



Date: Tuesday, 10 September 2024
Time: 1:30 pm
Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa

AGENDA

Late Reports

Infrastructure and Regulatory Committee Meeting

10 September 2024

MEMBERSHIP: His Worship the Mayor Craig Little, Cr Chaans Tumataroa-Clarke, Cr Denise Eaglesome-Karekare, Mr Chris Olsen, Cr Benita Cairns

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

Order Of Business

8 General Items.....3

8.1 National Land Transport Plan - Wairoa District Council Funding..... 3

8 Public Excluded Items 14

8.1 Reserve Reclassification - Mahia Recycling Facility..... 14

8 GENERAL ITEMS

8.1 NATIONAL LAND TRANSPORT PLAN - WAIROA DISTRICT COUNCIL FUNDING

Author: Mike Hardie, Pouwhakarae - Hua Pumau | Group Manager Assets & Infrastructure

Authoriser: Kitea Tipuna, Tumu Whakarae Chief Executive

Appendices: 1. Final Decision Letter NLTP from NZTA [↓](#)

1. PURPOSE

1.1 This report provides information for Committee on final funding secured from NZTA for the 2024-2027 period. No decisions are required by Committee at this stage.

RECOMMENDATION

The Pouwhakarae - Hua Pumau | Group Manager Assets & Infrastructure RECOMMENDS that Committee receive the report.

2. BACKGROUND

2.1 Council submits a business case to NZTA in order to secure funding in the 3 year National Land Transport Plan.

2.2 Council have now received the final funding allocation for the 2024-2027 period.

3. BUDGET SUMMARY

3.1 Below is a summary of the funding allocation – what was requested, what was approved, and what is currently sitting in the approved LTP budgets

Activity Class	NLTP Request	NLTP Approval	LTP Budgets
Local road operations	\$13,396,997	\$13,295,999	\$12,189,377
Local road pothole prevention	\$31,981,832	\$29,691,998	\$30,496,564
Walking and cycling improvements	\$1,206,779	\$178,998	\$406,778
Local road improvements	\$1,116,315	\$1,116,000	\$1,116,315
Low Cost Low Risk	\$14,628,175	\$0	\$14,628,175

4. DETAILS OF BUDGET SUMMARY

4.1 Local Road Operations

4.1.1. NLTP Request vs NLTP Approval

Approximately \$100K difference which is mainly from WC 140 Minor Events

4.1.2. LTP Impact

NZTA have approved approx. \$1.1M more than the LTP budgets, so WDC will need to decide whether to give this back and/or increase budgets as part of the 2025/26 Annual Plan process

4.2 Local Road Pothole Prevention

4.2.1. NLTP Request vs NLTP Approval

Approximately \$2.29M difference, mainly from a reduction in Sealed Pavement Maintenance (approx. \$520K) and Sealed Road Resurfacing (approx. \$1.77M)

4.2.2. LTP Impact

NZTA have approved approx. \$800K more than the LTP budgets, so WDC will need to decide whether to give this back and/or increase budgets as part of the 2025/26 Annual Plan process

4.3 Walking and Cycling Improvements (note: this is footpath and cycle path maintenance and renewal)

4.3.1. NLTP Request vs NLTP Approval

Approximately \$1.028M difference (from approx. \$1.2M to approx. \$180K), as expected from the indicative allocations

4.3.2. LTP Impact

NZTA have approved approx. \$228K less than the LTP budgets (approx. \$407K), so a significant reduction. This will likely have a direct impact on WDC's ability to achieve desired levels of service and recommend a rethink on cyclical maintenance and intervention levels, to get as many results out of the \$179K as possible.

4.4 Local Road Improvements (note: this is WC216 Bridge and structures renewals)

4.4.1. NLTP Request vs NLTP Approval

Essentially all approved

4.5 Low Cost Low Risk

4.5.1. \$0 approved vs an NLTP request (and identical LTP budgets) of approx. \$14.6M

Although a significant reduction was not unexpected following recent communications from NZTA, an allocation of \$0 is hugely disappointing and concerning, especially when considering Wairoa's relatively poor road safety and resilience. This reduction was not solely restricted to Wairoa, other Council's are experiencing the same thing.

4.5.2. In summary, the areas sought for investment and are now not funded, included:

- 4.5.2.1. Road pavement improvements, including dust seals, traction seals, widening, sight benching improvements, and improvements associated with any sealed pavement rehabilitation, unsealed road heavy metalling and/or drainage renewal projects

- 4.5.2.2. Bridge improvements, including improvements to the Maori Creek Bridge deck, guardrail improvements, seismic resilience improvements and scour resilience improvements
- 4.5.2.3. Drainage improvements, including piping open drains and upgrading culvert capacity to improve resilience
- 4.5.2.4. Road safety improvements, including targeted improvements on various urban streets and rural roads
- 4.5.2.5. Resilience improvements, including river erosion protection, coastal erosion protection, and development of a network resilience strategy

4.5.3. LTP Impact

It is expected that this will trigger a significant change to WDC's Long Term Plan, however it is advised that the Council share be kept in the transport space as there is possibility that funding streams may open up. For example, it is noted that NZTA's letter (attached) states "there a new \$100m fund for low cost (<\$2m) improvements that are targeted at delivering on the GPS strategic priorities of economic growth and productivity, increased resilience, and value for money."

In discussions with investment advisors, all projects missed out on that were tagged as resilience have been put up for consideration by the minister under this fund. The outcome of this will not be known until after Xmas.

Further Information

Attachment 1.

References (to or from other Committees)

N/a



44 Bowen Street
Private Bag 6995
Wellington 6141
New Zealand
T 64 4 894 5400
F 64 4 894 6100
www.nzta.govt.nz

03 September 2024

Kitea Tipuna
Chief Executive Officer
Wairoa District Council
Email: kitea@wairoadc.govt.nz
Cc: Craig.little@wairoadc.govt.nz; Linda.stewart@nzta.govt.nz

Dear Kitea,

2024-27 National Land Transport Programme – Final decisions

The NZ Transport Agency Waka Kotahi (NZTA) Board has now adopted the 2024-27 National Land Transport Programme (NLTP). The NLTP is our commitment to the Government's priorities for the land transport system set out in the Government Policy Statement on land transport 2024 (GPS 2024). These are boosting economic growth and productivity, increasing resilience and maintenance, improving safety and focusing on value for money.

Thank you for the huge amount of time and effort you've put into developing your submissions and supporting documentation. It's only through working closely together that we've been able to develop this NLTP.

Hawkes Bay Investment for 2024-27

- A total of \$657 million is forecast to be invested in the Hawke's Bay in the 2024-27 National Land Transport Programme (NLTP) period.
- Investment in the Hawke's Bay during the 2024-27 NLTP will support recovery from cyclone damage and build resilience into the network to support economic growth and prosperity.
- The \$657 million forecast investment includes:
 - \$154m forecast maintenance operations investment
 - \$216m forecast for pothole prevention
 - \$246m forecast improvements investment
 - \$32m forecast public transport investment
 - \$800,000 forecast safety investment
 - \$4.5m forecast walking and cycling investment

Hawke's Bay investment highlights for 2024-27

- Work will progress on 27kms of SH2 Hawke's Bay Expressway, initially to upgrade 6.5kms of this Road of National Significance
- Completion of Te Ahu a Turanga: Manawatū Tararua Highway, a new route between Manawatū and Hawke's Bay

- Reseal or rebuild almost 212 lane kilometres of the state highway network.
- Begin work on a Commercial Vehicle Safety Centre at SH2 Napier Port.

More information

This factsheet includes key highlights of our investment in Hawke's Bay. For more information on the 2024–27 NLTP, visit our website.

Attachment 1 sets out your continuous programme allocations and your low-cost, low risk programme allocation.

The complete list of activities included in the NLTP can be viewed [here](#).

Ministerial Expectations in GPS 2024

GPS 2024 includes a Statement of Ministerial Expectations for NZTA and the sector in general. This statement recognises the need for active cooperation of all players in the sector to deliver the results for the land transport system that New Zealanders want and deserve.

NZTA is expected to ensure that road controlling authorities and public transport authorities follow the Ministerial expectations where applicable. In particular, it is expected that the NZTA will ensure Ministerial expectations are incorporated into the requirements placed on other road controlling and public transport authorities as a condition of inclusion of their projects in the National Land Transport Programme (NLTP).

We've reflected in Attachment 2 how approved organisations can actively support the delivery of the Minister's expectations in GPS 2024. I would also urge you to ensure that you and your staff are familiar with the contents of the GPS including Section 5 where the expectations are set out.

Conditions of inclusion in the NLTP and funding

Alongside adoption of the NLTP, the NZTA Board also approved terms and conditions that apply to NLTP funding approvals during this NLTP period for activities of approved organisations or NZTA (for its own activities). These terms and conditions are set out in Attachment 3 and tie in the general requirements and conditions set out on NZTA's website and any other conditions attached by NZTA to funding of any specific activity. They also reflect and support the Ministerial expectations highlighted above.

These terms and conditions provide that NZTA may develop and provide to approved organisations (and NZTA (for its own activities)) other specific requirements to achieve Ministerial expectations (including measures to assess whether an approved organisation is making appropriate progress), and self-assessment and reporting requirements to demonstrate the steps that an approved organisation has taken to meet relevant expectations and any specific requirements. We are currently in the process of considering what specific requirements, self-assessment and reporting requirements are needed to achieve the Ministerial expectations. We will provide these to you once they have been developed. Generally, this is likely to include requiring:

- periodic self-evaluation and reporting of your performance against Ministerial expectations, including identifying improvements in practices to enhance performance;
- monitoring alignment with Ministerial expectations by NZTA as part of future investment audits.

We also anticipate that the reconstituted Road Efficiency Group (REG) will support opportunities for benchmarking, sharing of best practice, use of REG tools etc. to assist in meeting these expectations.

The Director of Regional Relationships for your region, Linda Stewart, will be in contact with you to answer any questions you may have relating to the decisions made and to discuss any questions or concerns you may have. However, please feel free to contact her at your own convenience.

We look forward to continuing to work closely with you in coming months as we work to deliver on the Government's priorities.

Yours sincerely

A handwritten signature in black ink, appearing to read "Nicole Rosie", written in a cursive style.

Nicole Rosie
Chief Executive

Attachment 1
Approved investment for 2024-27 NLTP – Wairoa District Council

Continuous programme allocation

The NZTA Board has endorsed the final allocations for your continuous programmes as shown in the table below.

Activity Class	2024-27 indicative funding allocation	2024-27 funding allocation at NLTP adoption
Local Road Pothole Prevention	\$29,692,000	\$29,692,000
Local Road Operations	\$13,296,000	\$13,296,000
Bridge & Structure Renewals	\$1,116,000	\$1,116,000
Walking and Cycling	\$179,000	\$179,000
Local Road Pothole Prevention - Special Purpose Roads	\$1,295,000	\$1,295,000
Local Road Operations - Special Purpose Roads	\$505,000	\$505,000

The figures above are in total cost which is both local and NLTF share.

Low cost, low risk allocation

In this NLTP, given the available funding and existing commitments, coupled with the specific priorities of the GPS, LCLR programmes were only affordable in the state highway improvements and local road improvements activity classes for high GPS aligned activities. The activities in your LCLR programme in these activity classes did not meet this threshold.

For more project specific detail, please discuss with your investment advisor.

In addition to the LCLR allocations outlined above, NLTP 2024-27 establishes a new \$100m fund for low cost (<\$2m) improvements that are targeted at delivering on the GPS strategic priorities of economic growth and productivity, increased resilience, and value for money.

The new fund will be available to low cost low risk projects that deliver on these strategic priorities and are assessed by NZTA as having a high GPS alignment or high net present value. Please contact your NZTA maintenance investment advisor for further detail regarding access to this fund.

Attachment 2

Supporting delivery on the Minister of Transport's expectations outlined in GPS 2024

A focus on delivery

Approved organisations are expected to:

- demonstrate contribution of their proposed activities to the GPS strategic priorities and GPS expectations.
- actively seek to progress and deliver their funded activities in line with the GPS expectations.
- ensure their business cases are focussed on the primary transport objective(s) of their projects, are completed in a timely fashion to control costs and deliver on the strategic priorities of the GPS.
- maintain a tight control on the scope and cost of their projects and adopt a “no frills” approach. (GPS 2024 gives examples of “no frills” and NZTA is considering providing further guidance around this approach).

A focus on core business

Road controlling authorities are expected to:

- act primarily as delivery agencies (alongside NZTA), recognising that the Ministry of Transport is to lead the oversight and development of policy for New Zealand's transport system.

A focus on value for money

Approved organisations are expected to:

- choose the most advantageous combination of whole of life cost and infrastructure quality to meet a “no frills” specification that delivers the primary transport objective of the project in the most cost-effective manner. This requires identifying the project's primary objectives and will affect option selection. (NZTA is currently revising its guidance in this regard).
- monitor its operational expenditure to ensure that it is achieving value for money and that it can deliver within approved NLTf funding approvals. Reporting on operational expenditure continues to be via Transport Investment Online. Forecasting future expenditure continues to be via the Programme Monitor on a quarterly basis.
- focus on providing services that meet the needs and expectations of users.
- in the case it has approved funding for a road safety promotion programme, will identify the most cost effective and beneficial method for carrying out that programme. This may be supporting national advertising, rather than engaging in regional or local advertising and only engaging in advertising where necessary.

Road controlling authorities are expected to:

- obtain value for money by keeping costs under control and identifying savings that can be reinvested back into maintaining or improving the land transport network.
- actively seek to reduce expenditure on temporary traffic management through a risk-based approach while maintaining safety of workers and road users.
- report expenditure on temporary traffic management in a way that these costs can be reported by NZTA to the Minister each month. This requires requesting contractors to itemise TTM costs in their contract claims.
- consider the use of standardising design or delivery of building and maintaining roading infrastructure where appropriate to do so to obtain value for money.
- be open to new models of delivery that are likely to result in better and smarter services and/or lower costs.
- for proposed investments in walking and cycling, undergo robust consultation with community members and business owners that could be affected by the investment, prior to any investment decisions being made.

Consider other revenue sources and other funding and delivery models

Approved organisations are expected to:

- consider relevant funding and financing options in relation to each of their projects.
- consider relevant sources of third party funding in relation to their projects and actively pursue those deemed suitable and include in each project's funding mix.
- consider relevant delivery models that represents value for money and balance appropriate levels of risk and timely delivery.

Increased focus on performance and efficiency

Road controlling authorities are expected to:

- comply with requirements in the NZTA Performance and Efficiency Plan that are relevant to an RCA. These relate to management of programmes, asset management practices, price/quality trade-offs for maintenance and operations expenditure, business case and cost estimation, managing overheads and back-office costs, and other GPS requirements and Ministerial expectations.
- monitor and provide information to NZTA to enable monthly reporting to the Minister on delivery of the Performance and Efficiency Plan.
- review their activity management plans in order to improve long-term maintenance outcomes by increasing the percentage of rehabilitation of the local road network towards 2% per annum. RCAs will deliver in accordance with approved funding for 2024-27 and will identify what funding is required to lift to 2% in future years.
- review their activity management plans in order to achieve long-term maintenance outcomes by increasing resurfacing the local road network towards 9% per annum. RCAs will deliver in accordance with approved funding for 2024-27 and will identify what funding is required to lift to 9% in future years.
- demonstrate progress towards fixing potholes on local roads within 24 hours of inspection. This requires best endeavours where it is value for money to repair potholes within that timeframe. RCAs will report on a monthly basis the response times for repairing potholes on its local road network.

Specific expectations relating to public transport

Public transport authorities are expected to:

- actively work towards increasing farebox recovery by 30 June 2027. This includes operating within approved funding of public transport continuous programmes, reviewing services that are delivering very low farebox recovery and considering appropriate fares.
- support and actively work towards transition to, delivery of and operation of the National Ticketing Solution in partnership with NZTA. This includes aligning concessionary fare structures with national policy to make the National Ticketing Solution cost effective and value for money for customers.

Supporting NZTA to report on the expectations

Approved organisations are expected to:

- use best endeavours to support NZTA in reporting on progress towards meeting the Minister's expectations in relation to GPS 2024 by providing information relating to their respective local transport networks.

Attachment 3**Terms and Conditions of NLTF funding for activities during NLTP 2024-2027 period**

- 1 The following terms and conditions apply to the approval by NZTA of funding from the National Land Transport Fund (**NLTF**) during the 2024-2027 NLTP period for approved activities carried out by an approved organisation or NZTA (for its own activities).
- 2 The approved organisation or NZTA (for its own activities):
 - 2.1 must comply with all the general requirements and conditions set out on NZTA's website (as amended from time to time) ([2024-27 NLTP investment requirements | NZ Transport Agency Waka Kotahi \(nzta.govt.nz\)](https://www.nzta.govt.nz/2024-27-nltp-investment-requirements)) applying to organisations who receive NLTF funding for approved activities, and any other conditions that NZTA attaches to funding of any activity (including those conditions communicated to approved organisations when advising indicative funding allocations for continuous programmes);
 - 2.2 must take all reasonable and practicable steps available to it to support it:
 - (1) meeting the Minister of Transport's expectations for the land transport sector set out in Section 5 of the Government Policy Statement on land transport 2024/25–2033/34 (including as those expectations are communicated in writing by NZTA for particular types of funding or activity); and
 - (2) satisfying any other requirements and conditions specified by NZTA in relation to an approved activity and a particular Ministerial expectation; and
 - 2.3 must comply with any self-assessment and reporting requirements linked to Ministerial expectations (referred to below).
- 3 NZTA may develop (and update) and provide to approved organisations and NZTA (for its own activities):
 - 3.1 other specific requirements to achieve Ministerial expectations (including measures to assess whether an approved organisation is making appropriate progress); and
 - 3.2 self-assessment and reporting requirements to demonstrate the steps that an approved organisation has taken to meet relevant expectations and any specific requirements.
- 4 If NZTA determines that:
 - 4.1 the steps taken (or the progress being made) by an approved organisation, or NZTA for its own activities, to meet relevant expectations or any specific requirement is not satisfactory; or
 - 4.2 an approved organisation, or NZTA for its own activities, has failed to comply with the self-assessment and reporting requirements,NZTA may, at its discretion:
 - 4.3 require the approved organisation, or NZTA, to provide further information to NZTA and/or propose how it will address or remedy the matter;
 - 4.4 amend the funding approval for the relevant approved activities to lower the amount of funding approved; and/or
 - 4.5 withhold (or make subject to additional supplemental conditions) funding for that approved activity.

8 PUBLIC EXCLUDED ITEMS

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<p>8.1 - Reserve Reclassification - Mahia Recycling Facility</p>	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>