

## 7. TRANSFUND - SUBMISSION ON THE ALLOCATION OF FUNDS PROCEDURES PROPOSALS

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The purpose of this report is to inform the Committee of the consultation occurring on Transfund's recently released allocation procedures proposals and to seek approval to make a submission representing from the Council. However, due to meeting schedules, a process that involves the Sustainable Transport and Utilities Committee delegating the approval of a submission to a special meeting of the Land Transport Subcommittee is suggested.

### BACKGROUND

Recently Transfund released a consultation document, separately circulated, and held a series of workshops throughout New Zealand to inform road controlling authorities about the extra funding that will become available from the 2005/06 financial year for a period of 10 years. Transfund are expected to announce an additional \$5 billion more over 10 years than was forecast last year. This extra funding comes from a new fuel tax that commences in April 2005. This tax will be distributed to regions with their population used as the criteria to proportionally allocate these additional funds.

Each year, Transfund prepares a National Land Transport Programme (NLTP) and subsequently approves the funding of land transport activities within it. The NLTP is developed from proposals submitted in the land transport programmes of Transit New Zealand, regional councils, territorial local authorities and other approved organisations.

'Transfund's Allocation Process' is the methodology used to do this.

The current version of Transfund's Allocation Process is being used to develop the 2004/05 NLTP.

Transfund is now seeking views on how to enhance the allocation process for the 2005/06 NLTP and beyond - in particular how to take into account:

- Recent government decisions to regionally distribute an increase in land transport funds.
- New powers in the Land Transport Management Act 2003 to facilitate the funding of road schemes through the use of tolling, borrowing and private sector concession agreements.

The consultation document outlines the current Transfund Allocation Process and presents the issues that face the Land Transport sector when preparing the 2005/06 NLTP along with a proposal to address some of these issues. Transfund invites comments and submissions on the issues and proposal raised in the document, and during the workshops, by 30 July 2004.

Due to the timeframes involved, it has not been practical to produce a draft submission for this Committee meeting. Consequently it is suggested that a way to submit the Council's views by the requested date is to present and discuss, a draft submission to the Land Transport Subcommittee which would have delegated authority to recommend the submission (as suitably amended) directly to the Council when it meets on 29 July 2004.

### CONCLUSIONS

Transfund are seeking the views of road controlling authorities on their proposed enhancements to the allocation process by 30 July 2004.

Staff propose to draft an initial submission, representing the view of the Council, to be presented to the Land Transport Subcommittee for discussion, approval and recommendation to the Council.

#### Staff

- Recommendation:**
1. That the Committee delegate to the Land Transport Subcommittee to recommend a submission on the Transfund Allocation Procedures proposals to the Council.
  2. That the Land Transport Subcommittee meet on or before 22 July 2004 to achieve resolution one.

**Chairman's  
Recommendation:**

1. That the above recommendation be adopted.
2. That Committee members make comments and suggestions for the proposed submission at this meeting of the Committee.
3. That a copy of the proposed submission be circulated to all Sustainable Transport and Utilities Committee members by email as soon as completed and prior to the Council meeting on 29 July 2004.