

Role of the GPS and GPS development

What is the GPS?

While the term GPS might be more familiar when talking about global positioning, in the transport sector it is more commonly used to refer to the Government Policy Statement on land transport.

Instead of directing us where to go, this GPS helps to direct money – like petrol taxes and road user charges – from the National Land Transport Fund into things that the government wants to achieve for New Zealand’s transport network.

Where does the money allocated through the GPS come from?

The GPS informs how the money in the National Land Transport Fund is allocated. The National Land Transport Fund is a hypothecated fund. This means revenue is ring-fenced for investment in land transport.

Revenue for the National Land Transport Fund comes primarily from road users through fuel excise duty, road user charges and from motor vehicle registration and licensing fees. There are also some smaller contributions from sources such as the rental or sale of state highway land, and interest from cash invested.

How have New Zealanders been involved in the development of the GPS?

A month long engagement period occurred across April 2018.

During this time, a Transport Summit was held in Wellington, meetings were held with national stakeholder groups, there were regional forums across New Zealand with local government and other stakeholders, and submissions on the draft GPS were invited.

924 submissions were received from individuals and organisations, including local government, interest groups, national bodies, crown entities and private sector organisations.

These submissions have been assessed and have informed the development of the final GPS 2018.

What were the themes from engagement and how did they impact on GPS 2018?

A Summary of Submissions document has been prepared. The summary report outlines the key themes from across the submissions, and outlines the substantive changes made to GPS 2018 since the draft GPS was released for engagement.

This document is available at: www.transport.govt.nz/GPS2018

Focus of GPS 2018

What is the focus of GPS 2018?

GPS 2018 transforms the focus of investment for land transport. It is a step change in approach for investments in the land transport system. There are new strategic priorities, and amended objectives and themes – demonstrating this Government's commitment to safety, liveable cities, regional economic development, protecting the environment, mode neutrality, and to delivering the best possible value for money.

The four strategic priorities are:

- safety
- access
- environment
- value for money.

Safety and access are the key strategic priorities. This importance reflects the Government's intention to address the level of death and serious injuries on our roads and the desire to create more livable cities and thriving regions.

Delivery of the key strategic priorities will be influenced by the supporting priorities of the environment and value for money. It is important that transport investments result in reduced environmental impacts, and that transport investment provides good value for money.

Themes have been included to influence how the results are delivered. The themes for GPS 2018 are:

- a mode-neutral approach to transport planning and investment decisions
- incorporating technology and innovation into the design and delivery of land transport investment
- integrating land use and transport planning and delivery.

GPS 2018 talks about mode neutrality – what does “a mode neutral approach to transport planning and investment decisions” mean?

A mode neutral approach considers all transport modes when planning and investing in our transport system, and basing decisions on the merits of each mode to deliver positive social, economic, and environmental outcomes.

How is mode neutrality reflected in GPS 2018?

GPS 2018 embeds mode neutrality by including it as a theme to guide investment. One of the ways this is reflected is through the increased funding ranges for public transport and walking and cycling, and a new activity class for rapid transit.

GPS 2018 also enables rail investment alongside other land transport decisions. The second stage GPS will consider the further funding of rail, and will be informed by the future of rail study.

GPS 2018 seeks to increase investment in these modes, so that they fully contribute to the transport system New Zealanders want.

Why is mode neutrality important?

Mode neutrality encourages us to look across the whole land transport system for a wide range of possible solutions, whether involving physical infrastructure, or, for example, better use of transport data or new technology. This allows the best solution to be put in place to deliver outcomes. A mode neutral approach will change how the transport system is planned, funded and used.

GPS 2018 talks about integrating land use and transport planning and delivery. What does this mean?

Land use planning (including planning new and increased residential or commercial development, improved health or education infrastructure or regional development) has a significant impact on transport policy, infrastructure and services provision, and vice versa.

Integrating land use and transport planning and delivery is therefore an important element in creating a transport network that benefits the wider community.

Transport is key to supporting new and increased housing and industry, hospitals and schools, and improving productivity potential in the regions. GPS 2018 will enable transport to support these developments from the planning stage to delivery.

The GPS supports the Government's Urban Growth Agenda, which creates the conditions for the market to respond to growth, bring down the high cost of urban land to improve housing affordability and support thriving communities.

GPS 2018 talks about incorporating technology and innovation into the design and delivery of land transport investment. What does this mean?

Improving land transport investment is all about maximising the benefits gained from the money invested. This means finding the most efficient and effective methods to achieve the Government's priorities for land transport.

Existing, new and emerging technologies can support the creation of a safer, more efficient and effective transport system. How fast and how much technology will change transport depends on the costs and benefits of any new technology, people's willingness to use it, and central and local government creating an environment to test, trial and support its deployment.

What is resilience in the transport system?

Resilience is about being prepared, and preserving and quickly restoring access to the transport network for people and communities, in the face of unplanned events – whether it is a sudden (usually short term) disruption like a road crash, or a longer term or slow onset disruption brought about by a natural disaster or gradual environmental changes.

Why is rail now included in the GPS?

GPS 2018 supports an increased focus on public transport and reducing the reliance on single occupant vehicles. Rail has an important role to play in this, as part of an integrated transport system. The second stage GPS will consider the further funding of rail, and will be informed by the future of rail study.

In the meantime, GPS 2018 can enable some beneficial passenger rail projects to progress by including it in the same decision-making framework as other transport modes. GPS 2018 includes a transitional rail activity class to provide scope for funding key rail projects that cannot wait for the future of rail study and second stage GPS.

GPS 2018 makes provision for rail funding, but the scope of this funding is tight. GPS 2018 supports investment in:

- improving urban rail services for passengers accessing housing, major employment areas and major metropolitan areas, where demand is outstripping capacity, to improve reliability or to reduce conflict between freight and passenger trains
- existing and new interregional commuter rail services to support housing and employment opportunities.

What sort of projects is the Transitional Rail Activity Class intended to fund?

The draft New Zealand Transport Agency Investment Proposal 2018-27 contains more information on this. You can access that document at:

<https://nzta.govt.nz/assets/planning-and-investment/docs/Draft-Transport-Agency-Investment-Proposal-201827.pdf>

How will GPS 2018 support Auckland?

The Auckland Transport Alignment Project (ATAP) built consensus between the Government and Auckland Council on a strategic approach to transport investment in Auckland to address the region's challenges. Through ATAP, an indicative investment package was developed that outlines how the Government and Auckland Council intend to invest in Auckland's transport system.

GPS 2018 supports investment in projects aligned to the ATAP package.

How will GPS 2018 support the regions?

GPS 2018 supports the Government's focus on regional development to help the regions thrive.

GPS 2018 supports investment in an increased focus on regional transport including:

- developing transport connections that are crucial for linking production points with key distribution points, (including routes important for exports, and those intra-regional routes critical for getting local goods to market)
- making higher risk roads and intersections safer
- improving transport connections (including local roads, public transport and active modes) that enable tourists to safely reach their destinations
- managing and responding to resilience risk on important regional roads.

GPS 2018 supports investment in activities that are complementary to the Provincial Growth Fund and for the Government's goals for tourism.

Funding GPS 2018

What changes to petrol excise duty and road user charges are being made?

The Government has agreed to increase petrol excise duty by 3.5 cents per litre each year for the next three years (2018, 2019 and 2020). Revenue from road user charges will increase by an equivalent amount in 2018/19. Further road user charges increases are intended in the following two future years, following a review of the way road user charges are set.

When will any petrol tax increases take effect?

Changes to petrol excise duty will take effect on 30 September 2018 and road user charges will take effect on 1 October 2018.

What will the impact of petrol tax changes be on the consumer?

Drivers of cars with an average rate of petrol consumption (9.5 liters per 100 kilometres) will likely pay between \$30 and \$40 per year in additional petrol taxes (excluding GST). The exact amount of additional fuel tax a consumer might pay depends on how much petrol their vehicle consumes, and how far they travel.

What are the changes to funding ranges in GPS 2018, compared to GPS 2015?

GPS 2015 funding ranges compared to GPS 2018 funding ranges

Activity class	Average percentage change over three years ¹	Increase/decrease in GPS 2018
Public transport	68	Increase
Rapid transit	New activity class	
Walking and cycling improvements	116	Increase
Local road improvements	42	Increase
Regional improvements	96	Increase
State highway improvements	-11	Decrease
Road policing	14	Increase
Promotion of road safety and demand management	99	Increase
State highway maintenance	18	Increase
Local road maintenance	17	Increase
Investment management	27	Increase
Transitional rail	New activity class	

Is there less funding for walking and cycling in the final GPS compared to the draft GPS?

The walking and cycling upper funding range has not changed between the draft and final GPS 2018.

When the draft GPS was released our communications material indicated a 248% increase, but this was compared with the original GPS 2015 released in December 2014. The GPS 2015 was amended in February 2017. When the GPS 2018 funding ranges are compared to the amended GPS 2015 they have increased by 116%.

¹ The funding range upper boundary across three financial years (2015/16-2017/18 for GPS 2015, and 2018/19-2020/21 for GPS 2018)

What will the two new activity classes deliver?

Two new activity classes have been established to deliver increased investment in public transport. These activity classes help large numbers of people move through the network and also can shape the urban landscape and create more livable cities.

Transitional rail funding: enables beneficial passenger rail projects to progress before the future of rail study and a second stage GPS is completed. This activity class supports investment in improving urban rail services for passengers to accessing housing, major employment areas and major metropolitan areas. This applies particularly to areas where demand is outstripping capacity and reliability needs to be improved or there is a need to reduce conflict between freight.

Rapid transit funding allows investment in rapid transit infrastructure (e.g. busways and light rail infrastructure) indicated in the Auckland Transport Alignment Project and for other major metropolitan areas.

Why is there new funding for footpath maintenance?

There is now provision for funding for footpath maintenance within the local road maintenance activity class.

GPS 2018 supports walking and cycling. It is important that footpaths meet an adequate level of service to encourage an increase in walking that is safe from injury. There were concerns that many footpaths may not be of an adequate standard to encourage an increase in walking.

To support an increased focus on walking this GPS proposes to assist local government by part funding footpath maintenance from the NLTF.

Why is the state highway improvements class decreasing?

The Government believes that NLTF investment needs to be more balanced across transport modes. The Government has a commitment to safety, livable cities, regional economic development, protecting the environment, mode neutrality, and to delivering the best possible value for money. To deliver this commitment requires increased investment across activity classes, including public transport, maintenance, local and regional roads, policing and walking and cycling, .

In considering how to deliver the GPS priorities the Government decided it would increase petrol excise duty and road user charges and decrease the state highway improvements class to rebalance investment across the transport portfolio.

Do you know which regions/projects will be affected by the state highway improvements class decreases?

The Transport Agency Investment Proposal (TAIP), released in late April, outlined a proposed 10-year national programme of investment in state highways, rapid transit, transitional rail, nationally-delivered programmes, and road policing.

The Transport Agency Board will adopt the National Land Transport Programme (NLTP) by 31 August 2018. The NLTP will confirm the proposed 10-year programme of activities to be funded through the National Land Transport Fund, including the

~~state highway improvement projects that will be delivered over this period.~~

Implementation of GPS 2018

Will Funding Assistance Rates (FAR) remain the same under GPS 2018?

Funding Assistance Rates (FARs) are set by the NZ Transport Agency. The Transport Agency recently approved a change in policy to allow enhanced FARs for high and very high priority locally delivered improvements. The Transport Agency will liaise directly with local government to communicate the details of these FAR changes.

What is the process and timing to reflect this GPS in Regional Land Transport Plans?

The Transport Agency has been working with Regional Transport Committees (RTCs), on the basis of the draft GPS, to help ensure RLTPs are submitted by the due date of 30 June, and to bring forward new programmes of work to take up the opportunities provided by the GPS, particularly those with a strong focus on safety and resilience.

It's important that RLTPs align with the GPS to ensure the land transport projects proposed within a region are eligible to receive NLTF funding.

Is it possible for changes to be made to local government's planning documents after 30 June 2018?

RLTPs and the NLTP can be varied during the three-year planning cycle. This means RTCs can take up any new opportunities provided by the GPS that could not be put forward prior to 30 June 2018, and allows significant projects to be put on hold until necessary public consultation has been completed.

When will the Investment Assessment Framework (IAF) be released?

The IAF is a tool used by the Transport Agency to assess and prioritise projects and programmes for inclusion in the NLTP according to their alignment with the Government's transport priorities. The Transport Agency released a draft IAF in mid-April for sector feedback that reflected the strategic direction and priorities within the draft GPS.

The Transport Agency is currently finalising the IAF to ensure alignment with the final GPS. The final IAF will be released in early July to ensure stakeholders have an understanding of how projects will be prioritised for funding in the NLTP.

You talk about a second stage GPS – what does this mean?

A second stage GPS will be required to fully realise Government's direction for transport investment.

Inclusion of some things in this GPS has not been possible given the scale of change sought, and the time constraints. This is because they rely on other work such as the future of rail study and development of a new road safety strategy. Although fuller details are yet to be developed, a second stage GPS will provide more signals to inform investment.

At this stage, we expect a second stage GPS will be released in 2019.

We will develop a process that involves sector engagement in the GPS development process.

Where can we find more information on the Provincial Growth Fund?

The Ministry for Business, Innovation and Employment website is the online home for Provincial Growth Fund information

<http://www.mbie.govt.nz/info-services/sectors-industries/regions-cities/regional-economic-development>

FURTHER INFORMATION

Who do I contact if I have any questions?

If you have any questions about GPS 2018 which are not covered online or in these questions and answers you can contact the GPS project team on gps2018@transport.govt.nz

If you have questions about the Investment Assessment Framework (IAF), the Transport Agency Investment Proposal (TAIP) or the National Land Transport Programme (NLTP), you can contact your NZTA, Director Regional Relationships (or email nltp@nzta.govt.nz).