

Report 15.511
Date 15 November 2015
File TD/17/01/02

Committee Finance Risk and Assurance
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Public Transport Rates Funding Review

1. Purpose

This report seeks approval to delay the review of rates funding for public transport until the Local Government Commission has announced their proposals for local governance improvements for the Wellington region.

2. Comment

Greater Wellington Regional Council's (GWRC's) 10 Year Plan 2015-25 includes a commitment to review the way the rates share of public transport is funded. The review was expected to take place in 2015, with any changes flowing through into subsequent annual plans.

GWRC's approach to funding public transport is set out in the revenue and financing policy, which covers all GWRC activities. Any change to funding for public transport must meet the statutory requirements set out in the Local Government Act (2002) as well as complying with the principles and methodology set out in the GWRC revenue and financing policy. These requirements include public consultation using the special consultative procedure.

The overall approach to rates funding for public transport is summarised in the GWRC 10 Year Plan as follows:

The transport rate funds GWRC's net expenditure (after deducting fare and Central Government contributions) for the region's public transport services, including public transport operations, infrastructure and marketing activities. This rate is apportioned principally on the basis of a surrogate congestion charge. The transport rate to be recovered from each territorial authority area is set on the basis of capital values¹.

Initial meetings to discuss the options for rate funding for public transport were held in early 2015 with local Councils and some stakeholders. Subsequently

¹ Greater Wellington Regional Council 10 Year Plan 2015-25 Policies page 4

the Local Government Commission announced that it would not immediately issue a proposal for the reorganisation of local government in the Wellington region, but would instead work to identify other options to promote more effective local government within the region.

The Local Government Commission has announced that the range of possibilities that could be considered include Council Controlled Organisations (CCOs), shared service arrangements, recalibrating roles and functions between GWRC and territorial authorities, and amalgamations of some areas within the region. One of the options being considered is a CCO for transport.

The Local Government Commission has announced that they will short-list options and put them before the public in the first half of 2016, with final proposals expected to be announced in mid-2016.

Any change in the governance arrangements for public transport will significantly impact on the requirements and options available for changes to the revenue and financing policy. It is therefore recommended that the development of options for funding the rates share of public transport is delayed, with the timeline to be reassessed in mid-2016 once the Local Government Commission has announced their final proposals for local governance improvements.

3. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

3.1 Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance and engagement policy and decision-making guidelines. Due to the procedural nature of this decision officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

3.2 Engagement

Due to its procedural nature and low significance, no engagement on this matter has been undertaken.

4. Recommendations

That the Committee

- 1. Receives the report.*
- 2. Agrees that the timeline for the public transport rates funding review should be reassessed once the Local Government Commission has announced their proposals for local governance improvements in the Wellington region.*

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