

20 May 2024

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REF: OIA-15198

Dear [REDACTED]

Request made under the Official Information Act 1982

Thank you for your email of 19 April 2024 requesting information under the Official Information Act 1982 (the Act). I have numbered your questions and will address each of them in turn below.

First, I want to clarify some of the funding arrangements that exist and what impacts can occur when funding is withdrawn. The NZ Transport Agency Waka Kotahi (NZTA) Board approves funding from the National Land Transport Fund (NLTF) for transport activities and has independence from Ministers. Many of these funding approvals are contributions to Road Controlling Authorities (RCAs) such as local councils for their roading projects and NZTA as the RCA for state highways.

Central government or the Crown may also grant funding to roading projects, either as a supplement to the NLTF and the relevant council's local share, or as direct investments outside the National Land Transport Programme (NLTP). Crown funding approvals may or may not involve NZTA, with this funding typically managed through the annual budget process led by the Minister of Finance.

I note that not all roading projects are funded from the NLTF or directly from the Crown. Some roading projects are funded solely by RCAs or involve other funding arrangements or third-party contributions (e.g. from developers).

- 1. What is NZTA's policy with regards to payment of funding commitments for projects shared with councils where central government involvement is subsequently cancelled?
i.e If central government involvement is cancelled, does NZTA still provide funding to projects?***

If central government or the Crown withdraws its funding from a project, NZTA will consider further options on a case-by-case basis, against the requirements of the Land Transport Management Act 2003 and a range of existing policies, to determine whether the project can be funded from the NLTF instead.

Generally, any proposed case for investment is assessed in terms of the options available, the efficiency and effectiveness of the proposed solution, benefit realisation, risks, value for money and availability of funding. NZTA's assessment will involve considerations on whether:

- the project is eligible for NLTF funding
- the project is included in an approved Regional Land Transport Plan
- the project is a priority above the investment threshold in the NLTP
- the proposed investment is aligned with the Government Policy Statement (GPS)
- the organisation seeking NLTF funding is an approved organisation (AO)
- the procurement approach demonstrates value for money in accordance with an approved procurement strategy,
- there is confidence that the project can be delivered within the proposed costs, benefits will be realised, and risks will be managed, and
- the NLTF has sufficient funds available to make the investment.

Other considerations relevant to the specific scenario where NZTA or Crown funding is withdrawn include:

- whether there was any expectation that funding would be available outside of the funds from central government
- whether the organisation undertaking the project is aware and fully understood/accepted the risks associated with proceeding without central government/Crown funding
- whether the project scope and/or costs have changed from what it was initially proposed to be funded by central government/Crown
- whether the project of a type that the NLTF would usually fund.

2. What is NZTA's policy on how this funding is used? i.e. is the relevant council now free to spend this money how it sees fit or is it ringfenced for the relevant project?

Any funding approval decision made by the NZTA Board is a commitment to fund an approved activity up to a threshold at a certain Funding Assistance Rate (typically 51 percent) from the NLTF. It is important to note that AOs do not receive the full NLTF contribution in advance, rather NZTA pays the funds in parallel with an AO's contribution of its share as spend is incurred, i.e. a 'pay as you go' style system. This means that, as the relevant AO starts spending money on a project, it must proactively claim the relevant share of funding assistance from the NLTF, through NZTA. This scenario applies to all projects that the NLTF co-funds.

Funding from the NLTF must only be used for the purpose for which it was approved. Claims must not be made for costs incurred outside the scope of the funding approval. If an AO chooses not to proceed with its project, then NZTA will not provide any NLTF funds allocated under that funding decision, as it will not be accruing expenditure and making the associated claims to NZTA for disbursement of funds. In this instance, the AO must inform NZTA of its decision not to progress the project and the funding will be declared surplus.

Surplus funds are returned to the NLTF and are not available for the AO to use on other activities. For more information, please visit:

- nzta.govt.nz/planning-and-investment/planning-and-investment-knowledge-base/202124-nltp/202124-nltp-principles-and-policies/administration/national-land-transport-fund-investment-claims-and-obligations-policy/
- nzta.govt.nz/planning-and-investment/planning-and-investment-knowledge-base/202124-nltp/2021-24-nltp-managing-programmes-and-activities/claiming-via-transport-investment-online-processes-and-rules/

3. Did NZTA contribute funding to Let's Get Wellington Moving despite the Government's cancellation of central government involvement in the project? If so, how much?

Following the decision to dissolve Let's Get Wellington Moving (LGWM) programme as announced on 17 December 2023, wind-up activities were undertaken through to the end of March 2024. During this period:

- The Golden Mile and Thorndon Quay Hutt Road (TQHR) projects were transferred to Wellington City Council (WCC)
- A small number of consultancy contracts were transferred to WCC and the remainder expired or terminated
- Contractors were terminated
- A small number of staff took up offers of employment with WCC, with the remainder returning to their former positions from secondment, resigning or being made redundant
- Files and records were archived, and copies transferred to WCC and Greater Wellington Regional Council
- The programme office premises in the Majestic Centre were vacated.

The disestablishment of LGWM has no impact on the Golden Mile and TQHR projects as the NZTA Board previously approved the funding for the construction of these projects (\$60.8 million and \$31.2 million NLTF share, respectively) in July 2023. Whether or not these projects will proceed is now at WCC's discretion, as is the case for the delivery and funding of all local government transport projects. If the projects do not proceed, any funding allocated from the NLTF which has not been spent/claimed, will be cancelled.

From 1 July 2015 to its disestablishment on 31 March 2024, the LGWM programme spent \$180.7 million in total. This figure includes spending on the activities associated with the programme's wind-up process outlined above. Of the total spend, \$109.7 million was borne by NZTA. Please note that this figure is subject to revision as the final share of spending between partners is in the process of being confirmed.

4. Did NZTA contribute funding to Auckland Light Rail despite the Government's cancellation of central government involvement in the project? If so, how much?

NZTA did not contribute any funding to Auckland Light Rail project following the Government's decision to cancel it.

5. Since 17th October 2020, please provide an itemized list of all projects the above situation has occurred in, and the funding commitments paid out on cancelled projects.

NZTA does not keep a record of projects that are cancelled in response to the Government's direction. As a public service agency, our day-to-day works are driven by the objectives of the Government of the day. Following the 2023 General Election, the Government has directed NZTA to end three programmes of work, as set out below:

LGWM

Whilst LGWM programme has been disestablished, some of its projects may to be delivered by the organisations involved. WCC has taken over the delivery of the Golden Mile and TQHR projects, meanwhile the investigative work for the State Highway 1 Second Mt Victoria tunnel and Basin Reserve upgrade is now led by NZTA. The latter project is listed in the draft 2024 GPS as one of the Roads of National Significance.

Our spending on LGWM programme has been provided in our response to question 3.

Clean Car Discount (CCD) scheme

NZTA's spending on the CCD scheme is publicly available at: <https://nzta.govt.nz/vehicles/clean-car-programme/clean-car-discount-ended-on-31-december-2023/clean-car-discount-scheme-financial-reports/>

Climate Emergency Response Fund (CERF)

The following delivery programmes were being funded by CERF and have therefore been impacted by the Government's decision to cut or reduce elements of future CERF funding:

- **Public Transport Programme** – Of \$69.7 million in approved funding for the *Under 13 and Under 25 public transport concessions* project (part of Community Connect), \$41.6 million had been spent as at 31 March 2024. The total expenditure of this project will be confirmed upon receiving the April 2024 patronage returns as the Government's funding for the *Under 13 and Under 25 public transport concessions* ended on 30 April 2024.

The remaining initiatives under this programme (*Recruiting and Retaining Bus Drivers* and *Bus Decarbonisation*) are currently put on hold, pending further direction from the Government.

- **Transport Choices Programme** – Please note that the Government did not “cancel” specific projects in the programme, rather NZTA was instructed not to commit any further funding. This decision relates only to projects where councils do not have contractual arrangements in place. Where such agreements are in place, councils have until June 2025 to complete their projects. Of the \$305 million in approved funding for the programme, \$164.5 million had been spent or committed (via signed funding agreements) as at 31 October 2023.

Transport Choices had 59 packages of work, across 38 councils, that either did not receive all or part of their implementation funding as a result of the Government's direction. A list of these 59 projects is enclosed as Appendix 1. Funding agreements are in place for pre-implementation work associated with these projects, totalling \$28 million. The timeframe for relevant councils to submit claims under these funding agreements expires on 30 June 2024.

- **Vehicle Kilometres Travelled (VKT) Reduction Programme** - As at 31 October 2023, \$3.9 million of VKT programme funding had been spent (from \$8.8 million in funding commitments). In response to the Government's direction, further funding for three urban VKT reduction programmes (Hamilton, Wellington and Christchurch) were stopped in December 2023.

In line with NZTA policy, this response will soon be published on our website, with personal information removed.

If you would like to discuss this reply with NZTA, please contact the Ministerial Services by email to official.correspondence@nzta.govt.nz.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H. Cattermole', with a stylized flourish at the end.

Howard Cattermole
Chief Financial Officer

Appendix 1 – List of 59 Transport Choices projects that did not receive implementation funding

Council	Name of Package
Auckland Transport	Northwestern Busway Feeder Routers
Auckland Transport	Manurewa Package
Auckland Transport	Karanga-a-hape cycleway
Auckland Transport	Mangere cycleway improvements
Auckland Transport	Mangere Schools
Bay of Plenty Regional Council	Refreshing and enhancing PT in Rotorua
Rotorua Lakes Council	Rotorua walkable neighbourhoods - pedestrian crossing upgrades
Tauranga City Council	Te Papa Spatial Plan (PACKAGE A-E)
Tauranga City Council	Arataki multi-modal corridor
Tauranga City Council	Arataki Extension (Pre-Imp only)
Western BoP District Council	Te Puke Urban cycleways (A1-A2)
Whakatane District Council	Trident High School off-road path
Christchurch City Council	Strategic cycle network connections - 5 connection projects
Christchurch City Council	Walkable neighbourhoods
Christchurch City Council	Sustainable school travel - Linwood schools cluster - 5 schools
Mackenzie District Council	School raised crossings in Twizel and Fairlie
Selwyn District Council	West Melton to Rolleston Cycleway
Selwyn District Council	Prebbleton to City Cycle Commuter Link
Selwyn District Council	Rolleston Schools Connected Shared Path
Timaru District Council	Timaru schools package
Timaru District Council	Timaru Arthur Street West
Timaru District Council	Timaru Urban Public Transport Infrastructure Upgrades
Waimakariri District Council	delivering strategic cycling networks
Waimakariri District Council	Creating walkable neighbourhoods
Hawke's Bay Regional Council	Hawke's Bay bus stop accessibility
Hastings District Council	Hastings accessible neighbourhoods
Hastings District Council	Heretaunga Arakura - Heretaunga Journeys to School
Napier City Council	Cycle lane conversion programme
Wairoa District Council	Wairoa cycling programme (stage one routes) and bikes in schools
Horowhenua District Council	Levin Transport Choices
Palmerston North City Council	Palmerston North core urban cycle network
Ruapehu District Council	Safe accessible paths for children and whanau - crossings
Tararua District Council	Woodville footpath minimums
Far North District Council (via NTA)	Kerikeri active mode network connections
Far North District Council (via NTA)	Far North bus services
Kaipara District Council (via NTA)	Dargaville cycle network connections

Dunedin City Council	Dunedin Safer Streets
Otago Regional Council	Super stop facilities
Waitaki District Council	SH1 intersections and safe crossings upgrades (4 sites) and SH1 Shared Path
Invercargill City Council / Southland District Council	Core cycling user facilities and linkages
New Plymouth District Council	Cycling network and access improvements package
Stratford District Council	Stratford Schools safety improvement project - phase 1
Stratford District Council	Stratford Schools safety improvement project - phase 2
Tasman District Council	Moving Motueka
Tasman District Council	Richmond Recycled
Nelson City Council	South East Nelson package
Hamilton City Council	Hamilton Packages
Matamata-Piako District Council	Matamata Connectivity and Linkages
Taupo District Council	Taupo cycle connection from town to Acacia Bay
Waikato District Council	Rahui Pokeko Huntly connections
Waikato Regional Council	Real time passenger information displays
Greater Wellington Regional Council	bus stop accessibility improvements
Greater Wellington Regional Council	Johnsonville stop D development
Greater Wellington Regional Council	Porirua bus hub
Hutt City Council	Magic Triangle walking and cycling connections
Hutt City Council	Riverlink to City Centre walking and cycling improvements
Masterton District Council	Lansdowne to Kuripuni Cycle Facilities
Wellington City Council	Wellington Transitional bike programme and Kilbirnie Lyall Bay walkable neighbourhood and schools focus area
Tauranga City Council	Te Papa Spatial Plan (PACKAGE F-L)