

<b>Subject</b>	<b>Advancing local authority works</b>
<b>Circulation</b>	Chief executives and asset managers, road controlling authorities Chief Executive, Local Government New Zealand Chief Executive, Roding New Zealand Chief Executive, New Zealand Contractors' Federation NZTA Regional Directors and Programme & Funding managers
<b>Circulated by</b>	Dave Brash Group Manager Regional Partnerships and Planning
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## **Purpose**

To advise road controlling authorities of the opportunity to advance their improvement and renewal works within the 2009/12 National Land Transport Programme to take advantage of the competitive prices available and support the retention of capacity within the construction sector.

## **Background**

The economic downturn in non-transport infrastructure and subdivision works means that the work available to the civil engineering sector has reduced and the contracting sector currently has some available capacity.

The contracting sector has sought assistance in the early release of work to support staff retention. The Minister has asked NZTA to advance works to assist.

Local Government NZ polled its members recently and advised that a number of councils have funding available to advance work. The NLTF can also provide increased early funding by re-allocating funds no longer needed for some projects, or from projects now programmed later than expected.

Evidence from recent tenders indicates the market is very competitive with good prices being received.

We want to take this opportunity to benefit local and regional economies by using the available funding and contractor capacity to advance projects that give good transport outcomes and deliver value for money.

## **Advancing works**

NZTA calls on councils to identify candidate projects for advancement, in time to take advantage of funding available in their current Annual Plan and for reflection in the next Annual Plan.

Our regional staff are working with all approved organisations to review current programmes and projected progress to deliver better end of year forecasts, and identify short-term timing differences that may free up funding that can be used to advance 'ready to go' projects.

We expect that approximately \$55 million is available for reallocation/retiming in local road improvement activity class over 2009/12 - \$46M from the cessation of the Kapiti Western Link project and \$10M for reallocation from local roads projects going slower than expected.

We are targeting local road reconstruction or improvement projects which have good positive benefits when advanced and favour projects that:

- contribute to reducing congestion (bottlenecks or route) - trip reliability
- improve safety
- ensure availability of roads in good condition.

Greater priority will be given to projects identified as "probable" in the NLTP.

Candidate projects include:

- Small - medium group projects
- Standalone projects.

In addition councils may consider advancing minor improvement works within the 3-year allocation provided for these low-cost activities and also making minor adjustments to their 3-year maintenance and renewal programme allocations to bring forward activities where their advancement can be justified.

## Process

You should consider:

For small to medium group projects

- requesting a cash flow adjustment to the group budget to fund project advancement, or a group budget increase in order to fund more projects
- Implementing projects sooner than planned
- Implementing additional projects

For minor improvements projects:

- Requesting a cashflow adjustment in order to advance works into 2009/10 and 2010/11 to take advantage of good prices

For standalone projects:

- Advancing implementation of a project, and making a cash flow adjustment to bring forward funding
- Adding new projects

Please contact your regional programme and funding manager for further information or assistance in implementing any changes to your programme.

A handwritten signature in black ink, appearing to read 'Dave Brash', with a long, sweeping tail extending to the right.

**Dave Brash**

Group Manager Regional Partnerships and Planning