

INVESTMENT APPROACH

The Transport Agency is working to deliver greater value to users of the transport system by:

- being clear on the outcomes and priorities we want to achieve for users of the transport system
- working together to do the right things at the right time for the right price – optimising programmes so they deliver the outcomes and improve the transport system for users
- getting the right balance of investment between direct land transport system users and ratepayers.

There are a number of building blocks that come together to support this approach but three key elements are, the investment assessment framework, the One Network Road Classification, and the funding assistance rates review.



DEFINING OUTCOMES

GOVERNMENT POLICY STATEMENT

The Government Policy Statement identifies the land transport outcomes that the Government wants to achieve through its investment from the national land transport fund. The GPS sets out funding ranges for land transport activities. The development of the GPS is managed by the Ministry of Transport. Currently it is still in draft, and is expected to be finalised in November. The Transport Agency must give effect to the GPS and councils can't be inconsistent with it.

DEFINING RIGHT PROJECT AT RIGHT TIME

ONE NETWORK ROAD CLASSIFICATION

The One Network Road Classification (ONRC) is a joint initiative between local government and the Transport Agency. It categorises roads based on the functions they perform as part of an integrated national network. The ONRC is a key element to determine fit-for-purpose standards which will help local government and the Transport Agency to plan, invest in, maintain and operate the road network in a more strategic, consistent and affordable way throughout the country.

ONLY COSTS FOR FIT-FOR-PURPOSE STANDARDS

PRIORITISING ON A NATIONAL BASIS

INVESTMENT ASSESSMENT FRAMEWORK

The Transport Agency gives effect to the GPS by using its Investment Assessment Framework (IAF) to determine what activities will receive funding within the overall funding range set by the GPS. The IAF is used to support councils and the Transport Agency to prioritise activities in the Regional Land Transport Plans (RLTP) and National Land Transport Programme (NLTP).

BALANCING THE NATIONAL AND LOCAL INVESTMENT CONTRIBUTION

FUNDING ASSISTANCE RATE REVIEW

Funding Assistance Rates (FAR) enable the costs of the land transport network to be shared appropriately between direct land transport system users (who pay into NLTP) and local communities (your ratepayers). Funding assistance rates are part of a co-investment system that recognises there are both national and local benefits from investing in the land transport system and that by combining the financial resources of road users and rate payers we will maximise the returns for all New Zealanders.

THE FAR PRINCIPLES

The funding assistance rates system should:

1. Support optimal national land transport outcomes being achieved in the right way, at the right time and for the right price. Optimal national land transport outcomes contribute to the provision of an effective, efficient, safe, responsible and resilient transport system. (A reasonable transport system addresses the potential harms of that system, including environmental and health impacts.)
2. Facilitate land transport network users experiencing an integrated and appropriately consistent network throughout the country.
3. Appropriately split the costs of the New Zealand land transport network between direct land transport system users and local communities recognising that each of those groups affects, and benefits from, that network.
4. Provide approved organisations and the NZ Transport Agency with as much investment certainty as practicable.
5. Be efficient to apply.
6. Be based on evidence and data that is readily accessible and available.
7. Ensure that if there are variations on how the funding assistance rates are set or applied to address outliers or exceptions that this is done transparently.

OVERALL FAR FRAMEWORK



FAR DECISIONS ALREADY MADE (MAY 2014)



FAR DECISIONS COMING UP

