



Report 08.914
Date 2 December 2008
File TP/01/14/03

Committee Regional Transport Committee
Author Joe Hewitt Manager, Transport Strategy Development

Regional Land Transport Programme Process

1. Purpose

This report outlines the process for the preparation of the Regional Land Transport Programme (RLTP) by 30 June 2009. The report also provides information on the prioritisation process.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

As reported at the last meeting (28 October, Report 08.756), the amended Land Transport Management Act 2003¹ (the Act) requires the Committee to prepare and consult on a RLTP every three years. In accordance with section 16 of the Act, the programme must contain all of the land transport activities that will occur within the region over the next ten years. The programme will set out the expected expenditure (some \$4 to 5 billion over 10 years) on transport operations, maintenance and developments for 3+3+4 year periods. This is the first time the region has had to undertake such an exercise.

4. Comment

A detailed programme has been developed for this process. The following table sets out a summary of the key steps and timing for the process.

¹ As amended by the Land Transport Management Act 2008.

Key step	RTC decision	Timing
Process report to RTC (this report)	Note process	11 December
Significance policy (separate report)	Adopt policy	11 December
Evaluation and prioritisation	Endorse methodology (see section 5 below)	11 December
	Priorities workshop	9 February
	Determine priorities	19 February
Funding plan ²	Adopt draft funding plan	19 Feb or 5 March
	Possibly propose a regional fuel tax scheme? (see section 6 below)	5 March?
Proposed RLTP	Adopt proposed RLTP for consultation	5 March
Consultation plan	Adopt consultation plan	5 March
Hearing subcommittee	Appoint Hearing Subcommittee	5 March or 8 April
Consultation in parallel with GW's LTCCP		Monday 23 March – Friday 24 April
Hear submissions (Hearing Subcommittee)		Early June
Approval	Recommendation from RTC to GW	23 June
	Adoption by GW	30 June (last possible day)

The timeframe for this significant piece of work is very tight. At the time of writing the Agency had still not made available any of the State Highway or Police enforcement activities. This information was due by 17 November. Such delays at this stage of the programme may be able to be caught up. However, there is a risk that the statutory timeframes for this process will not be met.

The significance policy is reported back to the Committee separately on this agenda.

5. Prioritisation methodology

Funds are limited, and s16 of the Act requires the region to set priorities that will be recommended to the New Zealand Transport Agency (NZTA) who is

² S 16(3)(g) of the Act requires the preparation of a 10 year financial forecast. Agency guidelines recommend the development of a high-level funding plan.

charged with making funding allocation decisions for all national funding sources. The Agency must take account of regional priorities when making funding decisions. The Technical Working Group³ has developed a method for recommending the priority of significant projects and packages to the Committee using a multi criteria decision analysis methodology (refer **Attachment 1**). A presentation on this methodology will be given at the meeting. The prioritisation methodology will assist the Committee in determining the ranking recommended to the NZTA. For the Committee this process will commence with a workshop on 9 February and be concluded on 23 June, having taken account of any input from submissions.

6. Possible regional fuel tax

At this time it is too early to quantify the size of any funding gap that may result from the difference between funding available and the region's priorities for the next 10 years. However, experience suggests that a funding gap is likely to be identified. One option for the region to address such a gap is to levy a regional fuel tax as provided for under section 65 of the Act. This section has many requirements, key points being:

- the Committee may propose a regional fuel tax scheme and consult widely on it
- to limit the size of the tax to a maximum of 10 cents per litre
- to limit use to a maximum of 5 cents per litre for carriageways for general traffic
- to limit the period of application to a maximum of 30 years, with a possible extension of 5 years
- to limit the implementation to a maximum of 2 per litre cents in 2009 and 5 cents per litre in 2010
- a regional fuel tax proposal must specify the capital projects which it is to be applied to
- the regional council may decide to either lodge the proposed scheme with the responsible Ministers (who have the power accept, reject or do nothing with the proposal) or refer the matter back to the Committee.

Calculations suggest that, for Wellington region, the maximum 10 cents per litre regional fuel tax could support debt repayments for up to \$400 million of new capital expenditure. The Committee will need to consider this matter fully as it considers a funding plan for the programme in March. It appears possible that the Committee could include a regional fuel tax scheme proposal in the upcoming RLTP if necessary.

7. Communication

There is nothing to communicate from the consideration of this report. A plan for the RLTP consultation will be reported to the Committee for adoption in March.

³ A group of officers largely made up of representatives of the regional council, territorial authorities and the NZTA.

8. Voting

Section 107 (1) of the Act states that objective and interest representatives have full speaking rights, but are not entitled to vote on matters related to regional land transport programmes. As the subject matter of this report relates to the regional land transport programme, objective and interest representatives **may not** vote on the resolutions.

9. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Endorses the prioritisation methodology as set out in Attachment 1 noting that it will continue to be developed by the Technical Working Group and reported back to the Committee in February 2009.***

Report prepared by:

Report approved by:

Joe Hewitt

Manager, Transport Strategy Development

Jane Davis

Divisional Manager Transport Policy and Strategy

Attachment 1: Proposed prioritisation methodology.