

FUNDING ASSISTANCE RATES REVIEW

PROVISIONAL FRAMEWORK

AT A GLANCE AUGUST 2013

Role of Funding Assistance Rates:

Funding assistance rates are one tool within the land transport investment system which:

- Assists local government (and other approved organisations) and the NZ Transport Agency to work together to achieve:
 - The optimal national land transport outcomes within their combined financial resources, and
 - An integrated and appropriately consistent land transport network throughout the country, and
- Enables the costs of the New Zealand land transport network to be shared appropriately between direct land transport system users and local communities.
- Funding assistance is not a subsidy, but part of a co-investment system that recognises there are both national and local benefits from investing in the land transport network.

The Provisional framework

Seven principles would underpin the framework

The Funding Assistance Rates systems should:

- 1 Support optimal national land transport outcomes being achieved in the right way, at the right time and for the right price. Optimal national land transport outcomes contribute to the provision of an effective, efficient, safe, responsible and resilient transport system. (A responsible transport system addresses the potential harms of that system, including environmental and health impacts.)
- 2 Facilitate land transport network users experiencing an integrated and appropriately consistent network throughout the country.
- 3 Appropriately split the costs of the New Zealand land transport network between direct land transport system users and local communities recognising that each of those groups affects, and benefits from, that network.
- 4 Provide approved organisations and the NZ Transport Agency with as much investment certainty as practicable.
- 5 Be efficient to apply.
- 6 Be based on evidence and data that is readily accessible and reliable.
- 7 Ensure that if there are variations to how funding assistance rates are set or applied to address outliers or exceptions this is done transparently.

Find out more

From your local Planning and Investment contact or at www.nzta.govt.nz/FAR

One Rate for each AO

An approved organisation would have the same funding assistance rate for all of the different land transport activities it undertakes that are eligible for funding from the National Land Transport Fund (other than where targeted enhanced funding assistance rates were used and, possibly, for emergency works).

Overall NLTF co-investment rate

There would be a set overall National Land Transport Fund co-investment rate that determines what proportion of the overall costs of delivering eligible land transport activities would be met from Fund.

Factors materially affecting delivery

Some approved organisations would receive a funding assistance rate that was above this overall co-investment rate to take into account factors which materially affect their ability to deliver land transport outcomes. Consequently other approved organisations would receive a funding assistance rate that was below the overall co-investment rate.

Only costs of fit for purpose standards

NLTF revenue would be used for the eligible costs of undertaking or maintaining a land transport activity to achieve fit for purpose standards.

Targeted rates enhanced

Targeted enhanced funding assistance rates could be used in exceptional circumstances and for time-limited periods.