

Emergency Works Investment Policies Review

Consultation feedback summary 2024

July 2024

Version 1.0

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Executive summary

NZ Transport Agency Waka Kotahi (NZTA) sought feedback from key stakeholders and users to evaluate the effect of proposed changes to our emergency works investment policies.

Background

- NZTA's current emergency works investment policies are set out on our website:
 - work categories: [WC 141: Emergency works](#), [WC 140: Minor works](#) which set out eligibility criteria for emergency works funding, funding assistance rates (FAR) and processes
 - [general Funding Assistance Rates FAR policy](#) which provides for enhanced FARs for emergency works
 - [uneconomic transport infrastructure policy](#).
- These emergency works investment policies were reviewed by NZTA from September 2023 to April 2024.
- This was primarily an internal review, with some representation from Local Government NZ, two Approved Organisations (AOs) and the Ministry of Transport.
- Consultation material on proposed changes was made available on the NZ Transport Agency Waka Kotahi website: [Emergency-works-policies-review-and-consultation](#)
- Consultation material was supplemented via a webinar on the proposed changes
- The consultation period ran from 1 May 2024 to 19 June 2024
- Feedback could be submitted via the review email address
- In total 69 submissions were received: 65 external (61 councils and 4 organisations) and 4 internal.

Proposed changes to policies for consultation

The changes proposed through the review for consultation are provided below.

Phase 1: Changes to definitions, processes, and operational policies

Proposed changes for consultation

- Updates to work categories 140 and 141 to apply in the 2024-27 period. This includes adding fire to the list of qualifying events and removing drought.
- Embed definitions of response, recovery, rebuild, resilience, readiness into policy and templates.
- Include definition of 'like for like' to clarify the distinction between costs of recovery and costs of improvement.
- Clarify processes including making it easier to apply for response funding and resilience improvements after an emergency event.

Uneconomic Transport Infrastructure Policy

The Uneconomic Transport Infrastructure Policy is applied to transport infrastructure that is determined to be uneconomic under the policy. NZTA may decide not to co-invest, in part or at all.

Clear actions identified to identify that a wider range of levels of service and solutions can be considered including community led retreat, while ensuring that information requirements do not add disproportionate time and resourcing burden to AOs. These include

- better consideration of value for money alongside wider outcomes, including considering non monetised benefits (for example social and cultural impacts) alongside a benefit cost ratio or Net Present Value in a funding decision
- a requirement that alternative funding sources are explored (for example Regional Infrastructure Fund, insurance, Tourism Infrastructure Fund, etc.)
- requirement for consideration of different levels of service (lower level of service or improving resilience) or different options for access
- consideration of community led retreat proposals, where relevant, in line with wider government policy
- consideration of iwi/Māori access to ancestral lands, marae, papakāinga and other sites of significance.

Phase 2: Proposed changes to FAR and eligibility

Proposed changes for consultation: For Board consideration late 2024 - if endorsed would become operative 1 July 2025

- Change the qualifying trigger for an emergency event attracting an enhanced FAR to a minimum frequency 1 in 20-year event from the current 1 in 10-year event.
- Reduce the enhanced FAR from normal FAR +20% to normal FAR +10%.
- Retain the current trigger for enhanced FAR as costs exceeding 10% of annual maintenance spend.
- Restrict provision of a bespoke FAR (i.e., greater than an enhanced FAR) to only those extreme events for which Crown funding is made available.
- Clarify that the enhanced FAR applies to response and recovery costs and is conditional upon the following:
 - The AO's activity management plan has considered, in advance of an emergency event, which parts of the network are prioritised to restore levels of service and which parts of the network may require consideration of a different level of service or alternatives to recovery; and
 - After an emergency event, genuine discussions with funders and affected communities occur for those parts of the network where consideration of a different level of service or alternatives to recovery is appropriate.

Summary of consultation themes and NZTA changes

Phase 1: Changes to definitions, processes, and operational policies

The focus of this summary report is to provide an update on consultation feedback on the proposed definitions, processes, and operational policies that will become operative from 1 July 2024 and will be in place for councils for the 24/27 National Land Transport Programme (NLTP) period.

The table below provides a summary of key feedback themes and changes we are making in response to the feedback.

Table 1: Feedback on definitions, processes, and operational policies and changes

Feedback theme	Change
<p>1 Updated definitions of like for like, resilience and response.</p> <p>Feedback was generally supportive. General acknowledgement it could assist with interpretation. However, there were some concerns the definition was not appropriately enabling of improvement.</p>	<ul style="list-style-type: none"> • Retain definitions for response, recovery and like for like as proposed in Work categories 140 and 141. • Update the Planning and Investment Knowledge Base (PIKB) Glossary.

2 Amendments to work categories 140 and 141: to add fire as a qualifying event and remove drought.

Adding fire as a qualifying event was supported, whilst removing drought was not.

- No change to exclusion of drought as an identified qualifying activity because it does not fit with legislative criteria as it is not sudden.
- Retain fire as a qualifying event.

3 Inclusion of conditions tying in a requirement that you must consider how you will plan for future events in your Asset Management Plan (AMP).

This was not supported by councils with many citing difficulties of changing AMPs at this time and potential resourcing / costs e.g., additional staff hours or if a consultant is required.

- Amend conditions and extend date for when councils must comply to 1 July 2027 which allows a 3-year lead in time.

4 Clarification of processes and planning, including making it easier to apply for resilience improvements after an emergency event.

Generally supported. Some general concerns about lack of funding for resilience. Guidance requested.

- Update guidance to identify clear steps, to enable clearer distinction between response/recovery and resilience improvement phases.
 - Includes ensuring application for funding of within 4 to 6 weeks.
 - Allowing more time for funding application for recovery and response.
- Include reference to network resilience readiness planning in work category 151 for readiness planning.
- Update funding obligations policy to clarify retrospective costs for response can be funded but there will be no retrospective funding for recovery works.
- Easier process to apply for associated resilience improvements after an event
- Updated AO guidance published.

5 Encourage councils to include provision for emergency response and recovery in RLTPs to ensure they are ready if events occur.

Few submissions on this issue however it was evident that not all councils were currently as prepared as what they could be.

- Action for next RLTPs.

6 Uneconomic Infrastructure Policy: changes proposed to enable better consideration of non-monetised benefits (including social and cultural impacts) alongside a benefit cost ratio, alternative modes of access, different levels of service, access to sites of significance for iwi/Māori.

Generally supported. Request for guidance / exemplars and some concerns about potential for increased costs.

- Minor amendments in response to feedback.
- Policy published.
- Development of guidance including exemplars as they become available.

You can view the policies that have been updated to reflect these changes through these links:

- [WC 141: Emergency works 2024-27](#)
- [WC 140: Minor events 2024-27](#)
- [Uneconomic Transport Infrastructure Policy](#)

Additional feedback / suggestions

In addition to the proposed changes, feedback and suggestions were provided on additional matters – these are shown in table 2 below.

Table 2: Other feedback / suggestions and changes

Feedback theme	Changes
<p>1 Look for new funding models: Small number of submissions. The scale and frequency of events are unprecedented. There was strong support for NZTA to continue to work with Government and lead discussions about funding from a national perspective.</p>	<p>We will work internally and with the Ministry of Transport and Ministers to ensure ongoing discussion on this issue.</p>
<p>2 Need for ongoing learning / development and guidance: Small number of submissions. Learning, development and provision of guidance identified as key in supporting changes to emergency works policies.</p>	<p>We will develop a new learning programme to improve understanding of emergency works funding processes and guides.</p> <p>We will publish an emergency works funding guide and wider guidance and exemplars.</p>
<p>3 Application and approval processes take too long / too complex: Small number of submissions.</p>	<p>Updates made to application, approvals and decision-making processes to enable simpler / faster processes with the necessary scrutiny (see also <i>Clarification of processes and planning, including making it easier to apply for resilience improvements after an event</i>)</p>
<p>4 Concerns about the status of existing approvals if the FAR proposals are proceeded with. Small number of submissions.</p>	<p>We have adopted the principle that the funding rules in place at the time of the funding approval will prevail. This means that past funding approvals and any made between now and 30 June 2025, will use the existing FAR criteria.</p>

Phase 2: Proposed changes to FAR and eligibility

Important: Please note that the NZTA Board has yet to consider and make decisions regarding these proposed changes. Any decisions would not take effect until 1 July 2025.

NZTA also intends to have further discussions with NZ Treasury about the circumstances in which Crown funding will be available for events that overwhelm the National Land Transport Fund.

Table 3: Feedback on proposed FAR and eligibility changes

Feedback theme	Changes
<p>1 Change the qualifying trigger for an emergency event attracting an enhanced FAR to a minimum frequency 1 in 20-year event from the current 1 in 10-year event. Almost universally against. Feedback highlighted budget pressures for councils, measurement challenges and impacts on wider projects and programmes, impacts on social and economic outcomes.</p>	To be determined through Board decision in late 2024.
<p>2 Reduce the enhanced FAR from normal FAR +20% to normal FAR +10%. Almost universally against. Main issue is affordability and timing (AOs would prefer that the policy change is either not adopted or if adopted that the timeframe when it becomes operative is deferred e.g., until the start of the next NLTP period).</p>	To be determined through Board decision in late 2024.
<p>3 Retain the current trigger for enhanced FAR as costs exceeding 10% of annual maintenance spend. Generally supported.</p>	<p>No change.</p> <p><i>Note updates to work categories upon which the 10% of annual maintenance spend is calculated to align with the updated Activity classes confirmed through the Government Policy Statement on Land Transport 2024: This 10% annual maintenance amount will be based on 10% of an AO's total cost of its local road pothole prevention and local road operations programme for the year (as approved when the National Land Transport Programme (NLTP) was adopted).</i></p>
<p>4 Restrict provision of a bespoke FAR (i.e., greater than an enhanced FAR) to only those extreme events for which Crown funding is made available. High number of submissions against this proposal due to potential for lower financial support for events.</p>	NZTA will not consider a bespoke FAR arrangement unless additional Crown funding becomes available that enables NZTA to provide financial assistance to an AO.
<p>5 Inclusion of conditions tying in a requirement that you must consider how you will plan for future events in your Asset Management Plan.</p>	Adjusted conditions of funding approval enable an extension of time for amending activity management plans to 30 June 2027.

Next steps

Timeline	
Phase 1: Planning, process and policy wording changes	
Policy and process changes take effect - updated on NZTA's website in the Planning and Investment Knowledge Base	1 July 2024
External webinar – Registration via NLTP Bulletin	11 July 2024
Consultation feedback summary available on the Emergency works policies review webpage	11 July 2024
Phase 2: Proposed FAR and eligibility changes	
Further consideration of feedback from consultation and discussions with NZ Treasury	June to November 2024
NZTA Board decision on changes to emergency works FAR	Late 2024
Any confirmed changes to emergency works FAR and eligibility become operative	1 July 2025