



MEDIA RELEASE

Ruapehu District Council

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RUAPEHU RESIDENTS AND RATEPAYERS URGED TO LOBBY MINISTER OVER REDUCTION IN LOCAL ROADING SUBSIDY TO AVOID HARD ALTERNATIVES

Ruapehu District Council (RDC) ratepayers face some difficult decisions with respect to the on-going maintenance of the District's road network if Council's efforts to have the NZ Transport Agency (NZTA) decision to reduce Ruapehu's Funding Assistance Rate overturned are not successful.

The Funding Assistance Rate (FAR) is central government's contribution to the nation's local, non-state highway roads and is hugely important to Ruapehu due to the District's vast rural road network that makes up Council's largest expenditure item.

The NZTA is currently planning to reduce Ruapehu's FAR by two percent over two years from 62% to 60% which would have the impact of increasing Ruapehu rates by 2.44% if Council wants to maintain its road investment at the same level.

In September RDC Mayor Sue Morris, and Chief Executive, David Hammond, held discussions with the Minister of Transport, Hon Steven Joyce, to ask for his assistance in having the NZTA hold Ruapehu's FAR at its current level of 62%.

Mr Hammond stated that at the time they felt the Minister had been sympathetic to looking into Ruapehu's arguments and had agreed to request that the Governance Board of the NZTA thoroughly review Ruapehu's case.

"Unfortunately our efforts so far to have the NZTA maintain Ruapehu's FAR at 62% have hit a brick wall," he said.

"The NZTA's only response to date has been a letter from the Chief Executive, Geoff Dangerfield, that aims to justify their position while not fully addressing the case Ruapehu put forward for maintaining our FAR at 62%."

Mr Hammond said that in reply Council has again written to the Minister asking that the signals given in the original discussions are honoured including that Council's correspondence that outlines the reasons as to why Ruapehu's FAR should remain at the current level be taken to the Governance Board of the NZTA for a decision.

"In addition Council has been working with Federated Farmers to assist communicate to government the wide level of concern at a local level regarding NZTA's position and approach," he said.

"Quite simply the Ruapehu is facing a rate rise of 2.4% and a funding shortfall of \$463,000 over three years as a result of the NZTA's calculation which wrongly concluded that the District ratepayers could afford to pay more road funding."

Mr Hammond noted that there are four difficult alternative options facing ratepayers if the NZTA does not reverse its FAR reduction decision.

"These are to either; (1) increase rates to make up the funding shortfall , (2) reduce the planned work programme, (3) reduce the level of service which could include returning some sealed roads back to gravel, and (4) a mixture of these options."

"Mr Dangerfield states in his reply to Council that it is important to get the (roading) programme right (and) that needs to be independent of funding assistance."

"Council agrees with the need to get the (roading) programme right, however, the thinking that this can be achieved in Ruapehu's case independent of funding assistance is illogical."

Mr Hammond said that Council is still waiting to hear back from the Minister in response to our most recent communication.

"In the interim we would urge all Ruapehu residents and ratepayers to email or write to the Minister urging him to recognise Ruapehu's unique circumstances and to ensure that Council's letter dated 21 September 2011, and the case Ruapehu raises for retention of the FAR rate, is taken to the Governance Board of the NZTA for a decision," he said.

"Full copies of all correspondence between Council, the Ministry of Transport, and the NZ Transport Agency, are on council's website; www.ruapehudc.govt.nz along with the email address for Hon. Steven Joyce and a template letter that can be down loaded and sent to the Minister."

Note: you do not need a stamp when sending a letter to a Minister for the Crown.

DAVID HAMMOND
CHIEF EXECUTIVE

CJH : PRW