

KEY POINTS FOR CONSULTATION

- **The Road Controlling Authorities Forum Low Volume Roads Special Interest Group has developed these Draft Guidelines for all Councils in New Zealand to assist decision-makers in their consideration of the allocation of costs required to maintain a vital part of the national road network.**
- **The proposed Guidelines suggest a common set of principles for Councils to consider when determining how best to fund the rural low traffic volume road network to ensure we have the best asset base to deliver the results required to ensure our economic wellbeing in an increasingly volatile and competitive global environment.**
- **The Guidelines will ensure that appropriate considerations are given to all parties affected by such funding decisions.**

KEY POINTS – SUPPORTING DETAIL

The LGV-SIG is recommending these Draft Guidelines to all Councils in New Zealand to assist decision-makers in determining how best to fund their share of the cost of providing and maintaining their part of the road network.

- The Guidelines have been prepared after a lengthy period of debate and deliberation amongst a diverse group of stakeholders, based on extensive analysis of information received from a range of expert advisors.
- As increasing pressure comes on Low Volume Roads from more intensive use of our primary resources to support Government targets to grow our economy, Councils must find the most appropriate tools to fund their local share.
- There are a small number of existing tools available to Councils; these Guidelines provide an innovative application of those tools in order to ensure a considered approach to funding.
- The Guidelines will ensure that recognition is given to the public benefit arising from economic growth.

The proposed Guidelines suggest a common set of principles for Councils to consider when determining how best to fund Low Volume Roads to ensure we have the best asset base to deliver the results required to ensure our economic wellbeing in an increasingly volatile and competitive global environment.

- The New Zealand economy is currently reliant on industries such as Forestry, Agriculture and Extraction to provide jobs and wealth.
- These industries are predominately located in the regions, and in many cases in small isolated communities.
- In order to ensure these industries continue to provide jobs and wealth for New Zealand, local infrastructure requires significant investment.
- Such investment, whilst partially funded by RUC via the NLTP and FAR, requires a local share contributed from the local communities.
- These Draft Guidelines suggest a process by which Councils can determine the best funding mechanism for that local share.

The Guidelines will ensure that appropriate considerations are given to all parties affected by such funding decisions.

- The Guidelines offer a process that enables Councils to determine the range of factors needed for them to meet their obligation to have regard to the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.
- The Guidelines provide a method for Councils to allocate to rating units the cost of pavement maintenance (including renewals) made necessary by the heavy vehicle traffic generated by land uses on those units.
- The allocation method developed in the Guidelines allows an equitable allocation of costs between differing landuses.
- The Guidelines provide formulae to allocate costs to industrial ratepayers of different industries pro-rata to their level of traffic loading annually, the distance of the rating unit from a state highway and by the production intensity of land use.
- The allocation formulae are transparent.

The consultation period will run from 19 June 2017 to 14 July 2017. Feedback on the consultation draft of the Guidelines will be considered and the draft Guidelines amended as appropriate with the intention of presenting the final version for ratification on 27 July 2017 as national guidelines for use by local road controlling authorities. The ratified Guidelines would then be formally released at the meeting of the Road Controlling Authorities Forum on Friday 28 July 2017.