

18 June 2024

New Zealand Transport Agency Waka Kotahi
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Tēnā koe

Canterbury Regional Transport Committee and Canterbury Mayoral Forum joint submission on the proposed changes to the emergency works investment policies

The Canterbury Regional Transport Committee (CRTC) and Canterbury Mayoral Forum (CMF) thank the New Zealand Transport Agency Waka Kotahi (NZTA) for the opportunity to make a submission on the proposed changes to the emergency works investment policies.

In this submission, the CRTC and CMF provide comment on the key issues for Canterbury with regard to the proposed changes.

Canterbury Regional Transport Committee

The RTC is comprised of the authorised organisations who plan transport activities in the region. The members are representatives of the nine territorial authorities in Canterbury, the Canterbury Regional Council and NZTA. The principal responsibilities of the RTC are to:

- develop a Regional Land Transport Plan (RLTP) for the Canterbury region;
- ensure coordination of transport activities across road controlling authorities; and
- represent and advocate for the transport interests of the Canterbury region.

We note that member organisations may also make individual submissions. We support careful consideration of these submissions.

While NZTA is represented on the RTC, this submission does not reflect the views of NZTA.

Mayors standing together for Canterbury.

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Canterbury Mayoral Forum

The CMF comprises the Mayors of the ten Canterbury territorial local authorities and the Chair of the Canterbury Regional Council (Environment Canterbury), supported by our Chief Executives. The purpose of the Forum is to promote collaboration across the region and increase the effectiveness of local government in meeting the needs of Canterbury's communities.

Our context

The RTC approved the Canterbury RLTP in May 2024, which sets out the key transport priorities for the Canterbury region for the next ten years.

The vision for Canterbury's transport system in this RLTP is to achieve an innovative, resilient, low emissions transport system that helps Canterbury thrive for generations. The ten-year transport investment priorities outlined in the Plan are:

- Create a well-maintained network;
- Manage risk of exposure to extreme events;
- Support and develop connected public transport and active transport networks;
- Implementing safer systems (Road to Zero); and
- Support and develop freight systems connecting to air, rail, and sea.

The CMF published the Mayoral Forum's Plan for Canterbury in April 2023, which sets out the CMF's three key priority issues in this local government term:

- Sustainable environmental management of our habitats (land, air, water and ecosystems), focusing on land use and freshwater management.
- Shared prosperity for all our communities – focussing on building our economic strengths and developing emerging sectors, growing, attracting and retaining a skilled workforce, improving the transport network and coordinating strategies for housing our communities.
- Climate change mitigation and adaptation – reducing our carbon footprint, working together on climate action planning, building community resilience and making our infrastructure as strong as it can be.

As outlined in the RLTP, Canterbury's unique landscape (particularly our extensive braided river systems) creates resilience issues for its transport network. Much of our critical national roading and rail infrastructure, which is fundamental to South Island connectivity, is exposed to a number of risks, including flooding, earthquakes, and coastal erosion. These threats are increasing in severity and frequency due to the impact of climate change. Emergency works funding is a critical source of funding for when the network is at its most vulnerable.

Of particular relevance to this submission is the CMF action to seek to partner and collaborate with government to develop an integrated approach to transport funding in Canterbury. Our main interest is Section 1 of the discussion document, "Regarding proposed FAR and

qualifying event changes". We welcome this opportunity to provide Canterbury's view on the matters outlined in the discussion document.

General Comment

Regarding proposed Funding Assistance Rate and qualifying event changes

We acknowledge that the gap between National Land Transport Fund (NLTF) revenue and funding needs is increasing, in part due to the increasing frequency and severity of extreme events, and that financial pressures are being experienced throughout the transport sector. However, the proposed changes represent a notable decrease in the size and availability of funding for emergency works and place an undue burden on local authorities.

With 1 in-10-year events increasing in frequency and severity, and the level of NLTF support decreasing, local authorities will encounter considerable financial and planning challenges due to the proposed changes. We stress that there are limited funding levers available to local government, meaning securing local funding share to meet the government's expectations will become even more difficult.

As such, we strongly support the exploration and implementation of other funding levers at a national level to fund the response to emergency events. Central Government could consider setting up an EQC type funding model, where a levy is applied nationally for use when emergency events occur. Expecting local authorities to fund the shortfall at a local level is simply not affordable.

We strongly recommend that the Ministry of Transport progresses the Future of the Transport Revenue System review with some urgency to be in place in time for the 2027 NLTP. It is critical that a systems-wide lens is applied to funding challenges to ensure that all aspects of the transport system are suitably funded to deal with the challenges and opportunities they face.

The proposal for activity management plans to have considered network prioritisation and levels of service in advance of an emergency event will create further pressure on local authorities. Many local authorities may be unprepared for this change, and developing these plans will require time and effort beyond the proposed implementation date. Misalignment of timeframes between the proposed emergency works policy changes and planning activities creates a risk that there may be instances of insufficient prioritisation planning to secure emergency funding. This is a particular risk for smaller local authorities who will have less capacity to absorb these changes.

We agree with the general principle of a more proactive planning and investment decision-making system, which is signalled throughout the proposed changes. We are concerned that the proposed changes do not effectively adhere to this direction due to timing challenges and unintended disincentives.

The RTC has recently approved the Canterbury RLTP 2024-34, which acts as the funding bid for transport investment in the region. We are concerned that the timing of the proposed FAR changes creates a significant risk that there is both insufficient funding budgeted for emergency works, and planning around proactive improvements within current plans, given

the change in proposed policy since funding bids were submitted to NZTA as part of the RLTP process.

We note that under the proposed FAR changes, local authorities may be incentivised to hold more funds than they currently do to ensure sufficient funding for emergency works over the planning cycle. This outcome contradicts NZTA's goal of shifting to a more proactive approach to asset management. It also creates a short-term risk that funds allocated for preventative resilience investments will be held in reserve for potential emergency events.

We strongly recommend a longer timeframe to implement the proposed changes to ensure local authorities are given adequate time to re-allocate budget without forgoing maintenance, renewals, and resilience investments. A transitional period of three years would better align with the 2027 RLTP and National Land Transport Programme planning process, which would allow local authorities to continue to work towards a proactive approach while not threatening planned resilience investment in the very events the proposed changes relate to.

We request further clarification on the treatment of activities currently funded via the emergency works policy and the rate at which these would continue to be funded. This would provide reassurance to local authorities who may otherwise face an increase in costs.

Regarding proposed changes to definitions, processes, and operational policies

We agree with the addition of fire, and removal of drought, to the list of qualifying events.

We support the clarification of processes and planning making it easier to apply for resilience improvements after an emergency event, such as including resilience improvements in the same funding application. We seek further guidance on these matters and look forward to the information provided in Phase 2 of the review.

We are concerned that other existing policy settings will continue to place undue burden on local authorities applying for emergency works funding. The clarification that events require a separate funding application for each activity class they sit across represents a significant pressure on resources, particularly for smaller organisations. This process is made more complex due to the rigidity of the proposed activity classes in the draft Government Policy Statement on land transport 2024, which may result in applications frequently requiring submissions to a range of activity classes. This process will add additional timing delays when critical funding and efficient processes are most needed to reconnect communities and get the transport system moving after a natural disaster.

Uneconomic Transport Infrastructure Policy

Clarifications with regard to the proposed uneconomic transport infrastructure policy application process are all indicative of a value-for-money approach which considers a range of solutions. While we support this direction, there is concern that the level of detail required in the application process may place further resourcing and financial pressure on local authorities in the wake of an emergency event.

The proposed policy application process directs submissions to the uneconomic transport infrastructure policy to consider a range of options for both funding arrangements (step two) and solution design (step three). We acknowledge that tough conversations regarding reduced

levels of service and community-led retreat may need to occur, however it is critical that the wider social impacts of these solutions (step five) are considered alongside these factors, rather than afterwards. Assessment of non-monetised benefits and social impacts should be factored into / alongside step three, to provide reassurance that solutions are not dismissed purely to save costs.

We have no comment relating to whether there are other forms of access that the NLTF should fund that are currently ineligible.

Concluding remarks

Thank you once again for the opportunity to make a submission on the discussion document. The CMF and RTC secretariats are available to further clarify or answer any questions NZTA may have about this joint submission.

If you have any questions please contact either Tom Chretien, Strategy Advisor Environment Canterbury on 027 213 2154, tom.chretien@ecan.govt.nz or Maree McNeilly, Principal Advisor to the Mayoral Forum on 027 381 8924 or secretariat@canterburymayors.org.nz .

Nāku, iti noa, nā



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