

Submission to New Zealand Transport Agency *Waka Kotahi*

Emergency works investment policies consultation

17 June 2024



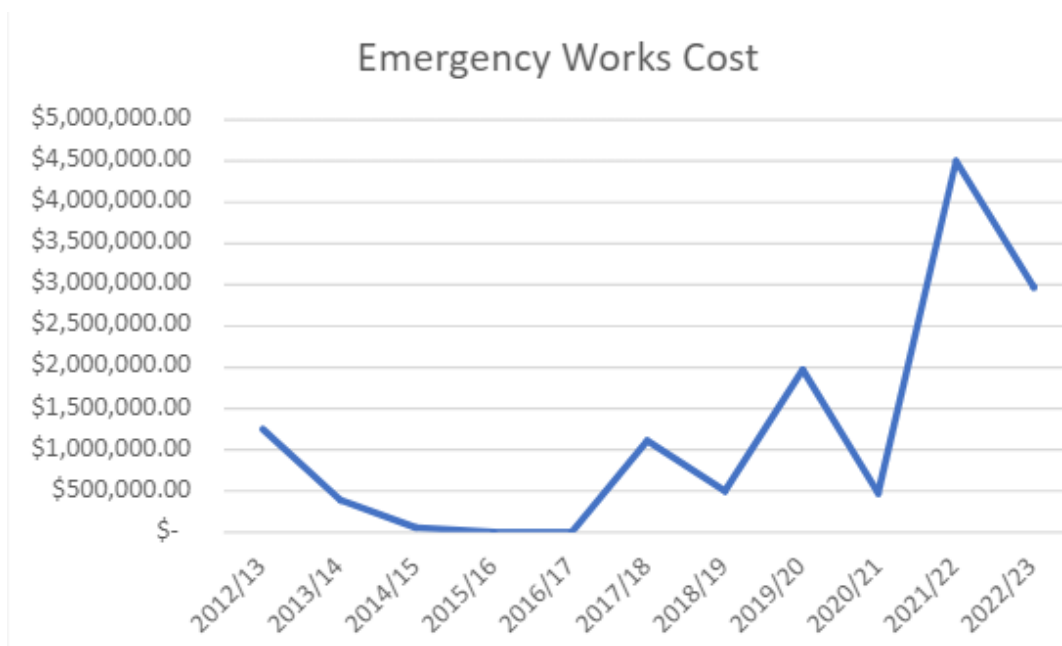
Introduction

1. The Timaru District Council (TDC) thanks the New Zealand Transport Agency *Waka Kotahi* (NZTA) for the opportunity to submit on the emergency works investment policies consultation.
2. This submission is made by the Timaru District Council, 2 King George Place, Timaru. The submission has been endorsed by Mayor and the Infrastructure Committee Chair.
3. The contact person for this submission is Susannah Ratahi, who can be contacted at suzy.ratahi@timdc.govt.nz. We do not wish to speak to this submission.

Overview of Land Transport and emergency works investment in Timaru District

4. The Timaru District Council (TDC) is a local authority in the South Island serving over 48,000 people in South Canterbury. The main settlement is Timaru, with other smaller settlements of Geraldine, Pleasant Point and Temuka.
5. The Timaru District is a sub-regional centre in Canterbury with a strong primary and industrial base that provides a significant contribution to the Canterbury and New Zealand economy. The District has its own international port, Primeport Timaru, and a regional airport with scheduled passenger services.
6. Our local roads and wider transport network are critical enablers of the freight sector and underpin nationally significant primary industry supply chains. We consider that our transport infrastructure is essential to the resilience and connectedness of our community.
7. Our network is particularly vulnerable to flooding, coastal erosion and slips, and the impacts are acute in rural areas due to a lack of alternate routes and travel distances to townships and urban centres. Climate change projections show that the Canterbury region can expect to see warmer temperatures over time, increased frequency of extreme weather events, drought and sea level rises. These changes are likely to exacerbate existing natural hazards.

8. We have seen the effects of extreme weather in recent years, with rainfall events in 2021 and 2022 causing widespread surface flooding and consequential damage to our network. These events have required ongoing work and repairs and placed significant pressure on capacity and resources to respond. Recovery costs over the past three years have been in excess of \$8.5m, an over 500% increase on costs from climate related events ten years previous. We have relied on emergency works funding to ensure response and recovery are prioritised, recognising that without this funding these works would either be:
- deprioritised, potentially compromising access for and resilience of our community; or,
 - funded from our limited maintenance budgets, reducing funding available for programmed maintenance, thus reducing broader levels of service across the network.



Timaru District Local Roads emergency works cost (Work category 141) 2012/13 – 2022/23

Comments on proposed changes to the investment policy

Qualifying event threshold

9. The supporting analysis for the consultation document outlines that the change in investment threshold for emergency works to a 1-in-20 year event will better align to the original principal behind investment, that enhanced FAR is available to support 'severe' events.
10. We consider that moving the threshold will not achieve this aim, because moving the threshold will not change the fact that a '1 in 10' year event is still a severe event – it just means that events of this scale will not meet the funding threshold. In this respect, moving the threshold responds to limited funding supply, but it doesn't respond to the current and predicted future demand for emergency works funding. With many local authorities facing significant financial challenges, the reality of reduced funding for many areas will be a reduced level of service across their networks, and/or degradation of

assets over time. This will not support the current national directive for transport infrastructure in the Draft Government Policy Statement on Land Transport, which we feel is a concern. We recommend NZTA reconsider the proposed funding eligibility within the context of the broader NLTP allocation, to ensure that, at a minimum, basic renewal and maintenance needs can be met by roading authorities alongside emergency recovery. Based on the indicative funding allocations received from NZTA in June 2024, we already expect local road operations to be underfunded over the next three years (indicative budget allocation is ~\$15m compared to budget request of ~\$24m), and consider that further reductions would generate substantial risk to maintenance of our assets.

11. Further to this, we consider that nationwide we are seeing more events more often, '1 in 20' year events are happening more frequently than expected, and multiple '1 in 10' year events have occurred within the last decade. In this respect, the current event severity index is out of date. We recommend that NZTA consider shifting to an impact-based model for emergency works funding, that more accurately reflects the real economic and social costs of these events, and makes the opportunity cost of not responding to these events more transparent to Government.

Changes to FAR rate

12. It is proposed that the funding assistance rate (FAR) for emergency works will be reduced to a maximum of 61% for our Council. Combined with lifting the investment threshold, the cumulative effect is a significantly higher burden on ratepayers to fund emergency recovery activities. As aforementioned, considering that the broader NLTP funding allocation is expected to be disproportionate to transport demands and network criticality, we consider this reduced funding rate will broaden the investment gap for roading authorities. We recommend that NZTA consider an adjustable FAR rate for emergency works, that is aligned to criticality of network segments, transport demands and that considers affordability relative to ratepayer bases.
13. We agree that asset management plans should identify priority segments of the network and note that Timaru District Council has developed a lifeline criticality assessment framework used to categorise/prioritise our network during emergencies.
14. Moreover, we note that the proposed changes rely on an assumption that Crown funding outside of the NLTP will be available to support recovery from significant events. We query whether this is a sustainable approach to national transport investment, and recommend that NZTA advocate for NLTP funding that prioritises both proactive resilience works with event recovery and rebuild, with a long-term view.

Assumption that reducing funding will incentivise more proactive maintenance work

15. We have a further concern about the assumption in the consultation document that reduced funding "*Could incentivise more proactive maintenance and resilience focus from AOs*". We agree that roading authorities need to be proactive in their maintenance and resilience activities, however we note that limited budgets restrict the quantum of this activity. In Timaru we are top performers in terms of cost efficiency for

maintenance, and we hard work to maximise the impact of available funding. There is a desire and need to do more resilience work across the District, but NZTA do not provide funding for this. In short, there are no means to act on any incentive to undertake more proactive maintenance and resilience work. We recommend the Agency reconsider whether this expectation is realistic given the reduction in funding proposed.

Other comments

16. We strongly discourage adoption of this investment policy without corresponding commitment to funding increases for resilience works and/or commitment of adequate Crown funding for emergency response. We recommend NZTA reconsider funding reductions in the context of other funding classes and the real needs of our national network.

Conclusion

Thank you again for the opportunity to submit on the emergency works investment policies consultation. Please do not hesitate to contact us via suzy.ratahi@timdc.govt.nz if you have any questions or wish to discuss aspects of this submission further.

Ngā mihi



Suzy Ratahi
Land Transport Manager