

Road Controlling Authorities Forum

27 May 2011 - Wellington

Responses to Economic Climate:
Issues & Resources



Significant Tension on Funding

- Development contributions were projected to be \$40m per annum, **now at \$7m** per annum
- Deferred a range of growth related infrastructure projects
- Borrowing capacity is at its limits for Council
- Rate revenue rises (approx. 10% per annum) still significant from extensive capital expenditure profile
- Still have steady traffic growth on the network at about 2 to 2.5%



Asset Management Planning

- More crucial to provide priorities and value for money
- Predictable patterns of spending are so important
- Implications of not funding renewals are quite clear



NZTA

- GPS 2012 – The ‘Golden Triangle’ & RoNS
- GPS 2012 - **Value for Money** (investment & procurement)
- Predictability of funding is imperative – 3 year funding programme
- Relationship and co-operation is crucial
- State Highway delegation - recent changes
- Bundling of contracts still have strong appeal – maintenance & professional services



Backlog and could do more

- Rehabs & reseals (Chip seal v's Hot mix)
- New footpaths
- Street lighting upgrades – advances in technology
- Berm & vegetation maintenance



Expectations from Community

- Transportation = Core service of Council
- Level of Service will be maintained
- Modal shifts with bus service and walking and cycling are taking time to have their impact
- Parking management – ‘free’ & convenient
- Travelsafe Programme is very successful in schools



Other Funding Sources

- Available sources are used as much as is possible
- Petrol tax is relatively minor (approx. \$850k)
- Route K toll revenue is increasing but well behind original expectation
- PPP scale of projects is very limiting
- Developer vested assets - capacity is significantly reduced due to cash flow issues e.g. The Lakes
- Make the most of what we have in the network
- Smart investment and **value for money** prevails

