

14. PROPOSED CHANGES TO TRANSFUND'S FUNDING ALLOCATION FRAMEWORK

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The purpose of this report is to obtain the Committee's approval for the Land Transport Subcommittee to make a submission on Transfund's proposed changes to its funding allocation framework.

In late May, Transfund released two papers on proposed changes to their funding policy.

1. A position paper entitled 'Transfund's Funding Allocation Framework' and
2. A discussion paper entitled 'Proposed Changes to Transfund's Project Evaluation Procedures'.

Transfund convened a workshop in Christchurch on the 26 May 2002 to discuss the proposed changes.

FUNDING ALLOCATION FRAMEWORK

A copy of this paper has been separately circulated to members.

This paper outlines a new framework, process and criteria for allocating funds for land transport infrastructure and services in New Zealand. It is designed specifically to give effect to the government's recent decisions on land transport funding and policy priorities.

In general, the changes to the funding allocation framework were supported at the Christchurch workshop which was attended by local authority and consultants from throughout the South Island. There were differing views about the relative priorities in the revised framework but essentially the priorities being proposed reflect the government's funding priorities. The process is more complex than at present but it does provide for consideration of factors other than the B/C ratio. This is something the Christchurch City Council have been asking for for some time.

It is proposed that the LTSC review the proposed changes in detail and make a submission to Transfund as considered appropriate. Submissions are required by 19 July 2002.

PROJECT EVALUATION PROCEDURES

This paper outlines proposed changes to the benefit parameter values used in Transfund's project evaluation procedures. The proposals are the culmination of three year's research designed to generate up to date, New Zealand specific, procedures and benefit values.

The paper is technical and focuses on how benefits are calculated for roading projects. Overall the changes are unlikely to have a significant effect on the calculated benefit for Christchurch projects.

One change, of note is the introduction of new accident analysis procedures that will draw on both historic site data and typical accident rates for similar sites. The proposed new procedure could change the mix of safety projects with less emphasis on sites with a single fatality and more on those with identified unsafe features.

The Road Safety Coordinating Committee have written to Transfund supporting this change in accident analysis.

Staff

Recommendation: That the Land Transport Subcommittee be delegated authority to approve a submission to Transfund on their proposed Funding Allocation Framework.

Chairman's

Recommendation: That the above recommendations be adopted.