

Report 11.361
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Committee Council
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Submission to the New Zealand Transport Agency on proposed Funding Assistance Rate and other changes

1. Purpose

To approve a submission on the New Zealand Transport Agency's "Proposed Changes to 2012 National Land Transport Programme co-investment ratios (funding assistance rates)" consultation document and other related changes.

2. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

2.1 Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance policy and decision-making guidelines. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

3. Background

The NZ Transport Agency is seeking feedback from approved organisations on two proposals concurrently.

The "Proposed Changes to 2012 National Land Transport Programme co-investment ratios" consultation document (**Attachment 1**), outlines the proposed Funding Assistance Rates (FAR) changes to specific investment categories within public transport, transport planning and road user safety activity classes. The FAR policy determines what portion of a project or programme could be funded from the National Land Transport Programme.

The following table outlines the proposed changes.

NZTA work category	Change in FAR proposed, 2012/13 onwards
001 Regional land transport planning management This category includes support for the regional transport committee, preparation and monitoring of regional land transport strategy; plus preparation of regional land transport programme (RLTP) and regional public transport plan from this work category.	Current grant of 0.15% of relevant RLTP to regional councils <u>removed completely</u> ; (FAR becomes 0%).
002 Transport planning studies and strategies GW undertakes several studies and transport modelling activities for Corridor and Implementation Plan investigations funded from this category. GW is currently using this category to fund the Wellington Public Transport Spine study.	Decrease from 75% to the weighted average construction FAR for the region (56% for Wellington).
514 Passenger transport facilities operations and maintenance i.e. bus shelter repairs and maintenance.	Decrease in FAR from 60% FAR to 50%, over 10 years: 2012/13: 59% FAR 2013/14: 58% 2014/15: 57%.
531 Public transport infrastructure i.e. the capital costs of upgrading/installing new bus shelters, electronic ticketing, real time information systems.	Decrease from 60% FAR to 50% FAR for all new approvals.
524 Public transport information supply, operations and maintenance i.e. bus timetables, operation of ticketing and real time systems, marketing, promotions, and user surveys.	New category but effectively a decrease in FAR from 60% to 50% over 10 years: 2012/13: 59% FAR 2013/14: 58% 2014/15: 57%
Administration costs – Regional transport administration, including costs associated with the regional transport committee – Public transport administration – Total Mobility administration.	Funded as an on-cost: 2.25% of the total allocation from NZTA to GW's transport programme. FAR for Total Mobility administration is <u>removed completely</u> ; (FAR becomes 0%). (Presently, administration is currently subsidised through each FAR).

The consultation document was released in mid June 2011 and responses are required to be submitted by 21 July 2011. A request to extend the deadline was rejected by the NZ Transport Agency and therefore officers, in consultation with the Chair, have forwarded a copy of the draft submission to NZTA with the proviso that this will be replaced by the approved submission, once agreed.

In parallel, NZTA is consulting on a “Proposed changes to work categories for public transport facilities, treatment of administration and professional services related to public transport and State Highways” engagement document.

4. Comment

The proposed submission on behalf of the Council is included as **Attachment 2** to this report.

The submission outlines the Council's opposition to the proposed changes, and highlights the significant financial impact that these could have on Council and ultimately ratepayers. The potential financial impact in 2011/12 is calculated at \$2,658,300, equivalent to a 3.1% increase in rates. The submission outlines the lack of a sound rationale for many of the changes and the significant difficulties it will have for the affordability of our transport activities. The submission requests that the proposed changes to the FAR policy be retracted and reconsidered in the context of wider and more comprehensive review, in full consultation with Approved Organisations.

The submission also highlights the lack of certainty around many of these proposed changes, especially to those proposed for the public transport administration and work categories. Officers are still waiting on further clarification on these proposals from the NZTA, and therefore the financial impacts outlined in the submission are at this stage best estimates.

It should also be noted that NZTA officials have, subsequent to meeting with regional council officers from around the country, indicated that it may not proceed with the proposed cut to the W/C 001 Regional Transport Planning grant at this stage, subject to further consultation with affected councils.

Greater Wellington officers have coordinated a joint submission for regional councils and unitary authorities through the Local Government New Zealand's Regional Sector Group. A copy of this submission is included as **Attachment 3** to this report. In the Greater Wellington submission it says it supports the RSG submission.

5. Communication

Dependant on the response received from the NZ Transport Agency, a media statement may be necessary in the future.

6. Recommendations

That the Council

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Agrees to the submission set out in Attachment 2.***
4. ***Delegates to the Chair authority to approve any changes to the submission necessary to give effect to the Council's agreed amendments.***

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Attachment 1: New Zealand Transport Agency's "Proposed Changes to 2012 National Land Transport Programme co-investment ratios (funding assistance rates)" consultation document

Attachment 2: Regional Council Submission to the New Zealand Transport Agency on targeted changes to Funding Assistance Rates and other changes to work categories, administration costs and professional services

Attachment 3: Regional Sectors Group Submission to NZTA on targeted changes to the 2012 National Land Transport Programme FAR rates and changes to work categories, administration and professional services