# Dr Su

# Draft Government Policy Statement on land transport 2024-34 **Summary at a glance – Strategic priorities**



March 2024

#### What is the GPS?

The GPS sets out the Government's priorities for expenditure from the National Land Transport Fund (NLTF) and how Crown funding complements that investment.

It also provides direction to local government, KiwiRail and NZTA on the type of activities that should be included in Regional Land Transport Plans (RLTP), the Rail Network Investment Programme (RNIP) and the National Land Transport Programme (NLTP) respectively.

## **Draft GPS 2024 strategic priorities**

The results the Government wishes to achieve from NLTF investment are expressed via a set of strategic priorities. GPS 2024 includes an overarching priority of economic growth and productivity, supported by three equally weighted priorities

#### **Economic growth and productivity**

Connecting people and freight quickly and safely, supporting economic growth and creating social and economic opportunities.

# Increased maintenance and resilience

Increasing access to markets and resilience on our state highway, local and rural roads

#### Safety

A focus on safer roads, safer drivers and safer vehicles.

#### Value for money

Investment in transport must deliver better outcomes for present and future generations of New Zealand

## Outcomes expected through the draft GPS 2024

## Economic growth and productivity

- Reduced journey times and increased travel time reliability
- Less congestion and increased patronage on public transport
- Improved access to markets, employment and areas that contribute to economic growth
- · More efficient supply chains for freight
- Unlocked access to greenfield land for housing development and supporting greater intensification

# Increased maintenance and resilience

- More kilometres of the road network resealed and rehabilitated each year
- Fewer potholes
- · A more resilient network

## Safety

- Reduction in deaths and serious injuries
- Increased enforcement

#### Value for money

- Better use of existing capacity
- Less expenditure on temporary traffic management

## Transport plan for unlocking New Zealand's economic potential

#### A focus on delivery

- · Ensure activities promote GPS delivery
- Maximise use of new funding and financing and delivery models
- More efficient business case process
- Tight control on scope and cost

#### A focus on core business

- NZTA to focus on core roles ie, build and maintain the State Highway network
- Stop programmes not aligned with GPS

#### A focus on value for money

- · Cost control and identify savings
- Ensure projects maximise benefits and align with Government priorities
- Focus on services and users
- New delivery models
- · Efficiencies in managing road tolling

# Consideration of other revenue sources and other funding and delivery models

- · Maximising NLTF revenue
- Consider tolling for all new roads
- Future revenue system
- · 10 year investment plan
- City and regional deals

# Increased focus on performance and efficiency

- · Performance and efficiency plan
- Improve management of benefits & costs
- Improve asset management, business case and cost estimation
- Refocussed Road Efficiency Group
- Drive accountability, delivery and value for money

# NZTA to ensure that RCAs are following the Ministerial expectations in GPS 2024

 Ensure GPS expectations are applied to Road Controlling Authorities (RCAs) to the extent applicable re the NLTF/ NLTP

## **Crown Investment Programme: Major Transport Projects**



# Draft Government Policy Statement on land transport 2024-34 Summary at a glance – Funding ranges



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## **Investment in land transport**

NLTF revenue will rise from \$15.5 billion in 2021/22-2023/24 to \$20.2 billion in the first three years of GPS 2024, an increase of over 30 percent.

The GPS 2024 proposes funding this increase through:

- Two \$25 increases to Motor Vehicle Registration (MVR) charges in January 2025 and 2026.
- A return to regular increases in Fuel Excise Duty (and equivalent increase in Road User Charges) from January 2027.
- Additional Crown funding and financing will be considered for all major projects - the Government expects public private partnerships, and other opportunities to use private expertise and finance.

#### Activity Classes - focus on preventative maintenance

Funding for pothole management and other preventative maintenance on state highways and local roads will be separated out from other road maintenance funding. This will ensure a greater focus is placed on achieving long term maintenance outcomes.

#### A renewed focus on delivery

The Government is looking to NZTA to deliver on its priorities at pace. This will require a tight focus on its core statutory roles. All NLTP-related activities need to be judged against the benchmark of whether the activity promotes delivery of GPS 2024.

The Government is also signalling a number of system reforms that will be implemented in parallel with the delivery of GPS 2024. These reforms will provide more sustainable revenue, help contain costs and make it easier for delivery agencies to do their jobs

## How does it work?

The GPS is reviewed every three years and guides investment in transport by providing a 10-year outlook of how spending is prioritised for the transport network.

Guided by the GPS strategic priorities, NZTA supports local government to create quality Regional Land Transport Plans (RLTPs). After community engagement, NZTA uses these RLTPs to create the National Land Transport Programme (NLTP).

As the largest co-funder of NLTP projects, local government has an essential role in building strong, evidence-based projects and programmes for investment.

This work is supported by the role of regional councils, territorial authorities and unitary councils in leading long-term planning for their area.

Activity Class		GPS 2024 funding ranges (\$m)						Forecast funding ranges (\$m)			
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
State Highway Mainter	nance										
State highway pothole prevention	Upper	700	790	790	820	920	980	1,050	1,070	1,080	1,100
	Lower	420	460	490	540	630	690	750	760	780	790
State highway operations	Upper	760	850	960	1,050	1,130	1,150	1,170	1,200	1,220	1,240
	Lower	560	640	690	730	780	800	820	830	850	870
Local Road Maintenan	ce	•									
Local road pothole prevention	Upper	780	850	900	1,170	1,230	1,260	1,280	1,300	1,320	1,340
	Lower	570	610	640	840	890	900	920	930	950	970
Local road operations	Upper	450	480	590	420	450	460	470	480	490	500
	Lower	240	260	280	290	320	320	330	340	340	350
Other continuing prog	rammes										
Public transport services	Upper	750	770	790	810	830	850	870	890	910	930
	Lower	400	420	440	460	480	500	520	540	560	580
Investment management	Upper	85	90	90	90	95	95	100	100	105	110
	Lower	65	70	70	70	75	75	80	80	85	90
Safety	Upper	600	610	620	630	630	630	640	640	640	650
	Lower	500	510	520	530	530	530	540	540	540	550
Rail network	Upper	550	560	560	570	570	570	580	580	580	580
	Lower	360	360	20	20	20	20	20	20	20	20
Improvements											
Public transport Infrastructure	Upper	680	730	780	830	880	930	950	970	990	1,010
	Lower	240	290	340	390	430	480	500	520	540	560
State highway Improvements	Upper	1,950	2,050	2,250	2,300	2,350	2,400	2,400	2,400	2,400	2,400
	Lower	1,150	1,250	1,350	1,400	1,450	1,500	1,500	1,500	1,500	1,500
Local road Improvements	Upper	400	400	410	410	420	420	420	430	430	430
	Lower	150	150	160	160	170	170	170	180	180	180
Walking and cycling improvements	Upper	250	130	130	130	130	130	130	130	130	130
	Lower	135	70	70	70	70	70	70	70	70	70