	748	843	847	7,060
Community Road Safety Programme	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	5.6
Administration ⁵	56.6	59.5	61.2	63.2	65.1	67.0	69.0	71.1	73.2	75.4	661
TOTAL EXPENDITURE	1,345	1,201	1,294	1,288	1,205	1,243	1,446	1,513	1,649	1,695	13,880
Capital injection for ALPURT B2	39										39
NLTP anticipated funding	1,306	1,201	1,294	1,287	1,205	1,243	1,446	1,513	1,649	1,696	13,840
TOTAL REVENUE REQUIRED	1,345	1,201	1,294	1,288	1,205	1,243	1,446	1,513	1,649	1,695	13,880

1 Grey shading denotes remainder of 5-year Plan (2006/07 – 2010/11). This remains on course for successful completion.

2 Cost escalation for maintenance has been applied using Land Transport New Zealand's forecast: 7% (2008/09), 6% (2009/10), 3% (2010/11 and beyond). Transit is re-evaluating Road Renewals expenditure beyond 2008/09, as recent data suggests a trend of deteriorating asset condition.

3 The expenditure on improvement works incorporates a cost escalation allowance of 3% per year.

4 Previous 10-year financial forecasts assumed additional expenditure of \$1,365M associated with the Waterview Connection project. At that time, alternative funding sources to provide matching revenue were under investigation. This year's financial forecast includes sufficient funding to ensure that progress on preliminary design and consenting for Waterview Connection can continue to a schedule that will allow for completion of the Auckland Western Ring Route by 2015. Funding arrangements for completion of this project are under investigation and include the option of using a Public Private Partnership (PPP).

5 An additional sum of \$0.6M p.a. has been added due to increased costs for Austroads membership.



Table 2 – State Highway Activities for 2008/09 (Land Transport Programme)

		Activity Name	Priority (P)	Indicative Start Date Quarter (Q)			Indicative Cash Flow (\$,000)
Maintenance		Road Maintenance and Operations	P1	Q1			231,000
		Road Renewals	P1	Q1			185,000
		Property Maintenance	P1	Q1			14,000
		Preventive Maintenance	P1	Q1			5,000
		Emergency Works	P1	Q1			34,000
Administration			P2	Q1			56,600
Commitments		Large Projects	P3	Q1			530,150
		Small and Medium sized projects	P3	Q1			27,000
Improvements		Minor Safety Projects	P4	Q1			33,000
		New Projects (as listed below)	P5	Q1			22,950
Region	SH	Activity Name		Indicative Start Date Quarter (Q)	Phase *	Total Phase Cost (\$,000)	Indicative Cash Flow (\$,000)
Auckland	16	Pungunui Stream Bridge Replacement		Q2	C	4,700	560
Auckland	1	Newmarket Viaduct to Greenlane Aux Lane		Q2	C	17,300	1,400
Canterbury		Christchurch Travel Demand Management		Q2	D	320	320
Bay of Plenty	2/29	Tauranga Central Corridor Improvements		Q4	C	2,600	500
Wellington	1	Basin Reserve Improvements		Q1	I	2,700	320
Waikato	1/3	Hamilton Southern Links		Q2	I	3,900	2,100
Waikato	1	Te Rapa Bypass		Q2	D	5,000	2,300
Auckland	1	Warkworth Stage 1		Q3	C	15,000	6,000
Wellington	2	Melling Interchange		Q2	I	5,600	1,100
Waikato	1	Huntly Bypass		Q4	D	9,900	500
Waikato	1	Hamilton Bypass		Q4	D	9,900	550
Hawke's Bay	2	Waipukurau Overbridge Realignment		Q2	C	6,200	1,500
Canterbury	1	Christchurch Northern Arterial Rural		Q1	I	1,500	1,000
Canterbury	1	Memorial Ave to Yaldhurst Road 4L		Q2	D	820	520
Canterbury	1	Saywers Arms to Memorial Ave 4L		Q1	D	550	210
Canterbury	74	QE2 4L Northern Arterial to Hills Rd Ext		Q2	I	1,000	500
Canterbury	1	Western Belfast Bypass		Q4	I	1,050	200
Northland	1	Akerama Curves Realignment and PL		Q2	C	9,500	150
Waikato	1	Long Swamp to Rangiriri 4L		Q3	D	2,500	300
Auckland	1	Schedewys Hill Deviation		Q1	I	3,600	500
Northland	12	Matakohe Realignment		Q2	I	400	400
Northland	1	Brynderwyn Hills Realignment		Q1	I	960	420
Wellington	2	SH2/58 Grade Separation		Q2	D	1,100	1,100
Nelson-Marlborough	6	Whangamoia South Realignment		Q1	D	1,500	500

* I = Investigation D = Design C = Construction

Notes:

1. Indicative durations of large projects are shown in the regional tables
2. The priority is a requirement of the LTMA and is listed in relative terms

Table 2 – State Highway Activities for 2008/09 (Land Transport Programme) continued

	Activity Name	Priority (P)	Indicative Start Date Quarter (Q)			Indicative Cash Flow (\$,000)
Improvements	Small and Medium sized projects	P6	Q1			66,000
	Strategic Studies	P6	Q2			9,000
	Investigations from Strategic Studies	P6	Q4			4,000
	Improved Driver Information	P6	Q2			5,000
	Improvements Maintenance LOS	P6	Q1			3,000
	Strategic Plan Initiatives	P6	Q3			14,000
	Community Safety	P6	Q1			500
	Property Purchase	P6	Q1			96,000
	Walking & Cycling	P6	Q1			5,000

Notes:

1. Indicative durations of large projects are shown in the regional tables
2. The priority is a requirement of the LTMA and is listed in relative terms

GUIDE TO REGIONAL TABLES – EXAMPLE

AUCKLAND State Highway Plan and Forecast for 2008/09 to 2017/18

Legend: Nature of work

	Committed Investigation		Committed Design		Committed Construction
	Investigation		Design		Construction

Green icons represent committed phases.
Black icons represent programmed phases.

Identification of problem and potential solutions.

Engineering design of works to be undertaken, including cost estimation.

Construction of final project.

SH	Project	Primary LTMA Objective	Estimated Cost Remaining
			\$ < 5M \$\$ 5-20M \$\$\$ 20-100M \$\$\$\$ 100+M

LARGE PROJECTS

- Auckland Harbour Bridge Storm Water Upgrade §

Denotes funding sources as shown on the bottom of the page.

Appendix 1 lists large projects and their objectives to be achieved under the Act, as well as options and alternatives considered.

SH	Project	Primary LTMA Objective	Estimated Cost Remaining	Land Transport Programme 08/09	Plan 09/10–10/11	Forecast 11/12–17/18	
16	Rosebank to Te Atatu 8L	Economic Development	0.5				
SMALL AND MEDIUM PROJECTS							
I	Drury Interchange Traffic Signals	Economic Development	\$				
I	Orewa Township Upgrade	Safety & Personal Security	\$				
16	Don Buck Road to Huapai Lighting Improvement	Safety & Personal Security	\$				
Passing Lanes							
I	Sheepworld Sth Bd PL	Safety & Personal Security	\$				
Stock Effluent Disposal Facilities							
I	Bombay Hills (Mercer) SEDF	Environmental Sustainability	\$				
Walking & Cycling							
16	Westgate Pedestrian Facility	Public Health	\$				
Strategic Studies							
	SH22 Strategic Study Review						

All projects other than large will be carried out within the first three years of the plan.

Relates to specific projects only

The grey symbols show indicative timings given that the investigation or design phase has not been completed.

Phases shown in grey in the Plan Years are indicative given the preceding phases have not been completed.

Phases shown in the 08/09 year are those programmed to be undertaken.

Committed construction. Value of remaining works to be funded by Land Transport NZ.

Estimated total cost of project (all phases).

Appendix 2 gives a generic list of how projects contribute to the purposes of the Land Transport Management Act, as well as options and alternatives considered.

COMMONLY USED ABBREVIATIONS WITHIN THE TEXT AND REGIONAL TABLES

Project Names

AHB	Auckland Harbour Bridge
ATTOMS	Auckland Transit Traffic Operation Management System
CMJ	Central Motorway Junction
SWATT 2010	South Waikato and Taupo Target 2010
UH Br	Upper Harbour Bridge
ALPURT	Albany to Puhoi realignment

Project Type

4L	Four laning
6L	Six laning
8L	Eight laning
ATMS	Advanced Traffic Management Systems
Aux	Auxiliary
BPL	Bus Priority Lane
SEDF	Stock Effluent Disposal Facility

Ext	Extension
Imp.	Improvement
I/C	Interchange
I/S or Int	Intersection
Ped	Pedestrian
PL	Passing Lane
Realign	Realignment
SE	Seal Extension
SI	Safety Improvement
SVB	Slow Vehicle Bay
TDM	Travel Demand Management
WC	Walking and Cycling

Project Related Information

CCTV	Close Circuit Television
SH	State Highway
Var	Various
VMS	Variable Message Signs
NB or Nth Bd	Northbound
Nth	North
SB or Sth Bd	Southbound
Sth	South
East Bd	Eastbound
West Bd	Westbound
Rd	Road
St	Street
\$R	Regional funding
\$C	Crown funding

Related Documents and Organisations

GPS	Government Policy Statement
LTMA	Land Transport Management Act 2003
MOT	Ministry of Transport
NZTS	New Zealand Transport Strategy
UNZTS	Updated New Zealand Transport Strategy
NLTP	National Land Transport Programme
RLTS	Regional Land Transport Strategy