

FAR review project objectives and scope

Objectives

- To determine the role(s) of FARs in achieving the purpose of the LTMA and giving effect to the GPS.
- To review both:
 - the approach the NZTA uses in setting FARs; and
 - the funding assistance rates themselvesto determine whether or not changes should be made to enable FARs to be more effective in achieving the purpose of the LTMA and giving effect to the GPS, while also being reasonable and efficient.
- To do this in time for any changes to FARs to be factored into the 2015–18 regional land transport programmes and council long-term plans commencing 2015.
- To develop a greater mutual understanding with approved organisations, the Ministry of Transport and other stakeholders as to what the role of FARs is and what they can, and should, seek to achieve.

Scope

In scope

- Determining the role(s) of FARs in achieving the purpose of the LTMA and giving effect to the GPS.
- Whether the NZTA can and should use FARs to incentivise particular activities or approaches, eg land transport activities aimed at unlocking the future potential of an area or particular approaches to road maintenance, and if so, how the NZTA could use FARs to incentivise those activities or approaches.
- Identifying appropriate principles and parameters for setting FARs.
- Deciding whether or not to make recommendations to the Minister of Transport that formal criteria be set for FARs, and if so, what criteria to recommend.
- All of the following current FARs:
 - base FARs
 - construction FARs
 - FARs in relation to emergency reinstatement works, transport planning, road safety promotion, network user information, special purpose roads/Crown Range Road, level crossing warning devices, and stock-truck effluent facilities
 - transitional FARs following revocation of state highway status
 - FARs in relation to public transport activities (including Total Mobility services).
- The FARs for all approved organizations, eg territorial authorities, unitary authorities, regional councils, Auckland Transport, the Department of Conservation, and the Waitangi National Trust Board.

- What base 'cost' FARs should be applied to, eg only the cost required to achieve a certain level of service? only the proportion of the activity cost not met by third party contributions? ie one way of conceptualising this is as looking at options for 'capping' the cost that the FAR applies to.
- If it is decided to make changes to FARs, what arrangements should be put in place to transition those changes in.

Out of scope

- Funding of road policing.
- Fare box recovery.
- Changes to any Act, regulations or statutory rules, ie 100% funding of operational expenses and capital expenditure in relation to state highways from the NLTF is not within scope, as statutory reform would be required to change that part of the funding regime.
- Changes to the overall amount of money available for allocation from the NLTF.
- Changes to the overall amount of money available for allocation from the NLTF for any particular activity class – as that is determined by the GPS.
- Changes to the outcomes, objectives and impacts identified in the GPS.
- Changes to the definitions of activity classes as set out in the GPS.
- The creation of any new activity classes not currently set out in the GPS.
- The relative use of in-sourcing and out-sourcing by approved organisations.
- Changes to the legal status, ownership or control of any road, eg changes from local road to state highway or vice versa, or from special purpose road to local road or state highway.
- Changes to responsibilities in relation to the provision of public transport.
- Changes to the respective responsibilities of road controlling authorities and KiwiRail.
- The creation of any new legal categor(y)(ies) of road.
- The appropriate level of service for any road.
- Changes to the NZTA's strategy documents.
- Changes to any approved regional land transport strategy or regional land transport programme.
- Changes to the 2012–15 National Land Transport Programme.
- Identification of additional or alternative funding sources for approved organisations.
- Changes to the revenue sources that are paid into the NLTF.
- Whether or not inter-regional passenger rail services should be funded from the NLTF.