



Wellington Regional Transport: Options for Change

**Report to Local Government
Commission**

**March
2016**

Acronyms and Abbreviations

CCO	Council-Controlled Organisation
CDC	Carterton District Council
GWRC	Greater Wellington Regional Council
GW	Greater Wellington
HCC	Hutt City Council
KDC	Kāpiti Coast District Council
LGC	Local Government Commission
NAMS	New Zealand Asset Management Support
NLTF	National Land Transport Fund
NLTP	National Land Transport Plan
NZTA	New Zealand Transport Agency
MDC	Masterton District Council
PCC	Porirua City Council
RAMM	Road Assessment and Maintenance Management
RTC	Regional Transport Committee
RTF	Road Transport Forum
RLTP	Regional Land Transport Plan
SWDC	South Wairarapa District Council
TLA	Territorial Local Authority
UHCC	Upper Hutt City Council
WCC	Wellington City Council
WR	Wellington Roads

Table of Contents

Foreword	i
Executive Summary	iii
1 Introduction	1
2 Transport in the Greater Wellington Region	2
2.1 The Physical Transport Network	2
2.2 Use of the Transport Networks	3
2.3 Objectives for the Delivery of Transport Services	4
3 Current Institutional Arrangements for Delivering Transport Services	5
3.1 The Management of the Transport Networks	5
3.2 Existing Integration Initiatives	10
4 Challenges and Opportunities	11
4.1 Regional Investment Effectiveness	11
4.2 Aligning Planning Activities	12
4.3 Transaction Costs	13
4.4 Organisational Scale and Capacity	13
4.5 Organisational Capability	13
5 Options	15
5.1 Our Framework of Analysis	15
5.2 Description of Options	16
6 High Level Analysis of Options	23
6.1 Option A: Status Quo	23
6.2 Option B: Wellington Roads and Wairarapa Roads	24
6.3 Option C: Greater Wellington Roads	25
6.4 Option D: Greater Wellington Roads (Including State Highways)	26
6.5 Option E: Greater Wellington Transport	26
6.6 Option F: Greater Wellington Transport with Decision-Making Powers	27
6.7 Overall Comparison of Options	29
7 Conclusion	31

Appendices

Appendix A : Options for an Enhanced Status Quo	32
Appendix B : Land Transport Funding, Planning and Decision Making	36

Tables

Table E.1: The Issues that each Option can Address	vi
Table 5.1: Option B Summary of Changes from the Status Quo	17
Table 5.2: Option C Summary of Changes from the Status Quo	18
Table 5.3: Option D Summary of Changes from the Status Quo	19
Table 5.4: Option E Summary of Changes from the Status Quo	21
Table 5.5: Option F Summary of Changes from the Status Quo	22
Table 6.1: Descriptive Comparison of Options' Strengths and Weaknesses	30

Figures

Figure E.1: Option Dimensions Expressed as Three Axes	v
Figure E.2: Options Discussed are on a Continuum of Possibilities	v
Figure E.3: Summary of Options	vi
Figure E.4: Summary of Gains and Losses	viii
Figure 2.1: The Main Regional Transport Links	2
Figure 3.1: Summary of Management Roles Across Different Networks	5
Figure 3.2: Relationships Between National, Regional and Local Planning	8
Figure 5.1: Framework of Analysis for Transport Integration	15
Figure 5.2: Options Analysed are on a Continuum of Possible Options	16

Boxes

Box 4.1: Wellington Water	14
Box 5.1: Experiences of Combining Responsibilities for Local Road and State Highway Networks	20

Foreword

The Local Government Commission is pleased to release this report on options for strengthening transport in the Wellington region. The report was prepared by Castalia after discussions with local government and other interested stakeholders.

The transport options report arose from a work programme agreed by the Wellington Mayoral Forum, the New Zealand Transport Agency (NZTA), and the Local Government Commission to jointly look at transport in the region. The report is intended to be the first of several reports on transport, to start the consideration of appropriate options for the region. The next step, which will be the subject of a further report, is to carry out a more detailed analysis of the feasible options in the form of an indicative business case.

The report has two purposes: to outline the issues and challenges facing transport in the Wellington region; and to provide a framework for identifying the full range of options for ways forward. We received detailed written feedback from Upper Hutt City, Porirua City, Kāpiti Coast District, Wellington City and Greater Wellington Regional Council on the draft report, which has been incorporated into the final report where possible.

Councils also made some more general points.

First, a number of councils felt that the report did not provide sufficient detail to enable selection of a favoured option. This is because the report is deliberately a high-level consideration of the options. The report will assist the Local Government Commission and councils to determine which options, or their variations, should be considered in more detail through an indicative business case.

Second, several councils felt that the report does not clearly set out the problem to be addressed. This reflects differences between various councils' experiences and priorities. For some councils the key issue is ensuring any changes to the transport system leave it best placed to support economic growth in the region. For others key issues are ensuring council organisations have the relevant capacity and capability to deliver effective and efficient transport services. Further consideration of the options would therefore need to take into account the ability of each option to address issues at a variety of levels.

Why consider change?

During the development of this report councils talked to Castalia about the potential benefits flowing from changes to transport in the Wellington region. These included:

- opportunities to support economic development through more effective investment and efficient delivery in the transport sector
- retaining local say in 'place shaping' for local roads
- improved alignment between:
 - regional and local transport plans and activities
 - decision-making on transport and land use
- providing sufficient organisational capacity and capability to enable:
 - operational scale efficiencies
 - specialist professional capability
 - greater certainty about staff recruitment, retention and succession

- enabling simpler decision-making by reducing the need for complex processes, involving multiple councils.

What happens next?

The next step is to carry out a more detailed analysis of the feasible options in the form of an indicative business case.

The indicative business case will adapt and apply the Treasury's Better Business Case methodology and New Zealand Transport Agency's (NZTA) business case requirements, to consider the initial business case for the feasible options.

The indicative business case will take account of the fact there are likely to be several 'preferred' ways forward. We expect each of the councils may wish to focus on addressing different issues or weight particular benefits more highly than their neighbour.

Working with councils and key stakeholders, the indicative business case will:

- clarify the strategic case for change
- outline the feasible options in greater detail
- quantify the costs and benefits of each option.

The Local Government Commission looks forward to working with councils and the community as we further develop our thinking about the best approach for transport in Wellington.

Our thanks go to the councils of the Wellington region, in particular the council representatives of each of the region's councils who sat on the Transport Working Group, for their constructive input into the development of this report.



Sandra Preston
Chief Executive
Local Government Commission

Executive Summary

The Local Government Commission (LGC) and the Wellington Region Chief Executives' Forum are considering ways to strengthen the delivery of transport services to the Wellington region.

The LGC, in consultation with the chief executives, has engaged Castalia to explore the challenges and opportunities to the delivery of transport services in the Greater Wellington (GW) region¹. These services include governance, planning, funding, and service delivery roles for local roads, state highways and public transport networks.

This report examines issues and challenges with the current institutional arrangements, describes what options are available for improving transport services in the Greater Wellington region, and explains the gains and losses generated by each option.

The councils and the LGC will use this report as an input into developing their respective positions on the way forward for transport in the region. While the councils and the LGC may come to different positions, the process will be greatly enhanced by having a single report as an input. This is particularly the case if the parties are able to reach agreement on the opportunities and challenges that need to be addressed.

The current system is complex, but functional

Users of the region's transport network frequently cross the boundaries of several different 'networks' and districts in the course of a single journey. Local roads, state highways, and public transport systems are often all required for a single commute into or out of Wellington city, for example. Current network management areas are the result of various legislative frameworks that govern the local and central government agencies responsible for transport delivery and funding. Whether transport outcomes are best managed by the current framework, or whether a more integrated management framework is preferable, is the central focus of this report.

The current array of management organisations and networks that deliver on the GW transport needs are complex. Local roads are managed by territorial local authorities (TLAs) and overlaid by state highway networks, public transport networks and rail networks. Funding comes from local rates, from regional rates, and from central funding sources, including the National Land Transport Fund (NLTF) and other Government funding. Planning occurs at the regional level, the local level and the national level for different aspects of the system.

There are many positive aspects of the current system in terms of regional delivery and local accountability; for example:

- There is a regional network of state highways and public transport and these regional networks function well
- There is a regional committee and prioritisation process that sets priorities and seeks to reconcile the overall strategy for regional level decisions
- There is local accountability for place shaping functions within the road corridors.

¹ The Greater Wellington region includes nine councils: Carterton District Council, Hutt City Council, Kāpiti Coast District Council, Masterton District Council, Porirua City Council, South Wairarapa District Council, Upper Hutt City Council and Wellington City Council, as well as the Greater Wellington Regional Council.

The current arrangements reflect the fact that opportunities for integration and improvement have been taken in the past.

Issues identified suggest room for improvement

We have talked to road and asset managers, chief executives and corridor users to identify the issues with the current management regime. Through these discussions we have identified that:

- Organisational scale in some councils is too low—the small size of some organisations can undermine their ability to have a resilient workforce and achieve purchasing economies of scale. Some local road organisations are collaborating already to deal with this issue
- There are difficulties in creating enough specialisation and therefore organisational capability within local road organisations, in particular, and this difficulty increases as processes become more complex
- Multiple different organisations create transaction cost inefficiencies—much resource is tied up in negotiations and interactions, creating double-handling, additional interfaces and cost
- Planning is not entirely aligned—the region and the local area might have different plans, for example, and the Regional Transport Committee is not always best placed to reconcile these situations
- Regional investment effectiveness is not always seen as optimal—there is a risk that local optimums or lowest common denominator of agreement determines regional strategy.

Stakeholders have different views on which issues are the most pressing. There is broad agreement, however, that these are all issues within the system to varying degrees. The issues fall into two categories of either organisational issues on the one hand (scale and capability) and choices that the system makes on the other (planning and investment effectiveness). These issues relate to the efficiency and effectiveness statutory objectives under the Local Government Act.

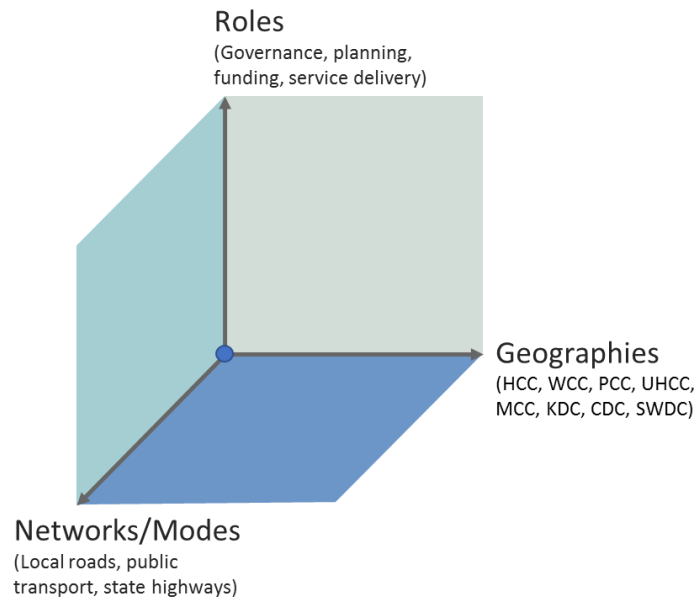
There is a wide range of options for additional integration

Opportunities for integrated processes can be thought of across three dimensions:

- Geography (the TLA areas that are included in any option)
- Networks (or modes) (the different networks that are included in any option—local roads, public transport, state highways)
- Roles (governance, planning, funding and service delivery).

Figure E.1 represents each of these dimensions along separate axes, creating a three dimensional space from the status quo to a fully integrated authority.

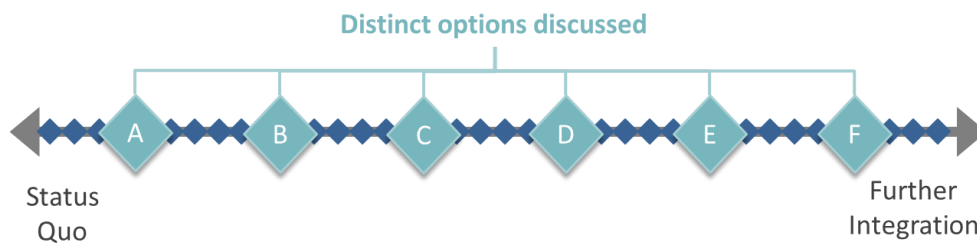
Figure E.1: Option Dimensions Expressed as Three Axes



The various options for integrated processes can be thought of as sitting on a spectrum ranging from the status quo to complete integration of all geographies, networks and roles (as shown in Figure E.2). The options we discuss are distinct points along that spectrum and each can be amended slightly to create a new option (represented by the smaller points along the spectrum). We selected distinct points on this spectrum as our options to stimulate debate, rather than because they are the most practical or attractive options.

We also acknowledge that there are options to improve services without making structural changes that create new institutions, such as a regional spatial plan or shifting the responsibilities for aspects of planning between existing institutions. Several changes to responsibilities were suggested by the Greater Wellington Regional Council in response to the draft of this paper and these are described in Appendix A. This report does not evaluate all of these options as they suggest changes to the national transport policy framework, which is outside the scope of the work the LGC has commissioned. Spatial planning is the subject of a separate LGC workstream, however the strong link between transport and spatial planning is acknowledged.

Figure E.2: Options Discussed are on a Continuum of Possibilities



Six distinct options described

We develop our options by moving along each of the three axes. Starting from the status quo, we then move to Option B to integrate service delivery across the four metro councils in a common local road organisation ‘Wellington Roads’ (WR), with a similar model

‘Wairarapa Roads’ for Wairarapa councils. The next logical option (Option C) may be to consider a region-wide service delivery provider: Greater Wellington Roads (GWR). Option D then considers adding the state highway network to GWR. Option E adds additional public transport networks and modes to create Greater Wellington Transport (GWT).

The next option (Option F) then moves along the roles axis to increase the number of roles to be integrated from just one (service delivery) to also include governance, planning and funding. The inclusion of the state highways network is treated as a potential variation of Option E and F, so Greater Wellington Transport (with or without enhanced decision roles) could also encompass state highways operations. Figure E.3 describes the options.

Figure E.3: Summary of Options

Integrated factors		A. Status Quo	B. Wellington/Wairarapa Roads (WR)	C. Greater Wellington Roads (GWR)	D. Greater Wellington Roads (including SHs)	E. Greater Wellington Transport (GWT)	F. GWT with Decision Making Roles	
Geographies		No integration	4 metro & 3 in Wairarapa model	8 council territories		8 council territories + regional		
Networks/Modes		No change	Local roads		Local roads + state highways	Local roads + public transport +/- state highways		
Roles	Governance	No change	<ul style="list-style-type: none"> • Representative board • Manages assets on behalf 				A representative board manages assets directly	
	Planning	No change	Organisation plans local roads (approved by councils)				Planning undertaken within organisation	
	Funding	No change	Organisation manages tagged funding				Regional vs local rating balance adjusts	
	Service Delivery	No change	Local roads combined in 2 areas	8 local roads combined	8 local roads + state highways	8 local roads + public transport +/- state highways		

Options can address identified issues but also create trade-offs

Table E.1 maps Options against issues that the Option can address and identifies the trade-offs that are involved in each Option.

Table E.1: The Issues that each Option can Address

Option	Issues addressed	Issues created or remaining
A: Status Quo	<ul style="list-style-type: none"> ▪ Low risk ▪ Avoid costs from pursuing greater integration 	<ul style="list-style-type: none"> ▪ Missed opportunities to improve the efficiency and effectiveness of the network
B: Wellington Roads Wairarapa Roads	<ul style="list-style-type: none"> ▪ Organisational scale is increased ▪ Organisational capability is increased 	<ul style="list-style-type: none"> ▪ Transport planning alignment issues unresolved ▪ Potentially foregoing opportunities for greater integration ▪ Few transaction cost benefits ▪ Not all councils benefit

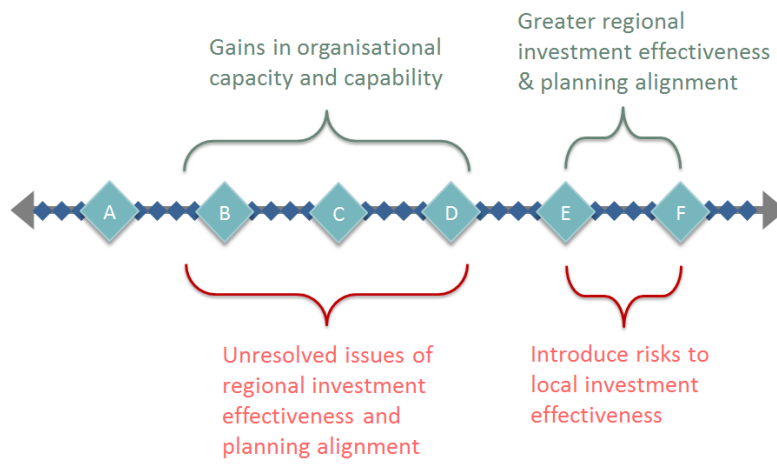
Option	Issues addressed	Issues created or remaining
C: Greater Wellington Roads	<ul style="list-style-type: none"> ▪ Further organisational scale ▪ Provides the opportunity for other councils to benefit from scale and capability 	<ul style="list-style-type: none"> ▪ Transport planning alignment issues unresolved ▪ Potential to create a more complex system with another organisation to interact with
D: Greater Wellington Roads (including state highways)	<p>As above and:</p> <ul style="list-style-type: none"> ▪ Intermodal alignment (i.e. state highways and local roads) 	<ul style="list-style-type: none"> ▪ Transport planning alignment issues unresolved ▪ Few transaction cost benefits
E: Greater Wellington Transport	<p>As above and:</p> <ul style="list-style-type: none"> ▪ Further intermodal alignment including planning alignment (i.e. PT and roads) ▪ Reduced transaction costs 	<ul style="list-style-type: none"> ▪ Sub regional perspectives remain as the key decision makers individually own and govern the assets ▪ Potential to continue to have a large amount of resources involved in liaising between councils and this organisation
E: Greater Wellington Transport with enhanced roles	<p>As above and:</p> <ul style="list-style-type: none"> ▪ Regional investment effectiveness across most modes/networks is enhanced ▪ Reduced organisational relationships in the system ▪ All management roles in one entity 	<ul style="list-style-type: none"> ▪ Risk of reduced local investment effectiveness (reduced feedback loop and connectedness with local areas) ▪ Risk of reduced transparency

Overall Comparison of Options

Assessing the gains and losses from the options leads to two natural groups as summarised in Figure E.4. Options either:

- Make relatively small economic gains and do not resolve all of the key issues identified by stakeholders, but avoid reducing the level of local control over local decisions (Options B, C and D), or
- Make relatively significant gains, and resolve the key issues identified by stakeholders, but increase the distance from communities at which decisions are made (or require mitigation strategies to manage this risk) (Options E and F).

Figure E.4: Summary of Gains and Losses



1 Introduction

The Local Government Commission (LGC) and the Wellington Region Chief Executives' Forum are considering ways to strengthen the delivery of transport services to the Wellington region.

The LGC, in consultation with the chief executives, has engaged Castalia (with support from Rationale), to explore the challenges and opportunities to the delivery of transport services in the Greater Wellington (GW) region.² These services include governance, planning, funding, and service delivery roles for local roads, state highways and public transport networks.

This report examines what options are available for improving transport services in the Greater Wellington region and the provides the pros and cons of each.

Councils in the Greater Wellington region have provided input throughout the process of developing and assessing options. Workshops were held on both the issues and the options with representatives from councils' asset and road managers, as well as the New Zealand Transport Agency (NZTA). Interviews with councils' chief executives and with key stakeholders³ were held in October 2015, November 2015, and December 2015.

The purpose of this report

This report has been prepared to inform discussions between the LGC and the Wellington Regional Mayoral Forum and the region's councils on options for improving transport arrangements in the region.

The councils and the Commission will use this report as an input into developing their respective positions on the way forward for transport for the region. While the councils and the Commission may come to different positions, the process will be greatly enhanced by having this single report as an input. This is particularly the case if the parties are able to reach agreement on the opportunities and challenges that need to be addressed.

This report will be presented to councils between December 2015 and April 2016 as a step towards identifying a short list of options. The assessment of the short list is planned for March/April 2016.

To achieve this outcome, this report:

- Provides context on the current state of the transport network in Wellington (Section 2)
- Describes the arrangements currently used by councils to make decisions on transport planning, governance, funding, and service delivery (Section 3)
- Identifies challenges faced under the current arrangements and opportunities for improvements (Section 4)
- Identifies possible options to change transport arrangements in the Greater Wellington region (Section 5)
- Assesses the possible changes at a high level based on their relative strengths and weaknesses (Section 6).

² The Greater Wellington region includes nine councils: Carterton District Council, Hutt City Council, Kāpiti Coast District Council, Masterton District Council, Porirua City Council, South Wairarapa District Council, Upper Hutt City Council and Wellington City Council, as well as the Greater Wellington Regional Council.

³ Representatives from the Road Transport Forum (RTF), KiwiRail and Wellington Electricity.

2 Transport in the Greater Wellington Region

Transport encompasses the land, sea, air, and rail networks used by businesses, commuting workers and those travelling for recreational purposes. These networks work together as one regional network to enable the movement of goods and people within, and to and from Greater Wellington.

Understanding the current state and use of transport assets is useful when considering what an effective network means in the Greater Wellington region—whether that is networks that prioritise particular outcomes such as low peak congestion, or safety.

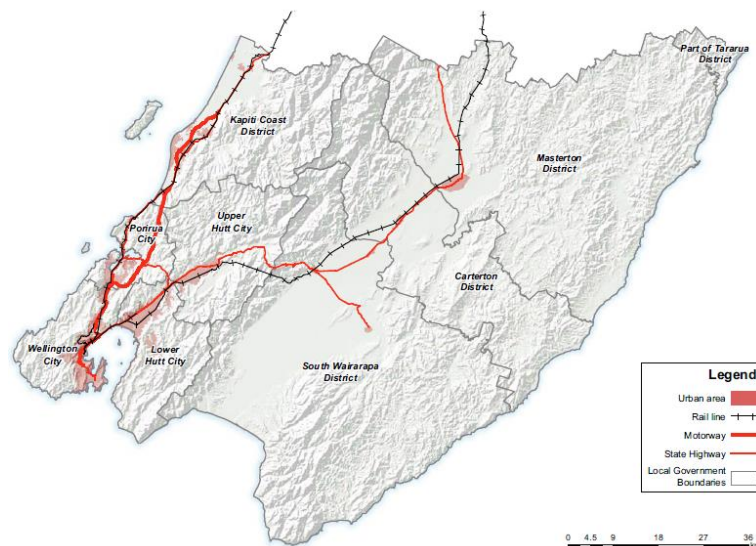
2.1 The Physical Transport Network

The physical transport network is made up of four individual networks: state highways, local roads, public transport (bus, ferry, and rail services), and support infrastructure (footpaths, bus stops and ‘park and ride’ facilities).⁴ Figure 2.1 shows the state highways and rail networks that connect the region via two main corridors:⁵

- The north corridor connects the Kāpiti Coast, Porirua City, and Wellington City via State Highway 1, and the North Island Main Trunk Rail Line
- The eastern corridor connects the Wairarapa region, Upper Hutt, Hutt City, and Wellington City via State Highway 2 and the Wairarapa Rail Line.

These networks then link to the local road networks in each district, which are also used by different modes (such as buses). Buses also use state highways where they connect local networks (for example, between Wellington and the Hutt Valley).

Figure 2.1: The Main Regional Transport Links



Source: Greater Wellington Regional Council, Wellington Regional Land Transport Plan 2015, p. 16.

The physical assets that comprise the networks have varying characteristics. Some, such as motorways, are fixed assets with long lives. Other assets, such as buses, have relatively short lives and can be transferred from one task or location to another. In some cases,

⁴ Air and sea services also link the region with the rest of New Zealand, and connect the districts within Greater Wellington, but are not owned or operated by councils so fall out of the scope of this report.

⁵ There is also a smaller link between Porirua and the Hutt Valley via State Highway 58.

transport networks feed into each other, such as state highways linking to local roads, while some networks overlap with other modes and are interdependent, such as local roads being used by public transport. The degree of these overlaps vary by council territory.

2.2 Use of the Transport Networks

Approximately 1.15 million trips are made every day in Greater Wellington,⁶ for purposes including commuting to work, moving freight, avoiding adverse events, and partaking in leisure activities.

The region's transport networks are frequently used by those commuting to Wellington City

There is considerable commuter flow to and from Wellington City from the rest of Greater Wellington. The 2013 Census found that 60 percent of work trips end in Wellington City, an increase from 56 percent in 2006.⁷ Residents in Upper Hutt and Porirua tend to commute, with over half of these residents' work trips heading to destinations outside of their districts.

Commuting contributes to transport network peaks, with work trips representing 80 percent of all peak period trips in the region.⁸ However, the modes used for commuting have changed considerably between 2001 and 2013. While the percent increase for work trips has only risen by 5 percent for cars, much larger increases were made by public transport (20 percent), and walking and cycling (36 percent).⁹ For those commuting to Wellington City from other districts, the rail network accounts for 45 percent of these work trips, removing stress from the road network.

Travel time reliability is important for users of the transport system, and is indicated by the variability of travel time on the network. Between 2010 and 2014, the variability of travel time during Wellington's morning peak has decreased from 27 percent variability to 19 percent, while variability during the evening peak increased from 19 percent to 22 percent.¹⁰

Road and rail networks also support the national and regional freight industry

Freight encompasses the transport of any goods as part of commercial arrangements. Wellington's geographic position means that its road and rail networks provide a crucial link for getting goods to the port to transport from the North Island to the South Island, and vice versa. In 2012, 5.1 million tonnes of freight was moved in or out of the Wellington region. Road and rail trips that were entirely within the region moved approximately 6.4 million tonnes of goods and the region's freight is expected to grow to 14 million tonnes by 2042.¹¹

⁶ This number excludes rail freight. Wellington Transport Strategy Model in Greater Wellington Regional Council, Wellington Regional Land Transport Plan 2015, p. 23. See <http://www.gw.govt.nz/assets/Transport/Regional-transport/Wgtn-RLTP-2015.pdf>.

⁷ CityScope, 2014, p. 5. See http://www.productivity.govt.nz/sites/default/files/using-land-for-housing-final-report-full%2C%20PDF%2C%204511Kb_0.pdf.

⁸ Greater Wellington Regional Council, Wellington Regional Land Transport Plan 2015, p. 23. See <http://www.gw.govt.nz/assets/Transport/Regional-transport/Wgtn-RLTP-2015.pdf>.

⁹ See footnote 8.

¹⁰ Ministry of Transport, Transport Indicators: Network Reliability. See <http://www.transport.govt.nz/ourwork/tmif/networkreliability/nr003/>

¹¹ Ministry of Transport. "National Freight Demand Study" March 2014. <http://www.transport.govt.nz/assets/Uploads/Research/Documents/National-Freight-Demand-Study-Mar-2014.pdf>.

Transport networks will also have to function in the event of an emergency

The regional transport network is also an evacuation route should a natural disaster affect the region, or districts within the region. This is particularly pertinent for the population based in Wellington City, which have fewer routes in and out of the area. However, given that both the region's hospital and airport are based in Wellington, accessing these services places similar pressures on the network if a natural disaster occurs.

The Regional Land Transport Plan's (RLTP) strategies to manage these risks are to establish a regional risk resilience risk register to prioritise resilience activities, develop alternative routes that will be more robust than current routes, and continue preventative maintenance.

Non-work related trips have a relatively small influence on transport demand

Transport networks also link retail, education, residential and leisure activities. On the road network, most off-peak trips relate to shopping and leisure activities.¹² Nevertheless Wellington City positions itself as a tourism centre, and a base for exploring the Greater Wellington region, and non-work related trips have a significant impact on the use of the region's transport network. Enhanced corridor strategies have been developed in recognition of this growing impact.

The rising popularity of living in the city has also meant that greater emphasis has been placed on supporting walking and cycling activities, using support infrastructure to do this.

Transport decisions also affect other regional developments

The shape of the current transport networks has been a significant driver of current patterns of land use across the region. An example of this is the current plans for the Petone to Grenada road link, to improve the east to west links. The proposed new link will make a considerable area of land available for development by providing transport access. This has potentially very significant implications for future decision-making around land use. These decisions will in turn drive changing patterns of demand for transport infrastructure into the future.

2.3 Objectives for the Delivery of Transport Services

The objectives for the regional network are formally set through the RLTP process, which includes collaboration with local councils and NZTA. The objectives for the networks that make up the regional network are set by the respective owners of the assets.

The vision for Greater Wellington's transport sector (as defined in the RLTP) is "to deliver a safe, effective and efficient land transport network that supports the region's economic prosperity in a way that is environmentally and socially sustainable".¹³

These objectives fit in with one of the wider objectives for Greater Wellington: to encourage regional economic growth. Transport services enable this growth through shaping land-use, and connecting people and businesses with their workplaces, and goods and services.

¹² Greater Wellington Regional Council, Wellington Regional Land Transport Plan 2015, p. 23. See <http://www.gw.govt.nz/assets/Transport/Regional-transport/Wgtn-RLTP-2015.pdf>.

¹³ GWRC, Greater Wellington Regional Land Transport Plan 2015

3 Current Institutional Arrangements for Delivering Transport Services

Transport services in the Greater Wellington region are managed by the TLAs with their local roads and by a regional council managing public transport across all networks and overlaid by national management of state highways and rail track networks.

Appendix B includes a more detailed description of the funding, planning and decision making framework for land transport, which was provided by NZTA.

3.1 The Management of the Transport Networks

The management of transport assets and services can be broken down into four key roles:

- **Governance:** Who owns the assets, and how is ownership and control expressed through decision-making processes?
- **Planning:** Who makes the decisions on future transport investments, and how are those decisions made?
- **Funding:** Who bears the costs of transport investments?
- **Service delivery:** Who is responsible for providing services, such as road maintenance, network expansion and rehabilitation, and public transport rides?

Each network (or mode) has an agency with primary responsibility, with NZTA responsible for state highways, the Greater Wellington Regional Council (GWRC) responsible for public transport, and the TLAs responsible for local roads and support infrastructure. Figure 3.1 summarises how the management roles are allocated for each of the transport networks: state highways, local roads, public transport (rail and bus services), and support infrastructure.

For all networks, multiple agencies have overlapping responsibilities. This is shown in Figure 3.1 where there are multiple icons for one management role within one network. For example, in local roads, two funding icons represent the funding sources at a local level (through local rates), and at a national level (from the National Land Transport Fund, which is approved by NZTA).

Figure 3.1: Summary of Management Roles Across Different Networks

Agency level	State Highways	Local Roads	Public Transport		Support Infrastructure
			Rail	Bus	
National (NZTA)*					
Regional (GWRC)	**	**			
Local (TLAs)					

Key
 Governance Funding Planning Service Delivery

* For rail services, the relevant national agency is KiwiRail

** Regional involvement in planning is through the Road Transport Committee prioritisation process

Source: Adapted from CityScope, 2014

Private sector companies are also contracted by agencies to perform specific tasks (for example, NZTA contracts private firms to carry out maintenance of the state highways network).

The following sections describe how the physical transport network is managed in Greater Wellington using the four management roles as a framework.

Different stakeholders own different networks

NZTA is the road controlling authority for the 11,000 kilometres of the state highway network spanning New Zealand.¹⁴ These roads do not necessarily have to be owned by the Crown.¹⁵ NZTA is governed by a statutory board, which is chosen by the Ministry of Transport. The NZTA Board allocates funds from the National Land Transport Fund, and produces the network's investment programme (the National Land Transport Programme).¹⁶

Local authorities own the local road network, excluding state highways and privately-owned roads. TLAs control decisions made about local road planning and wider land zoning decisions in district planning processes as well as producing Long Term Plans, transport plans, and performance measures for transport. While TLAs control the local road network, as democratically elected organisations, they are held accountable for their decisions by the public. This is a feedback loop that enables decisions on local road networks to align with the views of local ratepayers.

The Greater Wellington Regional Council (GWRC) controls the network of public transport services (brought together under Metlink). However, the actual assets have different owners. The rail network infrastructure (track, overhead power supply, signals and platforms) is owned and managed by KiwiRail, while the GWRC owns and manages the rolling stock, most stations (this excludes Wellington Railway Station), pedestrian bridges and underpasses.¹⁷ The trolley bus network also has a complex ownership structure, where the network is owned by the Wellington Cable Car Company (owned by WCC) for the overhead component and Wellington Electricity for the underground and substation components.

The GWRC is also responsible for providing bus services, and does this through 45 contracts with private operators for bus services, and 14 contracts for school buses. Decisions on public transport are made by GWRC through the Wellington Regional Public Transport Plan. This involves consultation with public transport operators, NZTA, TLAs, KiwiRail, and the Ministry of Education.

The GWRC is also accountable to ratepayers. However, the GWRC's constituents span the Greater Wellington region, and therefore overlap with those of the TLAs. There are, therefore, two different layers of democratic accountability.

Footpaths and traffic lights are typically controlled by TLAs. Like local roads, decisions on these parts of the network are made within council committees, such as transport and urban development. However, other support infrastructure including bus stops, rail

¹⁴ See <https://www.nzta.govt.nz/planning-and-investment/planning/planning-for-state-highways/>.

¹⁵ See <https://www.nzta.govt.nz/planning-and-investment/planning/planning-for-state-highways/>.

¹⁶ See <https://www.nzta.govt.nz/about-us/about-the-nz-transport-agency/our-board/>.

¹⁷ See <http://www.transport.govt.nz/rail/metro-rail/>.

stations, and ‘park and ride’ facilities next to railways stations, are usually owned by the GWRC.¹⁸

Planning responsibilities generally lie with the owner of the asset, although most networks have some interaction with regional-level strategic planning

The NZTA Board produces the national network’s investment programme (the National Land Transport Programme) every 3 years.¹⁹ This programme involves some public consultation including with local councils. Under the Land Transport Management Act 2003, NZTA must assess the programme so that it fulfils its three key requirements to:

- Contribute to the purpose of achieving an effective, efficient and safe land transport system
- Give effect to the Government Policy Statement on Land Transport (GPS)
- Take into account relevant strategies, programmes and plans, including regional land transport programmes.²⁰

There are multiple types of planning activities that relate to local transport networks. For instance, transport planning relates to specific plans for transport networks, while land-use planning and spatial planning overlap with transport, but have wider responsibilities.

Local transport planning occurs at two levels. The main decision-maker (a local authority) plans the roads in their respective district through their asset management plan as part of the Long Term Plan (which includes public consultation), or transport plan (although a transport plan is not a statutory requirement). This is also influenced by related planning through the district plan.

Road network planning also occurs at a regional level through the RLTP. The RLTP prioritises projects (identified and designed by TLAs, with a minimum spending threshold of \$5 million) for the region’s transport network (spanning local roads, public transport and support infrastructure). The Plan is prepared by the Regional Transport Committee, which includes two members from GWRC, one representative from each TLA in the region and one representative from NZTA²¹. The RTC, in effect, applies a regional lens to prioritising projects, while the roles of identifying and implementing projects are both TLA responsibilities.

The GWRC also carries out the planning (the Regional Public Transport Plan) and the procurement of bus, rail and ferry services. Given that the bus networks use the local road network, the planning for bus services is essentially also a local planning process.

Figure 3.2 summarises the set of regional and local planning processes and plans that impact on transport decision making.

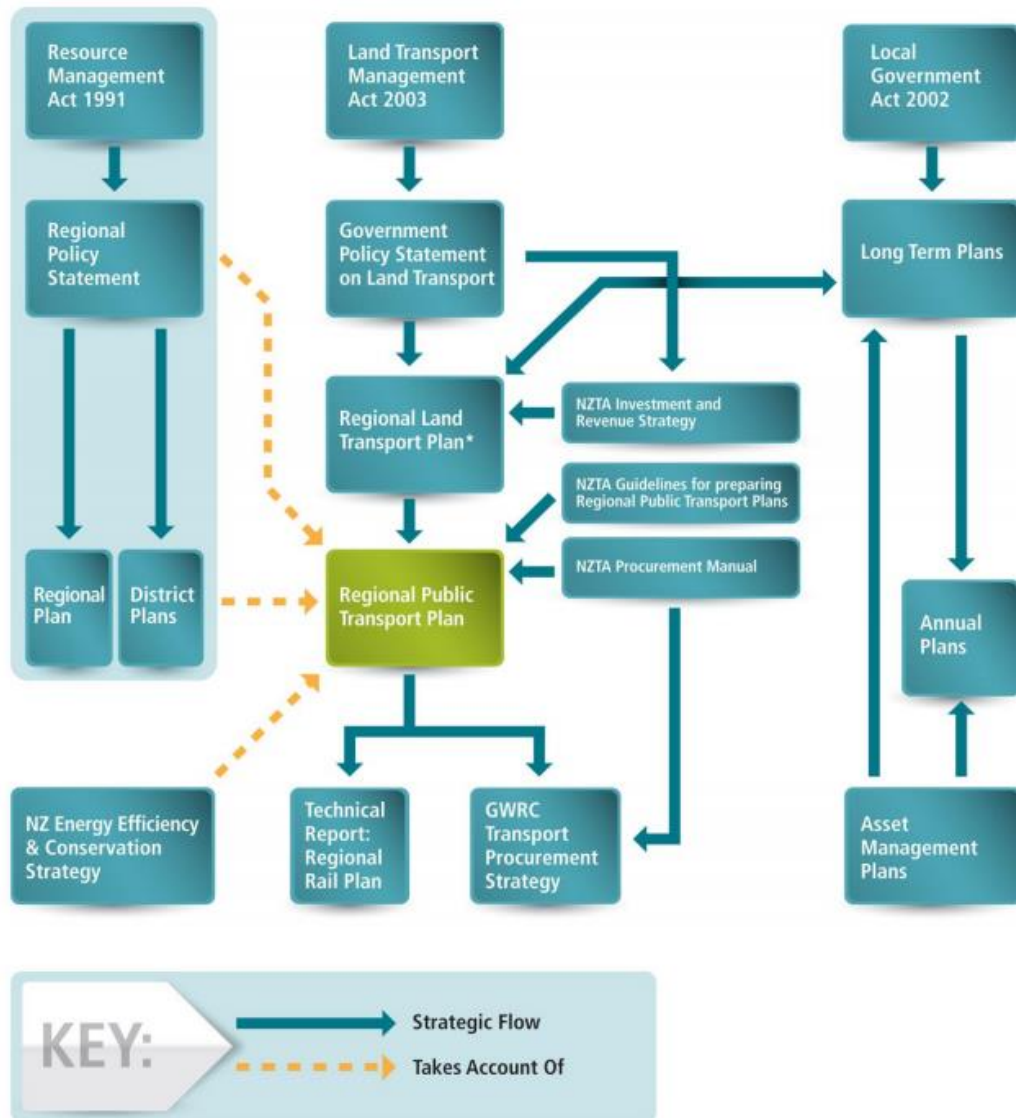
¹⁸ Wellington Railway Station is not owned by the GWRC.

¹⁹ See <https://www.nzta.govt.nz/about-us/about-the-nz-transport-agency/our-board/>.

²⁰ See <https://www.nzta.govt.nz/planning-and-investment/2015-18-national-land-transport-programme/the-investment-framework/transport-agency-assessment-of-the-national-land-transport-programme/>.

²¹ See <http://www.gw.govt.nz/regional-transport-committee-2/>.

Figure 3.2: Relationships Between National, Regional and Local Planning



Source: GWRC, Wellington Regional Public Transport Plan 2014, p.14.

Co-funding models are used for local roads and public transport

NZTA is responsible for funding the development and maintenance of the state highway network. This funding is applied for through the National Land Transport Fund (NLTF). Revenues from fuel excise duties, road user charges (RUC) and motor vehicle registrations are dedicated to the NLTF.²² In 2013/2014, NZTA spent around \$250 million on state highways in the Wellington region.²³ Between 2015 and 2018, Wellington state highways will receive a further \$114 million for maintenance and renewals.²⁴

TLAs fund their local road activities through two funding sources: local rates and funding from the NLTF (as determined by NZTA). Local rates can either be general (the cost is

²² See <http://www.beehive.govt.nz/release/largest-ever-three-year-transport-funding-programme>.

²³ See <http://www.nzta.govt.nz/assets/userfiles/transport-data/FundRoadImprovement.swf>.

²⁴ See <http://www.nzta.govt.nz/planning-and-investment/2015-18-national-land-transport-programme/nltp-in-the-regions/wellington/>.

spread across all ratepayers) or be targeted (the cost is spread across those identified as benefiting from a specific service). Councils in the Greater Wellington region use both general (for example, Wellington City) and targeted rates (such as Hutt City and Kāpiti Coast). Councils can also submit claims for funding from the NTLF.

The funding assistance rate (FAR) is set based on the overall co-investment rate, and the relative position of approved organisations. The co-investment rate sets the percentage of the overall costs from eligible activities that will be met through the NTLF. Following a review of the FAR, the co-investment rate has been set at 53 percent for 2015 to 2018.²⁵ Councils requiring additional assistance can receive a FAR above the co-investment rate. These councils are identified by assessing what must be spent to maintain a council's network, relative to the rating base that can be used to raise the local share (incorporating a deprivation index to prioritise poorer communities).²⁶ The maximum normal FAR is set at 75 percent to ensure that councils contribute financially to their networks. Between 2015 and 2018, councils in Greater Wellington have FAR ranging from 47 percent Kāpiti Coast to 57 percent in Masterton.²⁷

In 2014/2015 (before the new FARs were set), councils in the Wellington region (including the GWRC) contributed 45 percent of the \$22 million spent on local roads, with the remainder from NZTA.²⁸ Across all of New Zealand's local roads, TLAs contributed to 30 percent of the total costs in the year ending 30 June 2015.

Public transport also has multiple funding sources. Buses are funded through regional rates (which are collected by TLAs), NZTA assistance, and service fares. In 2014/2015, total revenue was made up of 55 percent fare revenue, 24 percent NZTA investment and 21 percent GWRC rates revenue.²⁹ These funds are used to pay bus and rail contractors.

Public transport support infrastructure is mostly funded by the owners of the assets—TLAs for footpaths, and the regional councils for assets outside of the road corridor, such as 'park and ride' facilities.

Service delivery and governance are combined for all networks, although service delivery contracts are used

For each network, the stakeholder responsible for service delivery is also responsible for governance. This makes sense because decisions on networks set service delivery standards.

NZTA is responsible for the operation of the state highways. It frequently uses contractors, consultants, and service providers and pays for these activities based on certified invoices, certificates of work done, or progress reports.

²⁵ See <https://www.pikb.co.nz/home/nzta-investment-policy/funding-assistance-policy-and-rates-for-the-2015-18-nltp/>.

²⁶ See <http://www.nzta.govt.nz/assets/planning/investment/docs/far-final-decisions-201410.pdf>.

²⁷ These rates vary between years, so that one council could have three different FARs between 2015 and 2018. See <https://www.pikb.co.nz/home/nzta-investment-policy/funding-assistance-policy-and-rates-for-the-2015-18-nltp/>.

²⁸ This figure includes the costs of bridges and structures replacement, minor improvements, new roads and bridges, property purchase, road reconstruction. This figure excludes where these costs fall under highway networks and operations, or traffic management. See <http://www.nzta.govt.nz/assets/userfiles/transport-data/FundRoadImprovement.swf>.

²⁹ See <http://www.gw.govt.nz/assets/Transport/Regional-transport/RPTP/WGNDOSCS-1386111-v1-FinalRPTPdocWEBversion.PDF>.

TLAs are responsible for service delivery for local roads and for related infrastructure, such as footpaths and cycle ways. Similar to NZTA, the TLAs frequently use contractors and consultants to deliver this service.

Through Metlink, the GWRC partners with multiple organisations to deliver transportation, ticketing, information, and infrastructure. These include contracts with eight public transport operators in the Wellington region including bus companies, KiwiRail, and TranzMetro.³⁰

3.2 Existing Integration Initiatives

Agencies collaborate when carrying out their responsibilities for transport in the Wellington region. Identifying ways to improve coordination in the delivery of transport services requires an understanding of the existing ways in which stakeholders collaborate.

Existing collaboration is largely driven by the structure of certain activities and processes

Collaboration is already strong where it is enforced through existing planning processes. For example, members from each TLA, the GWRC and NZTA sit on the RTC, which prioritises the region's investments. The co-ordination through this process is further strengthened by having technical input (from TLA and regional experts) into the RLTP process, as well as at the local planning level.

The GWRC and its contractors also interact, and spread their specialist knowledge, with TLAs. This is driven by the regional nature of the public transport network, which means there is overlap between the GWRC's and TLAs' decisions and operations.

There are individual cases of collaboration driven by the councils themselves

Where councils have identified that their local problems overlap with other local councils, ad hoc collaboration has also occurred. Collaboration is particularly strong in specific functions or over specific events. Examples of collaboration include:

- Joint procurement, and aligning procurement specifications and processes, by Upper Hutt and Hutt City councils, and among Wairarapa councils.
- Masterton District managing Carterton roads
- Alignment of decisions on commuter parking made by local and regional entities
- Major event and emergency response, such as the 2015 ANZAC day celebrations where road and public transport service delivery teams shared information and undertook shared planning to deliver a high quality transport experience
- Co-operation between the GWRC sustainable transport team and TLAs on behaviour change programmes to increase active transport modes, such as cycling and walking.

³⁰ See <https://www.metlink.org.nz/about-us/>.

4 Challenges and Opportunities

The challenges and opportunities for regional transport management are diverse, ranging from scale issues in service delivery through to the governance processes for regional prioritisation and decision-making. There is not a shared view that the system is dysfunctional, but there is a common view that there are gains to be made—albeit across many different areas.

To build an understanding of the challenges and opportunities facing the provision of transport in the Wellington region, we held workshops, interviewed stakeholders, reviewed previous stakeholder submissions on the proposal to amalgamate the Wellington councils. There was not universal agreement on the challenges and opportunities faced—and there is still a valuable discussion to have on how to prioritise the challenges to address.

We have grouped the themes broadly within five main concerns over the efficiency and effectiveness of transport services.

4.1 Regional Investment Effectiveness

Effective and efficient investment decisions require scrutiny of all services offered to seek the best returns available. Such decisions are made irrespective of where an investment is located and what the nature of the investment is in the region. Complex governance arrangements are difficult to maintain and can lead to suboptimal investment decisions. There is a sentiment that the current arrangements undermine the ability for investments that are regionally beneficial to be promoted and pursued.

Local-level decisions in many cases need to be managed by TLAs. However, these local decisions also collectively shape the options available for implementing regional plans that are focussed on providing journeys that cross TLA boundaries. For example, the strength and width of local roads might define public transport options on those roads.

Changing aspects of the RTC could be an opportunity to improve investment efficiency.³¹ Currently some perceive that the RTC struggles from a lack of a clear mandate to promote the best transport outcomes for the region. They are limited to prioritising the investments put before them by district or city councils. While RTC members are required to think of the regional benefit when comparing projects, there is little incentive for councillors not to represent their own district's priorities. This results in potentially sub-optimal outcomes from a regional investment perspective.

There is a perception that without a united regional focus on investment, funding priorities may shift to other regions with stronger 'growth' opportunities and more effective and efficient processes for obtaining funding and implementing projects.

The pursuit of improved regional effectiveness can come at the cost of local effectiveness

Roads are more than just regional transport networks. They are also the local environment for the residents. Input into this environment by the local residents (in terms of their choices over elements of their investment, maintenance or upgrade) is an important aspect of local level investment effectiveness (making the right choices). Any model to manage and deliver transport networks needs to ensure that the right balance is struck between regional investment effectiveness and local investment effectiveness.

³¹ Some respondents consider that for the RTC to improve investment efficiency, it would have to be a part of the roading structure, which would require the acquisition of roading knowledge within the RTC.

While councils face different challenges and opportunities based on their location (rural or urban), their size (large or small) and residential densities, there is cross-boundary demand for consistent levels of service, and meeting that demand is important.³² However, consistency should be specified at an appropriate level (efficient and effective) that still provides communities with the ability to influence the place shaping function of the transport corridor.

Both minimum standards, and additional place shaping have costs. These costs also need to be considered in the context of maintaining rates affordability, particularly where demand and services cross TLA boundaries.

4.2 Aligning Planning Activities

Transport plays an important role in enabling economic growth. A lack of alignment in planning across the various councils and agencies may undermine economic development by failing to deliver the right transport to the right places at the right time.

There are two levels at which planning alignment has been identified as an issue. Firstly, transport planning at the regional and local levels does not necessarily have aligned priorities, which leads to issues with implementing regionally significant projects. There are also issues aligning transport planning (at regional and local levels) with the land use planning process, which is currently carried out by individual TLA producing land use plans for their local areas.³³

Although the RLTP process bring multiple councils together, there are difficulties in flowing the benefits of this process through into outcomes for the system. There are no direct statutory requirements for RLTP priorities to be adopted in local council transport decisions. Bottom-up local transport planning and top-down regional transport planning need to align for some projects to go ahead. Projects may be stalled due to either process, rather than a single process.

Greater alignment is also needed between transport decisions and other local decisions, especially long-term land use planning. Land use planning decisions collectively drive the need for regional transport services (although economic growth also drives the need for both of these). Public transport operates in the same public space currently used or potentially used for a range of other public services (for example car parks, cycle ways, public spaces, street beautification). In addition, some public transport decisions may not be spatially overlapping but be upstream or downstream of another local decision, creating additional issues. Some uses compete with public transport and some uses are complementary—for example, commuter parking. There needs to be a robust framework for ensuring alignment across decisions that use public space and in land use planning.

These challenges in aligning planning aims and efforts are not unique to the interaction between the region's councils. There are risks of national investment priorities and regional transport planning undermining each other. This includes the Government Policy Statement on Land Transport (GPS) and RLTPs.

³² This is less relevant for some councils than others. For instance, Kāpiti Coast District Council's cross-boundary services include rail and State Highways, while overlaps are far more common in areas like Wellington City and Porirua City.

³³ Whilst arguably beyond the scope of this study, there has been a specific body of opinion that at least part of the solution to these alignment questions lies in some over-arching spatial planning process rather than in changes to the governance and delivery of transport. We understand that the Local Government Commission is advancing a separate work stream on this.

Fragmentation creates difficulty in delivering on regional strategic plans. For example, the section of the Ngauranga to Airport corridor adjoining the Basin Reserve. This involves a section of State Highway 1 intersecting local roads through a densely developed and populated part of the central city. It is also part of the public transport spine linking the southern and eastern suburbs of Wellington to the central city. This example not only involves multiple decision makers with transport responsibilities (NZTA, Wellington City, and Greater Wellington Regional Council) but also intense intermodal competition for road space and does so in an area where there are strong competing urban design drivers corridor and values.

4.3 Transaction Costs

Some level of transaction costs are necessary in order to manage multiple transport networks. However, there are concerns that some of these costs are being generated by the unnecessarily large number and complexity of relationships that need to be maintained by different organisations.

Each council has to manage multiple relationships with NZTA staffers (for example, highway operations, regional planning, and funding) that may be consuming more resources than the benefits delivered. Similarly, multiple local road authorities have to be dealt with by NZTA, network utility operators and other stakeholders. More organisations involved in the delivery of transport services leads to more organisational interfaces and this consumes more resources. These can be referred to as transaction costs of the system.

Fragmented multiple decision-making processes at local, regional, and central levels raise the risk of unnecessary duplication.

4.4 Organisational Scale and Capacity

Councils vary in size and may face capacity (scale) issues that limit their ability to effectively communicate on regional issues and other complex forums and processes. Attracting staff, funding pressures, and small scale drives significant resourcing issues, with staff often moving to larger entities and consultancies. There are difficulties in retaining and developing staff, in providing career pathways, succession planning, and in meeting workload pressures.

Having larger organisations was identified as a potential opportunity to achieve greater economies of scale, deepen the resources pool, and resolve some of the organisational resilience issues. There is also the potential for larger organisations to achieve greater purchasing economies by increasing their buying and negotiating power in procurement discussions.

4.5 Organisational Capability

Related to organisational scale and capacity, organisation capability is specific to the pressure on councils to have access to increasingly specialised skills.

This has been noted particularly when interacting with the RTC and NZTA (particularly information requirements). For example, councils acknowledged that NZTA's processes were becoming more robust, with the aim of improving the quality of decisions—but they 'raised the bar' for the council capability needed to respond. TLAs are often having to buy services from consultants to meet increasing demands, which can be less cost-effective than permanent staff, and does not improve organisational capability or resilience.

There are opportunities to share best practices and build capability across the region. Councils and other stakeholders have particular skills and experiences that others in the

region could benefit from, and improving the ability to share best practices and build capability would be beneficial.

Water infrastructure services have been able to improve organisational capabilities by having a large enough entity to attract specialist staff, through the formation of Wellington Water (this is described in Box 4.1). Wellington Water has particularly helped in asset management, investment discipline, procurement and resilience planning according to the views of participating councils.³⁴

Box 4.1: Wellington Water

Wellington Water manages the service delivery of water treatment and supply, stormwater and wastewater services (the ‘three waters’) in the Wellington region.

The current state of Wellington Water has evolved over time:

- In 2004, Capacity Infrastructure Services (Capacity) was established as a shared service council-controlled trading organisation owned by Hutt and Wellington City councils
- In 2008, Capacity was contracted by Upper Hutt City Councils to manage its three waters services and assets
- In 2013, Capacity’s ownership was restructured with Hutt, Porirua, Upper Hutt and Wellington city councils all becoming equal shareholders
- In 2014, Capacity merged with GWRC’s water supply group to create Wellington Water

The five local authorities (GWRC, WCC, UHCC, HCC, and PCC) are joint and equal owners of Wellington Water. The regional Water Committee provides the overall leadership of the company. Each local authority has a representative that sits on the regional Water Committee. The company is governed by a board of independent directors.

Wellington Water does not own any assets, and it does not set policies or control rates or user charges. Local councils and the GWRC continue to hold these functions. Wellington Water instead focuses on managing over 6,500km of pipes, 249 pump stations and four water treatment plants. The company supplies on average 140 million litres of water a day for 400,000 people. Wellington Water has around 140 full-time employees. This makes it the largest body of expertise in water infrastructure services management in New Zealand, outside of Auckland.

According to its website, Wellington Water delivers benefits to its shareholders and their communities through cost savings, resilience and expertise that individual councils could not achieve on their own.

Source: wellingtonwater.co.nz

³⁴ Communication with Wellington City Council.

5 Options

The challenges described in Section 4 (such as, a lack of alignment between regional and local planning, and the complexity of managing multiple relationships) suggest that there are benefits to be had from greater integration. There are also trade-offs to be faced in seeking any of these benefits.

In designing possible solutions, we take a systematic approach to identify and describe what options exist for greater transport integration in the Wellington region. We first introduce a framework for analysing different dimensions of transport decision-making that can either be integrated or separated. We then describe six options that represent different levels of integration.

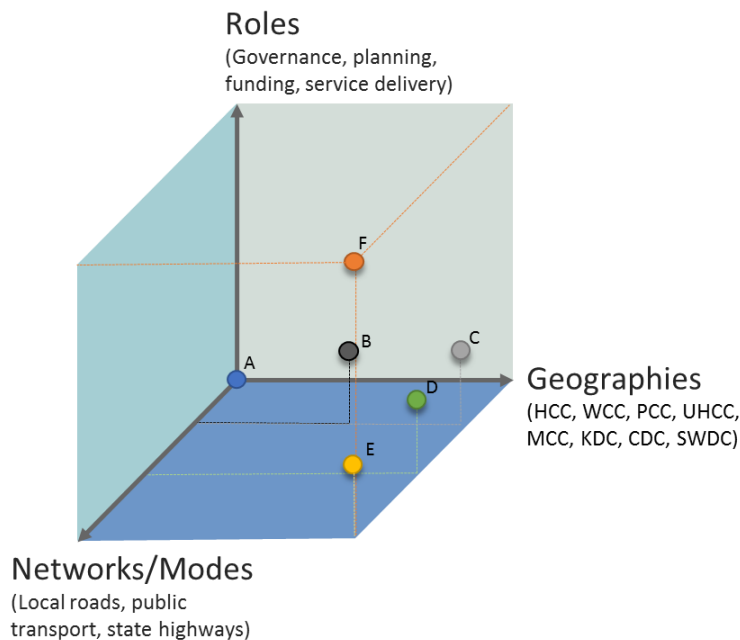
5.1 Our Framework of Analysis

To identify the viable arrangements for more integrated transport services, we have characterised the scope of greater integration along three dimensions:

- **Geographies:** the districts in the Greater Wellington region that will be involved (NZTA and GWRC are not considered to be geographies)
- **Networks:** the transport networks to be managed: local roads, public transport and state highways
- **Roles:** the responsibility or functions required to manage and deliver transport services: governance, planning, funding and service delivery.

Figure 5.1 shows how options are identified by moving along the axis of each dimension—increasing or decreasing integration across the number of geographies, modes or roles.

Figure 5.1: Framework of Analysis for Transport Integration



For instance, treating the centre point as the status quo (Option A), we first integrate the service delivery role for local roads (moving along the three axes to Option B as it involves most councils, integrates the service delivery role, and would apply to one mode: local roads). Options C expands on Option B by moving along the geographies axis, increasing

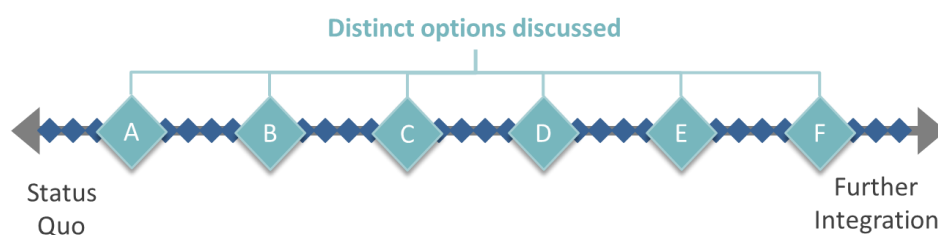
the number of councils involved under one organisation to eight. Option D introduces state highways as an additional network to be managed. Public transport networks and modes are added in Option E. An alternative variation of Option E could be to include or exclude state highways.

Option F moves along the roles axis to increase the number of roles to be integrated from just one (service delivery) to also include governance, planning and funding. If state highways are included among the networks being managed under Option F, this option would be the greatest point of integration across geographies, modes and roles.

5.2 Description of Options

We describe each option in terms of the three axes and in terms of what changes it entails relative to current arrangements. In reality, the options available are a continuum of changes from the status quo to complete integration of all modes, all geographies and all roles in a single transport authority. The options we discuss are distinct points along that spectrum and each can be amended slightly to create a new option. The purpose of our option selection is to enable discussion of the merits of step changes in the degree of integration of any new solution. Figure 5.2 shows the options on a continuum of possible changes.

Figure 5.2: Options Analysed are on a Continuum of Possible Options



Additional options

Councils in the Greater Wellington region have suggested consideration of other options that are not clearly identified in our options spectrum above. These include:

- **Combined Infrastructure Company:** PCC has suggested the amalgamation of transport and 3 waters within one company. We have not outlined the content of this option given this report's purpose to identify options for resolving transport issues specifically. However, councils could consider this proposed option in the future as further development of any of the options below
- **Enhanced Status Quo.** The GWRC outlined nine options that do not create new institutions but rather shift roles and accountabilities among existing institutions. These included developing a regional spatial plan, formalising working arrangements between parties, and amending the definition of strategic fit in NZTA's investment assessment framework. Such options could be considered as alternative or additions to the options considered below. These 'non-structural' options are not evaluated as they are beyond the scope of this report, although they may be useful in helping resolve the identified issues, or mitigating some of the risks of structural options. An excerpt of the GWRC's description of these options is provided in Appendix A.

Option A: Status Quo

This option would continue the existing arrangements for governance, planning, funding and service delivery of transport services. Details on these arrangements are described in Section 3.

Option B: Wellington Roads

Under this option, an integrated provider would provide service delivery for local road networks. The councils involved would likely be Wellington City, Hutt City, Upper Hutt City, Porirua City (whose provider would be Wellington Roads) with councils in Wairarapa having their own provider (Wairarapa Roads) following a similar model. This model has been proposed by the four metropolitan councils. This option excludes Kāpiti Coast District Council and does not cover the public transport network (Kapiti Coast chose not to be involved in joining a joint-roading authority at this stage of the proposal).

The core role of Wellington Roads and Wairarapa Roads (both abbreviated as WR) would be to carry out the maintenance, operation and improvements of public roads in the TLAs. Councils would own WR and would have voting shares and income shares. These could be allocated amongst them in a fashion to be determined. However, in response to a draft of this paper UHCC stated that this arrangement would not be politically acceptable to allow a large council to suppress a proposal from a smaller council. The structure of governance is clearly a major consideration in the establishment of any entity and in the detailed examination of preferred options for change.

TLAs would keep their responsibilities in planning activities and participating in regional processes. However, the CCO would also have some input in the regional and local planning processes (and public transport planning) due to its expertise and standardised council information. As a result, WR will have to maintain good communications with regional and local councils and NZTA.

WR would receive funding from each council based on the CCO's expenditure in different council areas. Councils would approve and regulate funding for maintenance, operations, and new investments proposed by WR. In turn, councils would continue to source funding from their districts and from NZTA.

Table 5.1 summarises how this option for greater integration would differ from the current arrangements, and what would remain the same under Option B.

Table 5.1: Option B Summary of Changes from the Status Quo

Aspect of integration	What changes in this option?	What remains the same?
Geographic Scope	HCC, WCC, PCC, UHCC, MDC, CDC, SWDC	KCDC
Networks	<ul style="list-style-type: none"> ▪ Local Roads 	<ul style="list-style-type: none"> ▪ Public transport managed by GWRC ▪ State highways managed by NZTA
Governance	<ul style="list-style-type: none"> ▪ Assets and service delivery managed on behalf 	<ul style="list-style-type: none"> ▪ Councils retain ownership of the assets and financial responsibility
Planning	<ul style="list-style-type: none"> ▪ WR would provide additional input into planning processes (regional and local) ▪ WR would advise the parent councils on transport matters 	<ul style="list-style-type: none"> ▪ Local land-use and spatial planning ▪ RLTP ▪ RTC ▪ NLTP

Aspect of integration	What changes in this option?	What remains the same?
Funding	<ul style="list-style-type: none"> ▪ Councils purchase their own work programmes/services from WR 	<ul style="list-style-type: none"> ▪ Local rates fund local roads ▪ Regional rate and fares fund public transport ▪ NLTF co-funding
Service delivery	<ul style="list-style-type: none"> ▪ Working towards standardised management of assets across the councils under each provider ▪ Resources to manage local roads networks are pooled in one organisation for each area (Wellington and Wairarapa) 	<ul style="list-style-type: none"> ▪ Councils are responsible for variations in their service level ▪ Public transport ▪ State highways

Option C: Greater Wellington Roads

This option extends Option B (Wellington Roads), so that councils in Kāpiti and Wairarapa are included under one organisation along with the metro area. This option would have one service delivery provider for local roads across the Greater Wellington region.

Table 5.2 summarises how Option C differs from the status quo. Like Option B, service delivery would not cover public transport and state highways networks. The governance, planning, funding, and service delivery arrangements are the same as Option B but with all councils involved.

Table 5.2: Option C Summary of Changes from the Status Quo

Aspect of integration	What changes in this option?	What remains the same?
Geographic Scope	HCC, WCC, PCC, UHCC, MDC, KCDC, CDC, SWDC	
Networks	<ul style="list-style-type: none"> ▪ Local roads 	<ul style="list-style-type: none"> ▪ Public transport managed by GWRC ▪ State highways managed by NZTA
Governance	<ul style="list-style-type: none"> ▪ Assets and service delivery managed on behalf 	<ul style="list-style-type: none"> ▪ Councils retain ownership of the assets and financial responsibility
Planning	<ul style="list-style-type: none"> ▪ Greater Wellington Roads would provide additional input into planning processes (regional and local) ▪ Greater Wellington Roads would advise the parent councils on transport matters 	<ul style="list-style-type: none"> ▪ Local land-use and spatial planning ▪ RLTP ▪ RPTP ▪ NLTP
Funding	<ul style="list-style-type: none"> ▪ Councils purchase their own work programmes/services from Greater Wellington Roads 	<ul style="list-style-type: none"> ▪ Local rates fund local roads ▪ Regional rate and fares fund public transport ▪ NLTF co-funding

Aspect of integration	What changes in this option?	What remains the same?
Service delivery	<ul style="list-style-type: none"> ▪ Working towards standardised management of assets in the eight councils ▪ Resources to manage eight local roads networks are pooled in one organisation 	<ul style="list-style-type: none"> ▪ Councils are responsible for variations in their service level ▪ Public transport ▪ State highways

Option D: Greater Wellington Roads (including state highways)

This option adds the state highways network, so that one service delivery provider manages assets for the TLAs and NZTA in the Greater Wellington region.

Table 5.3 summarises how Option D differs from the status quo. Service delivery would not cover public transport and the governance, planning, funding, and service delivery arrangements are the same as Option B.

Table 5.3: Option D Summary of Changes from the Status Quo

Aspect of integration	What changes in this option?	What remains the same?
Geographic Scope	HCC, WCC, PCC, UHCC, MDC, KCDC, CDC, SWDC	
Networks	<ul style="list-style-type: none"> ▪ Local roads ▪ State highways 	<ul style="list-style-type: none"> ▪ Public transport managed by GWRC
Governance	<ul style="list-style-type: none"> ▪ Assets and service delivery managed on behalf 	<ul style="list-style-type: none"> ▪ Councils/Crown retain ownership of the assets and financial responsibility
Planning	<ul style="list-style-type: none"> ▪ Greater Wellington Roads would provide additional input into planning processes (regional and local) ▪ Greater Wellington Roads would advise the parent councils on transport matters 	<ul style="list-style-type: none"> ▪ Local land-use and spatial planning ▪ RLTP ▪ RPTP ▪ NLTP
Funding	<ul style="list-style-type: none"> ▪ Councils and NZTA purchase their own work programmes/services from Greater Wellington Roads 	<ul style="list-style-type: none"> ▪ Local rates fund local roads ▪ Regional rate and fares fund public transport ▪ NLTF funding
Service delivery	<ul style="list-style-type: none"> ▪ Working towards standardised management of assets in the eight councils and state highways ▪ Resources to manage eight local roads networks, and state highways are pooled in one organisation 	<ul style="list-style-type: none"> ▪ Councils are responsible for variations in their service level ▪ Public transport

One way to implement a variation of Option D is to transfer roles that are currently the responsibilities of local or regional bodies to NZTA, or to an organisation with council

and NZTA staff. These models are used in Marlborough and Gisborne, where transport arrangements are noticeably less complex than those in Greater Wellington. Box 5.1 describes how these arrangements work.

Box 5.1: Experiences of Combining Responsibilities for Local Road and State Highway Networks

Marlborough Roads

Marlborough District Council has a contractual arrangement with the local NZTA office (Marlborough Roads). The contract was established in 2002 and is renewed periodically, with the next renewal in 2018.

Under this, NZTA provides services for the management of transportation functions including state highways and local roads. Services provided include virtually all aspects of local roads: planning, operation, asset management, service delivery (including capital works), consent submissions, corridor access requests, and road safety management. Maintenance work is undertaken through one combined network outcomes contract. Marlborough District Council is still responsible for the total mobility scheme, passenger transport management, and elements of the parking portfolio.

NZTA and Marlborough District Council retain the statutory responsibilities for their respective networks. For instance, Marlborough District Council provides local road policy and strategic direction, and sets the levels of service. Marlborough Roads recommends Activity Management Plans and develops budgets in consultation with council.

There is a direct relationship between the council's general manager of infrastructure (as the client) and Marlborough Roads manager as provider. While Marlborough District Council is a client of Marlborough Roads, it does not take a role in its governance or the appointment of staff.

Tairāwhiti Roads

In April 2015, Gisborne District Council and NZTA established a shared Business Unit: Tairāwhiti Roads. The unit employs staff from both organisations, and is co-managed by a Joint Governance Group.

Tairāwhiti Roads manages local roads and state highways operations, asset management, and service delivery. The unit contracts for local road and state highway maintenance work under the NZTA Network Outcomes Contract model.

Source: Rationale Ltd



Option E: Greater Wellington Transport

This option would maintain the integration of service delivery in one organisation. However, another mode (public transport) would be added to create Greater Wellington Transport, which would operate across the Greater Wellington region. Given that the public transport network is region-wide, it is practical to include public transport once the provider services the whole region. A variation on this option would be to also integrate the service delivery for state highways.

TLAs would continue to own the local roads, and GWRC would continue to own the regional public transport network. TLAs and the regional council would together own

Greater Wellington Transport, which would be funded by these councils. Council funding bases would remain unchanged, with councils using their rates base and NLTF co-funding, while the GWRC would fund public transport activities (after approving Greater Wellington Transport’s proposals) using the existing regional rate for public transport.

Planning processes would ultimately remain the same, with TLAs having the responsibility for local plans, GWRC for the Regional Public Transport Plan, and the RTC for the RLTP. However, planning processes would incorporate input from Greater Wellington Transport for local roads and public transport.

Table 5.4: Option E Summary of Changes from the Status Quo

Aspect of integration	What changes in this option?	What remains the same?
Geographic Scope	<ul style="list-style-type: none"> ▪ HCC, WCC, PCC, UHCC, MDC, KCDC, CDC, SWDC, GWRC 	
Networks	<ul style="list-style-type: none"> ▪ Local roads ▪ Public transport ▪ Option to also include state highways 	
Governance	<ul style="list-style-type: none"> ▪ Assets and service delivery managed on behalf 	<ul style="list-style-type: none"> ▪ Councils retain ownership of the assets and financial responsibility
Planning	<ul style="list-style-type: none"> ▪ Greater Wellington Transport would provide additional input into planning processes (regional and local) ▪ Greater Wellington Transport would advise the parent councils on transport matters 	<ul style="list-style-type: none"> ▪ Local land-use and spatial planning ▪ RLTP ▪ NLTP
Funding	<ul style="list-style-type: none"> ▪ Local rates paid to Greater Wellington Transport for services at current funding levels and services delivered by area ▪ Regional rate and fares for public transport paid to Greater Wellington Transport for services 	<ul style="list-style-type: none"> ▪ Local rates fund local roads ▪ Regional rate and fares fund public transport ▪ NLTF co-funding
Service delivery	<ul style="list-style-type: none"> ▪ Working towards standardised management of assets in the eight TLAs and GWRC ▪ Resources to manage 8 local roads networks, and 1 regional public transport network are pooled in one organisation ▪ Option for service delivery to also cover state highways 	<ul style="list-style-type: none"> ▪ Councils are responsible for variations in their service levels

Option F: Greater Wellington Transport with Enhanced Roles

This option is a considerable jump from Option E, by increasing the number of roles to be integrated from service delivery only to also include governance, planning and funding. These three roles are not introduced individually as they are interdependent. A variation on this option would be to also integrate the service delivery for state highways.

Option F would extend integration by having asset management and ownership roles ‘at arm’s length’ from participating councils, similar to Auckland Transport. Asset ownership could be governed by a board appointed by shareholding councils. This is a more corporate, rather than committee, model. Greater Wellington Transport would be funded

directly from councils' existing funding sources (local and regional rates, fares, and NLTF). If this option was implemented without incorporating the state highways network, a provision would need to be designed to enable highways operations to apply for funding via the RTC to NZTA. This is a consideration for the detailed examination of any preferred option.

The RTC would be folded into this organisation, which would be accountable to its shareholding councils for delivery of an annual plan/statement of intent and performance management contract. District transport plans would also be carried out by the organisation, in consultation with districts developing their local land-use and spatial plans.

Variations in service and standards (such as local amenity enhancements) would be managed through service level agreements for core services, with additional payments (through local rates) for higher levels of service. This option would require legislation to implement.

Table 5.5: Option F Summary of Changes from the Status Quo

Aspect of integration	What changes in this option?	What remains the same?
Geographic Scope	<ul style="list-style-type: none"> ▪ HCC, WCC, PCC, UHCC, GWRC, MDC, KCDC, CDC, SWDC 	
Networks	<ul style="list-style-type: none"> ▪ Local roads ▪ Public transport ▪ Option to include state highways 	
Governance	<ul style="list-style-type: none"> ▪ Has ability to own assets ▪ A board appointed to manage regionally with shareholding represented by the asset owners or the funding agents 	
Planning	<ul style="list-style-type: none"> ▪ Greater Wellington Transport has additional input in planning processes including economic development planning and input into spatial planning ▪ RLTP (and the RTC), and RPTP subsumed into a new process in the new organisation 	<ul style="list-style-type: none"> ▪ Local land-use and spatial planning ▪ NLTP
Funding	<ul style="list-style-type: none"> ▪ Local roads and public transport would be funded regionally ▪ An explicit mechanism would be needed to enable this (e.g. a regional rate levied by the regional council or a levy of TLAs like the regional water levy)³⁵ ▪ Local rates delivered by area to fund local service enhancements and variations to the standard ▪ Regional rate and fares for public transport for services 	<ul style="list-style-type: none"> ▪ Additional local rates paid for enhanced corridor or amenity services only ▪ NLTF project by project
Service delivery	<ul style="list-style-type: none"> ▪ Consistent management of all assets ▪ Resources for all management of public transport and local roads networks are pooled ▪ Option to also cover state highways 	

³⁵ In response to a draft of this paper, UHCC notes that such a rates structure would not be acceptable to the community.

6 High Level Analysis of Options

Decisions to further integrate regional transport services will involve trade-offs. The evolution of the existing arrangements over time, including the RTC and RLTP, suggests that some of the gains in efficiency and effectiveness from integration have already been achieved. However, the challenges identified with the current arrangements also suggest further gains could be realised by finding new ways to work together.

Understanding the implications of change for the region (both gains and losses) is essential to enable decision makers to make informed choices about the future of transport services in the region. The high-level options analysis focusses on understanding the issues that any option can potentially address, identifying any additional risks that it might create, and describing how those risks could be mitigated. Given the scope of our work, we do not make any recommendations on which option best serves the needs of the region—this decision clearly has a political dimension that is not considered in this report.

Options are assessed on their ability to resolve the identified challenges

We explain what each option does or does not improve, in terms of resolving the challenges identified in Section 4. Given the focus on the Greater Wellington region, we focus on the pros and cons for the region, rather than for individual agencies. Options should aim to improve:

- **Regional investment effectiveness:** ensure the decisions are made for the best interests of the region, noting this may come at the cost of local investment effectiveness
- **Planning alignment:** develop common goals and implementation priorities in different plans at different levels (national, regional, local)
- **Organisational scale and capacity:** enable resilient workforces, economies of scale and purchasing economies
- **Organisational capability:** enable access to specialist skills
- **Transaction costs:** minimise inefficient costs from interactions between multiple organisations.

We identify where options have other consequences not covered by the above challenges. For instance, we identify implementation trade-offs between incremental steps that are agreed to improve the status quo and larger more complex changes that are less certain in their outcome for all parties. Organisational change carries a transaction cost, and these costs should only be borne when there is sufficient payoff to warrant it.

We also highlight where strategies or tools can be put in place to mitigate the size, or impact of the identified losses.

6.1 Option A: Status Quo

There are few gains to be made from maintaining the status quo. These include avoiding the costs imposed by options that involve greater integration. This option is also relatively low risk in that it is unlikely to create unintended consequences.

However, there will be missed opportunities to improve the efficiency of the regional network. There will also be continued effort and expenditure on considering regional integration options in transport services if problems persist with the existing structure.

There may be some ways to minimise these losses within the current arrangements:

- Continue local collaboration where councils identify common local problems and ways to resolve them
- Encourage greater levels of information sharing between districts and with the GWRC to improve links between regional interests and district interests
- Agree to the status quo for a defined period of time before integration may again be reviewed.

The scope for improvements to the status quo are limited by the effectiveness of relationships between council staff and the councillors' willingness to collaborate with their colleagues in neighbouring councils.

For this and all of the other options, there is also the potential to mitigate the lack of alignment between transport and land use planning with some form of regional spatial planning.

6.2 Option B: Wellington Roads and Wairarapa Roads

The key advantage of Wellington Roads and Wairarapa Roads is the savings offered in service delivery by pooling resources and standardising activities related to organising service delivery. This scale is limited to the extent that it includes only some of the councils in Greater Wellington, and that it only applies to local roads. This option incentivises Wellington Roads and Wairarapa Roads to deliver services that meet the quality set out by councils as councils remain the owners and funders for the organisation.

There are potential gains from increased organisational scale

The scale of the organisation will be larger than the council road departments that currently undertake the task. This increased scale should help the organisation carry out its assigned tasks, and to attract and retain staff. There is an expectation of purchasing economies of scale from having one service provider in procurement negotiations. Realising these gains will depend on the circumstances of the councils involved. If councils are duplicating processes, the gains could be significant. Fewer gains might be achieved where councils are already contracting to the same company and have advanced procurement strategies in place.

There are organisational capability benefits

The increased scale of the organisation could also enable a higher degree of specialisation in roles within the organisation. These include the asset management and interaction with NZTA processes. Benefits could also come from the various specialist roles within the organisation that did not justify four separate roles within each council including software and other support services. Greater standardisation of the information on the local road networks, from having dedicated service providers, would also help improve the quality of decisions. There may be limited gains in improving information where councils' data are already standardised through the New Zealand Asset Management Support (NAMS) and Road Assessment and Maintenance Management software (RAMM).

There are clear implementation benefits

Wellington Roads is already a tractable proposal and it therefore has a high prospect of being implemented. This option could act as a foundation for integration opportunities or options to be pursued in the future. However, there is also a risk that if this option is implemented, other options for greater integration could not be pursued. This could mean that the opportunities from greater integration could be forgone altogether.

The proposal is limited in its scope and therefore benefits

The downside of Option B is that it only makes gains within a limited area.

- The problems with the interaction of regional and local planning processes persist
- There is no incentive to develop cross-boundary solutions that benefit the region. Councils will be responsible for funding Wellington/Wairarapa Roads' activities within their specific district (and some contribution to the organisation's overheads)
- Transaction costs are likely to rise rather than fall as additional organisations now must liaise with councils to provide service delivery, input into local and regional planning processes, and communicate with NZTA. There are also additional transaction costs from the effort involved in connecting customers to the new entity where they have complaints about service delivery. WCC and UHCC disagree on this point however, seeing Option B as a way to lessen points of contact and reduce transaction costs as a result.

This option is also limited in its coverage, where KCDC is excluded. This may constrain the ability to get additional organisational gains. It could also result in the efficiency and effectiveness of service delivery being different between Wellington, and Wairarapa, and the Kāpiti Coast.

6.3 Option C: Greater Wellington Roads

Option C has a greater geographic scale than Option B. As a result, the provider will be servicing areas with very different characteristics.

Additional scale or scope economies are modest compared with Option A

Economies of scale from integrating the service delivery role will be limited by the size of the additional areas. Administrative cost savings and integration benefits may be only slightly larger than Option B, as the dedicated resources may vary amongst all councils.

The GWRC would achieve benefits in the form of savings from a single additional organisational touchpoint for the delivery of public transport on local roads.

TLAs would benefit from the organisational capability

The organisational scale and subsequent specialisation of roles and tasks within it will be available to the all councils with this option. They will benefit to varying degrees as the existing level of capability is varied. Kāpiti in particular has a lot of large-scale projects being undertaken in the area and has a high degree of focus on roads currently and high engagement with NZTA as a result. Wairarapa councils would potentially benefit more directly from the specialty services that could be offered from Option C.

The costs and benefits are similar to those of Option B

Similar to Option B, having one service delivery provider would help to standardise data, which would improve the quality of decisions. This option also maintains each TLAs' role in place-making, as they will still be able to vary their levels of service and be individually responsible for funding Greater Wellington Roads to deliver these services.

However, without an incentive to consider regional benefits, these decisions would be limited to those benefiting individual districts. This option also fails to resolve the intermodal transport planning issues, and would still introduce transaction costs from Greater Wellington Roads having to interact with multiple organisations and planning processes, as well as councils having to connect customers with the new entity.

This option will take longer than Option B to implement as it is not an established proposal.

Unresolved challenges could be addressed by mitigation strategies

There is scope within Option C to improve regional investment effectiveness by making changes that do not create new institutions. One such example might be to change the RTC process and mandate so that the RTC can identify (as well as prioritise) projects so that TLAs develop proposals for projects that are seen as potentially important from a regional perspective. Another might be to require councils to explicitly state how they will take the RLTP into account. These and other options that could be implemented with Option C (or other options) are described in Appendix A. However, these still do not overcome the consequences of multiple ownership and the accountability to communities.

6.4 Option D: Greater Wellington Roads (Including State Highways)

Option D has similar benefits and costs to Option C, with the additional benefits from the greater scale and capability of the service delivery provider.

Intermodal service delivery improves organisational capacity and capability

Incorporating state highways under the one service delivery provider would deepen the resources available for asset management across local roads and state highways, and may resolve some of the workplace resilience issues identified by stakeholders. Organisational capability would also increase from having staff experienced in managing different assets, and in standardising data over two networks.

Key issues remain unresolved

One service delivery provider for local roads and state highways may help identify opportunities to align local and NZTA priorities and plans. However, without formal integration of the planning function, ultimately the identified planning issues will likely persist under Option D. Similar to Option C, this could be mitigated to some extent by ‘non-structural’ options.

There may be some reduction in transaction costs by aligning state highways and local roads service delivery. However, these are not expected to be large, as the number of existing relationships would be retained (councils would be responsible for seeking funding from the NLTF through NZTA), and new relationships added (Greater Wellington Roads would have to interact with all councils and NZTA, and councils would have to connect customer enquiries and complaints to the new entity).

6.5 Option E: Greater Wellington Transport

Option E achieves greater economies of scale for service delivery of services, by including all geographies serviced by local roads and public transport (and possibly also state highways).

This option does not change the planning processes or the governance of these planning processes or the funding arrangements for the transport networks.

The organisational scale and capability benefits from previous options are achieved with this option also.

There are additional benefits from network integration across public transport and local roads

Bringing together local roads and public transport will help to align the management of these two networks. Benefits will be made where there is current double handling of issues

or alignment issues between public transport services that use local roads. Pooling the specialist skills for service delivery in local roads and public transport would provide modest administrative savings and integration benefits, as the local roads and public transport networks frequently interact. These benefits would also increase if state highway networks were also incorporated. Some stakeholders (UHCC) have noted that these benefits might only be able to be realised where these overlaps are more frequent, such as in Wellington City as opposed to the Kāpiti Coast.

This option does not resolve all the planning issues

These gains are limited to the service delivery space, and do not resolve any fundamental disconnects at the planning stage between the local road and public transport plans, and local and regional transport plans. However, combining the service delivery across two modes, may highlight where plans conflict. This might at least avoid unnecessary costs from overlapping investment. Option E could also alter the RTC processes, as described under Option C and Option D to generate some regional investment effectiveness.

Organisational scale in one organisation creates trade-offs in other organisations

Public transport is a significant component of the GWRC. Organisational-scale benefits to Greater Wellington Transport will come at the expense of organisational-scale losses at GWRC. The operating division that is responsible for public transport at present will, however, be in a closer working relationship to local road (and potentially, state highway) network management than is currently the case. This will help to reduce the transaction costs required to maintain multiple relationships, although extra efforts would be required to connect customers with the new entity.

6.6 Option F: Greater Wellington Transport with Decision-Making Powers

The scale benefits in purchasing and organisational capability of combining service delivery are also achieved with Option F. The geographical and network extent of this option allows for further enhancement of the role of the new entity. A variation on this option would be to also integrate the service delivery for state highways.

These are in addition to the benefits from being able to combine the governance, planning and funding processes (in addition to service delivery) into processes run by one organisation.

Regional planning and regional funding are aligned

Effectiveness of decision-making is enhanced when the planning decisions are aligned with the funding base. In this option, benefits are that the organisation can rate regionally for regional-level projects and locally for local-level projects. Currently public transport investment decisions are made regionally and are funded regionally, from a regional rate. However, there are many local roading projects that also have significant regional benefits but which are funded locally from TLA rates. What is considered a local decision and what is considered a regional decision can evolve as the system develops and matures.

For this to work effectively, the governance of the organisation should reflect the investment in the organisation when regional decisions are made, or via a formula that gave effect to this. For example, the level at which RLTP decision thresholds are invoked can be aligned with the governance of the decision and the regional rate level.

Planning alignment should help achieve further efficiency gains

Integrating planning roles should bring multiple agencies together to set and pursue the same vision for transport in the region. This should help achieve savings in meeting

planning and reporting requirements. However, communication between planning entities would still be necessary to ensure joined-up decisions. There are also issues that remain with aligning transport planning with spatial planning, although these could be addressed through LGC's separate spatial planning workstream.

Having one organisation responsible for most of the transport in the region would reduce transaction costs, particularly in interacting with NZTA. These costs could be further reduced, if this option also integrates the state highway network. However, there would be some additional transaction costs from councils having to connect customers (for enquiries and complaints) through to the new entity.

Regional investment is likely to be efficient and effective

Option F offers the ability to invest efficiently at a regional level, as the controlling organisation will be able to balance capital and operating expenditure when planning investments and providing services. This will include having the ability to plan across modes and geographies and to make the trade-offs across funding, networks and modes.

This option should also help to develop networks concurrently with a resilience perspective that will allow for the combined transport network to manage in the aftermath of an adverse event.

Local decision-making also needs to be effective

Not all decisions are regional and a regional organisation that is governed on a regional basis increases the distance between local ratepayers and local decisions. This increases the potential for reducing the effectiveness of the local decisions.

Rationalising the funding source will also reduce councils' flexibility in how they use their rate bases to fund the range of council services they provide.

Combining the management roles into one organisation would risk simply moving debates currently held in a public forum to behind closed doors. Reducing transparency undermines customers' ability to influence decisions, and hold their decision-makers accountable.

The organisation might widen options available to it

Internalising the trade-offs and consolidating the funding source might increase opportunities to explore alternative funding and investment options. For instance, the organisation could explore the relative costs and benefits of rates, or the organisation recommending charging users pay fees, or a mix of charging options to incentivise optimal use of the network.

The option can be designed to mitigate reductions in local accountability

Loss of control over regional transport planning process could be mitigated by the organisation continuing the RTC, where representatives for each affected network (TLAs for local roads, GWRC for public transport, NZTA for state highways) develop the plan. Governance arrangements can be established that strike the right balance in decision-making at the regional level between contribution and representation. One such arrangement is to ensure a minimum of one representative per network while scaling certain voting rights to other factors including contribution to funding.

Local councils could have the ability to contract services (funded by local rates), in addition to a regionally established baseline service (funded by a regional rate, or other single funding source), which would allow them to pursue local place-making objectives that interact with their district planning aims. In this way, the entity would act as a service

delivery agency for decisions below the regional threshold, funded by local rates and determined by local ratepayers.

To ensure procedural transparency, the organisation could be required by legislation to release documentation of decision-making processes. This could also include public consultation on elements of decisions to also help manage any reduction in democratic accountability.

Potential complications of implementing this option

This option might require the transfer of some physical transport assets to the new entity. This transfer can have implications for the owners of the land beneath some of these assets that should also be considered. This land provides legal access to each property, and is used by local councils to influence other activities outside of transport, such as economic development. These are complex issues and the need for continuing resolution of the competing needs for the use of this land does not diminish as a result of who is owning or managing transport assets.

6.7 Overall Comparison of Options

Table 6.1 compares the option's relative strengths and weaknesses. The options that change from the status quo broadly fall into two categories:

- Options that make relatively small economic gains and do not resolve all of the key issues identified by stakeholders, but avoid undermining local investment effectiveness (Options B, C and D)
- Make relatively significant gains, and resolve the key issues identified by stakeholders, but increase the distance from communities at which decisions are made (or require mitigation strategies to manage this risk) (Options E and F)
- Some stakeholders, such as WCC and UHCC, have suggested that Options E and F may only make gains if governance issues, including the current two-tier structure, are addressed. They have also argued that in considering options there should be a focus on how to enable a step change in economic development for the region with transport investment and decision making as a catalyst.

Table 6.1: Descriptive Comparison of Options' Strengths and Weaknesses

Option	Strengths	Weaknesses	Potential Mitigation Strategy
A: Status Quo	<ul style="list-style-type: none"> ▪ Low risk of unintended consequences ▪ Avoids costs of pursuing greater integration 	<ul style="list-style-type: none"> ▪ Missed opportunities to improve the efficiency and effectiveness of the network 	<ul style="list-style-type: none"> ▪ Continue collaboration ▪ Share information and experiences ▪ Options to enhance the status quo (shift roles and responsibilities of existing organisations)
B: Wellington Roads/ Wairarapa Roads	<ul style="list-style-type: none"> ▪ Capacity and capability efficiencies (only in local road service delivery in some areas) ▪ Preserves options for further development 	<ul style="list-style-type: none"> ▪ Issues with aligning intermodal transport planning are unresolved ▪ Potential increase in transaction costs ▪ Little incentive to consider regional benefits ▪ Potentially foregoes opportunities for greater benefits from integration by delaying change 	<ul style="list-style-type: none"> ▪ Consider an infrastructure combination of roads and water ▪ Options to enhance the status quo (shift roles and responsibilities of existing organisations)
C: Greater Wellington Roads	<ul style="list-style-type: none"> ▪ Capacity and capability efficiencies (only in local road service delivery) ▪ Regionally-standardised information 	<ul style="list-style-type: none"> ▪ Intermodal transport planning issues unresolved ▪ Little incentive to consider regional benefits ▪ Potential increase in transaction costs 	<ul style="list-style-type: none"> ▪ Options to enhance the status quo (shift roles and responsibilities of existing organisations)
D: Greater Wellington Roads (plus state highways)	<ul style="list-style-type: none"> ▪ Capacity and capability efficiencies ▪ Standardised information across two modes 	<ul style="list-style-type: none"> ▪ Transport planning issues between public transport and local roads unresolved ▪ Little incentive to consider regional benefits 	<ul style="list-style-type: none"> ▪ Options to enhance the status quo (shift roles and responsibilities of existing organisations)
E: Greater Wellington Transport	<ul style="list-style-type: none"> ▪ Capacity efficiencies (only in service delivery) ▪ Transport planning alignment between modes ▪ Capability gains from pooling specialist skills ▪ Transaction cost gains 	<ul style="list-style-type: none"> ▪ Spatial planning issues unresolved ▪ Little incentive to consider regional benefits 	<ul style="list-style-type: none"> ▪ Options to enhance the status quo (shift roles and responsibilities of existing organisations)
F: Greater Wellington Transport with decision-making roles	<ul style="list-style-type: none"> ▪ Capacity and capability efficiencies across all management roles and two modes (or three, if state highways integrated) ▪ Ability to co-optimize investment across networks, which also has resilience benefits ▪ Rationalisation of funding source opens options to explore alternatives ▪ Reduced transaction costs from reducing number of relationships 	<ul style="list-style-type: none"> ▪ Reduced feedback loop from communities to planners/providers ▪ Risk of reduced transparency ▪ New transaction costs from establishing local consultation processes 	<ul style="list-style-type: none"> ▪ Councils can pay for additional levels of service ▪ Legislate to ensure debates occur in public fora ▪ Options to enhance the status quo (shift roles and responsibilities of existing organisations)

7 Conclusion

There are gains to be made from regional transport integration. These gains range from the modest—purchasing economies and organisational scale—to potentially large changes in the regional prioritisation process and in the scale and speed of investment decisions.

It can be difficult to see the potential gains that could have been made from projects that haven't happened in the past or if they have happened, all too slowly.

The current system is not dysfunctional—so the gains from integration and change should not be overstated. Several opportunities to make gains from integration have been taken in the past. The current system now reflects those changes. Nevertheless, all participants report the potential to do things in a more streamlined fashion and with greater collaboration and integration.

The greater the ambition for integration, the more difficult it is to get agreement. Each council starts from a different position, some with large national projects already underway, some with varying degrees of asset management capability, understanding and investment histories.

Economic efficiency and effectiveness, and, therefore, the institutions that are designed to achieve these goals, will look to take the best transport option irrespective of geography, network or role. However, any solution needs to deliver on the various levels of local democratic accountability that local rates funding demands. Not all decisions are regional in scale or scope and local communities are the best placed to make the calls on how much they spend on those decisions. On the other hand, some decisions are regional in scale and scope and those decisions should not be made on the basis of a lowest common denominator of agreement, or, on the basis of a local optimum. An optimal solution for regional transport management would achieve the balance between these decision levels and deliver the funding and governance structures aligned to each.

Appendix A: Options for an Enhanced Status Quo

This appendix includes an excerpt from the GWRC’s commentary on a draft of this paper, which considered options that do not require creation of a new entity.³⁶

The key non-structural options are as follows:

1. Integrated planning – one of the identified problems is the lack of alignment between planning processes. There are several options that could be considered to address this:

(a) *Integrated regional scale spatial planning* – The RLTP is currently prepared without a corresponding regional scale plan for future land use and growth. The Regional Policy Statement is a statutory plan under the RMA which provides a policy framework for integrated management of the region’s natural and physical resources. It does not provide a spatial framework for future growth. This creates difficulties in determining what the preferred land use allocation is across the region and how economic development may drive patterns of activity. Currently, the RLTP references the land use and growth aspirations of each local council, taken from a variety of non-statutory urban development strategies and plans. This is not ideal and results in potentially ‘competing’ development aspirations. This approach means there is a risk that major transport infrastructure decisions either end up leading land use development and investment decisions or that transport is unable to accurately plan and respond to emerging demands due to a lack of integrated direction. This can lead to inefficient and ineffective regional decision-making. The development of a statutory Spatial Plan would be a suitable mechanism to overcome this issue – allowing the RLTP to focus on effective delivery of transport solutions to achieve the overall goals. This is mentioned in the draft report as a separate work stream (section 4.2 footnote 31 page 18) however we believe it is fundamental to the effectiveness of regional transport planning and as such needs to be specifically addressed in this work stream.

▪ **Recommended Non-structural option (II) – Regional Spatial Plan**

(b) *Integrated regional and local planning* – there is currently no formal mechanism for the RLTP to be taken into account in local land use planning. This creates uncertainty in the delivery of regional priorities and does not appropriately reflect the close inter-relationship between land use and transport planning. The recent Board of Inquiry decision on the Basin Reserve Bridge highlighted the very low weight given to the statutory RLTP (regional land transport strategy as it was then) in making a decision under the RMA.

The RMA already has a requirement for District Plans to “have regard to” a Regional Policy Statement or other Regional Plans prepared by a regional council under the RMA in s74(2)(a). This could be broadened to include a Regional Land Transport Plan prepared under the LTMA. We understand that in previous assessments this statutory link may have been rejected by the Ministry for the Environment on the basis that the RLTP process does not have a further submissions process. This would essentially rule out any statutory link to plans and policy prepared under the Local Government Act or LTMA. Given the importance of linking transport and land use planning in achieving successful outcomes for both processes, it is essential that some mechanism be found to work around this constraint.

³⁶ GWRC, Comments on the LGC Draft Report on Transport Options for the Wellington Region, pp. 11-14.

- **Recommended Non-structural option (III) – statutory requirement in RMA to “have regard to” a Regional Land Transport Plan prepared under the LTMA**

Under the LTMA, there is no requirement for local authorities to prepare a local transport plan. In practice many local authorities do prepare some sort of local transport plan, however, due to the lack of statutory specification these are very varied in nature and include: multi-modal transport strategies/plans, plans for individual modes (i.e. cycling, walking) and integrated transport and urban development strategies. These transport plans often form the foundations of the RLTP programme of projects and activities. There is no requirement for any of these plans to be consistent with the statutory RLTP or to seek to deliver the strategic objectives set out in the RLTP. This can result in conflicting priorities and a lack of implementation of regional priorities identified in the RLTP.

One option would be to amend the provisions in the LTMA to add the requirement for all road controlling authorities to submit (to the RTC as part of the RLTP development) a statement/assessment of how their overall proposed programme of transport activities will ‘give effect to’ the objectives and policies in the RLTP. This would go beyond the current requirement for organisations to identify the strategic objective that a proposed individual activity would deliver upon. This would provide a specific mechanism for the RTC to discuss alignment and any gaps between draft local transport programmes (and NZTA HNO programmes) with regionally agreed transport priorities as part of developing the RLTP and prior to councils finalising their LTPs. This would address some concerns voiced by the Ministry and NZTA about the lack of alignment from national down to local transport plans and ensure joined-up planning.

- **Recommended Non-structural Option (IV) – statutory requirement in the LTMA for each Approved Organisation to submit a statement of how their proposed RLTP programme of activities seeks to give effect to the objectives and policies of the Regional Land Transport Plan.**

2. Formalised working arrangements – one of the barriers to improved integration and delivery of major projects is the lack of formalised working arrangements between the parties. Instead programme/project-specific arrangements are constituted on an as-needs basis, often following emerging issues and conflict being identified. An example of this is the recently developed Ngauranga to Airport programme. This constitutes working arrangements between three agencies (GWRC, WCC and NZTA) at a political and officer level. A more formalised and consistent working arrangement for major transport projects in the region, put in place at the beginning of a project, would assist in minimising conflict and increase integration and alignment, although with the potential to add transaction costs. This could take the form of a MoU between the relevant parties. This might even be developed into a form of charter with region’s population in order to ensure the delivery of better working arrangements.

- **Non-structural option (V) – formalised working arrangements between transport authorities for major regional projects.**

3. Enhancing the role of the Regional Transport Committee – currently the RTC role is limited to developing the RLTP (which in this region includes detailed sub-regional Corridor Strategies), monitoring its implementation and prioritising transport projects submitted to it by the respective agencies across the region for submission to the NLTP process managed by NZTA that determines NLTF funding approvals. The role and function of RTC could be enhanced to include:

- a) a stronger role in requesting agencies to consider the development and delivery of particular programmes or projects to deliver agreed regional priorities;
- b) a stronger role in monitor the implementation and delivery of agreed regional projects;
- c) a stronger role in reporting to Council meetings on RTC policy, regional priorities and the regional transport programme in order to better integrate with local decision making.

A further option would be to enhance the role of the RTC to give it delegated powers as part of a combined road controlling authority (sitting within the regional council). This would be a simpler, less complex and less costly alternative to Option E. This would bring together the road controlling functions of the local authorities providing economies of scale and capacity benefits, as well as allowing for integration of planning, decision-making and project delivery between the multiple transport modes. It would also ensure public accountability through the committee process.

- **Non-structural option (VI) – Enhance the role of the Regional Transport Committee.**

4. Establishing regional outcomes as part of the NLTP decision making process -

There is evidence that the current “Investment assessment Framework” strategic fit element takes a very national level view and the application of strategic fit is not wholly transparent at a lower level, indeed the influence of regional outcomes and priorities currently appears largely absent. There is a need to consider the transport network system at a spatial level with a 30- to 40-year view of outcomes both inter-regional and regional. Amending the definition of strategic fit would reinforce the need to demonstrate the ability of local transport projects in explicitly delivering regional objectives and give the RLTP more status. The RTC and RLTP are best placed to define regional outcomes and provide this strategic function. In addition, this would not only enable better investment outcomes but provide better alignment between the GPS and RLTP.

- **Non-structural option (VII) – NZTA amends the definition of strategic fit to recognise national and regional (short and long term) outcomes.**

5. Establishment of an integrated data, analytics and modelling function – currently key transport data and transport model analysis is undertaken by a range of different agencies. GWRC manages the regional strategic transport and public transport models (WTSM and WPTM), NZTA in conjunction with some of the territorial authorities have built and maintained a range of area-based transport models (SATURN) for parts of the region and more detailed analysis models (PARAMICS) for parts of the Wellington central city. Many of the area-based models are maintained by a specific consultancy on behalf of the agency.

Whilst the common base of information from the regional strategic models, feeding down to the more detailed models, has ensured a level of consistency, the range of agencies providing information and analysis of key transport data has resulted in some issues around differences of interpretation and accuracy between the various transport agencies. Models do not provide ‘the answer’ and the results flowing from them need to be carefully analysed in the light of the assumptions underlying them and other influencing factors. This is made more difficult where the analysis is undertaken some distance removed from the original model assumptions. This has created the impression of a lack of alignment and results in a lack of confidence in the results.

There are a range of options from creating an oversight mechanism for the existing GWRC modelling team to a more structural change. This could range from a direct report to the RTC or a board of transport managers from all relevant agencies through to the creation of a fully independent transport modelling and data analysis team or unit that could work on behalf of the transport sector accompanied by an agreement that all transport modelling is overseen through that unit.

- **Recommended Non-structural option (VII) –Investigation of options to establish a more integrated data, analytics and modelling function.**

6. Establishment of an integrated regional travel demand management function – travel demand measures are critical to helping create a more economical and resource-efficient transport system. Behaviour change programmes or pricing mechanisms should provide a first step, reducing the peaks of congestion and smoothing travel times across the network without the need to invest large sums of capital in infrastructure. Travel demand activities are also vital to ensure maximum value is extracted from any new infrastructure that is constructed. The current scale and scope of programmes in this region is limited both by legislative mandate and by their incremental delivery by multiple agencies. This requires complex relationships between agencies to achieve integration, but even with this lacks sufficient scale and influence. Forming an integrated travel demand management function for the region could improve efficiency and effectiveness in delivery within this set of activities and has the potential to significantly improve value for money in the overall transport programme within the region.

- **Recommended Non-structural option (IX) –Investigation of options to establish a more integrated travel demand management function.**

7. Implementing all the non-structural option I through to VIII –Whilst the non-structural option numbers 1 to 6 can be considered as separate standalone improvements in reality their power and value comes from implementing them as an entire suite of improvements such that the effect is multiplied through economies of scale and the agglomeration of benefits. As a package of non-structural options these are likely to be as effective (if not more) than any of the structural options at addressing the identified issues/problems. Their implementation also avoids the considerable transitional costs of some of the structural options.

Recommended Non-structural option (I) – Implement all the non-structural options as an improvement package.

Appendix B: Land Transport Funding, Planning and Decision Making

Wayne Heerdegen

22 January 2016

VERSION 1.

Constitutional Structure for Land Transport

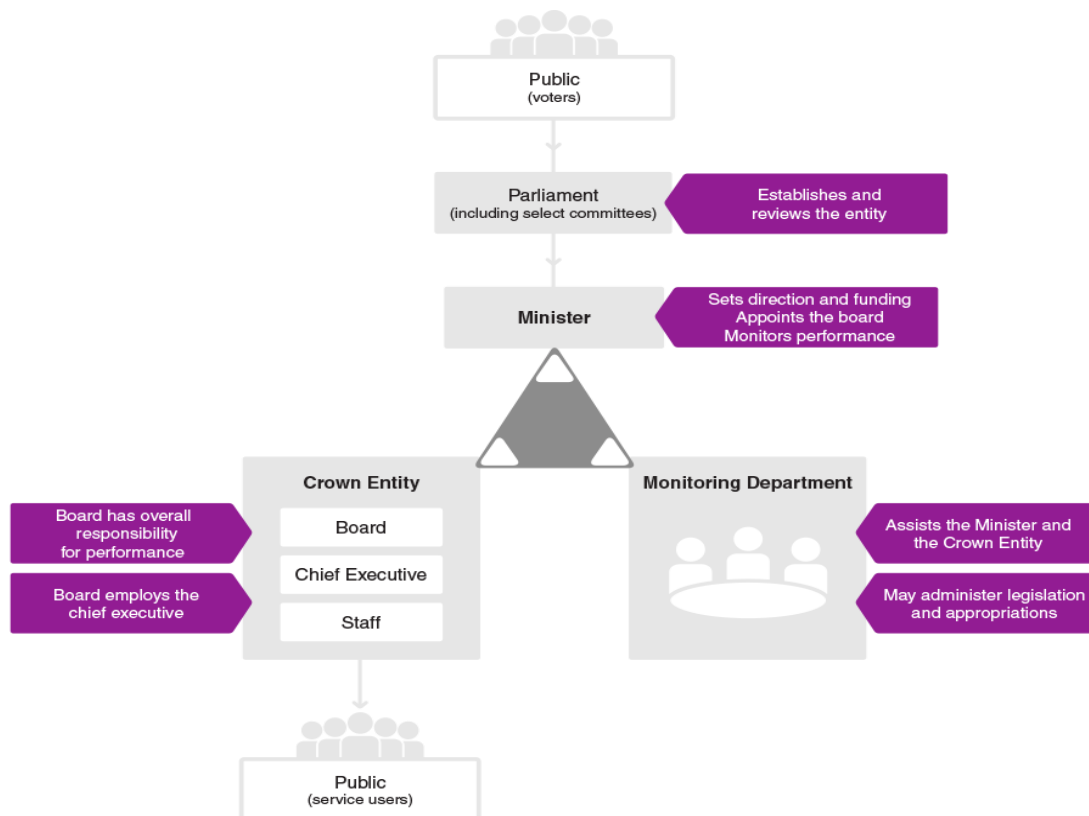
Under a Westminster-style of government, no expenditure of public money by the Government can take place without the prior approval of Parliament. The Constitution Act 1986 and Public Finance Act 1989 reflect this requirement. The requirement for appropriation ensures that Parliament, on behalf of taxpayers, scrutinises how public resources are to be used and ensures that the Government is held accountable for how resources entrusted to it are used. Appropriation limits what Ministers can spend on, limits how much can be spent, and is supported by information on the performance expected in return for the resources appropriated.

As a Crown Entity the NZ Transport Agency (NZTA) operates within this constitutional structure supporting the delivery of outcomes set by the Government and is expected to report on delivery against these outcomes. This occurs through the Board of NZTA advising the Minister of Transport every quarter on the performance of the NZTA in meeting its targets; and select committee review of the NZTA financial performance and operations.

All Crown entities are governed by the Crown Entities Act and each statutory Crown entity also has its own enabling legislation, for the NZTA this is the Land Transport Management Act 2003 (LTMA). The Crown entity board's role includes:

- Operating in accordance with the Crown Entities Act and its own legislation
- Monitoring and reporting on its performance.

The roles, relationships, responsibilities and expectations for between the public, Parliament, Ministers, Government Departments and Crown Entities are illustrated below.



Local authorities are largely autonomous and not part of the state sector. They are financially independent from the central government, run their own financial management systems, and are not part of the Government reporting entity.

Land Transport Functions

The Land Transport Management Act 2003 (LTMA) sets out the roles and functions of the NZTA which include (among other things) the approval of procurement procedures, determining whether particular activities are to be included in a National Land Transport Programme (NLTP), and deciding which activities qualify for payments from the National Land Transport Fund (NLTF).

State Highway Functions

The state highway function is established within the NZTA under the LTMA 2003 and the Government Roding Powers Act 1989.

Delegation of Functions

The Government Roding Powers Act 1989 allows for the delegation by the NZTA of any of the functions, duties, and powers of construction, maintenance, and control with respect to any state highway or portion of a state highway to the territorial authority in whose district the state highway or portion of it is situated. The underlying asset of the state highway remains an asset of the NZTA.

This delegation is only to a territorial authority, which is defined under the Local Government Act as a City or District Council, but not a regional council. This is a limiting restriction and under current legislation excludes a council controlled organisation (CCO) formed of one or more territorial authorities. A joint venture whereby state highway functions are contracted in conjunction with a CCO is possible under the LTMA, for example Tairawhiti Roads.

Despite delegation of functions under both the LTMA and the Government Roadway Powers Act, the NZTA is ultimately responsible for ensuring that the delegation is exercised in a way that delivers on the purposes set out in legislation and on the government priorities set through the Government Policy Statement for Transport (GPS).

Approval of State Highway Activities

Whilst state highway functions may be delegated, the approval of activities and funding allocation via the NLTP remain functions for the NZ Transport Agency. Activities of any joint venture need to be developed by each individual 'approved organisation' and included in the Regional Land Transport Plan, which the NZ Transport Agency considers when preparing the National Land Transport Programme (NLTP). The NLTP allocates funding to individual roading projects.

Land Transport Funding

Two permanent legislative authorities, one capital and one operating, are provided under the Land Transport Management Act (LTMA) and recognised in the Public Finance Act 1989 (PFA). The NZTA uses these authorities to deliver the National Land Transport Programme. These authorities are reported annually in the legislative appropriations of the Ministry of Transport as part of Vote Transport. Collectively these legislative appropriations and those of the wider state sector are known as the "Budget".

The NZ Transport Agency via the LTMA works as the legislated agent of the Crown to make investments that deliver on the purposes specified by the Crown. Under the LTMA these investments must collectively represent optimal value for money, and deliver on the government priorities set through the GPS

The LTMA requires the Agency to have policies and procedures to determine value for money. The two key procedures are; the Investment Assessment Framework incorporating the Economic Evaluation Manual (EEM), and the NZ Transport Agency procurement manual.

The value of money test for both the EEM and procurement manual is based on national benefits. This may exclude a project which provides regional benefits, but not net national benefits. In addition the prioritisation of projects and programmes is on a national basis. Any regional project or programme needs to demonstrate how relative to other projects nationally it is delivering greater value for money.

Regional Funds

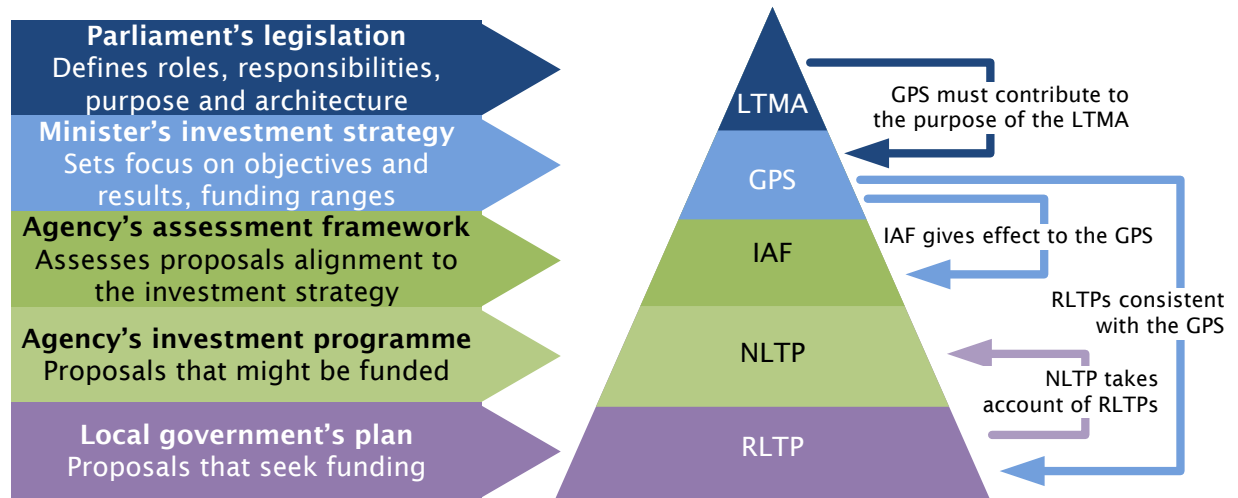
The Crown has specific appropriations providing separate funding outside of the NLTP, for projects or as grants to local and regional authorities. These specific appropriations and the outcomes sought have been administered by both the Ministry of Transport and the NZTA within their own separate reporting requirements. These reporting requirements include obligations by the Ministry and the Agency to provide information and appear before parliament annually on the delivery of these appropriations.

Land Transport Planning

The LTMA also defines the process for developing the NLTP. All land transport activities that might be eligible for investment in a geographic region need to be included in Regional Land Transport Plans (RLTP) that are assembled by Regional Transport Committees. This includes any activities (the most significant being State Highway activities) that may be delivered by the Agency in the region. RLTPs must be consistent with the GPS and take account of the Agency's prescription of assessment when submitting activities for inclusion to the NLTP. RLTPs must be prepared every 6 years. Regional Transport Committees

must also indicate the priority of significant activities within the region where the method of prioritisation may be independently determined by the Regional Transport Committee while remaining consistent with the GPS.

An overview of the overall architecture of funding and planning described in the LTMA is shown below.



Regional Transport Committees, Strategies and Plans

The LTMA establishes the role of the regional transport committee (RTC), The RTC prepares regional land transport strategies and regional land transport programmes and provide advice as requested by the regional council. Committee members must include:

- Two representatives of the particular regional council
- One representative of each local council in the region
- One representative of the NZTA.

The LTMA also requires regional councils to:

- Approve regional land transport strategies (RLTS) that establish the transport outcomes regions wish to achieve
- Approve the regional land transport programmes (put forward by regional transport committees) that list and prioritise activities proposed by councils in the region and the Transport Agency for state highways (a different process applies in the Auckland region)
- Assess the programme as a whole against the regional land transport strategy and the GPS
- Make changes as required to the programme
- Plan for and deliver public transport activities.

Under the Public Transport Management Act, regional councils and others that provide public transport (for example Auckland Transport (AT) in Auckland) must prepare regional public transport plans.

In the case of AT legislation provides that the Board of Auckland Transport is the RTC. Therefore, AT prepares a regional land transport plan and adopts the RLTP.

An Auckland RLTS is prepared by Auckland Council. The role of AT is to give effect to that RLTS

The LTMA allows for adjoining regional councils or AT and 1 or more adjoining regional councils to agree in writing to establish a joint regional transport Committee and prepare a regional land transport plan



T: +1 (202) 466-6790
F: +1 (202) 466-6797
1747 Pennsylvania Avenue
NW 12th Floor
WASHINGTON DC 20006
United States of America

T: +1 (646) 632-3770
F: +1 (212) 682-0278
200 Park Avenue Suite 1744
NEW YORK NY 10166
United States of America

T: +61 (2) 9231 6862
Level 1, 27-31 Macquarie Place
SYDNEY NSW 2000
Australia

T: +64 (4) 913 2800
F: +64 (4) 913 2808
Level 2, 88 The Terrace
PO Box 10-225
WELLINGTON 6143
New Zealand

T: +57 (1) 646 6626
F: +57 (1) 646 6850
Calle 100 No. 7-33
Torre 1, Piso 14
BOGOTÁ
Colombia

T: +33 (1) 73 44 26 97
F: +33 (1) 73 44 26 01
6, Rue Duret
PARIS 75116
France

----- www.castalia-advisors.com