

Report No:	RRTC11-06-04
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Date:	2 June 2011
<i>Information Only – no decision required</i>	

REPORT SUMMARY

Report to: Chairman and Members, Tasman Regional Transport Committee
Meeting Date: 10 June 2011
Report Author: Gary Clark - Transportation Manager
Subject: **2012 Government Policy Statement**

EXECUTIVE SUMMARY

This report provides information on the draft Government Policy Statement (GPS) and the implications of the allocation of funding associated with its expected release in July 2012.

RECOMMENDATION

That the report be received.

DRAFT RESOLUTION

THAT the Tasman Regional Transport Committee receives the 2012 Government Policy Statement report RRTC11-06-04.

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1. PURPOSE

- 1.1 This report provides information on the draft Government Policy Statement (GPS) and the implications of the allocation of funding associated with its expected release in July 2012.

2. BACKGROUND

- 2.1 Members will be aware that every three years the Ministry of Transport releases a GPS that sets out the focus of road funding across the country. The GPS is the method that Central Government provides the focus for funding to the New Zealand Transport Agency. This allows for the preparation of the National Land Transport Programme and the Regional Land Transport Programmes.
- 2.2 The GPS is due to be released in July 2011 and will provide the direction for Government spending on roads and how the funding will be allocated. Central Government has released a draft GPS to allow road authorities to start considering how to fund work programmes.
- 2.4 The last GPS was released in July 2009 and significantly changed the direction of spending with a greater focus on Roads of National Significance, known as RoNS. Funding for cycling and walking was reallocated to major urban areas along with passenger transport funding. The 2009 GPS also removed escalation from Operations and Maintenance activities from the funding allocations and in effect give a sinking lid to road funding over the three year programme.

3. 2012 GOVERNMENT POLICY STATEMENT

3.1 NZTA has released their consideration of the draft 2012 GPS which is **attached** to this report. (see attachment 1)

3.2 In summary the key points are as follows:

- A strong focus and continuing focus on economic growth and productivity
- Value for Money
- Road Safety

These three elements are the fundamental principles behind the funding allocations for the next Regional Land Transport Programme (RLTP) 2012 – 2015.

3.3 NZTA have also provided the following summary of the proposed funding allocations.

Two activity classes would increase:

- New and improved infrastructure for state highways
- Public transport services

The funding ranges for six activity classes would allow expenditure to be broadly maintained at the same nominal level as for 2011/12. These activity classes are:

- Renewal of state highways
- Maintenance and operation of state highways
- New and improved infrastructure for local roads
- Renewal of local roads
- Maintenance and operation of local roads
- Road policing

For four activity classes the ranges would reduce expenditure from 2011/12 levels.

- Sector training and research
- Transport planning
- Management of the funding allocation system
- Road user safety

No change for the Walking and Cycling activity class.

- 3.4 The implications of the draft GPS will be mostly felt in the Operations and Maintenance areas where the Central Government continue to undervalue the need to properly maintain existing infrastructure to opt in constructing new roads. The actual realisation of costs in the long term over this policy will not be fully understood for at least five years.
- 3.5 Tasman District Council has backed the Institute of Professional Engineers New Zealand (IPENZ) submission and Local Government New Zealand (LGNZ) on the draft GPS which have also been **attached** to this report. (see attachment 2)
- 3.6 Officers will be working through the implications of the 2012 GPS as part of developing the 2012 - 2015 RLTP.

4. RECOMMENDATION

- 4.1 That the report be received.

5. DRAFT RESOLUTION

- 5.1 THAT the Tasman Regional Transport Committee receives the 2012 Government Policy Statement report RRTC11-06-04.**

Gary Clark
Transportation Manager