[Narrator, Danielle Bassan]

Hi, I’m Danielle Bassan from the Investment team at the Ministry of Transport. We work with the Minister to form the Government Policy Statement on Land Transport.

This slide pack will provide you with an overview of the draft GPS 2021. We’ve positioned this presentation for our local government stakeholders who are partners in implementing the GPS as we are unable to carry out our regional roadshows and visit them in person.

However we still hope it is helpful for members of the public or stakeholder groups, who we would also encourage to submit their views on the draft GPS.

The draft GPS 2021 is available on the Ministry of Transport website for you to read and provide feedback on until 11 May.

You are the people who put the GPS into practice through projects So we’re here to make sure we’ve heard your early views to inform the Minister as he finalises the GPS. We appreciate that many of you will be adapting to working from home. That’s why we have extended the GPS engagement period by 2 weeks to 11 May.

This will provide additional time to you as you come to terms with significant changes

to your immediate priorities, operating models and individual circumstances.

We know some of you had already started working on your RLTPs and that this work will continue. We know that lack of proper lead-in time to a GPS causes disruption for the sector and delays delivery. That’s why we are continuing with our public engagement. It’s important for us to get your views on the 10 year strategy set out in this draft GPS. It means the Minister can consider them alongside long-term impacts of COVID on what Government wants to achieve from the land transport system – should they transpire.

If the GPS does not need to significantly change as a result of COVID, we want to make sure you had enough time to make sure RLTPs are consistent with the GPS.

We hope this session will help put you in a better position to provide formal submissions on the GPS, if you choose to do so.

We appreciate you may not have had the chance to read the GPS yet and that you will all have different levels of familiarity with the GPS so the presentation will go over:

* the components of the draft GPS 2021
* what’s been updated since GPS 2018 based on
	+ your feedback
	+ policy developments
	+ priorities and pressures

We’ll go over the strategic direction Then we’ll give an overview of the funding allocated to activity classes and how this differs to other funding sources put forward by Government.

If you have questions that you need answering to help you write your feedback on the draft GPS then note them down as we go and send them through to the GPS inbox, and we’ll get back to you. We also have some frequently asked questions already on our website.

So what does the GPS mean for you? Many of you are advocating investments and improvements for local transport on behalf of your communities. The GPS explains the Government’s direction of travel. It guides transport investment over the nextdecade – and is reviewed every three years. It influences decisions on how the National Land Transport Fund (referred to as the NLTF) and local share is invested. It also explains the direct transport investments the Crown will make.

For those of you new to the GPS – the funding framework shown here is useful. It shows that whilst the GPS sets the direction, it is Waka Kotahi, the NZ Transport Agency,who give effect to the GPS through the National Land Transport Plan. That includes projects from Regional Land Transport Plans, which are consistent with the GPS.

Funding pressures

Waka Kotahi have to manage projects needed nationally with regional demand and available revenue.

The NTLF doesn’t rise automatically to keep up with inflation so when construction costs rise or emergency events occur, Waka Kotahi and councils either have to do more with less, or simply have to do less. In developing GPS 2021, we have been very mindful of this. We have built the draft GPS 2021 from the bottom up, making sure to match the ambition in the front to the available funding in the back. And to make sure that the funding needed to keep the lights on has been accounted for.

Bear in mind the GPS and NLTF are just some of the ways in which Government’s desired future transport system can be achieved. For example, mezzanine strategies like the Road to Zero, contain more detail on certain aspects of the Government’s vision.Action plans for those strategies have more detail on the steps to be taken to implement them. For example: Regulation may be changed to move us closer towards the future transport system, Guidelines may be produced to change practices on the ground, Funding might come from the PGF and so on.

Timeframes

For those of you not familiar with where we are at in the policy cycle – here are the broad timeframes for this work. We will work to release a final GPS in the middle of this year. This should give you enough time to reflect the GPS in your local plans because continuous programmes of work aren’t due to Waka Kotahi for prioritisation until December 2020 and Final RLTPs aren’t due to be submitted to them until 30 April 2021, a few months before GPS 2021 comes into effect.

We took on board your feedback from the last GPS cycle, at our roadshows in March and April 2019. You said that GPS 2018 wasn’t released early enough and there was general support for not progressing a second stage GPS 2018. We recognise that local government needs sufficient time to absorb the GPS to reflect it in their plans. So we have been working with the Minister and the Transport Agency since the middle of last year on GPS 2021. The Minister decided a second stage GPS wasn’t necessary as GPS 2018 was already a big change for the sector. So “second stage” issues are instead covered in GPS 2021. We are aiming for a final GPS well ahead of when it’s due to be implemented. As mentioned, we have sought to match funding and ambition in this GPS. We have also tried to improve the structure of the document and make it clearer and easier to use.

The role of the Ministry

We are the Government’s system lead on transport. We work to consider the long term outcomes for the entire transport system. These outcomes are described in the Transport Outcomes Framework which applies the Living Standards Framework to the transport system. This applies to the whole sector, not just land transport, so the Framework is underpinned by the essential principle of mode neutrality. This means that all transport modes need to be considered when planning, regulating and funding transport, and basing decisions on delivering positive social, economic, and environmental outcomes.

When GPS 2018 was written this Framework was still being developed so a lot of people asked how the Transport Outcomes Framework and the GPS related. Whilst the Transport Outcomes Framework is by the Ministry, the GPS is released by the Minister. In GPS 2021 we have reflected which of the transport outcomes will be progressed by the Minister’s GPS priorities. This is just one of the changes we made in response to your feedback. Now that’s enough context, onto the headlines for GPS 2021.

Before we jump into GPS 2021 – there are four things to know:

The draft is released for engagement so that the Minister can hear your views and make changes if needed. We also want to hear whether you can understand the document and find it usable.

The strategic direction builds on that of GPS 2018, focusing in on more specific priorities.

There are four new activity classes: Road to Zero brings the safety related activity classes together to invest for a 40% reduction in road deaths and serious injuries. Public transport has been split into services and infrastructure activity classes. The Coastal Shipping activity class will support New Zealand coastal shipping and explore opportunities for improvement the Rail Network activity class will be used to implement the Rail Plan by providing funding to KiwiRail to maintain and renew the national rail network.

Rail and coastal shipping have been brought into GPS 2021, as trailled in GPS 2018. They will receive small contributions from the NLTF. Ultimately we want these modes to be competitive to offer a truly mode neutral transport system so that the best solutions can be chosen, not hampered by current transport network.

Building on GPS 2018, GPS 2021 has 4 strategic priorities.

Safety

Safety has the same ethos as 2018, but refreshed to reflect the new road safety strategy – Road to Zero. Under this we expect to see a reduction in deaths and serious injuries, ultimately this will be a 40% reduction by 2030. As explained in the Road to Zero document there will also be improvements to footpaths, cycleways and, under rail investment, level crossings.

Better Travel Options

We unpacked Access from GPS 2018 so that one priority covers access for people, and the other covers business/freight access. Under Better Transport Options, you’ll find continued support for towns and cities being developed in a way that means car journeys aren’t the first and only choice to get to where you need to go. We expect more trips by 2031 to be made by PT and active modes as a result of investment under this priority. This in turn should reduce greenhouse gas emissions, and air and noise pollution.

As you know Government has already announced two large programmes that fall under this priority – ATAP and LGWM. We also expect to see progress on mode shift plans in the next four high growth urban areas.

Improving Freight Connections

Under Improving Freight Connections, we’re reinforcing the commitment to making sure freight routes are more reliable and resilient so that primary produce can get to where it needs to go when it’s supposed to and undamaged by road conditions. Government has already announced it’s commitment to resilient and reliable rail and taking the rail freight network out of managed decline. That falls under this strategic priority so that rail remains a viable option for transporting freight. Under this priority we’ll also explore whether more use can be made of coastal shipping to move freight, as a first choice but also as an alternative route when our resilience is tested.

Climate Change

In GPS 2021, the environment priority from GPS 2018 is focused on Government’s commitment to tackle climate change, as the deadline to meet the Paris Agreement on Climate Change will come in 2030. We’ll see it improve as a result of the investments we make to achieve the other strategic priorities.

Mostly through planning and land use preventingus locking in cars as the defacto travel option. But also through mode shift of personal and business transport. More direction will be given in the action plan government will create when the Climate Change Commission set the “budgets” or “maximum targets” for GHG emissions that can be made.

Funding at a glance

We know that you’re always interested to hear where funding has gone up or down but there is no single number that explains how funding has changed between 2018 and 2021. Around $10 billion is available over 10 years to build new infrastructure and safety investment to reduce deaths and serious injuries on our roads by 40 percent.

Investment in public transport will be over $1 billion per year, and will increase by up to 40 percent over 10 years. The GPS now includes funding for the rail network and coastal shipping, to recognise the importance of these modes as alternative to roads for moving freight. State highway maintenance will increase by around 15 percent compared to GPS 2018, with up to $10 billion in state highway maintenance signalled for the next 10 years to ensure our state highways are maintained to the right standard. Local road maintenance will increase by around 5 percent compared to GPS 2018, with up to $8.5 billion in local road maintenance signalled for the next 10 years to ensure councils have sufficient funding to maintain their existing roads.

Walking and cycling remains a key focus, with around $1 billion available over the next 10 years.

How this impacts your RLTP Process

We want your RLTPs to be the best plan you have for your area. We want best business case guidance to be followed so that the options you put forward to tackle problems are the most appropriate solutions, not a reflection of funding ranges. And if the funding ranges are stopping you from achieving something that is really important not only for your region but for the Government’s priorities for the nation then we want to hear about it through you, through the GPS, and throughout the course of the GPS.

We also know it’s important to you to get clear reasons if your projects aren’t being funded and we’ve been working with NZTA on their IDMF review to check that improvements will be made. This is alongside revisions to the decision making framework to make sure it takes into account a much wider range of benefits than it has done in the past so that all modes can be fairly compared and assessed.

Waka Kotahi expects to release a draft approach for how they will prioritise investments in future towards the end of April. It will consult with all co-investors, key stakeholders, special interest groups and consultants who are involved in this process.

The draft prioritisation approach will beuseful for Regional Transport Committees as they develop Regional Land Transport Plans. It will help them understand how activities may be prioritised for inclusion in the 2021-24 NLTP.

The draft prioritisation approach will be indicative only until the draft GPS is finalised. Now for some detail on the funding to support the strategic priorities.

Activity classes remain largely the same as GPS 2018, So as we said there are 3 new activity classes (rail network, coastal shipping and road to zero). Public Transport has been split into infrastructure and services. The regional improvements activity class has been removed

What this means

The Road to Zero activity class in the draft GPS is likely to result in an additional $1.2 billion investment in local road safety infrastructure, and $3 billion in state highway safety infrastructure. When added to the local road and state highway

improvements activity classes, total investment in road improvements will exceed that signalled by GPS 2018.

The Road to Zero activity class incorporates road policing funding, and the safety promotion funding from the Road Safety Promotion and Demand Management activity class from GPS 2018. It also incorporates infrastructure funding previously delivered through the state highway improvements, local road improvements, and regional improvements activity classes. This means that a wide range of initiatives that focus on improving the safety of road users may be eligible for funding, for example, more roadside drug testing equipment; road maintenance or upgrades; or road safety campaigns.

Changes have been made to the public transport related activity classes Previously was: PT, Rapid transit and transitional rail

Now there is public transport services to contribute to the ongoing funding of all types of public transport services, and new services, including rail and ‘total mobility’. Public transport infrastructure comprises rapid transit, transitional rail and the infrastructure aspects of public transport from GPS 2018.

Splitting them out like this helps to:

Reduce the crossover between activities from GPS 2018

Allows the Government to be clear through the GPS whether the strong increase in PT investment should be directed in improving the physical networks, or by improving service levels.

Rail investment

In relation to rail investment, metropolitan rail (Auckland and Wellington and certain inter-regional rail) will be funded through PT infrastructure. This allows the NZTA to consider new initiatives that improve the passenger rail network. Most regional rail projects will be continued to be funded from the PGF, which is specifically for provincial growth, rather than the National Fund that needs to weigh up options for the country as a whole.

Funding for operating of metropolitan rail (A & W) will come from PT services.

Funding for other parts of the freight rail network to take it out of managed decline will be through the Rail Network activity class.

This is the first GPS to directly allocate funding from the NLTF to KiwiRail. On the Ministry of Transport website you will find a presentation that explains the reasons and process behind this. This is because it implements the findings of the Future of Rail Review, which is/was a cross-agency project led by the Ministry of Transport, working alongside KiwiRail, the NZ Transport Agency, the Treasury, Auckland

Transport, and Greater Wellington to define and develop the Future of Rail in New Zealand.

This a/c is about contributing to a reliable and resilient rail scenario which is mostly for the rail freight network. Ministers will sign off on the agreed level of spending but only once they have been advised by NZTA on Kiwi Rail’s Rail Network Investment Programme.

The NLTF is only one funding source to fund rail across New Zealand. The Crown will provide the bulk of the funding, recognising that the network, a national asset like state highways, has been in decline for some years. People who use the railways will also pay. BUT it’s appropriate for the NLTF to make a contribution as rail is a part of land transport.

 Bringing freight rail into the GPS depends on legislation being passed.

The Rail Plan is also currently out for engagement and we are amending legislation to implement a new planning and funding framework. This legislation will need to be passed before freight rail could be funded by the GPS, as it would implement a new planning and funding framework for rail.

As mentioned on the previous slide, transitional rail projects begun under GPS 2018 will be delivered through PT infrastructure.

As trialled in GPS 2018, coastal shipping has been brought into the GPS.

It’s a safe and sustainable mode for transporting large, heavy cargo. It’s cheap and low emissions compared to the alternatives as it can move so much at once.

Government announced it would provide funding from the Crown for infrastructure projects. This included some specific transport projects.

This funding is on top of the NLTF.

The New Zealand Upgrade Programme (NZUP)

Our modelling shows that around $1.8 billion of investment, which may have been met by the NLTF, will now be covered by the NZ Upgrade Package over ten years.

This is equivalent to around 5 percent of the NLTF over ten years.Unlike the GPS, the Package invests money in progressing specific projects across the country that are due to begin in the next three years.The projects in the package have been identified by the Transport Agency as being priorities to the respective regions.

The Provincial Growth Fund (PGF)

As many of you will know the PGF is another source of funding available to support transport projects. It can advance projects that miss out on NLTP funding because nationally, they don’t come out as high priorities. But they might still be important for regional growth and development.

The PGF can be used to: provide a top-up of local share for projects that will receive funding from the NLTF, but where local councils are financially constrained bring forward projects which are not priorities for NLTF investment, but are strategically important to a region’s productivity potential fund projects outside of the scope for NLTF investment, but which contribute to the objectives sought through the PGF and are aligned with the region’s transport strategy.

Local land transport projects are expected to be considered for inclusion in the NLTP before they can be considered for PGF funding.

Thanks for taking the time to listen and I’m sorry we weren’t able to make it out to see you in person. Just a reminder that if you any questions you wanted answering before you send your formal views on the draft GPS 2021, then check out the frequently asked questions on our website. If your question isn’t on there then email us.

We would love to hear your feedback on the draft GPS 2021 before 5pm on 11 May. We would encourage you to use our online survey. This is on our website which is www.transport.govt.nz/gps.

Alternatively you can email us at gps@transport.govt.nz

Ultimately, the Government’s expectation for investment in coastal shipping is to embed mode neutrality and choice for freight transporters. For now, the Minister wants to explore how to support New Zealand flagged coastal shipping to operate on a level playing field with other freight operators, and to enhance the sustainability and competitiveness of the domestic sector.

The initial three years of funding in this GPS will include funding relevant research to see what future support for the sector may help achieve Government’s aims, understand the challenges facing coastal shipping, and to work with industry to address these challenges.