

Integrating NLTF and Direct Crown Funding Approaches

Guidance for Regional Transport Committees

VERSION 1.2, AUGUST 2023

The Transportation Special Interest Group (TSIG) has asked Waka Kotahi officials for information and guidance about the following:

- The approach that Waka Kotahi takes (e.g. in relation to existing CERF funded initiatives) to identify and prioritise activities that have been tagged for direct Crown funding opportunities.
- Why we recommend that RTCs should include all activities in RLTPs that could be Crown funded in the future (even activities that councils do not have local share for), and:
 - How projects, that are likely to be funded outside of the NLTF, should be prioritised.
 - How Regional Recovery Plans (including District Recovery Plans and Locality Plans) should be included.
 - Whether significance policies should apply to activities that are being considered for direct Crown funding.
 - Clarification about decision-making powers for Waka Kotahi and Ministers.
 - How crown funded projects will be shown in TIO.
- What type of VKT reduction activities could be included in RLTPs ahead of VKT programmes being finalised.
- The types of activities that could be included in RLTPs related to adaptation (climate related resilience).

Information and guidance in response to these queries are outlined below.

Waka Kotahi approach to managing direct Crown funding opportunities

Waka Kotahi has a legal responsibility to decide what activities will receive NLTF funding. Decisions about what activities will receive direct Crown funding (e.g. through Budget, CERF, or other funds) sits with Ministers.

Waka Kotahi helps Ministers to identify priorities and initiatives for direct Crown funding by:

- Providing advice through annual Budget processes – including in relation to the Climate Emergency Response Fund (CERF), usually through processes led by Te Manatū Waka Ministry of Transport
- Providing ad hoc advice, upon request, on investment options to deliver on new government priorities (e.g. cyclone recovery).
- We rely on RLTPs, the Investment Prioritisation Method (IPM), and our long-term view of system needs at national, regional, and pan-regional levels (Arataki) to provide this advice. Once the urban VKT reduction programmes are completed, they will also inform this advice.

Why has it become important to include potential Crown-funded activities in RLTPs?

The strategic context for investment in land transport is changing and becoming increasingly complex.

Transformational change, supported by targeted investment is urgently needed to meet government commitments to reduce emissions, build resilience to climate change and keep people safe. But the National Land Transport Fund (NLTF) and local government resources are already largely committed to maintaining existing networks and minimum levels of service (and more funding is needed to even achieve this). This means there is increasing reliance on direct Crown funding to support additional maintenance and transformational change.

The draft GPS24 is likely to acknowledge this, and provide a view across all funding sources, not just the NLTF. We expect the draft GPS24 will also clarify expectations between investment decisions and the Emissions Reduction Plan (ERP) and the National Adaptation Plan (NAP).

This means that the information RTCs share with us should include a range of activities that could be eligible for funding, not just from the NLTF, but from any available funding source. We suggest that RTCs incorporate activities they would like to see funded from any funding source in their RLTPs, seeing as these already highlight key priorities for transport and discuss investment opportunities.

The draft GPS 2024 is also likely to prescribe that the Waka Kotahi Board play a more active role in providing formal advice to Ministers and Te Manatū Waka about what should be considered for direct Crown funding opportunities. If potential Crown-funded activities were included in RLTPs, Waka Kotahi could consider these and work with councils to develop proposals or packages of proposals (that would not typically be eligible for NLTF funding or be prioritised for the 24-27 NLTP) to be considered for a range of different direct Crown funding opportunities.

How we would like you to include potential Crown-funded activities in your RLTP 2024-27

We suggest that RLTPs include a table which outlines activities that seek funding outside of the NLTF. The table should be labelled as “activities for future consideration” and include information such as:

- The title of the project or programme.
- The organisation that would be responsible for implementation.

- Description of the programme (including, but not limited to, problem/opportunity, location, strategic context, primary benefits sought, whether activities align with key transport outcomes, total activity cost, estimated delivery timelines).
- Any supporting information you may have - e.g. links to supporting information like research, feedback from consultation/engagement with key stakeholders etc, if local share is available or not available. Note: if you don't have this information, it isn't mandatory to include it.
- We suggest this table be included as an appendix to the RLTP to distinguish these activities from those that are being considered for NLTF funding.

The table below provides an example of what this could look like:

Hoth Regional Transport Committee*			
Activities for future consideration			
Title of prog/project	Org.	Description	Supporting info (if applicable)
Resilience improvements between Echo Base and Middle Hoth	R. Alliance	<p>Problem/opportunity</p> <p>Corridor between Echo Base and Middle Hoth frequently experiences snowstorms, resulting in infrastructure breakdown and crashes. New materials are available to improve resilience and reduce infrastructure breakdown and reduce crashes.</p> <p>Location</p> <p>Corridor between Echo Base and Middle Hoth, State Highway 4500.</p> <p>Strategic context</p> <p>Hoth climate is set to worsen over the next decade with an increase in snowstorms, but people will still need to travel through some of the most vulnerable areas. Key routes need to have built up resilience to continue providing access and ensuring that the route can withstand snowstorms.</p> <p>Primary benefits sought/alignment with transport outcomes</p> <p>Improving resilience, reducing death and serious injuries. Project aligns with security, resilience, and safety</p> <p>Total activity cost and estimated delivery</p> <p>\$100 million and 2 years.</p>	Research has been carried out and shows that project could reduce rate of crashes during snowstorms by 45%, and infrastructure breakdown of 76%.
Echo Base public transport hub	R. Alliance	<p>Problem/opportunity</p> <p>People need to wait for services outdoors snowstorms and people have been getting frostbite and hyperthermia, causing an unnecessary strain to the health system on Hoth. Hoth needs somewhere indoors for people to wait.</p>	Consultation with local stakeholders showed that 85% of submitters support building a new public transport hub.

	<p>Location</p> <p>Echo Base public transport hub.</p> <p>Strategic context</p> <p>Building a public transport hub, combining facilities for public and commercial bus services, cycle storage facilities and related services for better integrating alternative transport modes.</p> <p>Primary benefits sought/alignment with transport outcomes</p> <p>Improving access to public transport services, contributing to improved health outcomes, and reducing emissions.</p> <p>Total activity cost and estimated delivery</p> <p>\$200 million and 2 years.</p>	
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**For the purposes of this example, Hoth Regional Transport Committee and its programmes are made up.*

When Waka Kotahi is looking to provide advice to Ministers about activities that could be funded through direct Crown funding, we will consider activities listed in the “activities for future consideration” table, as well as activities that were not able to be funded through the NLTF.

We recognise that all information about these activities may not be fully formed at the time of RLTP submission time and this is okay. If the project will bring about positive outcomes and support your region, we will work with you to develop the project/activity to get it bid-ready.

However, we do ask that, where possible, you provide best quality information as this will help us formulate sensible recommendations to Ministers.

How should projects be prioritised in the “activities for future consideration” table?

Projects listed in the “activities for future consideration” table do not have to be prioritised.

But, if an RTC would like to prioritise the projects on their list, we suggest RTCs use their existing prioritisation methods that they have used in the development of their RLTPS.

Where a project is incredibly significant or important to the RTC, how can this be prioritised or signalled in the “activities for future consideration” table?

We suggest RTCs either:

- use their existing prioritisation methods to highlight which projects are the most significant, or
- briefly outline in the description section of the table that the project is significant and why it is significant.

How can Regional Recovery Plan (which includes District Recovery Plans and Locality Plans) activities be included in RLTPs?

RLTPs should already be identifying what is included in Regional Recovery Plans (and supporting plans), and what level of investment is required (and when) to deliver on what has been outlined in these plans.

If RTCs would like to include an activity or project highlighted in their Regional Recovery Plan (or similar document), they can add this activity into the RLTP, or list it as an activity in the “activities for future consideration” table.

Crown funding opportunities are increasing, but decisions about Crown funding are made by Ministers. Does this mean that most decisions about funding new transport activities will be made by Ministers rather than Waka Kotahi?

Decision-making processes are not changing. There is simply a growing number of direct Crown funding opportunities for transport projects. Direct Crown funding decisions have always been made by Ministers.

As noted on page 2 of this document, the draft GPS2024 is likely to prescribe that the Waka Kotahi Board play a more active role in providing formal advice to Ministers and Te Manatū Waka about what should be considered for direct Crown funding opportunities.

This means we expect to work with you in a more direct way to make sure a range of different activities are put forward for direct Crown funding consideration. By listing all potential activities in RLTPs, we can be more definitive in our advice and provide Ministers with clear visibility of the different needs across the Motu. This means Ministers will be better placed to make decisions about funding the best projects/activities.

Do significance policies need to consider those Crown funded activities in the RLTP?

Where a significance policy is outlining what level of consultation is required when changing the detail of an activity, or introducing a new activity to the RLTP, Waka Kotahi suggests RTCs should initially exempt anything included in their “activities for future consideration” table from requiring specific consultation when any changes or additions are being sought.

We hope this will support RTCs to highlight important activities in their RLTPs without having to carry out additional work. Then, once it is clear that the activity is going to be put forward as a bid for direct Crown funding, local authorities can carry out the work needed to confirm that the activity is aligned with their significance policy (e.g. carrying out public consultation).

How would these projects be shown in TIO?

Our teams are working to allow for direct Crown funded activities to be included in TIO. We will provide further information to local authorities about how this will work when this information becomes available.

RLTP Guidance – VKT Reduction Activities

Until urban VKT reduction programmes are in place, Waka Kotahi will continue to rely on RLTPs to identify and prioritise VKT-related activities for investment – both through its decisions on NLTF-funded activities, and to inform advice to Ministers on direct Crown funding opportunities.

The draft GPS24 is likely to clarify expectations of investment decisions in relation to the ERP, including targets for reducing light VKT.

Waka Kotahi will be focusing NLTF investment for tier 1 and tier 2 councils for the 2024 to 2027 period, but we will be able to support VKT related activities from any local authority to be considered for direct Crown funding.

Guidance around the preparation of Urban VKT Reduction Programmes is being finalised in August, and calls out three big shifts that will drive VKT reduction in our urban centres:

1. Shape urban form to reduce the need to travel by car.
2. Make shared and active modes more attractive.
3. Motivate people to travel differently.

Through work on the existing Mode Shift Plans, Urban Growth Partnerships, spatial planning and other activities, approved organisations already have a range of activities to draw on that will contribute to the shifts sought to achieve VKT reduction. The table on page 9, titled “Interventions for reducing VKT by light vehicles” provides some examples of interventions for reducing VKT that local authorities may want to consider.

More detailed guidance

Waka Kotahi has already published some resources which could be useful for RLTP development. This includes:

- Planning resource – curated list of research and evidence to support VKT reduction programme planning <https://nzta.govt.nz/assets/About-us/vkt-reduction-programme/docs/planning-resource-light-vkt-reduction-planning-in-our-major-urban-areas.pdf>
- VKT evidence pack – insights into current VKT and mode share trends, and interventions likely to make the greatest contribution <https://www.nzta.govt.nz/planning-and-investment/national-land-transport-programme/viewupdate/290>
- Research report 707 – research on effectiveness of interventions to reduce VKT <https://www.nzta.govt.nz/resources/research/reports/707/>

Information about funding initiatives to support climate resilience and adaptation

Budget 2023 announced two key funding initiatives to support climate resilience and adaptation. One of these is the \$250 million top up to the NLTF to be applied to emergency works to State Highways and local roads under NLTP 2021 – 2024. This was announced in February in response to Cyclone Gabrielle and the quantum of emergency works events across the country.

The second initiative is a direct Crown funded \$419 million package of proactive resilience improvements across the country, spread across a seven-year delivery period. This is called the Transport Resilience Fund, and will include the following:

Component of package	Details	How it will progress
State highway coastal, flooding and slips component (approx. \$179m)	A package of works to protect the state highway network against coastal inundation, erosion, slips and rockfall.	Risk based programme development following updated network risk

	Potential interventions could include green solutions (e.g. planting to stabilise slopes), sea walls and stop banks, reinforced soil slopes, concrete pile walls, improved drainage (culverts, bridges), raising of road levels, improved revetments or armouring, realignments, erosion control systems.	assessment, with Minister approval to follow.
State highway Low-Cost Low Risk projects component (approx. \$100m)	A package of small projects to improve resilience of the state highway network such as stabilising slips, improving drainage, protecting against erosion, and upgrading culverts.	Risk based initial programme developed, and already signed off by Minister.
Local road component (Transport Resilience Fund) (approx. \$140m)	<p>\$20m per year for seven years for local councils to bid for their top priority projects to support resilience to climate related weather events and to have them assessed against one another to create an optimised national programme of local road improvements to lift climate resilience.</p> <p>This fund is intended to fund a pipeline of small 'quick win' proactive climate resilience projects on local roads. Many will already be identified in activity management plans (AMPs) as either active risks under management, or known interventions such as improving drainage, minor bridge strengthening, green, building retaining walls, installing gabion baskets, and raising road levels.</p> <p>Waka Kotahi intends to prioritise funding based on resilience risk.</p>	Waka Kotahi is likely to reach out to a small, specific group of councils with known projects for the first year (2023/24) of activities. At the same time, it is our preference to work with our council partners and use the RLTP process to establish candidate projects for the remaining years of the 7-year programme.

Progress on funding activities from these initiatives is yet to start, but Waka Kotahi will continue to work with council partners and will share information with councils as it becomes available.

Waka Kotahi will consider all activities included in RLTPs for this funding package. If there is an activity listed in the "activities for future consideration" table that would be well-suited for funding

from the Transport Resilience Fund, Waka Kotahi will work with the relevant RTC to make sure the activity has a legitimate opportunity to receive funding.

Interventions for reducing VKT by light vehicles

Intervention category	1. Quick wins and laying the groundwork	2. Accelerating process	3. Transformational change
Integrated planning to create thriving and resilient communities	<ul style="list-style-type: none"> Align land transport and urban planning to support mixed-use, medium to high density urban development with good access to public and active transport options Prioritise transport improvements identified in spatial plans and programmes that support compact, mixed-use urban development 	<ul style="list-style-type: none"> Implement the new resource management system, including regional spatial strategies and Natural and Built Environment plans Enable and actively encourage mixed-use development to support living well locally Enable transit-oriented development around existing and planned rapid transit stations 	<ul style="list-style-type: none"> Reconfigure the role of city centre and metropolitan centre zones to optimise the co-location of housing, jobs, and services Set mode share and traffic reduction objectives for green and brownfield development
Improve the reach, frequency, and quality of public transport	<ul style="list-style-type: none"> Address bus driver shortages Improve service reliability Reallocate road space to rapidly roll out dedicated bus lanes Understand service and coverage gaps Improve the safety and attractiveness of existing public transport shelters and stations 	<ul style="list-style-type: none"> Expand frequent primary networks (frequency, accessibility, network coverage, hours of operation) Extend secondary networks connected to primary networks In large urban areas, plan and begin delivery of rapid transit networks integrated with higher density, mixed-use development, and transit-oriented development Deploy national integrated ticketing 	<ul style="list-style-type: none"> Accelerate expansion of rapid transit and frequent primary networks (in agreed priority areas, subject to significant planning and additional investment) Expand coverage and services levels for secondary networks Ensure networks are highly integrated with other modes, providing easy seamless journeys across multiple modes

<p>Deliver a step change in walking and cycling</p>	<ul style="list-style-type: none"> • Identify missing links in pedestrian and cycling networks and establish plans to address these • Improve safety, accessibility, and attractiveness of existing networks • Trial street changes to build support • Reallocate road space to rapidly roll out cycle lanes in key areas • Improve and integrate connections for schools, town centres and public transport hubs • Filter traffic and roll out low-traffic neighbourhoods in supportive communities 	<ul style="list-style-type: none"> • Improve the quality of streets and roads for walking • Complete urban cycle networks • Integrate active mode networks into planning and development proposals • Improve walkability to public transport stations and stops • Integrate cycling networks with public transport shelters and stations • Accelerate community engagement in and delivery of low-traffic neighbourhoods • Support shared e-bike schemes, including in social housing developments 	<ul style="list-style-type: none"> • Upgrade networks (including streets where temporary changes were previously rolled out) to deliver safe, separate, and dedicated networks for walking, cycling and micro-mobility
<p>Facilitate car sharing and shared trips</p>	<ul style="list-style-type: none"> • Incentivise ridesharing through dedicated and/or discounted parking • Support community-led car and ride-share schemes, including in social housing developments • Support travel planning for businesses, schools, and large trip generators 	<ul style="list-style-type: none"> • Introduce and enforce high-occupancy vehicle lanes 	<ul style="list-style-type: none"> • Ensure existing and new developments prioritise parking for car and ride-share services
<p>Rebalance the road network and its use to support shared and active modes</p>	<ul style="list-style-type: none"> • Improve safety for active and shared modes on key corridors and intersections 	<ul style="list-style-type: none"> • Expand road space reallocation and network reprioritisation to increase the safety, reliability, and 	<ul style="list-style-type: none"> • Consider limiting car travel in areas well served by other modes, potentially based on

	<ul style="list-style-type: none"> • Integrate the need to reduce traffic into Future Network Planning processes • Ensure new networks on urban fringes prioritise access by active and shared modes • Continue to roll out quick-build programmes that support road space reallocation, e.g., Innovative Streets for People 	<p>attractiveness of active and shared modes</p> <ul style="list-style-type: none"> • Create highly walkable city and suburban centres 	<p>time of day or vehicle occupancy.</p>
<p>Manage car parking and vehicle use, and incentivise shared and active modes</p>	<ul style="list-style-type: none"> • Use existing tools to extend and improve the management of parking supply and demand • For large urban areas, plan for the potential introduction of congestion or road pricing 	<ul style="list-style-type: none"> • Tier 1: Implement congestion or road pricing • Tier 2: Plan for possible introduction of congestion or road pricing 	<ul style="list-style-type: none"> • Reduce and target parking provision in high-density areas well served by other modes
<p>Provide education, communication, and travel planning programmes</p>	<ul style="list-style-type: none"> • Enable and actively support regional, area-wide, and site-specific travel planning (including developments, events, schools, and businesses) • Use incentives, marketing and education programmes, and information provision and platforms to build and maintain public support for improvements in public transport services, and active and shared mode infrastructure • Consider Transport Management Associations or other mechanisms to support travel behaviour change and trip reduction at the district or regional level 		