

Ministry of Transport: Aide Memoire

To: Hon Phil Twyford

From: [REDACTED] Withheld to protect privacy of individuals

Date: 21 December 2018

Subject: Next steps for Let's Get Wellington Moving

OC Number: OC181236

Purpose of this aide memoire

1. You requested advice on what further work is required for you to be able to agree a preferred programme with Wellington City Council (WCC) and Greater Wellington Regional Council (GWRC) on Let's Get Wellington Moving (LGWM). Once you have reached an agreement, we can provide you with a draft Cabinet paper for you to take to Cabinet to seek their approval to announce the LGWM programme.

We need to test the assumptions around National Land Transport Fund (NLTF) revenue growth

2. WCC and GWRC presented their preferred approach to you on 19 December 2018. They based this approach on different NLTF revenue growth assumptions than we used in our previous advice to you on 4 December 2018 [OC181174], which advised you on what would be affordable if the Wellington region received its 'population share' (10 percent) of NLTF revenue over the course of LGWM.
3. We did not have time to test the latest revenue assumptions used by WCC and GWRC before you met with them. We intend to work with the New Zealand Transport Agency (NZTA), WCC and GWRC to agree on assumptions for NLTF revenue growth and any implications those may have.

The projects in the LGWM programme should be rated against the priorities of the Government Policy Statement on land transport 2018 (GPS 2018)

4. Minister Genter requested that the projects included in the LGWM programme, especially the state highway projects, should be rated against the priorities of GPS 2018.
5. To receive NLTF funding, projects must be included in the National Land Transport Programme (NLTP). To be included in the NLTP, projects are prioritised through the NZTA's Investment Assessment Framework (IAF) according to their value for money and alignment with the priorities, objectives and expected results within GPS 2018.
6. NZTA will lead this assessment.

The costs and benefits of the programme components should be analysed

7. To date, we have not seen a breakdown of the costs and benefits of the individual programme components. To determine the best components to put forward in the first phase of LGWM, the costs and benefits of each component should be assessed.
8. NZTA, WCC and GWRC will carry out work to determine the costs and benefits of the individual programme components. We will work with them to understand the outcome of this work and provide you with advice on the results.
9. The results from this work will also assist us in providing you with advice on an appropriate NLTF share for each project based on the type of benefits they generate.

We need to validate the ability of WCC and GWRC to generate revenue

10. WCC and GWRC are reliant on a number of revenue streams to fund their share of LGWM. It is important for us to test the assumptions that have been used to model the revenue generation potential of these revenue streams to ensure that WCC and GWRC will be able to fund their share of LGWM.
11. We will work with WCC and GWRC to carry out this work.

Timing

12. We expect this work to be completed by the end of January, and intend to provide you with advice in the week starting 28 January.
13. Following the receipt of this advice, we suggest you meet with local government to agree on a preferred approach.
14. Once you have agreed a preferred approach, we will be able to provide you with a draft Cabinet paper for you to seek Cabinet's approval to make an announcement on LGWM.
15. Factoring in drafting of the Cabinet paper, agency consultation and cross party consultation, we expect you to be able to take a paper to the Cabinet Economic Development Committee on either 20 March or 3 April 2019.

Contact:

██████████, Adviser, Demand Management and Revenue

Phone: ██████████ Withheld to protect privacy of individuals