

Advice on “Update on the Urban Cycleways Programme”

Reason for this briefing	<p>The New Zealand Transport Agency (NZTA) provided you a briefing on 29 November 2018 seeking to:</p> <ul style="list-style-type: none"> extend the Urban Cycleways Fund (UCF) through to 2021 to complete 10 delayed projects Out of Scope [REDACTED] <p>Further actions are required by Ministers to give effect to decisions sought by the NZTA due to limitations of the delegated authority from Cabinet.</p>
Action required	<p>Indicate to us:</p> <ul style="list-style-type: none"> if you would like to extend the Urban Cycleways Fund to 30 June 2021 through a technical budget initiative Out of Scope [REDACTED].
Deadline	As soon as practicable.
Reason for deadline	Implementing your decisions may require submitting a late budget initiative for Budget 2019. We would like to feed into the Treasury’s budget process as early as possible so that any budget bids can be considered against other Government priorities.

Contact for telephone discussion (if required)

Name	Position	Telephone	First contact
Helen White	Manager, Investment	[REDACTED]	✓
[REDACTED]	Adviser, Investment	[REDACTED]	

MINISTERS’ COMMENTS:

Withheld under s9(2)(a) of the Official Information Act 1982

Date:	17 January 2018	Briefing number:	OC181231
Attention:	<p>Hon Phil Twyford (Minister of Transport)</p> <p>Hon Julie Anne Genter (Associate Minister of Transport)</p>	Security level:	In-confidence

Minister of Transport’s office actions

- | | | |
|--|--|---|
| <input type="checkbox"/> <i>Noted</i> | <input type="checkbox"/> <i>Seen</i> | <input type="checkbox"/> <i>Approved</i> |
| <input type="checkbox"/> <i>Needs change</i> | <input type="checkbox"/> <i>Referred to</i> | |
| <input type="checkbox"/> <i>Withdrawn</i> | <input type="checkbox"/> <i>Not seen by Minister</i> | <input type="checkbox"/> <i>Overtaken by events</i> |

Purpose of report

1. This briefing:
 - seeks Ministers' decisions to support the extension of the Urban Cycleways Fund (UCF) through to 2021
 - **Out of Scope**

Background

2. The Urban Cycleways Programme (UCP) and the UCF were announced in August 2014 to develop connected, high-quality cycleway networks in urban areas so cycling becomes a more attractive mode of transport for work, education, and social engagement. The UCF supplemented existing National Land Transport Fund (NLTF) investment by providing 33 percent of the cycleway project's cost.
3. An extension of the fund was requested in late 2017 due to delays in delivering the UCP. As the UCF was a time limited fund, Cabinet approval was required. In April 2018, Cabinet approved the extension of the UCF, as a technical budget initiative, until 30 June 2019.
4. The New Zealand Transport Agency (NZTA) advises that out of the 50 UCP projects (reduced from 54 due to changes in scope and costs), 29 projects have been completed, with 21 projects delayed. Of the delayed projects, NZTA expects 11 projects to be completed by 30 June 2019 with the remaining 10 projects requiring longer to deliver. Project specific reasons for the 10 delayed projects were provided to you by the NZTA (BRI-1531 refers). The NZTA advises that delays (largely caused by consenting issues, and changes in plans and routes) have been largely outside of its control.
5. The NZTA provided a briefing (BRI-1531 refers) on 29 November 2018 seeking to:
 - extend the UCF through to 2021 so the 10 remaining projects could be completed
 - **Out of Scope**
6. We understand Ministers have considered the NZTA's briefing. However, to give effect to the decisions sought by the NZTA, Cabinet approval is required. This briefing provides our advice on how you can give effect to the decisions sought by the NZTA.

We recommend UCF is extended to June 2021 through a technical budget initiative for Budget 2019

7. Walking and cycling is a key priority for the Government and is reflected in the Government Policy Statement on land transport 2018 (GPS 2018). UCP initiatives also contribute to the transport outcomes by providing additional safety benefits and encouraging the uptake of active modes.
8. Supporting the extension of the UCF to 30 June 2021 will enable the NZTA to complete the delayed projects using the UCF. If the extension is not supported, the remaining projects will need to be funded through the NLTF and local share.

9. Although the funding available for cycleways was increased in the GPS 2018 to accommodate the Government's direction to deliver more walking and cycling infrastructure, if the UCF extension is not supported, the 10 delayed projects will be reprioritised against current NLTF commitments. This could delay other cycleway projects or reduce the total number of projects that could be delivered through the NLTF.
10. We recommend Ministers support the extension of the UCF to 30 June 2021 as it aligns well with the Government's intentions. However, we recommend Ministers seek assurance from the NZTA that the remaining projects can be delivered by 30 June 2021, with no further extensions after that date. This will ensure Crown funds can be made available for other purposes across the Government. Ministers may also wish direct the NZTA to provide you with regular reporting on the progress of the projects. This will provide Ministers with oversight of the delivery and ensure the NZTA is actively managing factors within its control.
11. Cabinet agreement is required to extend the UCF, as it is a time limited fund. This can be sought through Budget 2019 through a technical budget initiative. We expect to provide you with further advice on the technical budget initiatives in February 2019. While we expect the overall risk of the UCF extension not being supported by Cabinet to be relatively low, we recommend Ministers engage with the Minister of Finance early in the budget process.

Out of Scope

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
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- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Out of Scope

[REDACTED]

[REDACTED]

[REDACTED]

Ministers' decisions on whether to extend the UCF will impact how the NZTA treats the remaining funds

- 21. The UCF was designed to provide 33 per cent of project costs. However, due to cost or scope increases, the UCF is providing less than 33 percent for some projects. If the UCF extension to 30 June 2019 is not supported, the NZTA advises that it will reallocate existing funds to projects where the UCF is contributing less than 33 percent of the costs.
- 22. We also expect any underspend of the UCF (currently \$1.455 million) discussed in paragraph 5 to be reallocated to projects where UCF is contributing lower than 33 percent of the cost.
- 23. The NZTA would appreciate early decision from Ministers on the UCF extension so that it can re-allocate funds if the extension is not supported. While Ministers can support the UCF extension, funding certainty will not be provided to the NZTA until it is approved by Cabinet.

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Recommendations

24. The recommendations are that you:

(a) **note** that further actions are required to give effect to decisions sought by the New Zealand Transport Agency in the briefing *Update on the Urban Cycleways Programme* provided to you on 29 November 2018

(b) **agree** to support the extension of the Urban Cycleways Fund to 30 June 2021 through a technical Budget initiative

Yes/No

Out of Scope

(d) **note** that if Ministers decline to support the extension of the UCF, funds will be reallocated to existing projects where UCF is contributing to less than 33 percent of the project.

Helen White
Manager, Investment

MINISTERS' SIGNATURES:

Hon Phil Twyford
Minister of Transport

Hon Julie Anne Genter
Associate Minister of Transport

DATE: