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New Zealand Transport Agency Waka Kotahi
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Emergency works investment policies consultation

Thank you for the opportunity to provide feedback on the proposed changes to the New Zealand Transport Agency (NZTA) emergency works investment policies.

The road and rail transport network plays a vital role in connecting the Kāpiti Coast District to Wellington and the lower North Island. While this access is focused on State Highway 1 and North Island Main Trunk railway line, Council's roads provide a necessary alternative when these routes are disrupted, a function they cannot provide if they are not appropriately maintained in all events.

Our general feedback is that:

- A primary purpose of the Funding Assistance Rates (FAR) is to ensure we get our transport connections back up and operating as quickly as we can. This is not just to support local accessibility but also to ensure connections to national and regional networks allowing people to get back out and working and the wider economic benefits this sustains. If councils can't afford to get roads fixed to maintain this connectivity, then recovery will take much longer locally, and impact regionally and nationally. There is national economic value in good connectivity and a functioning transport network for all.
- From this perspective, we believe the proposed changes to the emergency works investment policies are irresponsible and misaligned with wider government policy around supporting economic growth and resilience, and responding to the impacts of climate change. Further to this, the overall impact at a local level is that it pushes additional unbudgeted mandate onto councils and communities that are already struggling with increased rates burden related to growing infrastructure costs.
- Cyclone Gabrielle highlighted the need for local government to have access to centralised funding for this type of emergency works, so that critical infrastructure could be reinstated, and communities reconnected as swiftly as possible. As the effects of

climate change increasingly impact our nation, funding for emergency works needs to remain accessible and certain.

- While we appreciate the balance NZTA is seeking to achieve between emergency response, recovery and resilience, Councils are also challenged with maintaining infrastructure networks against a background of rising costs, limited funding options and climate uncertainties. Reducing access to emergency funding creates a further gap between Councils' responsibilities for managing their networks and the means to do so.

The rest of our submission responds to specific questions included in the consultation document and provides general comments on the proposed policy changes. We also identify a number of proposed approaches that we believe could help better balance the shared challenges faced in managing the transport network, but also supports a joint local-central government approach for sustainable and resilient growth and recovery.

Proposed Funding Assistance Rates (FAR) and qualifying event changes

1. *Please tell us if you support the proposed changes or recommend different ways to ensure that NZTA has sufficient NLTF available to cover emergency works.*

Council position: The frequency of qualifying events should remain the same.

- Council has concerns with changing the FAR qualifying trigger from a 1 in 10-year event to a 1 in 20-year event. Smaller, localised events that may fall under the 1 in 10-year frequency can still result in significant damage to transport infrastructure.
- Whilst we accept that the increased frequency of weather events is placing pressure on the National Land Transport Fund (NLTF), we don't believe making a reduction to qualifying events is the answer. Council's will be left holding increased levels of unbudgeted mandate from central government to deliver services, if we asked to fund a greater cost gap.
- The national savings proposed of between \$70 - \$95m by central government will be borne by local rate payers for a service that many residents expect is covered by the taxes and levies they already contribute towards.
- In times of recovery, after an event giving rise to emergency work, Council efforts should be spent on fixing the damage and restoring the level of service instead of building a case to prove the severity and frequency of the event (which may vary between districts, given local geography). Therefore, our view is funding decisions should place more emphasis on the impact of the damage caused by the event, rather than relying heavily on the frequency at which the event may occur.

Council position: Updated guidance for emergency works funding applications is required.

- If NZTA implement the changes outlined in the consultation document regarding the FAR and qualifying events, then further guidance will need to be provided by NZTA to enable councils to efficiently ascertain the severity and frequency of an event, and therefore the likelihood of a successful funding application. The benefits will be two-fold: NZTA can focus on allocating NLTF funding based on meritorious claims while mitigating the risk of councils spending time and resources on funding applications likely to fail due to ambiguity.

- Furthermore, guidance will need to be provided about the framework by which NZTA will be assessing applications, including what level of resilience is eligible for funding.

Council position: The additional requirements to access enhanced FAR should be removed.

- The consultation document states that the enhanced FAR is conditional upon 'genuine discussions with funders and affected communities for parts of the network where consideration of a different level of service or alternatives to recovery are appropriate'.
- While recognising the importance of this discussion with the community, undertaking them after an event has occurred will always be challenging, depending on the nature and extent to which people have been impacted. It will also add time and cost to a process whereby people and communities are often reluctant to accept a reduced level of service and are wanting services restored as soon as possible. Not having this clarity in place also creates more uncertainty for approved organisations when it comes to receiving funding or not.
- As part of our work with the Wellington Regional Emergency Management Group. Council is currently initiating its own Recovery Plan to help position a Kāpiti community-wide response to significant, potential future event/s. We will engage our community in discussions on what is most important to focus on through a recovery period. This includes areas for priority and targeting for funding, including roading and transport. This work will also benefit central government agencies and services providers, and we anticipate engaging and partnering with key stakeholders including central government will be a priority element of work that progresses. The output of this work will be to create a more efficient and effective approach to recovery, ensuring resilient growth, and sustainability of our infrastructure networks.

2. *What will the proposed FAR changes mean for your organisation's planning for and/or investment in maintenance and resilience?*

- If the changes do go ahead, there will need to be alternative centralised emergency funds made available so struggling Councils can still recover adequately.
- An existing lack of funding has resulted in smaller road controlling authorities having little capability and capacity for funding large resilience and emergency works. Therefore, maintaining the current FAR is the best approach to ensure that emergency works can continue to be undertaken and levels of service for communities is retained.

3. *What incentives would you need to improve the resilience of your transport infrastructure?*

- Council has maintained a robust transport infrastructure programme for some time, supported by centralised funding.
- In practical terms, improving the resilience of Council's transport infrastructure would be best incentivised by increased investment in preventative measures. For this to occur, a reduction in centralised funding for emergency works would need to be accompanied by increased investment to Councils to enable preventative measures to be implemented.
- We would anticipate that centralised funding would support this shift in focus. Councils currently face increasing challenges and cost pressures for maintaining existing infrastructure networks alongside providing for future resilience. Council proposes that a

longer-term strategic approach could be taken where additional central funding could be targeted to help enable more resilient infrastructure networks. Specific criteria could be used to target best and effective changes across council's networks to achieve resiliency. Over time, this measured approach would provide efficiency by reducing or mitigating damage arising from future emergency events. This aligns with the 'proactive not reactive' approach outlined in the consultation document.

Proposed changes to definitions, processes, and operational policies

- Many councils are well progressed with their activity management plans and LTP's (to be adopted by 30 June). The 1 July 2025 date to implement FAR changes does not allow Council to seek additional funding through the 2024-2034 Long-Term Plan to compensate for the short fall in FAR. If an event was to occur between 1 July 2025 and the implementation of the next LTP in 2027, Council would have to find additional funding at the expense of other critical and planned projects. This would place unfair additional burden on rate payers, and likely raise community questions around the equity of allocation of tax and levies charged for roading infrastructure locally.
- It is strongly suggested that if the changes to the FAR are to be implemented, they come into effect after 1 July 2027. This will allow Councils time to plan and fund for the reduced investment in emergency works if the proposed FAR changes are progressed. It would also provide time to develop a more robust cross sector approach by local and central government for improving resilience, the use of emergency works and recovery planning for future events.

Proposed changes to the Uneconomic Transport Infrastructure Policy

- With regards to the proposed requirement for 'alternative funding sources to be explored (by AOs)' we are unsure as to the benefit of including this in the policy as it would be up to the various parties to determine how they best meet their share of funding requirement.
- As part of this discussion the consultation document suggests that insurance should be explored by councils as an additional funding source. We propose that it would be more efficient and cost effective to have a nationally led and coordinated approach to insurance funding, led by NZTA, which would enable economies of scale to be achieved. This is particularly applicable to smaller councils vulnerable to climate change, such as Kāpiti, who may not be able to afford increasing insurance costs and processes without leveraging wider support.

Thank you again for this opportunity to comment on the Emergency works investment policies consultation.

We would welcome the opportunity for further discussion, including the potential to work with NZTA to pilot improving resilient and sustainable infrastructure through joint work on our regional and district Recovery Plan.

Yours sincerely



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