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Memo To: Attendees at Key Stakeholder Workshop
Memo From: Andrew James, NCC Transport Manager
**Subject: ARTERIAL TRAFFIC STUDY - BRIEFING NOTES FROM A.
JAMES PRESENTATION TO 11/8/10 COMMUNITY WORKSHOP**

Please find below key points from my presentation.

1. The Government Policy Statement (GPS) identifies how transport infrastructure funding is allocated by the New Zealand Transport Agency (NZTA). Government issues a GPS every three years, with the next scheduled for release by 1 July 2012. NZTA is required to 'give effect' to the GPS, and Regional Land Transport Programmes are required to 'be consistent with' it. Selwyn Blackmore (NZTA representative on the Decision Making Team) advises that generally, the GPS directs and prioritises funding to those activities that are most effective in supporting economic growth and productivity. Specific rules are identified in the NZTA's Planning, Programming and Funding Manual (PPFM).

Some 88% of passenger transport funding is allocated to Auckland, Wellington and Christchurch, and the PT activity class that covers both capital and operational expenditure remains heavily over-subscribed. All indicators suggest this will happen again for the next NLTP. This is the reason why Council was not able to expand its passenger transport service to the transitional service budgeted in 2010-2012.

2. Effectively, the bar for projects to be eligible for funding has risen as a large proportion of the national ('N') fund is being utilised for the seven roads of Roads of National Significance (RoNS). A rough and ready interpretation for walking and cycling projects is that funding will only be forthcoming where congestion can be reduced, significant safety issues / risks.
3. Funding for State Highway infrastructure does not generally require a local authority contribution.
4. Funding for Nelson's local authority infrastructure attracts a contribution from NZTA subject to the PPFM rules. For the major activities, where approved:
 - maintenance is funded at 43%,
 - capital at 53%,
 - safety programmes at 75% (under review),
 - passenger transport and total mobility at 50%,
5. Indications from NZTA at this time are that the next GPS (identifying funding priorities from July 2012) will not alter its view on passenger transport funding.

6. NCC is required to adopt a Regional Public Transport Plan by the end of 2011 which is to include a farebox recovery policy which aims for a 50% cost recovery, or provide extensive justification if a lesser amount is proposed as a long term target.
7. The funding criteria for Travel Demand Management initiatives are currently under review. It is unlikely that Nelson would be eligible for funding under this activity should it remain.
8. A change in the rules around the regional ('R') fund has been introduced by the new Government. This change requires that the 'R' fund be used ahead of 'N' funding for all proposed improvement activities in the region. To date \$5M of the regional \$23M 'R' fund has been allocated to state highway projects in the National Land Transport Programme. The remainder has yet to be allocated but needs to be committed by June 2015 (consents approved and construction contracts tendered). Any remaining 'R' funds will be absorbed into the 'N' fund and will become nationally prioritised. The 'R' funds do not belong to the Council, and will only be allocated to projects that meet current NZTA requirements
9. A key factor in prioritising funding is the economic efficiency of projects. The benefit cost ratio (BCR) provides a basis to determine this as follows:-
 - a. $BCR \geq 4$ is High
 - b. $BCR \geq 2$ and < 4 is Medium
 - c. $BCR < 2$ is Low

In 2006 The Nelson to Brightwater Corridor Study determined the BCR of the Southern Corridor Local Arterial Road (SCLAR) as 3.7. This is likely to reduce considerably in light of the updated transport model.