

# 2021-24 NLTP – INDICATIVE INVESTMENT ALLOCATIONS FOR CONTINUOUS PROGRAMMES

The Waka Kotahi NZ Transport Agency Board endorsed the indicative investment allocations for continuous programmes as part of developing the 2021-24 National Land Transport Programme (NLTP) on 27 May 2021.

## QUESTIONS AND ANSWERS

### What are indicative allocations for continuous programmes?

Indicative allocations are an early indication of the funding councils and other approved organisations will receive from the National Land Transport Fund (NLTF) for continuous programmes in the 2021-24 National Land Transport Programme (NLTP). Continuous programmes are core on-going activities relating to road maintenance, public transport services and road safety promotions.

### What indicative investment allocations have been released?

Indicative investment allocations have been released for four activity classes in the Government Policy Statement on land transport 2021 (GPS). These are state highway maintenance, local road maintenance, public transport services, public transport infrastructure, and also for road safety promotions (which is part of the Road to Zero activity class). Not all councils will receive funding in each of these categories.

### When will the indicative allocations be final?

The Waka Kotahi Board will confirm the final investment funding decisions for continuous programmes when it adopts the 2021-24 NLTP in late August. Investment levels for the remaining activity classes will also be finalised at this time.

### How does Waka Kotahi assess and moderate investment bids?

All bids are assessed and moderated by a Waka Kotahi working group, who apply a nationally consistent approach to assessing programmes using evidence from Activity Management Plans and Regional Public Transport Plans, alongside other supplementary documentation and datasets. Consideration is given to how the programme of activities will maintain levels of service and deliver on the strategic priorities as set out in the GPS. This process is peer reviewed. Ministry of Transport officials and senior local government staff were observers of the process through attendance at the moderation workshops.

## **What proportion of NLTF funding does this indicative funding relate to?**

The proposed indicative investment levels for programmed activities will allocate around \$6.2 billion (close to 46%) of NLTF funding for the 2021-24 NLTP.

## **Why is NLTF funding so tight when there is more money being invested in transport than in previous NLTPs?**

Overall investment in the land transport system across Crown funding, local share and the NLTF is forecast to increase to be about \$21.1 billion in the 2021-24 period, an increase of 15% compared to the 2018-21 period.

While revenue is up, we are also being asked to do more with our available funding. Our focus for investment in the 2021-24 is to prioritise maintenance and public transport services and complete commitments that will be carried over from the 2018-21 NLTP. This will account for the majority of the available revenue.

Funding bids from many councils for their continuous programmes were significantly higher than what was allocated in the 2018-21 NLTP. Some of this increase relates to labour and material cost increases, and the remainder is councils looking to increase their programmes of work.

## **How have you communicated the funding constraints to the sector?**

Since the release of the GPS 2021 we have continued to advise councils and other partners that our forecast revenue for the 2021-24 NLTP would mean we would have to make some difficult funding decisions for the next three years.

Our investment advisors have also been sharing these messages in their conversations with councils about their bids.

## **Did you just do a blanket per cent reduction across all regions because of the funding constraints?**

No, we didn't apply a generic percentage reduction across each programme. We carefully considered each programme of work with support from peers, engineering specialists and our own investment assurance staff.

## **Could the indicative allocation amounts change?**

The indicative allocations are based on current revenue forecasts and assume no additional funding or financing. They will only be revised if our revenue or financing change.

The programme of activities will continue to change throughout the three-year NLTP period. Some activities may be delayed or not proceed for a number of reasons, including programme changes. This means that committed funding may become available at a later stage in the NLTP cycle – allowing for the expansion of programmes on a case-by-case basis.

Public transport services allocations may be revisited during the three-year period because of the impact of variations in patronage and fare revenue assumptions.

### **Can we add to continuous programme bids following indicative allocation decisions?**

You can amend your continuous programme if changes are made as you consult on and work to finalise your Regional Land Transport Plans and Long Term Plans. Please provide any updated information about your continuous programmes to your investment advisor or email [nltpl@nzta.govt.nz](mailto:nltpl@nzta.govt.nz) before 30 June 2021.

### **What is different about the public transport continuous programme allocations for the 2021-24 NLTP?**

In the 2021-24 NLTP the public transport programme will be managed across two activity classes – Public Transport Services and Public Transport Infrastructure. This differs from the 2018-21 NLTP where it was contained within the single activity class.

### **Where can I get more information?**

If you have questions or require further information, please contact your Waka Kotahi investment advisor or email [nltpl@nzta.govt.nz](mailto:nltpl@nzta.govt.nz).