MINO-647 CERF Bus Decarbonisation Contestable Fund

28 April 2023

Providing our response to the Minister's comments on the note we provided in March 2023 regarding co-funding requirement and timing of fund in relation to asset ownership (PTOM) as barriers to applications from Public Transport Authorities (PTAs).

Waka Kotahi NZ Transport Agency's response:

Co-funding

- Waka Kotahi acknowledges the potential constraint that the CERF requirement for co-funding may have on PTAs' interest in the fund. While local share contribution has been signalled as a requirement of the contestable fund, we have also communicated to PTAs that consideration will still be given to applications with local share contributions less than FAR where there are benefits from doing so.
- At this stage, we are aware that at least Auckland Transport and Greater Wellington Regional Council intend to submit applications. Some PTAs have expressed that they may not participate due to timing and workload.
- The contestable fund process offers the opportunity for PTAs to have "interactive" meetings with Waka Kotahi once the invitations have been released. The meetings will provide an early signal of the level of interest from PTAs to participate. Should interest be lower than anticipated, we have an opportunity to re-engage with the sector at that time and, if necessary, adjust the fund settings to address specific constraints.
- We will brief the Minister on the level of interest generated by the invitations through the meetings, which we have scheduled for the week of 8 May 2023.

Asset ownership (PTOM impact)

- From our engagement with the sector, we do not consider that the current preclusion on ownership of assets by Regional Councils (other than through a council-controlled trading organisation (CCTO)) under the current Land Transport Management Act 2003 settings is a constraint on applications.
- With the progress of the Amendment Bill through Parliament it is expected that the passing of the Bill will coincide with selection of preferred applications so we will be able to consider applications that involve direct PTA ownership of assets, albeit any recommendations to fund such applications will be provisional until the legislation passes.

Timing of future rounds

- Acknowledging the twelve-year duration of the fund, subsequent rounds of funding will be undertaken, providing additional opportunities to participate for PTAs who are not in a position to submit applications at this time.
- The timing of future rounds will be considered as part of an effectiveness review following conclusion of the first funding round, at this stage scheduled for September 2023.

Proactively Released