MIN-3966 Special Purpose Roads - 2014 Board decision.

21 September 2022

To provide the Associate Minister of Transport background information about the Waka Kotahi NZ Transport Agency Board decision on the Funding Assistance Rate (FAR) review of 2014.

Waka Kotahi NZ Transport Agency's response:

- In October 2014, the Waka Kotahi Board made the decision to transition Special Purpose Roads (SPRs) to the normal Funding Assistance Rate (FAR).
- The decision to transition SPRs to the normal FAR was made as part the wider FAR review.
- The FAR review sought to ensure that the costs of the land transport network are shared appropriately between direct land transport system users who pay into NLTP and revenue that is gathered by local authorities (e.g. the communities' ratepayers).
- As FARs are part of a co-investment system that recognises there are both national and local benefits from investing in the land transport system and that by combining the financial resources of road users and rate payers, we will maximise the returns for all New Zealanders.
- At the time SPRs received a higher FAR, which meant some councils do not feel any ownership of SPR (even though they own them, and it is their legal responsibility to manage them). Part of the reason for this review was to encourage local authorities to seek better efficiencies and value for money for the works completed on their SPRs.
- To reduce the cumulative impact of the changes, it was also recommended that Waka Kotahi maintains the existing funding assistance rate for special purpose roads FAR to allow local authorities to transition to the normal FAR percentage.
- As part of the decision the Emergency Works policy was also revised. After local authorities' transition to the normal FAR percentage, Waka Kotahi funding will still be available via the Emergency Works policy.
- Details of the emergency works policy are included in the detailed funding criteria set out under work category 141: emergency works: www.nzta.govt.nz/planning-and-investment/planning-and-investment-knowledge-base/archive/201821-nltp/activity-classes-and-work-categories/road-maintenance/work-category-141-emergency-works/

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