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# Government Policy Statement on Land Transport

2018/19  
—  
2027/28

New Zealand Government

# Contents

<b>Section 1: Role of the GPS and Government policies relevant to transport</b>	<b>01</b>
1.1: Role of the GPS	05
1.2: Government policies relevant to transport	06
<b>Section 2: Strategic direction</b>	<b>07</b>
2.1: Summary of strategic direction section	10
2.2: Safety	11
2.3: Access	14
2.4: Environment	20
2.5: Value for money	22
2.6: Themes	24
2.7: Mapping the strategic priorities, objectives and results	26
2.8: Reporting	30
<b>Section 3: Investment in land transport</b>	<b>31</b>
3.1: Total funding for GPS 2018	32
3.2: Activity class framework	33
3.3: Additional funding for land transport	38
3.4: Statement of Ministerial expectations	40
<b>Section 4: Funding sources and management of expenditure</b>	<b>44</b>
4.1: Funding land transport	45
4.2: Principles guiding the management of expenditure to revenue	46
4.3: Principles guiding the management of expenditure to funding expectations	47
4.4: Principles guiding the use of alternative financing by the NZ Transport Agency	48
<b>Section 5: Appendices</b>	<b>49</b>
Appendix 1: The land transport planning environment	50
Appendix 2: GPS 2018 framework	52
Appendix 3: Scope of GPS 2018	54
Appendix 4: Summary of key policy direction documents	56
Appendix 5: Glossary	58
Appendix 6: Relevant sections of the Land Transport Management Act 2003	60



# 1

## Role of the GPS and Government policies relevant to transport



# Minister's Foreword

Mobility is the lifeblood of commerce and community. It is the key to unlocking not only productivity and business growth, but strengthening our social and cultural connections within and between our regions, towns and cities. The decisions we make for the transport system are crucial if New Zealand is to reach its full potential.

The Government is committed to creating more liveable cities and thriving regions. To support this, we are going to create an efficient, modern and resilient transport system for New Zealand, across all transport modes. This will improve safety, decrease congestion and increase economic growth.

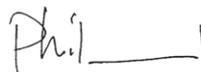
The Government Policy Statement (GPS) on land transport 2018 reflects this new approach to transport through four clear priorities: a safer transport network free of death and injury, accessible and affordable transport, reduced emissions, and value for money.

Our approach is underpinned by two fundamental commitments; to address the widening infrastructure deficit in our regions, towns and cities, and to invest in the best projects, no matter what kind of transport modes they may be. We will fund the projects that make the most difference.

GPS 2018 will meet these commitments by increasing investment in regional roads, local roads, public transport, cycling and walking. GPS 2018 takes a broader view and incorporates new activity classes for rapid transit and transitional rail. When thinking about how we move freight or how people get around, GPS 2018 commits to funding transport projects that will ease congestion and reduce commuting times the most, ensure our families are safe, and enable products to be with their customers as quickly, and as cheaply, as possible.

Overall, investment will focus on incorporating safety mechanisms into our roading design to prevent crashes. We will also future-proof our transport system so it is more resilient, efficient and environmentally sustainable.

These developments reflect the Government's broader housing and urban development plans to create more functional and affordable cities and towns. Instead of transport investment trying to play catch up, we need to lead growth and shape our towns and cities – and that is what GPS 2018 is going to do.



**Hon Phil Twyford**  
Minister of Transport



# He Kupu Takamua nā te Minita

Ko te neke haere, te toto o te ao tauhokohoko me te haporī. Koia anō te tino huarahi e huaki ai te whakaputaranga me te tipuranga pakihī, e pakari ai hoki ō tātou hononga pāporī, ahurea o roto i ngā rohe me ngā tāone iti, nui hoki. He mea tino whai tikanga ā tātou whakatau mō te pūnaha waka kia eke tangaroa ai a Aotearoa.

Kei te ū te Kāwanatanga ki te whakaaro kia tipu mai ngā tāone me ngā rohe hei wāhi pai, hei wāhi ora anō hoki mō te tangata. Hei hāpai i tēnei tū āhua, ka waihangatia e mātou he pūnaha tika, pūnaha hōu, pakari hoki mō Aotearoa, mō ngā momo waka katoa. Mā konei ka pai ake te haumarū, ka heke te popoketanga o ngā huarahi, ā, ka piki anō hoki te tipunga ōhanga.

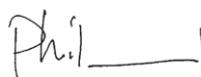
Ko tā te Kāwanatanga Tauākī Kaupapa Here [GPS] mō ngā waka haere whenua 2018, he whakaata i tēnei ara hou mō ngā waka mā ngā whāinga mātāmua e whā: he rauara haumarū e wātea ana i te matenga me te wharanga o te tangata, he waka kawē e taea tonutia ana e tangata i runga i te ngāwari o te utu, te iti haere o ngā pīhau haukino, me te whai kia rite te nui o ngā hua ki tērā o te moni i whakapaua.

Ko ngā pou here o tēnei ara ko ēnei tino whakatau e rua; kia aronui atu ki ngā hapa nui ā-hanganga kei ngā tāone iti, tāone nui me ngā rohe, ā, kia whakangao pūtea i runga i ngā kaupapa pai rawa, ahakoa te momo waka. Ka tuku pūtea mātou ki ērā kaupapa he nui kē atu te whaihua te rerekētanga hoki.

Ka tutuki i te GPS 2018 ēnei tino whakatau mā te nui haere o te whakangao ki ngā huarahi ā-rohe, ki ngā waka kawē tāngata, ki ngā ara paihikara, ara hīkoi hoki. Ko tā te GPS 2018 he tiro whānui ki te whakauru i ngā momo rerewhenua tere tonu, whakawhitihiti hoki. Kia tirohia te āhua o te kawē utanga, kawē tāngata rānei, ko tā te GPS 2018 he tuku pūtea mō ērā kaupapa e whai ana kia iti haere te popoketanga i ngā huarahi me te wā haere mō te tangata, kia haumarū tonu ngā whānau, kia wawe tonu te rironga o ngā hua ki ngā kiritaki mō te utu ngāwari tonu, ka taea.

Ka mutu, ka hāngai tonu te whakangao ki te whakauru i ngā tikanga haumarū ki te mahi hoahoa huarahi hei ārai atu i ngā tūtukinga waka. Ka whai hoki mātou kia rite te pakari o te pūnaha waka mō ngā rā ki tua, kia manahau tonu, kia tika mō te tangata, mō te taiao hoki.

Ka whakaata ēnei whanaketanga i ā te Kāwanatanga rautaki whānui e pā ana ki te whakatū whare me te noho tāone nui, arā, kia waihangatia hei wāhi whai take tonu, e tau ai, e ngāwari ai te noho o te tangata. Tē whai ai te upoko i te whiore, me tahuri tātou ki te arataki i te tipuranga me te āhuahanga o ō tātou tāone iti, tāone nui hoki – koia tonu nei te mahi mā te GPS 2018.



**Hon Phil Twyford**  
Minita Te Manatū Waka

# Introduction

Transport is a critical part of daily life for all New Zealanders. We use transport for access to services, freight, travel to work, education, health, and for visiting family and friends. Transport networks allow businesses, regions, and urban areas to be well connected and productive.

Transport can be a powerful enabler for new housing opportunities, liveable cities, and sustainable economic development in regional New Zealand.

The transport network also shapes our urban areas, and how we get around. Streets are the largest area of, often highly valuable, public spaces in our urban areas. How that space is allocated influences land use, property values, and the life and vibrancy of our urban areas.

Transport investments have long lead times, high costs and leave long legacies. Good transport investment therefore requires careful planning that allows for uncertainties to ensure today's transport network will be able to meet our future needs.

## Section 1.1

# Role of the GPS

1. The GPS outlines the Government's strategy to guide land transport investment over the next 10 years. It also provides guidance to decision-makers about where the Government will focus resources. The GPS operates under the Land Transport Management Act 2003, which sets out the scope and requirements for the GPS [see Appendices 1, 2 and 3 for details].
2. The GPS influences decisions on how money from the National Land Transport Fund (the Fund) will be invested across activity classes, such as state highways and public transport. It also guides the NZ Transport Agency and local government on the type of activities that should be included in Regional Land Transport Plans and the National Land Transport Programme.
3. The GPS provides guidance on how around \$4 billion of New Zealanders' money is spent through the Fund each year. It also provides spending of a further \$1 billion each year on land transport through local government investment and a further \$0.5 billion a year of Crown investment.

**A second stage GPS** will be required in order to fully realise Government's direction for transport investment. Inclusion of some things in this GPS has not been possible given the time constraints. This is because they rely on other work such as the future of rail study, and the development of a new road safety strategy.

The second stage GPS will reflect further action taken by the Government to improve the efficiency of the New Zealand vehicle fleet. It will also investigate enabling funding for coastal shipping. Some of the key changes to be made in the second stage GPS have been indicated in text boxes in relevant parts of the strategic direction section.

## Section 1.2

# Government policies relevant to transport

4. The GPS takes into consideration a range of government policies. Existing key government policy direction documents are listed below, and additional detail is included in Appendix 4.
- **Safer Journeys 2010 – 2020**  
**Focus:** priorities for road safety in New Zealand
  - **Regional Economic Development**  
**Focus:** supporting productive, sustainable and inclusive growth in regional New Zealand through the recently established Provincial Growth Fund
  - **Urban Growth Agenda**  
**Focus:** create 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
  - **Housing Infrastructure Fund**  
**Focus:** unlocking housing development in high growth areas
  - **National Policy Statement on Urban Development Capacity 2016**  
**Focus:** directing local authorities to provide sufficient development capacity in their resource management plans, supported by infrastructure to meet demand for housing and business space
  - **New Zealand Energy Efficiency and Conservation Strategy 2017-2022**  
**Focus:** unlocking our energy productivity and renewable potential
  - **National Infrastructure Plan 2015**  
**Focus:** providing national direction to infrastructure development in New Zealand, and providing confidence to the private sector so they can make long-term investment decisions
  - **New Zealand Health Strategy**  
**Focus:** all New Zealanders live well, stay well, get well. A smart, people-powered health system that works as one team to provide services closer to home and is designed for value and high performance
  - **Public Transport Operating Model**  
**Focus:** setting the operating environment for the delivery of public transport
  - **Tourism Strategy**  
**Focus:** increasing the economic contribution made by tourism at a national and regional level
  - **Intelligent Transport Systems Technology Action Plan 2014-2018**  
**Focus:** sets out government's role in testing and enabling the deployment of intelligent transport systems technologies that will benefit New Zealand
  - **New Zealand Disability Strategy 2016-2026**  
**Focus:** making New Zealand a non-disabling society
5. The Auckland Transport Alignment Project builds consensus between Government and Auckland Council on a strategic approach to transport investment that addresses Auckland's challenges. An indicative investment package was developed to illustrate the strategic approach. The Government and Auckland Council recently announced an updated indicative package that addresses Auckland's transport challenges and gives effect to the shared Government and Auckland Council objectives. The Auckland Transport Alignment Project sets a strong direction for Auckland and GPS 2018 supports its direction.



# 2

## Strategic direction

This section describes the overall strategic priorities for GPS 2018, the national objectives for land transport, the themes and the results the Government wishes to achieve through the allocation of the Fund.



## Section 2: Strategic direction

6. The strategic direction sets the 10 year view for the GPS to drive improved performance from the land transport system.
7. The four strategic priorities are:
  - safety
  - access
  - environment
  - value for money.
8. Safety and access are the key strategic priorities for the Government and reflect the transport system that we are striving for. To advance these outcomes investments should demonstrate benefits for the environment and offer value for money. For this reason environment and value for money need to be supporting priorities.
9. Each strategic priority has associated objectives, and long-term results [for a 10 year period]. Appendix 2 includes further information on the GPS framework. Figure 1 on the following page outlines how the strategic priorities and objectives work together.
10. The strategic priorities outline what the Government wants to achieve in land transport, while the objectives provide direction for how these priorities should be achieved. The themes sit alongside the objectives and provide guidance for how objectives should be delivered.
11. A summary of the strategic priorities, objectives and the long-term results are captured in Table 1 [see section 2.7].
12. The Government raises revenue to deliver transport infrastructure and services. It is important that the revenue is used on infrastructure and services that are good value for money – this will automatically advance the strategic priorities. However, there will be some investments with low benefits relative to costs that are necessary to advance Government policies. In these cases there will need to be alignment with the policies expressed in the GPS and transparency about the reason for the decision.

# GPS 2018: Strategic direction

Figure 1: Strategic direction of the GPS 2018



## Section 2.1

# Summary of strategic direction section

### Safety in GPS 2018:

- reflects a significant increase in the level of ambition for delivering a land transport system free of death and serious injury
- signals a greater focus on investing in safety improvements on high risk state highways and local roads across the network, including speed management and primary safe system treatments
- outlines a commitment to deliver a new road safety strategy for New Zealand
- drives improvements in safety outcomes for all road users, including increased investment in footpaths and cycleways to support access to, and uptake of, active travel modes.

### Access in GPS 2018:

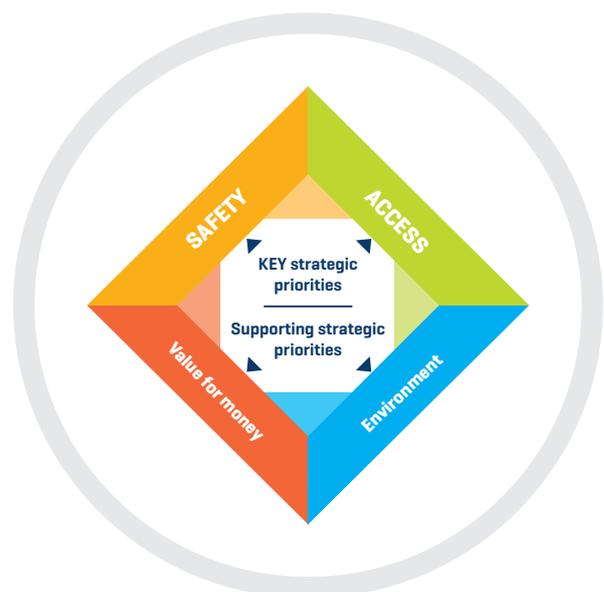
- has a new focus that prioritises improving New Zealanders' access to economic and social opportunities. The increased focus includes:
  - urban areas [cities and towns]
  - regional development that supports thriving regions, for example through the Provincial Growth Fund
  - nationally important freight and tourism connections that are safe, efficient, resilient and minimise greenhouse gas emissions
  - improving resilience of the land transport system by placing greater focus on resilience to climate change impacts.
- The increased focus on urban areas is to ensure that transport and land use planning reduces the need to travel by private motor vehicle [excluding commercial vehicles] by:
  - improving access by reducing the need to travel long distances to access opportunities like employment, education and recreation
  - supporting a mode shift for trips in urban areas from private vehicles to more efficient, low cost modes like walking, cycling and public transport.

### Environment in GPS 2018:

- prioritises reducing greenhouse gas emissions from transport and supports a mode shift to lower emission forms of transport, including walking, cycling, public transport and lower emission vehicles [such as electric vehicles]
- links to the wider environmental commitments of the Government, such as achieving the Paris Agreement target of reducing greenhouse gas emissions to 30 percent below 2005 levels by 2030, and setting a more ambitious reductions target for 2050
- recognises the public health benefits of reducing harmful transport emissions and increasing uptake of walking and cycling
- recognises the importance of urban form for creating liveable cities that value public space and improve access.

### Value for money in GPS 2018:

- increases the emphasis on value for money to maximise the impact of money spent to achieve the Government's outcomes
- indicates that decision-makers should take into account the full range of benefits and costs over the whole life of investments, and be cognisant of possible future changes and uncertainty, so that investment is made in options that perform best across a wide range of different scenarios
- places greater emphasis on transparent investment decision-making and on enhanced reporting on the outcomes achieved by investment.



## Section 2.2

# Strategic Priority: Safety



13. Significantly reducing the number of deaths and serious injuries that occur on the transport network is a key priority for GPS 2018.
14. People should not be killed or seriously injured while using the transport network for everyday activities such as accessing employment, education, housing, leisure, and other social and economic activities. The movement of freight, which is critical for the New Zealand economy, should not result in the loss of life or cause serious injury.
15. The number of deaths and serious injuries on New Zealand's roads has generally followed a downward trend since 1987 when there were 795 road deaths, to a low of 253 deaths in 2013. Since 2013, the rates of serious road trauma have been rising. In 2017, there were 380 road deaths.
16. An increase in motor vehicle trips has resulted in more deaths on the road during this period. However, it is not the only factor that has contributed to a rise in road deaths. The fatality rate per billion kilometres travelled has risen 16 percent from 2013 to 2016. This means that the number of fatalities and serious injuries are increasing at a much faster rate than can be explained by simple traffic growth.
17. New Zealand has continued to perform relatively poorly on road deaths per head of population compared to other developed countries. Our current death rate is 7.9 deaths per 100,000 population, whereas countries with good safety performance have death rates between 2 and 4 deaths per 100,000 population. Australia's current rate is 5 deaths per 100,000 population and Sweden's death rate is 2.6. If New Zealand had a comparable death rate to Sweden approximately 250 fewer people would have died in 2017.
18. Reversing New Zealand's current trauma trends requires a transport system that is designed for people, and one that considers their safety as the top priority. This will require strong leadership, significant changes to policy and practice, and increased investment.
19. Mistakes by road users are inevitable, and this must be taken into account in the planning, design and operation of transport systems. It requires a system wide approach to safety in the land transport system. This includes recognising that increasing access to safer modes of travel [e.g. public transport] can improve road safety. It also recognises that reducing the volume of traffic [e.g. by supporting the movement of freight through other modes of transport, such as rail and coastal shipping] can also improve road safety.
20. State highways and local roads present road safety challenges for all modes of transport. Around 40 percent of New Zealand's state highway network has a two-star safety rating – which means they are undivided, have poor alignment, and feature hazards such as narrow or unsealed shoulders, and unforgiving roadside objects such as deep ditches, trees and concrete poles.
21. In the past, the design of both urban and rural roads has often prioritised the faster movement of vehicles over the safety of people, particularly vulnerable road users like people walking and cycling. Urban cycleway networks are significantly underdeveloped so the transport system is comparatively less safe for people on bikes. Further investment in cycleways and footpaths would support safe and healthy travelling options for cyclists and pedestrians.
22. New Zealand roads, speeds, vehicles and user behaviours are a long way from what is required to achieve our aim of a land transport system that is free of death and serious injury. There needs to be increased efforts across the system to reduce road trauma, significantly reduce crash severity, and support improved public health and environmental outcomes. This is a key objective for GPS 2018.
- 🎯 **Safety Objective: A land transport system that is a safe system, free of death and serious injury**
23. GPS 2018 signals the need for an increased and sustained effort to achieve a long-term vision of a transport system that is free of death and serious injury.
24. The Government is committed to delivering a new road safety strategy for New Zealand. GPS 2018 signals increase in investment in infrastructure treatments and speed management changes to improve road safety, as well as increased investment to support safety across all transport modes.
25. Education and changing people's behaviour also supports achieving a safer transport system and can significantly reduce death and serious injury.
- ✅ **Result: Significant reductions in deaths and serious injuries**
- Renewing our strategic focus**
26. In 2010, New Zealand adopted a Safe System approach to create a land transport system increasingly free of death and serious injury.
27. Under the Safe System approach, focus is on delivering safe roads and roadsides, safe speeds, safe vehicles, and safe road use so that if one part of the system fails other parts will compensate to protect people in the system, or reduce the severity of any impacts.



28. The GPS supports the development of a new road safety strategy and action plan over the next 12 to 18 months. The development of a new strategy will consider whether a “Vision Zero” framework should be applied in New Zealand. Under a “Vision Zero” approach, the road system is designed around the ethical principle that no one should die or be seriously injured on the roads. Vision Zero is based on safe system principles. Countries such as Sweden and Norway that have explicitly adopted Vision Zero consistently achieve the best road safety results in the OECD.
29. Developing a new road safety strategy will require consideration of collective and measurable targets, outcomes and performance measures for the land transport system. The strategy will also consider the broader harms to health from the land transport system, for example the impact of transport related air and noise pollution in the environment, as well as the potential for public health gains from increased uptake of active modes. It will also consider personal safety while travelling, including on public transport and in developing shared and potentially driverless modes of travel.
30. The new strategy will be based on a strong evidence base. This will build on, and potentially expand, agencies current research, data and monitoring programmes. It will also support consideration of research into the broader harms of transport, such as public health concerns from air and noise pollution.
31. It will include greater monitoring and evaluation of interventions to ensure the impacts of the interventions being made are measured and learned from. This will help to develop a better understanding of changes in fatal and serious injuries, and likely causes. It is important to understand not only why someone crashed, but also why they were harmed.
- State highways and local roads are safer for everyone**
32. The GPS supports investment in safety improvements on state highways and local roads. It supports targeting investment at roads and roadsides that will have the greatest impact on reducing deaths and serious injuries.
33. Investment should improve safety for all users through ensuring safe and appropriate travel speeds, and improving roads, roadsides and intersections. In particular, GPS 2018 supports investment in state highways and local roads to:
- accelerate the implementation of the new Speed Management Guide, focusing on treating the top 10 percent of the network which will result in the greatest reduction in death and serious injury as quickly as possible [such as reviewing speed limits and/or making engineering improvements to make a road safe for its current speed limit]
- treat the highest-risk parts of the network, including increased investment in primary safe system treatments, that reduce the risk of:
    - head-on and run-off road crashes [such as through the installation of median and side barriers]
    - urban and rural intersection crashes [such as through the installation of roundabouts or speed management devices], and
    - harm to vulnerable road users, including pedestrians, cyclists, motorcyclists, and the mobility impaired [such as through segregated facilities, markings or speed management devices, including raised platforms at roundabouts, traffic signals, and pedestrian facilities]
  - increase use of lower cost safety interventions such as improved skid resistance, signs and markings [including rumble strips], safety targeted seal widening and speed management
  - ensure maintenance to ensure these safe system treatments remain fit for purpose.
34. In regards to local roads, it includes reviewing the incentives, processes and funding arrangements for investing in safety initiatives by local government to ensure that safety on local roads is being improved.
35. GPS 2018 also supports investment to support rail safety, including partnering with KiwiRail to upgrade level crossings.
36. GPS 2018 will require improved transparency and reporting of safety investments that support improving safety outcomes across all activity classes [not just maintaining current standards].
- Cycling and walking is safer**
37. In line with the GPS objective ‘enabling transport choice and access’, GPS 2018 supports investment towards improving the safety of cyclists and pedestrians. Improving the safety of cycling and walking is a key part of improving accessibility and encouraging uptake of cycling and walking as preferred transport modes. It also enables transport choice.
38. Investment in the provision of appropriately designed and maintained infrastructure [e.g cycleways] and speed management is particularly important to increase access to, and uptake of, active forms of travel. Investment in promotional activities to encourage uptake and community engagement is also supported.



### **Effective enforcement activity to promote safe behaviour by road users**

- <sup>39.</sup> GPS 2018 supports investment in effective enforcement activity to promote safe behaviour by road users. It supports a risk based approach that targets investment and enforcement activity at the behaviours that are likely to create the highest safety risks, alongside highly visible patrols to support and encourage safe driving behaviour.
- <sup>40.</sup> GPS 2018 also supports continued investment to improve productivity and value for money within the Road Policing Activity Class to:
- support Police to deploy to the right activities at the right time. This is to help prevent serious road trauma by continuing to place a particular focus on identified high-risk driver factors, including speed (including low level speeding), impairment, distraction and not using restraints
  - streamline and enable more effective technology and processes so that Police can employ a flexible approach to deploying resource to the highest priorities
  - develop and implement a fit-for-purpose operating and funding model for road policing.

### **Safer road use through appropriate education and promotion activities and regulatory changes**

- <sup>41.</sup> GPS 2018 supports investment in initiatives to improve road user behaviour and community understanding of road safety through the Road Safety Promotion Activity Class.
- <sup>42.</sup> GPS 2018 supports policy development in key areas, including:
- ensuring safer and appropriate speeds, including around schools
  - improving the safety of active transport modes, including rules for what types of vehicles should be allowed on footpaths, cycleways, shared paths and roadways, and under what conditions
  - reviewing regulatory barriers to accelerate the implementation of the speed management guide
  - implementing the new mandatory alcohol interlock regime and associated subsidy scheme for low income offenders
  - improving the vehicle fleet, including through considering the case for mandating new road safety technology standards for vehicles, such as side underrun technology on heavy vehicles, and anti-lock breaking system (ABS) for motorcycles
  - evaluating the effectiveness of interventions (regulatory and non-regulatory) in relation to driver licensing, including for motorcyclists and overseas drivers
  - reviewing vehicle classifications to ensure safe and appropriate road use by different vehicle types.
- <sup>43.</sup> There will be also be an increased focus on public engagement and partnerships to deepen community understanding about why infrastructure treatments, speed management and other road safety initiatives are essential to reduce road trauma; and greater community and public conversations about risks on the road and how these should be managed. The aim is to create public demand for, and support of, these road safety interventions.
- <sup>44.</sup> GPS 2018 supports investment in innovative solutions to improve road user behaviour, including the use of technology as appropriate.

**The second stage GPS** will be informed by the development of the new safety strategy. It will include work on a revised framework for investment across the land transport system to ensure that we are targeting funding to the most effective interventions to achieve a significant reduction in deaths and serious injuries.

## Section 2.3

# Strategic Priority: Access



45. Access is defined as people’s ability to connect with people, goods, services and opportunities and thereby engage in economic and social activity. Access can be achieved through:
- the transport system which enables physical mobility
  - the land use system which brings people closer to opportunities
  - technology that allows people to access opportunities virtually.
46. Investment in the transport system increases mobility, and therefore increases access. However, improving mobility is not essential to improve access as access can also be improved by non-transport solutions such as technology provisions or land use planning.
47. People live in and visit urban areas because they value access – access to ideas, jobs, education, goods, services, cultural facilities and public amenities.
48. Transport investment and land use should therefore prioritise the ability of people and goods to access opportunities and markets. This recognises that greater mobility is a means to achieve better access, but not an end goal in itself.
49. Investing for improved access is guided by considerations of:
- land use and transport planning that reduces the need for single occupant vehicle trips in urban areas [not including commercial vehicles]
  - making the best use of the existing network [road, rail, sea and air] and services [e.g. through demand management, mode shift and a reduction in single occupant vehicle trips]
  - providing new infrastructure or services where necessary to support planned growth [including housing developments].
50. The need for single occupant vehicles is minimised by integrating land use and transport planning so that urban forms and transport services reduce the distance or time required to access social and economic opportunities. Improving the availability of real-time information helps people make better decisions about whether, when and/or how to travel. The creation of public places that integrate aspects of the transport network, particularly walking and cycling, can help to make safer, attractive and accessible urban environments that allow land use and transport to work better together.
51. Providing better access means making the best use of the existing transport network before considering investment in new infrastructure or services. Demand management is one option. Other options include enabling more people to travel by walking and cycling, public transport or by higher occupancy vehicles.
52. Intelligent transport systems and other technologies also help make the best use of existing networks by actively managing traffic flow, including congestion and incident management.
53. Continuing to invest to ensure there are appropriate levels of service for maintenance and resilience will help to avoid disruption or minimise it when it occurs.
54. Where these interventions are not sufficient to support the demands of planned growth [including housing developments], investment in new infrastructure or services may be required to increase the capacity of the transport network. Such investment will include the appropriate mix of modes and technology to ensure high quality transport connections and easy access to social and economic opportunities.
55. This key priority is delivered through the objectives of access, transport choice and resilience.
- 🎯 **Access Objective: A land transport system that provides increased access to economic and social opportunities**
56. This transport access priority is about improving access to social and economic opportunities so that:
- urban areas are well connected, safe, accessible and liveable
  - nationally important freight and tourism connections are safe, efficient, resilient and minimise greenhouse gas emissions
  - regional development supports thriving and connected regions.
- ✅ **Result: Metropolitan and high growth urban areas are better connected and accessible**
57. Well-connected and accessible urban areas are critical to our economic and social prosperity. It is about creating liveable cities that support economic productivity and access to opportunities. People in liveable cities have improved health and personal well-being and increased social inclusion as a result of enhanced access and transport choice.



58. The transport system contributes to liveable cities by providing easy and efficient access and effective transport choice. This requires roads, rail, public transport, walking and cycling networks to work together to increase access to opportunities. It also requires continuing to work towards reflecting the 'true costs' of transport through demand management and pricing.
59. GPS 2018 is supportive of increasing economic access in high growth areas by:
- encouraging integration between land use and transport planning and the delivery of transport investments
  - supporting new mixed use housing developments
  - supporting the implementation of the Auckland Transport Alignment Project.
60. GPS 2018 is supportive of liveable cities by improving walking, cycling and public transport and by increasing transport choice.

#### **Housing developments**

61. Transport supports urban growth through increasing access to new housing developments and by supporting the redevelopment and regeneration of existing housing. This access should support liveable cities so in addition to local roads it should prioritise modes such as public transport and walking and cycling. GPS 2018 therefore supports:
- increasing the supply of serviced land for housing development in high growth urban areas, allowing for lead and other investments in transport infrastructure to support this growth
  - the Urban Growth Agenda and the mechanisms to support it, which include the Housing Infrastructure Fund and Crown Infrastructure Partnerships.
62. There are significant interdependencies between the focus in GPS 2018 on access to high growth areas, and the objectives of the Government's Urban Growth Agenda. The Urban Growth Agenda seeks to create the conditions for the market to respond to growth, and bring down the high cost of urban land to improve housing affordability and support thriving communities, including through improving access to employment, education and services.

#### **Auckland**

63. There is an intention to support all metropolitan and high growth areas. However initially there is a special focus on Auckland given its scale and that it has the strongest population growth in New Zealand. Auckland's population is projected to increase by 45 percent to 2.2 million people over the next 30 years, which will be accompanied by over 243,000 new jobs. Auckland's success is important not just for Aucklanders but for New Zealand's long-term growth and productivity.
64. Auckland is therefore a priority for GPS 2018. Over recent years, there has been joint work between Auckland Council and the Government to align their transport investment priorities, through a process called the Auckland Transport Alignment Project.
65. The Auckland Transport Alignment Project focuses on the following objectives:
- accelerating the development of Auckland's rapid transit network, with a particular focus on routes between the city and the airport, to unlock housing and urban development opportunities
  - increasing walking and cycling and making these active modes safer for Aucklanders
  - delivering improvements in health, safety, the environment and access, including access for people with disabilities
  - ensuring the indicative package delivers the best possible value for money, including broader non-monetary costs and benefits.
66. The strategic approach also requires an equally strong focus on making better use of Auckland's existing network and maximising opportunities to influence travel demand.
67. The process builds consensus between Government and Auckland Council and as such the indicative investment package produced by the work provides a strong direction to investment spending in Auckland.
68. GPS 2018 is aligned to the Auckland Transport Alignment Project strategic approach and the broader transport objectives that the current Auckland Transport Alignment Project process is working to. GPS 2018 supports investment in projects aligned to the updated indicative package for Auckland, as announced in April 2018.

#### **Inviting public spaces**

69. Creating spaces within the streetscape that are attractive and safe for people to sit, gather and walk and cycle supports the objectives of creating a safer and more accessible network, as well as key outcomes around improving health and well-being.
70. Well designed, attractive public spaces provide residents with places to gather, and attract people to frequent local businesses, connect with their neighbours and partake in recreational and cultural activities.
71. GPS 2018 will support investments that make streets more inviting places for people. This should encourage more housing development in these areas and more city living.



## Public transport

72. Public transport is vital to improve access by moving large numbers of people through the network. It is also very important to support communities and provides a means for increased social inclusion. Public transport availability and frequency is a significant determinant of access to social and economic opportunities for the physically impaired and elderly, as well as shift workers and the unemployed, among others.
73. Public transport (especially rapid transit), walking and cycling can enable opportunities to shape the transport landscape to create more liveable cities. The GPS supports accelerating the development of rapid transit where it is key to support metropolitan development. This includes considering rapid transit options in the major metropolitan areas and possible funding and financing options (e.g. value capture).
74. GPS 2018 supports investment in:
- increasing public transport capacity (availability and frequency) and inter-modal connectivity especially in areas of social deprivation
  - public transport services to support new housing areas and redevelopment and regeneration of existing housing areas
  - new options that reduce the need for single occupant trips by utilising technology change and innovation.

### ✔ Result: Better access to markets, business areas, and supporting tourism

75. This result primarily has an economic focus on goods reaching their destination efficiently. The focus is on national routes where access constraints at specific points are limiting business productivity or tourism ventures.
76. Generally, New Zealand's existing road network is reasonably well developed and provides a high level of access for light and heavy vehicles at a national and local level.
77. However, moving goods by road may not be the best option. We need to consider providing a higher level of access to markets via rail or coastal shipping. This increased access may reduce other costs such as greenhouse gas emissions, and deaths and serious injuries.
78. Transport connections that are classified as nationally important need to be of the highest safety, quality and resilience. They need to be maintained or improved to:
- respond to changes in freight movements, population growth and tourist numbers by providing extra capacity
  - consider the total transport task, taking into account all modes (such as rail, sea, air) and logistics, and how technology and innovation can be used to meet changing demands
  - mitigate resilience risk
  - enable the transition to a low carbon economy.

### ✔ Result: Sustainable economic development of regional New Zealand is supported by safer and better transport connections

79. For New Zealand to thrive we need our regions to thrive. Regional New Zealand is a key driver of the New Zealand economy, for example the majority of exports are generated in regional New Zealand and tourists spend most of their time in the regions.
80. The GPS supports investments that are supportive of regional priorities such as the movement of freight, enhancing visitor journeys and increasing the resilience of the transport network. This investment will be complementary to the Provincial Growth Fund and to the Government's goals for tourism.
81. The focus on regions is to build on the strengths and comparative advantages of regions. This aims to lift their potential, resulting in improving the productivity and economic prospects of the region and the living standards and opportunities of those living there. This recognises that some local councils have resource and funding constraints.
82. The infrastructure focus of the Provincial Growth Fund is on investment in projects that enable regions to be well connected (to other regions and within regions) from an economic and social perspective. The Government's goals for tourism include attracting the right visitor mix, responding to visitor demand and ensuring all regions benefit from tourism. Transport's contribution to the tourism strategy includes providing robust, safe transport infrastructure.
83. GPS 2018 focuses on assisting regional New Zealand by supporting regional economic development and the Government's goals for tourism. Resilient and safe transport access within and between regions is vital to a region for economic development and tourism. The focus is on transport investment to improve access and safety, and the economic productivity of the regions.
84. 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 participate in tourism activities
  - managing and responding to resilience risk on important regional roads (see resilience objective).



**The second stage GPS** will move us towards transport creating a New Zealand where people and businesses can thrive by:

- reflecting transport's role in the Urban Growth Agenda including support for high growth areas beyond major metropolitan areas
- developing local and central government agreements on transport's role in the future development of metropolitan areas such as Auckland, Wellington and Christchurch, including consideration of transport's role as a place-maker and on future rapid transit options [light rail and dedicated bus routes]
- further defining the role of transport support for the regions
- considering all modes when providing the best access solution, which will include investigating funding for alternative transport modes, such as rail and coastal shipping. It also means considering the true costs of transport in investment appraisal and in pricing mechanisms.

### **Access Objective: A land transport system that enables transport choice and access**

85. Currently most people require a private motor vehicle to get most places in New Zealand. This high level of dependency on private motor vehicles results in high transport costs for many New Zealanders, higher greenhouse emissions and increased congestion in our larger urban areas.
86. Having a transport system that promotes equitable access and liveability is vital for creating safer, more attractive and more accessible urban environments. The land transport system needs to enable a range of lower cost and more space efficient transport choices so all people can easily access employment, education, recreational and social opportunities.
87. Walking, cycling and public transport are very important in supporting an efficient, sustainable and affordable transport system. Enabling more people to use active modes and public transport can also contribute to improved health outcomes as people regularly incorporate active travel into their daily life, increasing levels of physical activity.
88. The Government will investigate any regulatory barriers to the uptake and delivery of public transport, walking and cycling in New Zealand.

### **Result: Increased mode shift from private vehicle trips to walking, cycling and public transport**

89. To make it easier for more people to access employment, education and other opportunities, it is important to shift travel, particularly in urban areas, from private vehicle travel to walking, cycling and public transport.
90. Central and local government investment should incentivise mode shift.
91. GPS 2018 supports:
  - transport and land use planning that reduces the need to travel by private vehicle
  - more frequent and highly patronised public transport services
  - extending greater priority on urban and rural routes for walking, cycling and public transport
  - better management of parking to reduce subsidies for private vehicle trips.
92. GPS 2018 supports investment in:
  - provision of good quality, safe, fit-for-purpose walking and cycling infrastructure
  - education, promotion, and where necessary regulation, to improve the real and perceived safety of cyclists and pedestrians
  - funding for maintenance of walking and cycling infrastructure
  - extending dedicated cycle networks in urban areas that are moving towards being complete to connect to other networks
  - delivering critical missing links in the urban cycle network in areas of high demand [for example, between Auckland's North Shore and City Centre, and Wellington City Centre and Lower Hutt]
  - continued development of the New Zealand Cycle Network, including the premium tourism trails (the Great Rides) and the connecting Heartland Rides
  - extending connections to the Te Araroa trail, which runs the length of New Zealand
  - projects focused on increasing the uptake of children using safe and active travel, especially to and from school.



✔ **Result: More transport choice (including for people with less or limited access to transport)**

93. Transport provides access to economic and social opportunities and is key to supporting social engagement and inclusion, as well as access to essential services such as education, healthcare and employment. Public transport plays an important role, not only in increasing the capacity of the network, but in enabling access for those people whose transport choices are limited.
94. GPS 2018 supports investment in:
- services that make public transport more affordable for those who are reliant on it to reach social and economic opportunities [for example, people on low incomes or who do not have access to private transport options]
  - the provision of transport that is suitable for people with disabilities in urban areas and inter-regionally
  - public transport, which supports the Disability Action Plan's intentions to increase the accessibility of transport
  - continuing investment in specialised services such as 'Total Mobility'.
95. GPS 2018 supports:
- continued investment in the SuperGold card transport concession scheme.

**The second stage GPS** will consider interventions to significantly improve the affordability of public transport, such as investigating a green transport card to reduce public transport fares for people on low incomes.

⊗ **Access Objective: A land transport system that is resilient**

96. When access to the transport system is disrupted, it has flow-on effects both on direct users of the network and those who receive goods and services via the transport system. These access disruptions have both social and economic impacts. A resilient transport system actively manages the risks of and vulnerabilities to disruptive events in an efficient and effective way – 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.
97. Across the New Zealand government, the “4R” approach to resilience and emergency management is used, as set out in the Civil Defence Emergency Management Act 2002 [CDEM Act]. The four R's stand for reduction, readiness, response and recovery. The 4R approach reflects that there are a range of potential pre- and post-event options, and investment opportunities, for minimising the impacts of disruption to the transport system. Investment can therefore be focused in different areas, such as strengthening or modifying assets, providing alternative routes or modes, or enabling a quicker response or rebuild. Often the best solutions take a whole-of-system approach for a region, for example, mixes of improvements as part of network upgrades, strengthening through maintenance and options that consider non-transport interventions.
98. In all cases, whether it is for a sudden disruption or gradual environmental change, resilience management requires an assessment of the risks compared to the costs of reducing those risks. However, it can be challenging to determine the appropriate level of investment in resilience for all unexpected disruptions, particularly those with low likelihood but high consequence. Often, taking a whole-of-system approach will create the best outcome, for example, improving a road's ability to cope with flooding as well as fixing a stop bank, improving response times in the event of a disruption, educating the community on preparedness and creating a comprehensive post-event public communications approach. This involves considering all parts of the transport system and non-transport systems relevant to resilience [for example, technology solutions to enable people to work from home, increase stores of food to reduce the need to transport food].
99. Climate change and low frequency-high impact events [such as earthquakes] are the key long-term issues that have significant implications for the resilience of the land transport system.



- <sup>100.</sup> The Government's response to climate change requires adaptation, through resilience improvements and land use decision-making, that takes climate impacts into account, as well as mitigation, through reducing greenhouse gas emissions. Actions in GPS 2018 to reduce greenhouse gas emissions are covered in the objective 'a land transport system that reduces greenhouse gas emissions, as well as adverse effects on the local environment and public health'.
- <sup>101.</sup> Low frequency-high impact events are key, due to their potential severity and range of major impacts over a wide range of issues in communities and the economy. There are challenges in capturing and evaluating all impacts to justify investment compounded by the low level of understanding about the probability and nature of the occurrence.

**✔ Result: Improved network resilience for the most critical connections**

- <sup>102.</sup> It is important for sustainable economic development and social well-being that the network is resilient, particularly for the most critical connections. The most critical connections on our network have been determined by considering three factors:
- the route's importance and the availability of appropriate alternative routes or modes
  - the risk [likelihood and consequence] of transport disruption
  - the performance of the system at each location in the face of the disruptive event.
- <sup>103.</sup> GPS 2018 prioritises investment to improve resilience on routes where disruptions pose the highest economic and social costs. This also includes investments to improve resilience to gradual change (e.g. erosion and sea level rise) and high impact events of low to medium probability (e.g. earthquakes).
- <sup>104.</sup> To reflect the Government's "4R" approach to resilience and emergency management, it is important that investment places sufficient focus on proactive risk management, particularly for natural hazard and climate change adaptation.
- <sup>105.</sup> GPS 2018 supports developing and implementing regional plans (covering both proactive and reactive responses) to improve targeting of resilience risk and vulnerabilities in an integrated system-wide approach which can also better recognise interdependencies. This includes resilience planning and management across regional boundaries.

- <sup>106.</sup> GPS 2018 supports investment for the best solutions on the most critical transport routes, in regions that have only one viable route in and out, for example. This includes recovery activities for transport routes into and across North Canterbury and for urban areas such as Auckland, Wellington and Christchurch, which are vulnerable to high impact natural events.
- <sup>107.</sup> GPS 2018 will support this result through encouraging regional and local system approaches. This includes investment in non-transport infrastructure, such as flood mitigation infrastructure, where this has clear transport benefits and is used to improve resilience at the economically and socially most critical points of the network

**The second stage GPS** will investigate enabling funding for alternative transport modes, such as rail and coastal shipping, where it would improve resilience of the transport network.



- <sup>108.</sup> Transport accounts for 18 percent of New Zealand’s greenhouse gas emissions and has been the fastest growing source of emissions since 1990. Between 1990 and 2015, transport emissions increased by 68 percent compared with 24 percent for total gross emissions across the economy. Within transport, road emissions grew by 78 percent.
- <sup>109.</sup> Ninety percent of New Zealand’s transport emissions come from road transport, with light vehicles (cars and other vehicles under 3.5 tonnes) alone accounting for 67 percent. Collectively emissions from domestic aviation, rail and coastal shipping are 10 percent.
- <sup>110.</sup> Compared internationally, New Zealand’s use of transport is emissions intensive. New Zealand has the ninth highest per capita transport emissions of all countries with populations over 1 million. This reflects a number of factors, with the key ones being:
- the transport fuels we use are almost entirely fossil fuels
  - the light vehicles entering the fleet have a poorer fuel economy than in most other developed countries
  - we are more reliant on road freight than Australia, the European Union and the United States
  - public transport accounts for only 3 percent of all trips
  - transport and urban planning has contributed to a high level of private car dependency by incentivising urban sprawl, prioritising the movement of vehicles, and requiring urban land for car parking.
- <sup>111.</sup> Ensuring the land transport system enables better environmental outcomes is a supporting priority of GPS 2018.
- <sup>112.</sup> When we operate and improve the transport system, we create interactions between the system, people and the environment. These interactions can impose significant impacts on the environment and public health. For example, new highways can bisect communities and, if not properly designed, create noise and water pollution and can have negative impacts on biodiversity. Congestion and delays on existing roads can cause localised air pollution.
- <sup>113.</sup> The most significant environmental challenges, and opportunities, for transport are to help achieve New Zealand’s goal as part of the Paris Agreement target of reducing greenhouse gas emissions to 30 percent below 2005 levels by 2030, and to meet the Government’s commitment of setting a more ambitious emissions reduction target for 2050.
- <sup>114.</sup> The Government will work to reduce greenhouse gas and harmful pollutant emissions from transport and improve public health outcomes by substantially increasing the use of lower emission modes, such as walking and cycling, providing frequent and affordable public transport, promoting integrated land use and transport planning, and supporting rail and sea freight. Increasing walking and cycling not only reduces emissions but also has positive public health benefits through reduced heart disease, obesity and the incidence of diabetes.
- <sup>115.</sup> The Government will also encourage uptake of lower emission vehicles, including electric cars, buses, trains, bikes, trucks and other commercial vehicles and low-emission fuels like bio-fuel. The Government will also encourage efficient network and speed management, and participate in international negotiations to reduce the impact of international air and maritime emissions.
- 🌐 Environment Objective: A land transport system that reduces greenhouse gas emissions, as well as adverse effects on the local environment and public health**
- <sup>116.</sup> Land transport can have significant effects on the environment. These can be immediate local effects (such as effects on the quality of air, water, soil, or the visual and acoustic environment) through to nationwide effects (on public health) and global effects (climate change). Enabling the transport sector to support better environmental outcomes involves minimising the adverse effects of transport.
- <sup>117.</sup> There are a range of investment and non-investment initiatives that can be used to address the environmental effects of transport. These include:
- investment in infrastructure and services – for example, road design to mitigate run-off into waterways, measures to reduce motorised traffic volumes on suburban streets, encouragement of the uptake of electric vehicles, increased public transport (including rapid transit) services, and promotion of active modes (such as new cycleways) and shared mobility
  - investment in measures to change people’s behaviour and optimise the system’s efficiency, for example travel demand management initiatives and technologies to provide people with choices about how to access and move easily between modes



- standards or consent conditions set through the Resource Management Act 1991 and other environmental legislation, which direct the amount and type of environmental mitigation and monitoring needed on a project or activity basis
  - other regulations, such as vehicle fuel efficiency, fuel type and composition, and emissions standards
  - information provision, such as informing consumers about the fuel efficiency and operating costs of different vehicles
  - procurement related measures, for example choice of materials for use in infrastructure based on whole-of-life performance.
118. GPS 2018 seeks an improved and more balanced integration of land uses in relation to transport modes and networks to reduce the adverse environmental effects of transport activities. This means better planning of the land transport system and land uses so that people can be located closer to the places where they live, work, study and play. It also means providing people with real alternatives to using cars, including convenient and safe access to public transport and safe, well maintained active transport infrastructure.
- ✓ Result: Reduce greenhouse gas emissions from transport**
119. Reducing the cumulative effects of transport on the environment, such as those caused by greenhouse gas emissions, needs to take a whole-of-system approach, considering all parts of the transport system and non-transport systems relevant to the environment.
120. Transport has an important role to play in New Zealand's efforts to reduce greenhouse gas emissions. The Government is committed to taking decisive action on climate change and setting a more ambitious emissions reduction target for 2050. This GPS and its successors will align with decisions and recommendations for the transport sector taken by the Government to achieve this transition.
121. There is a range of potential greenhouse gas abatement opportunities in the transport sector. These can be classified as opportunities to:
- improve the vehicles and fuels we use, such as promoting greater uptake of low-emission and electric vehicles
  - avoid inefficient use of transport, such as by encouraging shared mobility, supporting land use and transport system integration (especially in urban areas), and ensuring efficient network management and operation (including optimal travel speeds)
  - shift to lower emissions modes of transport, such as public transport and active modes, and moving more freight to rail or coastal shipping.
122. GPS 2018 will support this result through encouraging:
- a whole-of-system approach to reducing greenhouse gas emissions from transport, including considering the cumulative effects over time
  - investment in lower emission modes of transport or transport systems
  - ongoing and clear reporting on the investment in environmental harm mitigation across GPS investment activities.
- ✓ Result: Reduce transport's negative effects on the local environment and public health**
123. While greenhouse gas emissions and climate change have cumulative effects on a global scale, there is also a need to manage local effects of land transport. Some of the areas where transport has an adverse effect on the local environment and public health include:
- air pollution (especially from emissions of particulates and oxides of nitrogen)
  - excessive unreasonable noise and vibration
  - reduced water and soil quality (particularly from contaminated stormwater run-off and sediment during construction)
  - disruption to natural landscapes, vegetation and biodiversity
  - reduced physical activity and increased sedentary time.
124. GPS 2018 will support this result through encouraging:
- increased uptake of active modes such as walking and cycling
  - integrated land use and transport planning
  - regional and local system approaches that are evidence-based to increasingly mitigate the local effects of land transport on the environment
  - reduced effects of transport-related air pollution (including dust), stormwater run-off and road-traffic noise on people and the environment where these issues create significant harm
  - ongoing and clear reporting on the investment in environmental mitigation across GPS investment activities.

**The second stage GPS** will reflect further action taken by the Government to reduce greenhouse gas emissions from the transport system.

Future iterations of the GPS may include input from the independent Climate Change Commission, once established, to ensure consistency with the overall emissions reduction targets and strategy.



125. GPS 2018 increases the emphasis on value for money to maximise the impact of money spent to achieve the Government’s outcomes. Value for money in transport will deliver the right infrastructure and services to the right level at the best cost. Decision-makers should consider a range of options, the costs and benefits (both short and long-term), and the GPS 2018 strategic direction [i.e. the strategic priorities, objectives and results].

126. They should also consider possible future changes and uncertainties so that investment can be made in options that perform best across different scenarios.

127. In delivering value for money, investment decisions need to transparently demonstrate the:

- return on the investment – expected benefits compared with expected cost
- contribution towards the desired GPS results
- reason for the decisions, especially where there is a benefit cost ratio lower than would normally be required for inclusion in the National Land Transport Programme [NLTP].

128. Achieving value for money also requires investments to be made at the right time. In some cases this may require investments to be made ahead of demand, to support future developments [lead investments]. For example, building a transport corridor ahead of demand while land prices are cheaper will lower the cost and could shape urban form in a way that better integrates transport and land use.

129. It is important that work to support lead investments be completed in a robust and transparent manner, and only when required by specific Government policy. In GPS 2018, lead investment will provide access to serviced land for housing development in high growth urban areas.

**🔗 Value For Money Objective: A land transport system that delivers the right infrastructure and services to the right level at the best cost**

130. There are more potential transport projects than there is available revenue to fund them. To deliver value for money, the focus is on investments that provide the best possible value to New Zealanders. The investment decisions made under the GPS must follow a process that delivers value for money (while considering the Government’s priorities), allowing for changes in demand, technology and innovations.

**✔ Result: Better informed investment decision-making**

**Delivery of the right infrastructure and services to the right level**

131. Delivering the right infrastructure and services includes responding to the investment signals in GPS 2018. The NZ Transport Agency and regional authorities need to provide high quality analysis to input into a rigorous, fit-for-purpose investment analysis system<sup>1</sup>. Robust business cases that are supported by evidence and good data gathering systems are vital to support this process. Therefore having data that is easy to find, share and use is important.

132. Delivering the right infrastructure and services requires a wide range of options to be considered. It is expected that options that improve the performance of the current network are considered alongside options for providing new infrastructure where possible.

133. Monitoring of GPS objectives and results is ongoing. However, initial results indicate that:

- since GPS 2015, there has been a much better system for determining the appropriate level of maintenance required and for monitoring maintenance investments [e.g. the activities of the Road Efficiency Group]
- public transport use is increasing and providing increased access in the main metropolitan areas
- the investment in road safety is not obtaining the desired results given that road deaths are increasing
- road improvements and improving the operation of the current network have increased the road capacity and throughput on important national routes. However, congestion levels are still worsening in Auckland
- demand management is expected to be part of the solution to the problems in high growth areas – particularly in Auckland.

134. The GPS will continue to support delivery of the right infrastructure and services to the right level by requiring:

- a rigorous investment appraisal system
- enhanced reporting, monitoring and evaluation on how the GPS 2018 investment strategy has been delivered, and reporting over longer periods of time [10 to 20 years].

1. Investment appraisal system refers to the system that the NZ Transport Agency uses to assess projects.



### Investments are at the best cost

135. Investment should represent the best use of resources. This requires the investment appraisal system to include a rigorous cost benefit analysis<sup>2</sup>.
136. Traditional approaches to transport economic evaluation can overstate the travel time benefits from new infrastructure and under-estimate the contribution from walking, cycling and public transport in providing more network capacity and other non-transport benefits. An investigation into the appropriateness of current economic evaluation approaches will be a priority to ensure they are fit for purpose, with this investigation to occur in 2019.
137. Cost benefit analysis should take account of the full range of costs and benefits. Evaluation tools therefore need to transparently and robustly capture and evaluate these benefits and costs.
138. Investment decisions need to demonstrate delivery of net positive benefits that exceed the whole-of-life costs. It is expected that evaluations will normally occur at the project level, however there is flexibility for programme level evaluations to take place where this is essential to deliver on the GPS strategic priorities of safety or access. The NZ Transport Agency will develop criteria for deciding when programme level evaluations should take place, and will transparently report when and why programme level evaluations have taken place.
139. GPS 2018 will support this result by requiring transparent:
- improvements to current economic evaluation approaches
  - use of robust cost benefit analysis
  - delivery of projects and programmes on time and on budget
  - monitoring and evaluation of a wide range of outcomes [both positive and negative] for major investments.

### ✔ Result: Improved returns

#### Improved returns from maintenance

140. The GPS increases the emphasis on improving the performance of the existing network through maintenance.
141. Maintenance expenditure supports the provision of nationally consistent levels of service within the network (primarily the road network), and also refers to expenditure for improving the performance of the existing network.
142. Nationally, there has been good progress on improving value for money from road maintenance. The One Network Road Classification has set customer levels of service for each type of road, along with relevant performance standards. The collaborative approach taken through the Road Efficiency Group has improved maintenance procurement and operation practices.

143. While there have been improvements, there is still significant scope for improved returns from road maintenance in areas such as accurately specifying the level of demand for an asset, better informed contracting, and improved whole-of-life investing. There is also a need to improve the One Network Road Classification in terms of its provision for walking, cycling and public transport in urban areas.

144. GPS 2018 continues to emphasise the need for ongoing improvements to further improve the returns from maintenance. The GPS will support this result through:
- ongoing investment in network maintenance to ensure it provides the appropriate customer levels of service for all modes of transport
  - investment in maintenance that improves the performance of the existing network
  - updating the One Network Road Classification to better reflect all modes of transport and liveability, fully embedding the One Network Road Classification, Customer Levels of Service, and performance measures
  - continued emphasis on improving returns by focusing on known issues such as improving asset management practices, contracting, and the use of data and analytics.

#### Innovation and technology are used to increase the net benefits from land transport investment and use

145. Innovation and technology can support value for money by providing alternatives or better choices in the way investments are made and used. This may occur during the design of a new investment or when considering options for better using the infrastructure or service once it is in place.
146. The GPS will support this result by:
- using innovation in systems, standards, procurement and technology to improve the effectiveness and efficiency of the transport system.

**The second stage GPS** will reflect any outcomes of the work that has been undertaken to investigate the appropriateness of current evaluation practices.

2. The GPS acknowledges that in some cases a cost benefit analysis may not be practical, and an appropriate alternative method may be used.

## Section 2.6

# Themes

147. Themes have been included to assist understanding of how to effectively deliver on the priorities. The themes influence how the results should be delivered to ensure the best transport solutions for New Zealand are achieved. 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.



### **Theme: A mode-neutral approach to transport planning and investment decisions**

148. Mode neutrality is a guiding principle for investment under the GPS to help deliver the outcomes that Government has set for the transport system.
149. Mode neutrality means considering all transport options for moving people and freight, including multi-modal options, when identifying the best value-for-money transport solutions to deliver transport outcomes. Investment appraisal and evaluation of those options should identify all costs and benefits without any bias towards particular modes. This will involve understanding and evaluating the wider costs associated with different modes, such as environmental and social costs. To allow comparison between transport modes, the second stage GPS will investigate allowing appropriate consideration of alternative transport modes, such as rail and coastal shipping, where it supports the desired outcomes for the transport system.
150. Mode neutrality will initially involve giving some modes greater funding priority due to past underinvestment. Mode neutrality may also reduce funding barriers for modes that are delivering outcomes the Government seeks.
151. Over time, other policies will also support mode neutrality, such as smarter road pricing that encourages users to consider more of the costs they impose when making transport choices.
152. A mode neutral approach will have a significant effect on the planning and funding system, and how the transport network is used. Mode neutrality encourages a look across the whole system for a wider range of solutions. For example, these may involve physical infrastructure, better use of transport data or new technology, or solutions outside the land transport system, such as through land use planning or air transport.
153. Over the next few years, there will be better integration, coordination and collaboration across GPS transport investments, as well as collaboration between central government, local government and other stakeholders to develop the best transport solution.

**Theme: Incorporating technology and innovation into the land transport system**

154. Technology is changing many aspects of our lives – and transport is no exception. Transport technologies have the potential to respond to a number of transport challenges by significantly improving, and in some cases transforming, the way people travel, and how freight and services are moved on our network.
155. Existing, new and emerging technologies can support a safer, more efficient and effective transport system. This can be done by having safer and more efficient vehicles, improved access to transport information, and a more connected transport system that provides new ways of managing and optimising how we use what we already have. Transport technologies and new business models have significant potential to make a positive impact on our environment – making it more liveable, sustainable and resilient.
156. We need to plan and invest to take advantage of these opportunities. This will likely involve increasing our ability to use technology to provide the public with better transport services, and provide the infrastructure and services to support electric, connected and autonomous vehicles.
157. How fast and how much transport will change 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.

**Theme: Integrating land use and transport planning and delivery**

158. Integrating land use and transport planning and delivery is an important element in creating a transport network that benefits the wider community. Transport is an enabler, connector and shaper of urban areas.
159. 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. Once development has happened, its impacts on transport are long term. Changes in land use can affect the demand for travel, creating both pressures and opportunities for investment in transport infrastructure and services, or for demand management. Likewise, changes in transport can affect land use.
160. It is essential that land use and transport planning and delivery are coordinated and integrated. This is largely a role for local and central government, supported by funding under GPS 2018.
161. Central government has a role in improving the visibility of planning and infrastructure intentions, facilitating engagement and enabling joint funding and decision-making. A greater emphasis on the integration of land use and transport planning is also a critical platform in achieving the Government’s objectives for urban development.

## Section 2.7

# Mapping the strategic priorities, objectives and results

The relationship between the priorities, objectives and long-term results is mapped in Table 1. The Ministry of Transport and NZ Transport Agency will work together to further develop these draft measures and finalise them for the second stage GPS. In particular, measures with an asterisk<sup>[\*]</sup> denote potential long-term measures that require significant development.

**Table 1: Relationships between strategic priorities, national land transport objectives, results and reporting**

Safety		
Long-term results [10+ years]	Short to medium term results [3-6+ years]	Reporting measures
<b>National land transport objective: A land transport system that is a safe system, free of death and serious injury</b>		
Significant reduction in deaths and serious injuries	1. Renewed strategic focus to have the greatest impact on reducing death and serious injury (including developing a new road safety strategy and action plan in the next 12-18 months)	New road safety strategy and action plan released in the next 12-18 months
	2. State highways and local roads are safer for everyone	Number of people killed or seriously injured (by mode, road type, and Road Controlling Authority) per capita and vehicle kilometres travelled Investment in safety improvements by road type, road classification and Road Controlling Authority Improvement in safety ratings of treated roads (before and after intervention)
	3. Cycling and walking is safer	Cycling and walking injuries by severity, type and Road Controlling Authority [Measure of deaths from cycling and walking included in result #2]
	4. Effective enforcement activity to promote safe behaviour by road users	Investment in new or improved enforcement capabilities Number of offence notices related to key safety behaviours (e.g. seatbelt use, drink driving, speeding, mobile phone use)* Public perception of risk of non-compliance of regulated behaviours (e.g. seatbelt use, drink driving, speeding, mobile phone use)*
	5. Safer road use through appropriate education and promotion activities, and regulatory changes	Investment in campaigns for safer road use Audience reach (e.g. Targeted Audience Ratings Profiles)* Awareness and understanding of safe road use* Behaviour change as a result of appropriate education and promotion activities*

\*Potential long-term measures that require significant development.

Access		
Long-term results [10+ years]	Short to medium term results [3-6+ years]	Reporting measures
<b>National land transport objective: A land transport system that provides increased access to economic and social opportunities</b>		
Metropolitan and high growth urban areas are better connected and accessible	6. A more accessible and better integrated transport network including public transport, walking and cycling	Proportion of travel journeys that include mode change/s (in metropolitan and high growth urban areas)*
	7. Improved land use and transport planning to create more liveable cities	Change in liveability index score (e.g. walkability) in metropolitan and high growth urban areas* Proportion of district plans and business cases using integrated land use and transport planning Proportion of population who live within a reasonable travel time of economic and social opportunities (e.g. schools, hospitals, employment opportunities)*
	8. Improved throughput of people and goods in major metropolitan areas	Freight and passenger throughput in major metropolitan areas* Reliability of freight and passenger average travel times in major metropolitan areas
	9. Improved transport access to new and existing housing including provision of public transport services	Expansion of public transport catchment area in metropolitan and high growth urban areas Proportion of population who live within a reasonable walking or cycling distance to frequent and reliable public transport*
Better access to markets, business areas, and supporting tourism	10. Nationally important transport connections are maintained or improved to support areas of growth, changes in population, freight and tourism, and to improve safety	One Network Road Classification levels of service for highest classification corridors, and key regional networks including key regional tourist routes*
	11. Enhanced testing and deployment of intelligent transport systems and other technologies to make the best use of existing networks	Investment in research and evaluations related to intelligent transport systems and other technologies Number of trials related to intelligent transport systems and other technologies
Sustainable economic development of regional New Zealand is supported by safer and better transport connections	12. Regional networks (including key regional freight routes) are safer, better connected and more resilient	Additional travel time resulting from usual route choice being disrupted (compared to usual time taken) on regional networks for freight and passengers Reliability of freight and passenger average travel times on regional networks
	13. Improved transport connections (including local roads, public transport and active modes) on key regional tourist routes to make these routes safer for all	Additional travel time resulting from usual route choice being disrupted (compared to usual time taken) on key regional tourist routes (subset of measure for result #12) Reliability of freight and passenger average travel times on key regional tourist routes (subset of measure for result #12)

\*Potential long-term measures that require significant development.

Access		
Long-term results (10+ years)	Short to medium term results (3-6+ years)	Reporting measures
<b>National land transport objective: A land transport system that enables transport choice and access</b>		
Increased mode shift from private vehicle trips to walking, cycling and public transport	14. A reduction in overall single occupant private vehicle travel in urban areas	Proportion of single occupant vehicles observed across trips (in urban areas)
	15. Improved good-quality, fit-for-purpose walking and cycling infrastructure	New capital and maintenance investment (by Road Controlling Authority) in: <ul style="list-style-type: none"> <li>Walking infrastructure (e.g. pedestrian crossings, controlled intersections, footpaths and pedestrian refuges)</li> <li>Cycle infrastructure (i.e. separated cycleways and shared paths)</li> </ul>
	16. Improved real and perceived safety for both pedestrians and cyclists	Perceptions of risk of injury for pedestrians and cyclists* (Measure of real safety for pedestrians and cyclists included in results #2 and #3)
	17. Increased proportion of journeys made using public transport and active modes of travel (including children travelling to and from school)	Number of public transport boardings in metropolitan and high growth urban areas Total number of journeys by mode (including public transport and active modes) and Road Controlling Authority Travel mode to school in metropolitan and high growth urban areas
More transport choice (including for people with less or limited access to transport)	18. Expanded and better connected walking and cycling networks both in urban and rural areas (e.g. the Great Rides, Heartland Rides, and the Te Araroa Trail)	Total new lane kilometres of walking and cycling networks Proportion of walking and cycling networks that are fit for purpose*
	19. Public transport is more accessible and affordable, especially for those reliant on it to reach social and economic opportunities (including people with disabilities, low-income people, and SuperGold cardholders)	Relative cost of travel by public transport compared with travel by private vehicle (by income and region)* Proportion of population able to access social and economic opportunities using affordable public transport* Total SuperGold cardholder boardings by region Investment towards making public transport more accessible
	20. Specialised services provide better access to transport for people (including people with disabilities) unable to drive themselves or use scheduled public transport	Number, frequency, type, and quality of journeys being undertaken using specialised services Investment in specialised services (e.g. Total Mobility)
<b>National land transport objective: A land transport system that is resilient</b>		
Improved network resilience for the most critical connections	21. Improved resilience on routes where disruptions pose the highest economic and social costs	Additional travel time resulting from usual route choice being disrupted (compared to usual time taken) at the parts of the network that pose the highest economic and social costs
	22. Improved targeting of resilience risk and vulnerabilities through the use of an integrated whole-of-system approach which may include investment in non-transport infrastructure when this has clear transport benefits	Proportion of business cases that include resilience as a stated benefit Investment in non-transport infrastructure for demonstrable transport benefit to improve resilience*
	23. When disruption to the network occurs, impacts of disruption are reduced at the parts of the network that have the most economic and social importance	Number of unplanned outages at the parts of the network that have the most economic and social importance and the number of journeys affected / total number of unplanned outages* Median outage duration at the parts of the network that have the most economic and social importance (compared with national median)

\*Potential long-term measures that require significant development.

Environment		
Long-term results [10+ years]	Short to medium term results [3-6+ years]	Reporting measures
<b>National land transport objective: A land transport system that reduces greenhouse gas emissions, as well as adverse effects on the local environment and public health</b>		
Reduce greenhouse gas emissions from transport	24. Reduced greenhouse gas emissions from land transport using a whole-of-system approach	Tonnes of greenhouse gases (i.e. CO <sub>2</sub> ) emitted per year (from land transport) by vehicle type and region
Reduce transport's negative effects on the local environment and public health	25. Reduced significant harmful effects of land transport-related noise	Number of noise complaints received by councils* Investment in noise management practices Proportion of population exposed to road traffic noise over an acceptable level [e.g. proportion of population within 200m of road or rail line exposed to 64 Ldn (day-night average sound)]
	26. Reduced significant harmful effects of land transport-related air pollution	Tonnes of harmful emissions from land transport (i.e. NO <sub>2</sub> , PM10 and PM2.5) emitted per year by region Apportioned harm (deaths and QALYS) from exposure to air pollutants from land transport by region*
	27. Reduced significant negative effects on water quality and biodiversity from construction and ongoing use of transport infrastructure	Tonnes per year of brake and tyre wear-related pollutants (i.e. copper, zinc, lead) in water catchment areas by region*
	28. Increased uptake of active travel modes such as walking and cycling to support environmental and public health objectives	[Measure of uptake of active travel modes included in result #17]
Value for money		
Long-term results [10+ years]	Short to medium term results [3-6+ years]	Reporting measures
<b>National land transport objective: A land transport system that delivers the right infrastructure and services to the right level at the best cost</b>		
Better informed investment decision-making	29. A more rigorous and transparent investment appraisal system	Transparency of information on investment decision-making system, investment decisions and supporting information* [e.g. publish benefit cost ratios]
	30. Enhanced reporting, monitoring and evaluation of GPS 2018 investment	Transparency of standard project reporting metrics [e.g. schedule, budget, number of requirements met]*
	31. Better integrated transport research across government	Implementation of the New Zealand Transport Research Strategy Investment into transport-related research by agency Number of transport research projects that take an integrated approach across agencies [i.e. include multiple agencies]
Improved returns	32. More effective and efficient investment from innovation in systems, standards, procurement and technology	Proportion of realised benefits that meet or exceed expected benefits Investment savings from improvements in systems, standards, procurement and technology
	33. Improved returns from maintenance	Asset condition relative to asset expenditure

\*Potential long-term measures that require significant development.

## Section 2.8

# Reporting

<sup>162.</sup> The Ministry of Transport is responsible for the production, monitoring and evaluation of the GPS. A comprehensive reporting framework is necessary to continually improve the GPS and the transport investment appraisal system to achieve effective transport outcomes.

<sup>163.</sup> As the agency responsible for developing the National Land Transport Programme and allocating National Land Transport Fund funding, it is essential that the NZ Transport Agency works with the Ministry of Transport to ensure that appropriate data is available to enable transparent and comprehensive reporting on the GPS. This reporting is important to determine if the Government's transport priorities, objectives and results are being achieved and New Zealanders can be confident that the Government is investing in transport efficiently and effectively.

<sup>164.</sup> The GPS investment strategy involves three reportable components related to how the investment strategy is delivered: results achieved through GPS investment, expenditure under activity classes, and Ministerial expectations [see Section 3.4].

<sup>165.</sup> Many land transport investments have long lead-in times and long lives. Some of the effects from earlier land transport investments made under previous versions of the GPS will be captured in reporting under GPS 2018, particularly in the early periods.

<sup>166.</sup> The reporting arrangements established in GPS 2018 focus on the investment strategy and on reporting information that tracks progress and will provide GPS investment decision-makers with information to help inform future GPS investments. Reporting on the performance of the NZ Transport Agency as a Crown entity is covered by the Crown Entities Act 2004. GPS reporting may complement these arrangements but is not a substitute for them.

### Reporting on results

<sup>167.</sup> The results sought by GPS 2018, and the associated draft reporting measures, are outlined in Table 1. More specific, detailed reporting will be developed to report GPS 2018 results.

<sup>168.</sup> The Ministry of Transport has responsibility for reporting on GPS; however, this is reliant on the NZ Transport Agency making available the necessary data, analysis and information. At a minimum, NZ Transport Agency will be required to provide the Ministry of Transport with reporting on the measures annually.

<sup>169.</sup> The GPS 2018 reporting measures are a work in progress. During the term of GPS 2018, the NZ Transport Agency, in collaboration with the Ministry of Transport, will develop and resolve reporting measures where these are indicated as being a proxy or where a clear method for reporting has not been identified.

### Reporting on expenditure

<sup>170.</sup> Expenditure under GPS activity classes is reported under the requirements of the Crown Entities Act 2004 and the provisions of the Land Transport Management Act 2003. For GPS 2018, this reporting is presented by activity class reporting line.

### Reporting on Ministerial expectations

<sup>171.</sup> The GPS sets of Ministerial expectations for how the NZ Transport Agency will carry out the GPS investment strategy. The NZ Transport Agency will report annually on how it is meeting these expectations through its existing performance reporting mechanisms.

**The second stage GPS** will seek to implement a GPS monitoring and evaluation framework with specific roles and responsibilities for the Ministry of Transport and NZ Transport Agency. Ideally, this will specify ongoing reporting requirements for a comprehensive set of measures that cover the wider scope of the second stage GPS.



# 3

## Investment in land transport

Section 3 sets out how funding should be allocated to activity classes and the Ministerial expectations for how the NZ Transport Agency gives effect to the investment strategy.



## Section 3.1

# Total funding for GPS 2018

- <sup>172.</sup> Funding from the Fund is allocated through the GPS to help achieve the Government’s priorities for land transport. The revenue for the Fund is projected to increase from around \$3.7 billion in 2018/19 to \$4.7 billion in 2027/28 based on forecast levels of fuel excise and road user charge rates. The Fund is supplemented by about \$1 billion a year of local government transport funding in the form of a local share.
- <sup>173.</sup> Central government revenue predominantly comes from fuel excise duties, Road User Charges, motor vehicle registration and licensing fees. The Government has decided that an increase to Petrol Excise Duty of 3.5 cents per litre (and equivalent for Road User Charges) per annum for three years is necessary in the period covered by the GPS.
- <sup>174.</sup> Table 2 reflects the total expenditure target (the expected level of expenditure based on projected revenue for the Fund) along with the maximum and minimum for the first six years of GPS 2018. Actual expenditure will vary with actual revenue collected in the Fund.
- <sup>175.</sup> In addition to the Fund, additional expenditure for transport comes from local government, the Crown and any financing. Table 2 and the activity class funding ranges only reflect expenditure from the Fund.

**Table 2: National Land Transport Programme funding ranges 2018/19 to 2023/24**

	18/19 \$m	19/20 \$m	20/21 \$m	21/22 \$m	22/23 \$m	23/24 \$m
<b>Expenditure target</b>	3,950	4,200	4,450	4,500	4,550	4,600
<b>Maximum expenditure</b>	4,050	4,350	4,550	4,650	4,750	4,800
<b>Minimum expenditure</b>	3,850	4,100	4,300	4,350	4,400	4,400

## Section 3.2

# Activity class framework

176. GPS 2018 allocates funding ranges to 12 activity classes. The activity classes are:

- Public transport\*
- Rapid transit
- Walking and cycling improvements\*
- Local road improvements\*
- Regional improvements\*
- State highway improvements
- Road policing
- Promotion of road safety and demand management\*
- State highway maintenance
- Local road maintenance\*
- Investment management\*
- Transitional rail\*

\*Funding also comes from local government to deliver these activities. Local share is additional to the activity class funding ranges.

177. Activity classes provide signals about the balance of investment across the GPS. Funding is divided into activity classes as a means of achieving the results specified in GPS 2018. The new strategic direction will increase investment in safety, public transport, walking and cycling, and regional improvements. It will shift investment away from state highway improvements.

178. GPS 2018 links results to objectives rather than activity classes. This provides greater flexibility to consider projects that may require investment across activity classes, provided the activities involved fall within the associated activity class definitions. This supports a more mode neutral approach as it enables GPS investments to be funded from more than one activity class to provide the best transport solution.

179. For each activity class, a funding range is given with an upper and lower limit for expenditure from the Fund. Note there will be additional funding expenditure from other sources to complete some projects e.g. rapid transit. The NZ Transport Agency is responsible for allocating funding within these ranges to specific activities, while staying within the overall expenditure target.

### **New activity classes**

- <sup>180.</sup> Two new activity classes have been established to support the GPS priorities. These new activity classes support improving New Zealanders' access to economic and social opportunities particularly by increasing investment in public transport. Public transport enables large numbers of people to move through the network. It also can shape the urban landscape and create more liveable cities.

### **Transitional rail funding**

- <sup>181.</sup> Rail has an important role to play in public transport, it can move large numbers of people efficiently around and between our urban areas. The second stage GPS will consider the role and the funding of rail further, and will be informed by the future of rail study.
- <sup>182.</sup> In the meantime, the new transitional rail activity class in GPS 2018 can enable some beneficial passenger rail projects to progress. This activity class provides scope for funding (including co-investment where appropriate) key rail projects that cannot wait for the future of rail study and a second stage GPS.
- <sup>183.</sup> While GPS 2018 makes provision for rail funding, the scope of this funding is very tight. GPS 2018 supports investment in:
- improving urban rail services for passengers 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 and passenger trains
  - existing and new interregional commuter rail services, including the capital costs associated with the rolling stock to support housing and employment opportunities.

### **Rapid transit funding**

- <sup>184.</sup> Rapid transit services can move a large number of people efficiently around our urban areas and help deliver the modal shift to public transport, walking and cycling sought in this GPS. Rapid transit can support housing growth and assist to shape the urban landscape to move towards more liveable cities.
- <sup>185.</sup> The new rapid transit activity class in GPS 2018 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.
- <sup>186.</sup> The significant cost of rapid transit infrastructure means that alternative funding arrangements will be required to deliver rapid transit and supplement the funding available in the National Land Transport Fund. Shared financing arrangements involving local government and third parties may also be needed – not only to cover the costs of implementing new infrastructure, but also to meet the ongoing costs of operating and maintaining infrastructure and services into the future.
- <sup>187.</sup> The NZ Transport Agency will take a lead role in the delivery of this activity class. The NZ Transport Agency will work in partnership with other key agencies to deliver rapid transit improvements. This includes establishing appropriate arrangements to plan, fund, design, supervise, construct and maintain rapid transit networks and projects, including light rail. 'Value capture mechanisms' will be a consideration, to ensure that beneficiaries of the new infrastructure help to meet a fair share of costs over time.
- <sup>188.</sup> For urban development associated with rapid transit proposals, the NZ Transport Agency is expected to lead on developments that are within its functions as set out in the Land Transport Management Act 2003 and take a coordinating role with other agencies, including those with statutory powers relating to urban development and resource management.

### **Activity class table**

- <sup>189.</sup> Table 3 sets out the activity class funding ranges for 2018/19 – 2027/28. The activity class funding ranges take into account the forecast expenditure from the Fund to deliver the Government's priorities.
- <sup>190.</sup> The activity class funding ranges are set to realise the strategic direction in GPS 2018 as stated above. This includes sufficient funding to cover the Government share (based on indicative timing and current financial assistance rates) for the Auckland Transport Alignment Project. Additional funding for land transport that comes from the Crown is described in the next section of GPS 2018.

**Table 3: Activity classes and proposed funding ranges**

Activity Class	Expenditure reporting line	Definition
<b>Public transport</b>	Infrastructure operation	Investment in public transport infrastructure operation to maintain the level of service
	Infrastructure improvement	Investment in public transport infrastructure to improve the level of service
	Service operation	Investment in the operation of existing public transport system to maintain an appropriate level of service
	Service improvement	Investment in new public transport services to improve the level of service
<b>Rapid transit</b>	New	Investment in rapid transit improvements. <b>Note:</b> the intention is to deliver rapid transit as quickly as possible. However, this is not clear in the activity class funding ranges because the funding ranges reflect only NLTF funding. The rapid transit activity class is lower in early years when borrowing is expected to be used and higher in later years when borrowing is paid back.
<b>Walking and cycling improvements</b>	Walking and cycling	Investment to improve the level of service for walking and cycling including promotional activities
<b>Local road improvements</b>	Existing	Investment in improving the capacity or level of service on existing local roads
	New	Investment to create new local road assets that improve capacity or level of service
<b>Regional improvements</b>	Regional	Investment to improve the transport level of service outside of major metropolitan areas, to support regional economic development
<b>State highway improvements</b>	Existing	Investment in improving the capacity or level of service on existing state highways
	New	Investment to create new state highway assets that improve capacity or level of service
<b>Road policing</b>	Road policing	Investment in road policing
	Enforcement of economic compliance [e.g. Road User Charges]	
<b>Promotion of road safety and demand management</b>	Safer users	Investment to support behavioural changes to increase road safety and promote mode shift and use of travel planning to optimise the transport system – including work and school travel management plans, cycle safety training, ride sharing, promotion of public transport and active modes, provision of alcohol interlocks and reimbursements related to impounded vehicles
<b>State highway maintenance</b>	Operate	Investment in the operation of existing state highways to deliver an appropriate level of service
	Maintain	Investment in the maintenance of existing state highways to deliver an appropriate level of service, excluding asset upgrades
	Renew	Investment in renewal of existing state highways to deliver an appropriate level of service
	Emergency	Urgent response to transport network disruptions to restore an appropriate level of service
<b>Local road maintenance</b>	Operate	Investment in the operation of existing local roads to deliver an appropriate level of service
	Maintain	Investment in the maintenance of existing local roads to deliver an appropriate level of service, excluding asset upgrades
	Renew	Investment in renewal of existing local roads to deliver an appropriate level of service
	Emergency	Urgent response to transport network disruptions to restore an appropriate level of service
<b>Investment management</b>	Planning	Investment in the transport planning research and funding allocation management
	Sector Research	
	Management	
<b>Transitional rail</b>	Rail	Investment to support urban and interregional rail services that assist passengers to access major employment and housing areas

GPS 2018 funding ranges						Forecast funding ranges				
	2018/19 \$m	2019/20 \$m	2020/21 \$m	2021/22 \$m	2022/23 \$m	2023/24 \$m	2024/25 \$m	2025/26 \$m	2026/27 \$m	2027/28 \$m
<b>Upper</b>	630	700	710	740	770	780	800	830	980	1,100
<b>Lower</b>	460	510	520	540	560	570	580	610	720	800
<b>Upper</b>	310	300	150	150	180	540	830	910	710	780
<b>Lower</b>	60	60	30	0	70	220	340	370	290	320
<b>Upper</b>	95	120	145	125	115	115	115	115	115	120
<b>Lower</b>	60	80	95	80	75	75	75	75	75	80
<b>Upper</b>	230	350	450	490	520	470	480	420	430	420
<b>Lower</b>	90	150	190	200	220	200	200	180	180	180
<b>Upper</b>	140	180	210	210	210	210	180	190	190	200
<b>Lower</b>	50	70	80	80	80	90	70	70	80	80
<b>Upper</b>	1,550	1,150	1,150	1,300	1,000	900	650	600	650	500
<b>Lower</b>	1,200	900	900	1,050	800	700	500	450	500	350
<b>Upper</b>	360	370	380	380	390	400	410	420	420	430
<b>Lower</b>	320	330	330	340	350	350	360	370	370	380
<b>Upper</b>	60	75	90	110	110	110	115	115	120	120
<b>Lower</b>	40	50	65	75	75	80	80	80	85	85
<b>Upper</b>	700	710	720	740	750	770	790	810	830	850
<b>Lower</b>	600	600	610	630	640	660	670	690	710	730
<b>Upper</b>	720	690	710	720	740	760	780	800	820	840
<b>Lower</b>	610	590	600	620	630	650	660	680	690	710
<b>Upper</b>	80	75	80	80	80	80	85	85	85	85
<b>Lower</b>	65	65	65	65	65	70	70	70	70	75
<b>Upper</b>	55	175	205	185	120	40	30	5	0	0
<b>Lower</b>	10	40	95	85	55	15	10	0	0	0

## Section 3.3

# Additional funding for land transport

<sup>191.</sup> The Land Transport Management Act 2003 requires the GPS, subject to the Public Finance Act 1989, to specify any additional expected funding for land transport, including any money Parliament may appropriate for that purpose.

<sup>192.</sup> Some of these Crown appropriations affect investment from the Fund, while other appropriations supplement investment. All of these funds are appropriated by Parliament and, in most cases, are spent by the NZ Transport Agency or KiwiRail acting as the Crown's delivery agent.

<sup>193.</sup> Current land transport appropriations are captured in table 4.

### Rail

- **Auckland City Rail Link** – relates to the Crown's 50 percent share of the cost of the Auckland City Rail Link (CRL). The CRL is an underground rail line from Britomart station to the existing western line at Mt Eden. The project will double the capacity of the Auckland metro rail network and provide significant travel time savings for commuters.
- **KiwiRail Funding Programme** – relates to funding to support KiwiRail's funding programme for the national rail network. For example, funding for deferred maintenance and the purchase of rolling stock.
- **Wellington Metro Rail Network Upgrade** – relates to the replacement of 1,274 Crown owned timber poles and overhead wires that provide power for the electric passenger trains on the Wellington metro rail network. The outcome will be increased resilience and safety.
- **Reinstatement of South Island Main North Line** – relates to the reinstatement of the South Island Main North Line following the November 2016 earthquake.
- **Public Policy Projects** – relates to public policy rail initiatives.
- **Railway Safety** – relates to public safety works.

### Roads

- **Auckland Transport Package – Loan** – relates to a loan to the NZ Transport Agency for the investigation, design and construction of Auckland state highways. This funding was appropriated to accelerate 11 Auckland state highway projects. \$375 million is available over the four years from 2015/16 to 2018/19. \$14.8 million is available in 2018/19.
- **Accelerated Regional Rooding Package** – relates to the investigation, design and construction of regional state highway projects. This funding was appropriated to accelerate 14 regional state highway projects.
- **Rebuild SH1 between Picton & Christchurch** – relates to the reinstatement of State Highway 1 between Picton and Christchurch following the November 2016 earthquake.
- **Urban Cycleways Programme** – relates to the investigation, design and construction of urban cycleways on state highways and local roads. The original Cabinet approval for Urban Cycleways was time limited until 2017/18. Unspent funds within the Urban Cycleways Programme have now been rolled over into 2018/19. The extension of the funds will allow the NZ Transport Agency to deliver the remainder of the Urban Cycleways Programme.

### Other

- **SuperGold Card Concessions** – Relates to free off-peak public transport use by super annuitants that hold SuperGold cards. From 2016/17 the funding model for the scheme changed to bulk funding with annual funding for the SuperGold scheme set at \$28 million including an annual consumer price index adjustment [inclusive of exempt services].
- **Housing Infrastructure Fund – Loan** – Relates to loans from the Crown to the NZ Transport Agency to fund land transport investments that will help ensure an increased supply of serviced land for housing development. Funding will be determined as the projects are confirmed to be funded through the Housing Infrastructure Fund.
- **Provincial Growth Fund** – Relates to a range of transport projects from feasibility studies, capacity building and small local projects through to larger sector-led initiatives and infrastructure investments to raise the productivity potential of regional New Zealand. Funding will be determined as the projects are confirmed to be funded through the Provincial Growth Fund.

Table 4: Other committed land transport Crown funding 2018/19 to 2020/21 (\$000)

	2018/19 \$000s	2019/20 \$000s	2020/21 \$000s
<b>Rail</b>			
<b>Auckland City Rail Link</b>	234,000	255,000	360,000
<b>KiwiRail Funding Programme</b>	230,000	185,000	-
<b>Wellington Metro Rail Network Upgrade</b>	50,000	33,056	4,800
<b>Reinstatement of South Island Main North Line</b>	145,000	-	-
<b>Public Policy Projects</b>	3,270	3,270	3,270
<b>Railway Safety</b>	500	500	500
<b>Roads</b>			
<b>Auckland Transport Package – Loan</b>	14,800	-	-
<b>Accelerated Regional Roading Package</b>	35,063	38,218	-
<b>Rebuild SH1 between Picton and Christchurch</b>	236,863	-	-
<b>Urban Cycleways (local routes) Programme</b>	14,750	-	-
<b>Urban Cycleways (state highways) Programme</b>	250	-	-
<b>Other</b>			
<b>SuperGold Card Concessions</b>	29,320	28,720	28,720
<b>Housing Infrastructure Fund – Loan</b>	TBC	TBC	TBC
<b>Provincial Growth Fund</b>	TBC	TBC	TBC

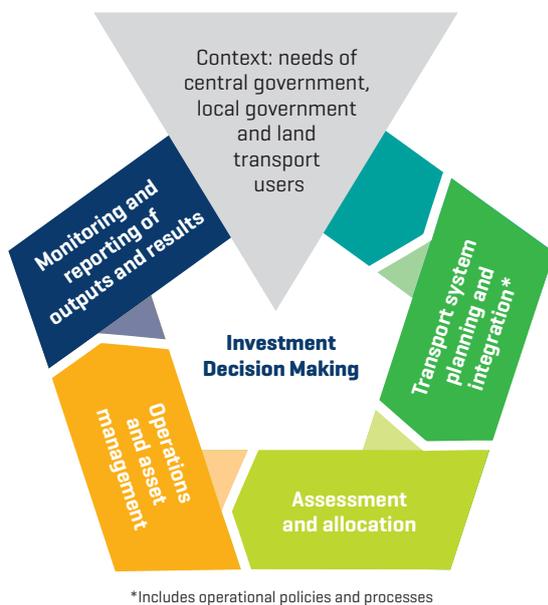
## Section 3.4

# Statement of Ministerial expectations

<sup>194.</sup> Ministerial expectations guide how the NZ Transport Agency gives effect to GPS 2018. Ministerial expectations form part of the Government's land transport investment strategy.

<sup>195.</sup> Ministerial expectations included in GPS 2018 relate to how the NZ Transport Agency leads planning, allocates funding, delivers services, and reports on results being achieved. The key elements of this cycle are summarised in Figure 2.

Figure 2: Land transport investment cycle



### Expectations

- <sup>196.</sup> Under GPS 2018, the NZ Transport Agency is expected to continue to:
- take a lead role in securing integrated planning of the transport system
  - ensure that all transport modes, and alternatives, have been considered when planning and investing in land transport, and decisions are based on the ability to deliver positive social, economic and environmental outcomes
  - take a lead role in advancing technology and innovation to deliver the best transport solution
  - take a lead role in securing prudent activity management and operations
  - work with the Ministry of Transport to monitor and report on the results under the GPS, to enable appropriate evaluation of the GPS
  - monitor and report on investment decision-making and investment efficiency
  - take a lead role in advancing the Government's priorities in Auckland.

**Expectation: The NZ Transport Agency will take a lead role in securing integrated planning of the land transport system**

- <sup>197.</sup> The Minister expects the NZ Transport Agency will:
- promote, coordinate and integrate land transport investment to achieve the best transport solutions that contribute to the Government’s outcomes including:
    - a whole transport system view of investment options
    - working with planners and investors to identify key issues and any required responses
    - recognise the value and importance of urban land use development initiatives when evaluating and allocating funding to land transport projects
    - placing importance on consolidated and coordinated approaches; and
    - where feasible, considering non-GPS options
  - ensure all practical options, including all modal options, for addressing any problem have been considered and are evaluated in an unbiased way
  - work collaboratively with the sector to continuously improve models to provide better bases for adjusting levels of service
  - employ network classification systems that support the adjustment of service levels [up or down] to reflect changes in current and future demand
  - optimise investment in existing and new infrastructure and services to deliver ongoing value for money
  - encourage coordinated operations resulting in seamless service delivery to users based on service level standards that are consistent with network use and function
  - encourage consistent, good practice planning so that the interaction between transport use and land use is well managed, including contributions from new development to the costs that development imposes on the system
  - work collaboratively with local authorities to ensure that transport infrastructure effectively supports urban growth and aligns with wider initiatives to provide quality urban form
  - encourage integrated network planning that increases system efficiency and effectiveness.

**Expectation: The NZ Transport Agency will ensure that all transport modes, and alternatives, have been considered when planning and investing in land transport, and decisions are based on the ability to deliver positive social, economic and environmental outcomes**

- <sup>198.</sup> The Minister expects the NZ Transport Agency will:
- work collaboratively with the sector and local authorities to encourage the development of investment options and planning processes that support a whole transport system view
  - ensure all practical options, including all mode options, for addressing any problem have been considered when making investment decisions
  - ensure that the options, including mode options, are evaluated in an unbiased way.

**Expectation: The NZ Transport Agency will take a lead role in advancing technology and innovation to deliver the best transport solution**

- <sup>199.</sup> The Minister expects the NZ Transport Agency will:
- identify, test, integrate and implement physical and digital solutions to improve the land transport system by enabling beneficial system and in-vehicle technologies to be adopted and deployed (for example, for safety, accurate positioning, real-time information and operating efficiency)
  - ensure any investment in physical and digital solutions represents value for money with an emphasis on benefits that can be realised in the short to medium term
  - make necessary, timely and cost-effective enhancements to information, analytical and modelling systems to manage and gain insight from the large volumes of data generated by transport technologies including vehicles and new business models
  - collect, maintain and publish accurate, reliable and relevant, open [land transport] data and ensure appropriate governance of this open data
  - lead development of open data protocols for land transport data
  - work collaboratively with the sector and relevant government agencies when advancing technology solutions.

**Expectation: The NZ Transport Agency will take a lead role in securing prudent activity management and operations**

- <sup>200.</sup> The Minister expects the NZ Transport Agency will:
- support whole-of-life asset and activity management at standards appropriate to demand at the best whole-of-life cost
  - ensure ongoing value for money, including:
    - better aligning the costs of maintaining each part of the network with its use and function, with a focus on improving the productivity of areas that have higher than average costs due to different activity management practices
    - achieving productivity improvements that are at least in line with those gained in the rest of the economy
  - ensure that standards and operational policies represent value for money
  - continue improvements in whole-of-life activity management performance by all providers, focusing particularly on those with the most scope for improvement
  - support the sharing of good practice across providers
  - ensure core ongoing programmes are more efficient and effective
  - report on productivity improvements made in road maintenance, including changes in the scope of maintenance expenditure.

**Expectation: The NZ Transport Agency will work with the Ministry of Transport to monitor and report on the results under the GPS, to enable appropriate evaluation of the GPS**

- <sup>201.</sup> The Minister expects the NZ Transport Agency will work with the Ministry of Transport to develop a process for reporting on the measures included in Table 1. At a minimum, this will require the annual provision of measures' data to the Ministry. Details of this reporting will be agreed between the NZ Transport Agency and the Ministry.
- <sup>202.</sup> This reporting process, and the measures themselves, will be further developed for inclusion in the second stage GPS.

**Expectation: The NZ Transport Agency will monitor and report on investment decision-making and investment efficiency**

- <sup>203.</sup> In addition to providing data, analysis and information against the objectives [i.e. the draft reporting measures outlined in Table 1], the Minister also expects the NZ Transport Agency to continue to monitor and report on expenditure from the Fund, and how investment decisions are made. This includes:
- progress against each GPS expenditure reporting line from the activity classes and proposed funding ranges table in a consistent way over the life of GPS 2018
  - the amount of investment associated with the objectives
  - any significant changes to strategies, standards and guidelines that impact on expenditure from the Fund
  - the decision-making processes it has used, including reporting on:
    - benefit cost ratios [or other efficiency assessment] for all major investment decisions
    - exceptions reporting on projects including where projects proceed with high benefit cost ratios and low result alignment or low benefit cost ratios and high result alignment, covering the reasons for the exceptions and what decision was taken
    - when and why lead investment has taken place [as outlined in the value for money section]
    - when and why investment decisions have been made at the programme rather than project level
    - post reviews including benefit realisation of major investment decisions
    - delays and cost of scope overruns on key projects and programmes, covering the reasons for the delays and overruns, and decisions on actions taken to address these
  - the complete roll-out of the One Network Road Classification across state highways and local roads.

**Expectation: The NZ Transport Agency will take a lead role in advancing the Government's priorities in Auckland**

- <sup>204.</sup> Under GPS 2018, the NZ Transport Agency is expected to take a lead role in advancing the Government's priorities in Auckland, focused on ensuring that transport investment decisions shape urban form and development.
- <sup>205.</sup> Consistent with the update of the Auckland Transport Alignment Project announced in April 2018, GPS 2018 supports targeted investment towards the following objectives:
- accelerating the development of Auckland's rapid transit network, with a particular focus on routes between the city and the airport, to unlock housing and urban development opportunities
  - increasing walking and cycling and making these active modes safer for Aucklanders
  - delivering improvements in health, safety, the environment and access, including access for people with disabilities
  - ensuring the indicative package delivers the best possible value for money, including broader non-monetary costs and benefits.
- <sup>206.</sup> GPS 2018 also supports investment that addresses the key transport challenges in Auckland, identified through earlier ATAP work:
- enabling a faster rate of housing growth, particularly in new greenfield growth areas
  - addressing projected declines in access to jobs and education, particularly for people living in the west and the south
  - addressing increasing congestion on the motorway and arterial road network, particularly at non-peak times
  - increasing public transport use to relieve congested corridors.



# 4

## Funding sources and management of expenditure

**This section includes information about:**

- funding land transport
- principles guiding the management of expenditure to revenue
- principles guiding the management of expenditure to funding expectations
- principles guiding the use of alternative funding and financing sources.

## Section 4.1

# Funding land transport

### Primary approach

- <sup>207.</sup> The primary approach to funding land transport under the Land Transport Management Act 2003 is to use hypothecated funds within a 'modified pay-as-you-go' approach.
- Hypothecation means that the revenue raised from the land transport system (that is, from fuel excise duties, Road User Charges, motor vehicle registration and licensing fees, road tolling, and the proceeds from the leasing or disposing of Crown land held for state highway purposes) is put into the Fund to be used for land transport purposes.
  - A pure 'pay-as-you-go' system is one in which costs [cash outflows] must be met from revenue [cash inflows]. The timing of revenue receipts determines the ability to make payments.
  - The funding system adopted in New Zealand is best described as 'modified pay-as-you-go', where some flexibility has been introduced to deal with cash flow variations when there are very large projects.
- <sup>208.</sup> Together, hypothecation and 'pay-as-you-go' form the foundation for land transport planning and funding. They define a relationship between transport network users, the Government, and wider society, which is the starting point for informed discussion about what is needed from the land transport system. The terms of the relationship are that:
- transport revenues will be used to create transport benefits
  - transport revenues will be set in proportion to the funding needs of the whole transport task
  - today's funding will generally address today's priority needs.

### Alternative and additional approaches to funding land transport investment

- <sup>209.</sup> In practice, the world is more complicated than this relationship allows. Issues such as who actually benefits from land transport infrastructure and services, who should pay, and over what period of time, are all open to debate. Complexity also makes it hard to accurately predict how much revenue will be available when, or the schedule by which expenditure may be incurred.
- <sup>210.</sup> In addition to the Government's primary funding sources, local government revenues make a significant contribution to funding the costs of local roads and public transport. Each of these is established through and operated in accordance with relevant legislation. The Government expects that the NZ Transport Agency and local government will explore other funding and financing options to modify cash flows or financing for timing of delivery of investments where this may be appropriate.
- <sup>211.</sup> There are a variety of other funding sources that can be considered that reflect the variety of benefits and beneficiaries arising from transport investments. Other sources of funding include, for example, user charges, value capture mechanisms (such as development contributions and financial contributions from land owners, developers or businesses who receive a particular benefit from an investment), or Crown grants. At some point, it may also prove practical and desirable to introduce more precise value capture mechanisms that will recoup a share of the value that individuals gain from particular transport investments, provided the value gain can be attributed to the particular investment.
- <sup>212.</sup> These may be used to complement the Fund or local government contributions to land transport investment. The Government will work with other participants in the land transport planning and funding system (for example, local government) to further develop a range of alternative funding approaches, and to encourage the use of these alternative approaches where appropriate.

## Section 4.2:

# Principles guiding the management of expenditure to revenue

- <sup>213</sup>. The NZ Transport Agency is required to match its expenditure to the target expenditure set out in GPS 2018. However, it is legally required to limit its spending to the levels of available revenue in the Fund. Because both the timing and levels of revenue and expenditure are subject to uncertainty, the Land Transport Management Act 2003 provides for an allowable variation to be set in a GPS as a way of managing any imbalances that arise. The Minister may vary the expenditure target if forecasted revenues are higher than the maximum or lower than the minimum expenditure ranges in Table 2.
- <sup>214</sup>. A short-term borrowing facility for cash flow management provides the specific capacity for allowable variation, where expenditure temporarily exceeds revenue. Although this borrowing facility increases the NZ Transport Agency's flexibility, the Government expects the NZ Transport Agency to manage expenditure in a way that is fiscally neutral at the end of the 10 year period of this GPS. The specific level and conditions of allowable debt are set by the Ministers of Finance and Transport, in accordance with the principles guiding the use of alternative funding measures.
- <sup>215</sup>. Where revenue exceeds expected expenditure, the GPS allows expenditure to be scaled to meet the upper end of each funding range. Surpluses can be carried forward from one financial year into the next.
- <sup>216</sup>. Where it is likely that actual revenue levels will vary significantly from expenditure targets, the Ministry of Transport and the NZ Transport Agency will advise the Minister of Transport on the options for aligning expenditure and revenue.

## Section 4.3:

# Principles guiding the management of expenditure to funding expectations

<sup>217</sup> The NZ Transport Agency is required to manage expenditure for individual activity classes so that it falls within the upper and lower bounds of the funding range. However, situations may arise where expenditure is projected to fall below the lower band for reasons independent of revenue supply and/or otherwise outside the control of the NZ Transport Agency. Opportunity may also arise for expenditure to exceed the upper funding band, consistent with the policy intent and value for money expectations. In these circumstances, the NZ Transport Agency and the Ministry of Transport will advise the Minister of Transport of the risk or opportunity and possible responses.

## Section 4.4:

# Principles guiding the use of alternative financing by the NZ Transport Agency

<sup>218.</sup> In addition to the primary central government and local government funding sources, it is possible to access alternative government financing through a Crown loan, or from private financing, for example through Public Private Partnerships.

<sup>219.</sup> It may also be possible to issue infrastructure bonds. These bonds would be repaid through revenue raised from the alternative funding sources referred to above. The Government will investigate the practicality of this approach.

### **Process principles when considering alternative financing**

<sup>220.</sup> Any alternative financing proposal will require a business case. Because adopting the proposal may foreclose other options, it must represent the best course of action for the land transport system.

<sup>221.</sup> Whether using debt or revenue measures, alternative financing proposals also have implications for the Government's broader fiscal strategy and will need to be considered within an all-of-government context. They must be approved by Cabinet in the context of whole-of-government financing and borrowing principles.

<sup>222.</sup> Business cases for alternative financing proposals should, among other things, demonstrate:

- how the project can realise benefits early
- the willingness and extent to which co-funders commit to funding
- opportunities for value capture and/or to realising the value to communities of land use changes that can be leveraged by land transport investment.

### **Design principles for alternative financing**

<sup>223.</sup> All proposals involve some form of trade-off between competing principles. Transparency around what is being traded-off in the design and application of alternative financing measures, and why these trade-offs are being made, is important for good decision-making and accountability. Particular tensions that should be explicitly analysed include, but may not be limited to:

- achieving economically efficient investment while preserving the intent behind the 'modified pay-as-you-go' approach
- optimising financial efficiency in the present management of the Fund while preserving the flexibility to respond to future opportunities and risks
- adopting measures that are proportionate to the task to be performed without unreasonably curtailing the reasonable discretion of decision-makers.



# 5

## Appendices



# Appendix 1: The land transport planning environment

Investment in the land transport network is made under the framework set out in the Land Transport Management Act 2003, which requires the following documents to be issued.

## Government Policy Statement on land transport (the GPS)

The GPS is issued by the Minister of Transport. The GPS sets out what the Government wants land transport to achieve through investment in different types of activity [for example, roads, road policing and public transport]. It must also set out how much funding will be provided and how this funding will be raised.

Each GPS is in place for a period of six years, but must set out the results that the Government wishes to achieve over a 10 year period from the allocation of funding. The GPS also enables the Government to take a longer-term view of its national land transport objectives, policies and measures.

The Government's land transport investment strategy sits within the GPS and must be reviewed every three years. It must state the overall investment likely to be made in the land transport sector over a period of 10 financial years. Components such as the short to medium term results to be achieved from the allocation of funding must look forward six years but may look forward up to 10 years. In addition, the strategy's forecast funding ranges must extend out to 10 years.

## The National Land Transport Programme

The NZ Transport Agency must develop a National Land Transport Programme every three years to give effect to the GPS. The programme sets out the specific activities that will be funded to address the transport objectives in the GPS.

## Regional Land Transport Plans

Regional Land Transport Plans are prepared by Regional Transport Committees and, for Auckland, by Auckland Transport. They list all of the planned transport activities for a region for at least 10 years and are used to prioritise applications for government funding through the NZ Transport Agency. Regional Land Transport Plans must be issued every six years and reviewed every three years. Regional Transport Committees and Auckland Transport must ensure consistency with the GPS when preparing Regional Land Transport Plans. The linkages between these different documents are set out in Figure 3.

Figure 3: Linkages between land transport documents



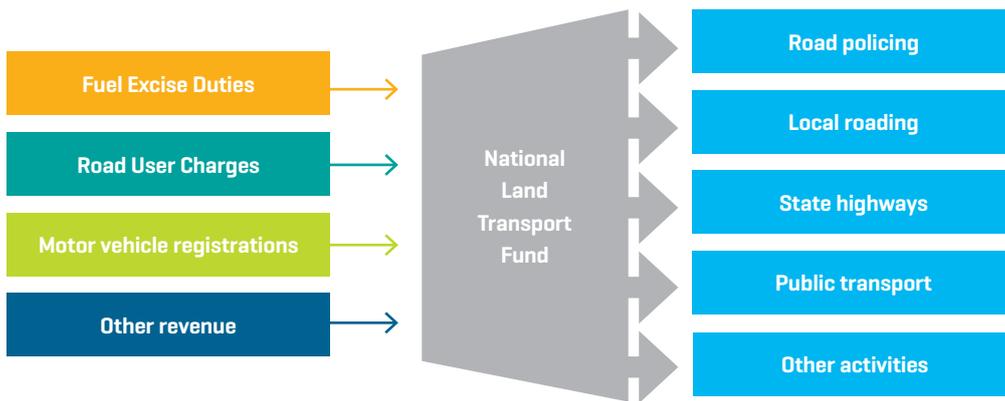
### Funding for land transport investment

While the GPS provides a national picture of land transport funding, the specific detail of how funding is invested is the responsibility of the NZ Transport Agency. The NZ Transport Agency’s investment in the land transport system is implemented through the Fund. The Fund is the main central government funding source for the land transport system.

All Fuel Excise Duties and Road User Charges are allocated directly to the Fund. Additionally, a portion of motor vehicle registration income and other revenue is paid into the Fund, while a small subset of activity, such as funding for the SuperGold card free off-peak public transport scheme, is supported directly from the Government’s consolidated fund.

Regional, district and city councils, the NZ Transport Agency, the New Zealand Police (NZ Police) and other approved organisations under the Land Transport Management Act 2003, receive funding from the Fund for the land transport activities that they deliver, such as the construction and maintenance of state highways and local roads, road policing and public transport.

Figure 4: Funding flows



# Appendix 2:

## GPS 2018 framework

### Purpose of the GPS

The GPS outlines the Government's strategy to guide land transport investment over the next 10 years. It also provides guidance to decision-makers about where the Government will focus resources, consistent with the purpose of the Land Transport Management Act 2003, which is:

*"To contribute to an effective, efficient, and safe land transport system in the public interest"<sup>3</sup>.*

Without limiting the legal interpretation of these terms, for the purpose of GPS 2018, a land transport system is:

- effective when it moves people and freight where they need to go in a timely manner
- efficient when it delivers the right infrastructure and services to the right level at the best cost
- safe when it reduces harm from land transport
- in the public interest where it supports economic, social, cultural and environmental wellbeing.

In setting out the Government's investment strategy for land transport, the GPS identifies the national land transport objectives it wants pursued, allocates funding in ranges to different types of activities and sets out the results it expects from that investment.

The NZ Transport Agency, the NZ Police and other approved organisations<sup>4</sup> will use the framework in the Land Transport Management Act 2003 to deliver investment across New Zealand that is prioritised and coordinated.

### GPS 2018 components

GPS 2018 covers the financial period 2018/19 to 2027/28. The land transport investment strategy, which is included in the GPS, must be reviewed every three years.

The Land Transport Management Act 2003 requires a GPS to include a number of components. These components have been grouped in GPS 2018 so that they move from high level policy direction, through to the more detailed investment strategy, to the machinery provisions about funding flows. Collectively, they cover all the requirements of a GPS found in the Land Transport Management Act 2003.

3. Section 3 of the Land Transport Management Act 2003.

4. Approved organisations: territorial authorities, regional councils, Auckland Transport, the Department of Conservation and the Waitangi National Trust Board.

## Requirements of the GPS

The Land Transport Management Act 2003 requires the Minister of Transport to issue a GPS.

A core function of the GPS is to set out the Government's priorities, objectives and funding available for the land transport sector. GPS 2018 describes:

- the Government's priorities for expenditure from the Fund from the 2018/19 to the 2027/28 financial years
- how it will achieve these through the allocation of funding ranges in different activity classes (for example, the maintenance of state highways, road policing and walking and cycling)
- how much funding will be provided
- how the funding will be raised.

Under the Land Transport Management Act 2003, the GPS:

- must set out:
  - the results that the Crown wishes to achieve from the allocation of funding from the Fund over a period of at least 10 consecutive financial years (longer-term results)
  - the Crown's land transport investment strategy
  - the Crown's policy on borrowing for the purpose of managing the National Land Transport Programme
- may also set out national land transport objectives, policies and measures for a period of at least 10 financial years
- must specify any additional expected funding for land transport activities, including any appropriations made by Parliament (subject to the Public Finance Act 1989).

The GPS cannot specify particular projects to be funded, or levels of funding for individual interventions. It also does not cover port, airport, maritime or aviation investment, although it may affect land transport links to port and airport facilities.

The Crown's land transport investment strategy must:

- link the amount of revenue raised with planned levels of expenditure from the Fund
- for the first six financial years of the GPS and any subsequent years that the Minister considers relevant, address the following matters:
  - the short to medium-term results that the Crown wishes to achieve through the allocation of funding from the Fund
  - the activity classes to be funded from the Fund
  - likely revenue, including changes to the duties, fees, and charges paid into the Fund
  - the identification of an expenditure target for the National Land Transport Programme for each year a maximum and a minimum level of expenditure for the National Land Transport Programme for each year (subject to the ability to carry forward funds from the closing balance of the Fund from one financial year to a future financial year)
  - an allowable variation between expenses and capital expenditure incurred under the National Land Transport Programme and the inflows received by the Fund
  - funding ranges for each activity class
  - the allowable reasons for varying the expenditure target when making funding allocation decisions
  - a statement of the Minister's expectations of how the NZ Transport Agency gives effect to the GPS
  - the forecast funding ranges for each activity class for the period of four financial years following the first six financial years of the GPS
  - the overall investment likely to be made in the land transport sector over a period of 10 financial years and the likely or proposed funding sources.

# Appendix 3:

## Scope of GPS 2018

### **National Land Transport Fund**

GPS 2018 sets funding ranges for investment from the Fund in different activity classes. The NZ Transport Agency then allocates that funding to activities to give effect to the objectives, results and expectations set out in the GPS. Some of the activity classes relate to land transport activities that are the responsibility of local government, such as local roads and public transport. These activities are jointly funded with local government.

### **Crown contributions**

For the period to 2027/28, a number of land transport projects and activities will be funded through annual Crown appropriations rather than through the Fund.

Where the Crown contributes, it may do so in the form of grants or loans. Grant funding does not need to be repaid, whereas loans to bring forward investments do need to be repaid from future revenues to the Fund.

Any Crown contributions are recorded in the GPS 2018.

### **Rail freight, coastal shipping and freight distribution centres**

As signalled in the GPS 2018, the Government is shifting towards a mode neutral approach to transport planning and investment decisions. Over time, this will mean that the scope of the GPS is likely to expand to include aspects of rail freight and coastal shipping.

GPS 2018 includes a transitional rail activity class to provide scope for funding key passenger rail projects that cannot wait for the future of rail study and a second stage GPS.

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

- improving urban rail services for passengers 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 and passenger trains
- existing and new interregional commuter rail services, including the capital costs associated with the rolling stock to support housing and employment opportunities.

Investment in rail freight services and infrastructure is managed by KiwiRail under the State-Owned Enterprises Act 1986. Investment in urban passenger rail services that is contracted by local government, and uses revenue from the Fund and local rates, is covered under GPS 2018.

Coastal shipping services, ports and airports are considered when planning for land transport services that link to these facilities, but operate on a commercial basis without funding from the Fund. The GPS does not authorise the use of Fund revenue for these activities.

Nevertheless, we expect the NZ Transport Agency, KiwiRail and local authorities involved in land transport investment, to coordinate their activities where possible. GPS 2018 recognises the importance of the coordinated approach needed by KiwiRail and the NZ Transport Agency to achieve the Government's objectives.

### **Land use planning**

The relationship between land use planning and transport planning is established by the Resource Management Act 1991 and the Land Transport Management Act 2003 respectively. Transport planning determines what investment will be undertaken and is dealt with under the Land Transport Management Act 2003 (for example, whether a bypass is proposed and whether it is built). Land use planning regulates how investment can be undertaken, and is dealt with by the Resource Management Act 1991 (for example, whether the alignment of a future bypass is safeguarded from other development and how the local effects of the bypass are mitigated when the bypass is built).

The GPS directs transport planning and informs land use planning processes. For instance, transport planning can identify a network hierarchy that maximises the productivity of a transport system in line with the GPS, but is reliant on land use planning to secure development controls on adjacent land in a way that is consistent with that network hierarchy. The statement of priorities, objectives and results in the GPS enables well informed decision-making in each area, while respecting the difference between regulatory and investment planning processes.

### **Regulation**

The development and design of land transport regulation is outside the scope of the GPS. Transport regulation includes Acts of Parliament (for example, the Transport Act 1998), transport regulations (for example, Heavy Motor Vehicle Regulations 1974), and transport rules (for example, bridge weight limits). Land transport regulation is undertaken by a range of public bodies, including the NZ Transport Agency, local authorities and the NZ Police.

GPS 2018 includes a focus on the better understanding of the funding implications of regulatory policy, particularly in the fields of safety and environmental regulation.

A future GPS could include transport regulation within the scope of its objectives, policies and measures. Decisions to further investigate these issues lie outside this GPS and may require legislative change.

### **Technology and innovation**

Over the coming decade, technology will play an increasing part in managing network access and capacity. So far, relatively small scale initiatives, such as improved traffic light phasing and ramp metering, have led to measurable improvements in traffic flows in the Auckland network. Other initiatives, such as integrated ticketing, and the greater use of satellite positioning systems and smart phones are improving the availability of real-time travel information.

This greatly supports new travel demand management initiatives. Securing these and other productivity improvements that can be achieved through cost-effective investment in existing technologies is within the scope of the current GPS. This includes a wide spectrum of systems, from the more extensive use of electronic payment methods and asset management practices that increase the productivity of existing networks, through to technologies such as LED lighting that can reduce operating costs.

The regulation of potential in-vehicle technologies that interact with fixed infrastructure is currently outside the scope of the GPS. However, investment in infrastructure (physical and digital) to support in-vehicle and connected vehicle technologies is within the scope of the GPS. There are promising developments in the fields of collision avoidance technology, autonomous vehicles and in-vehicle telematics, which will affect the efficient management of vehicles and networks. For example, lane control technology and automatic braking systems are increasingly common in new vehicles and could enable significantly reduced separation distances between vehicles, thereby improving traffic flows and increasing network productivity.

Improved communication between vehicles, and between vehicles and infrastructure (variously known as connected vehicles or cooperative intelligent transport systems), also has significant potential to improve traffic flow and safety.

GPS 2018 provides for trials of innovation and technology investment across the GPS and the associated net benefits, but does not endorse any specific form of technology in view of the speed of evolution.

# Appendix 4:

## Summary of key policy direction documents

<p><b>Safer Journeys Strategy: New Zealand's Road Safety Strategy 2010 – 2020</b> www.saferjourneys.govt.nz</p>	<p>Safer Journeys is the Government's road safety strategy to 2020. Safer Journeys establishes a vision of a safe road system increasingly free of death and serious injuries. Safer Journeys adopts the Safe Systems approach, which involves safe speeds, safe vehicles, safe road use, and safe roads and roadsides.</p>
<p><b>Auckland Transport Alignment Project</b> www.transport.govt.nz</p>	<p>The Auckland Transport Alignment Project builds consensus between Government and Auckland Council on a strategic approach to transport investment that addresses Auckland's challenges. Through this approach, an indicative investment package was developed to illustrate the strategic approach. The Government and Auckland Council announced in April 2018 an indicative package that addresses Auckland's transport challenges and gives effect to the shared Government and Auckland Council objectives. The Auckland Transport Alignment Project work sets a strong direction for Auckland and GPS 2018 supports its direction.</p>
<p><b>Urban Growth Agenda (UGA)</b></p>	<p>The UGA is a cross-government initiative designed to help create 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.</p> <p>The UGA consists of five interconnected pillars of work that cover key aspects of urban and infrastructure planning and provision:</p> <ul style="list-style-type: none"> <li>• infrastructure funding and financing – to enable a more responsive supply of infrastructure and appropriate allocation of cost</li> <li>• urban planning – to allow urban areas to make room for growth, support quality built environment and enable strategic integrated planning</li> <li>• spatial planning (initially focused on Auckland and the Auckland-Hamilton corridor) – to build a stronger partnership with local government as a means of developing integrated spatial planning</li> <li>• transport pricing – to ensure the price of transport infrastructure promotes efficient use of the network</li> <li>• legislative reform – to ensure that regulatory, institutional and funding settings are collectively supporting the UGA objectives.</li> </ul>
<p><b>Regional Economic Development (RED)</b> www.mbie.govt.nz/www.mpi.govt.nz</p>	<p>Regional development and resilience are critical to the success of New Zealand as a whole. That is why the Government is committed to supporting productive, sustainable and inclusive growth in regional New Zealand through the recently established Provincial Growth Fund. The Provincial Growth Fund seeks to support regions through investment in infrastructure, employment opportunities, and other proposals that lift the capability and productivity potential of the regions. Although all regions will be eligible, key regions that will experience concentrated effort in the first instance are Tai Tokerau/Northland, Bay of Plenty, East Coast, Hawke's Bay, Manawatū-Whanganui, and the West Coast.</p>
<p><b>Housing Infrastructure Fund (HIF)</b> www.mbie.govt.nz</p>	<p>The HIF is intended to bring forward in time local authority three-waters (water, wastewater and stormwater) and transport infrastructure necessary to increase the supply of housing in high growth areas including Auckland, Hamilton/Waikato, Tauranga and Queenstown. Transport infrastructure provided through the NZ Transport Agency is also eligible for funding, provided that such infrastructure is required to unlock new housing areas and the relevant local authorities have specifically identified the NZ Transport Agency projects to be included in their applications to the HIF.</p> <p>The HIF allocates approximately \$1 billion of funding, with financial contingency, for capital works. The HIF is a one-off fund (one round of applications only) and applications to it are now closed.</p>
<p><b>National Policy Statement on Urban Development Capacity 2016 (NPS-UDC)</b> www.mfe.govt.nz</p>	<p>National policy statements are issued by the Government to provide direction to local government about matters of national significance which contribute to meeting the purpose of the Resource Management Act 1991. The NPS-UDC 2016 recognises the national significance of:</p> <ul style="list-style-type: none"> <li>• urban environments and the need to enable such environments to develop and change</li> <li>• providing sufficient development capacity to meet the needs of people and communities and future generations in urban environments.</li> </ul> <p>The NPS-UDC directs local authorities to provide sufficient development capacity in their resource management plans, supported by infrastructure (including transport infrastructure), to meet demand for housing and business space.</p> <p>Development capacity refers to the amount of development allowed by zoning and regulations in plans that is supported by infrastructure. This development can be 'outwards' (on greenfield sites) and/or 'upwards' (by redevelopment and regeneration of existing urban environments).</p> <p>Sufficient development capacity is necessary for urban land and development markets to function efficiently to meet community needs. In well-functioning markets the supply of land, housing and business space matches demand at efficient (more affordable) prices.</p>
<p><b>New Zealand Energy Efficiency and Conservation Strategy (NZECS) 2017–2022</b> www.eeca.govt.nz</p>	<p>NZECS contributes to the delivery of the Government's energy priorities set out in the New Zealand Energy Strategy. The NZECS sets five year targets and objectives to provide consistency and certainty for investment. In terms of transport, the priority area is for "efficient and low emissions transport".</p>

<p><b>2015 National Infrastructure Plan</b> www.infrastructure.govt.nz</p>	<p>The 2015 National Infrastructure Plan sets the vision that by 2045 New Zealand’s infrastructure is resilient and coordinated, and contributes to economic growth and increased quality of life. The plan provides the framework for infrastructure development over the next 30 years and is focused on ensuring better use of existing infrastructure and allocating new investment to meet long-term needs.</p>
<p><b>New Zealand Health Strategy: Future Direction 2016 and New Zealand Health Strategy: Roadmap of actions 2016</b> www.health.govt.nz</p>	<p>The New Zealand Health Strategy has two parts. Both parts of the Strategy together comprise the ‘New Zealand Health Strategy’.</p> <ul style="list-style-type: none"> <li>• <b>Future Direction</b> – this sets high level direction for New Zealand’s health system from 2016 – 2026: ‘All New Zealanders live well, stay well, get well, in a system that is people-powered, provides services closer to home, is designed for value and high performance, and works as one team in a smart system.’</li> <li>• <b>Roadmap of Actions 2016</b> – the New Zealand Public Health and Disability Act 2000 Section 8(1) requires the Minister of Health to ‘determine a strategy for health services, called the New Zealand Health Strategy, to provide the framework for the Government’s overall direction of the health sector in improving the health of people and communities’.</li> </ul>
<p><b>Public Transport Operating Model</b> www.transport.govt.nz</p>	<p>The Public Transport Operating Model sets the operating environment for the delivery of public transport. It is a fully contracted model with features designed to incentivise commercial behaviour, create efficient networks, encourage a partnership approach to growing use, and reduce the level of public subsidy. Under this model, public transport contracts will be awarded through a mix of direct negotiations and tendering. The legislative elements of the model are set out in Part 5 of the Land Transport Management Act 2003. The operational elements are in the NZ Transport Agency’s Procurement manual and Guidelines for preparing regional public transport plans.</p>
<p><b>Tourism Strategy</b> www.mbie.govt.nz</p>	<p>The Tourism Strategy supports the tourism sector to reap the benefits of growth in visitor numbers while managing the pressures this places on businesses, communities and infrastructure. It is designed to help the sector attract high value visitors and investment, not only to tourist hotspots during peak seasons, but also to a range of regions and throughout the year.</p>
<p><b>Intelligent Transport Systems (ITS) Technology Action Plan</b> www.transport.govt.nz</p>	<p>The ITS Technology Action Plan outlines the Government’s strategic approach to encouraging and enabling ITS technologies in New Zealand. It covers ITS issues and opportunities, and provides an outline of central government’s ITS related work over the period of 2014 – 2018.</p>
<p><b>New Zealand Disability Strategy</b> www.odi.govt.nz</p>	<p>The New Zealand Disability Strategy guides the work of government agencies on disability issues from 2016 to 2026. The Strategy’s vision is New Zealand is a non-disabling society. It sets out eight outcome areas with goals and aspirations including Outcome 5: accessibility – we access all places, services and information with ease and dignity. Universal design is an approach used to implement the strategy, where accessibility for everyone is designed for at the beginning, rather than retrofitting for accessibility later. The Strategy is carried out through the existing Disability Action Plan which will be updated in 2018.</p>

# Appendix 5:

## Glossary

<b>Activity</b>	Defined in the Land Transport Management Act 2003 as a land transport output or capital project, or both.
<b>Activity class</b>	Refers to a grouping of similar activities.
<b>Active modes</b>	Transport by walking, cycling or other methods, which involve the direct application of kinetic energy by the person travelling.
<b>Approved organisations</b>	Organisations eligible to receive funding from the NZ Transport Agency for land transport activities. Approved organisations as defined in the Land Transport Management Act 2003.
<b>Capacity of network</b>	The amount of movement of people and/or goods that the network can support at a given time.
<b>Demand management</b>	Demand management refers to interventions which change the demand for transport. These interventions may seek to influence how, when and where people travel and freight is transported. The purpose of demand management is to ensure the transport system is utilised efficiently and effectively, and to reduce the negative impacts of travel and freight movement.
<b>Fuel Excise Duty (FED)</b>	Fuel Excise Duty is a tax imposed by the Government to fund land transport activities. FED includes excise duty paid on liquid petroleum gas and compressed natural gas (in addition to Petrol Excise Duty), but these account for a very small proportion of overall fuel excise.
<b>High-growth urban area</b>	As defined in the National Policy Statement on Urban Development Capacity 2016, high-growth urban area means any urban area [as defined by Statistics New Zealand in 2016]: <b>a)</b> that has either: <ul style="list-style-type: none"> <li>• a resident population of over 30,000 people according to the most recent Statistics New Zealand urban area resident population estimates</li> </ul> or <ul style="list-style-type: none"> <li>• at any point in the year a combined resident population and visitor population of over 30,000 people, using the most recent Statistics New Zealand urban area resident population estimates</li> </ul> and <b>b)</b> in which the resident population of that urban area is projected to grow by more than 10% between 2013 to 2023, according to the most recent Statistics New Zealand medium urban area population projections for 2013(base)-2023.
<b>Hypothecation</b>	The direct allocation of all income from a tax or charge (e.g. fuel/petrol excise duty or Road User Charges) to a particular type of activity (e.g. the National Land Transport Fund).
<b>Land Transport Management Act 2003</b>	The main Act governing the land transport planning and funding system.
<b>Land transport revenue</b>	Revenue paid into the Fund under the Land Transport Management Act 2003.
<b>Lead investment</b>	Investment which acts as a catalyst for future development.
<b>Local road</b>	Defined in the Land Transport Management Act 2003 as a road (other than a state highway) in a district that is under the control of a territorial authority.
<b>Maintenance</b>	Maintaining a road so that it can deliver a defined level of service, while leaving the fundamental structure of the existing road intact.
<b>Major metropolitan areas</b>	The following urban areas, as defined by Statistics New Zealand in Classification-Urban Area 2013 v2.0, which have significant areas with employment densities greater than 100 jobs per square kilometre: <ul style="list-style-type: none"> <li>• Northern Auckland Zone</li> <li>• Southern Auckland Zone</li> <li>• Porirua Zone</li> <li>• Wellington Zone</li> </ul> <ul style="list-style-type: none"> <li>• Western Auckland Zone</li> <li>• Hamilton Zone</li> <li>• Upper Hutt Zone</li> <li>• Christchurch</li> </ul> <ul style="list-style-type: none"> <li>• Central Auckland Zone</li> <li>• Tauranga</li> <li>• Lower Hutt Zone</li> <li>• Dunedin</li> </ul>
<b>Ministry of Transport</b>	The Government's principal transport policy adviser that leads and generates policy, and helps to set the vision and strategic direction for the future of transport in New Zealand.

<b>Mode neutral</b>	Mode neutrality means considering all transport options for moving people and freight, including multi-modal options, when identifying the best, value-for-money transport solutions to deliver transport outcomes.
<b>Motor vehicle registration and licensing fees</b>	The Register established under the Transport (Vehicle and Driver Registration and Licensing) Act 1986, which is continued under Part 17 of the Land Transport Act 1998. It records the details of vehicles that are registered to operate on the road. Motor vehicle registration and licensing fees are defined as land transport revenue.
<b>National Land Transport Fund (the Fund)</b>	The set of resources, including land transport revenue, that are available for land transport activities under the National Land Transport Programme.
<b>National Land Transport Programme</b>	A programme, prepared by the NZ Transport Agency, that sets out the land transport activities which are likely to receive funding from the National Land Transport Fund. The National Land Transport Programme is a three-yearly programme of investment in land transport infrastructure and services from the National Land Transport Fund.
<b>New Zealand Transport Agency (the NZ Transport Agency)</b>	The Government agency with statutory functions to manage the funding of the land transport system and manage the state highway system.
<b>Petrol Excise Duty (PED)</b>	Petrol Excise Duty is a tax imposed by the Government on petrol and is used to fund land transport activities.
<b>Public transport</b>	Passenger transport infrastructure and services contracted by local and central government. Interregional passenger transport by means of a rail vehicle.
<b>Rapid transit</b>	Public transport capable of moving a large number of people, for example light rail and dedicated bus routes. Common characteristics of rapid transit include frequent services, fast loading and unloading capability, and largely dedicated or exclusive right-of-way routes.
<b>Regional Land Transport Plans</b>	Plans prepared by Regional Transport Committees, that set out each region's transport objectives and policies for a period of at least 10 years. This includes bids for funding from the National Land Transport Programme.
<b>Regional Transport Committee</b>	A transport committee, which must be established by every regional council or unitary authority for its region. The main function of a regional transport committee is to prepare a Regional Land Transport Plan.
<b>Road controlling authorities</b>	Authorities and agencies that have control of the roads, including the NZ Transport Agency, territorial authorities, Auckland Transport, the Waitangi Trust and the Department of Conservation.
<b>Road User Charges (RUC)</b>	Charges on diesel and heavy vehicles paid to the Government and used to fund land transport activity.
<b>State highways</b>	A road operated by the NZ Transport Agency, as defined under the Land Transport Management Act 2003.
<b>Total Mobility Scheme</b>	Subsidised taxi services.

# Appendix 6:

## Relevant sections of the Land Transport Management Act 2003

Please note that:

- these sections are excerpts rather than complete replications of the Act
- amendments may be made to the Land Transport Management Act 2003 during the course of the GPS 2018 that may affect these sections.

### Relevant sections

#### Section 3. Purpose

The purpose of this Act is to contribute to an effective, efficient, and safe land transport system in the public interest.

#### Section 66. Minister must issue GPS on land transport

1. The Minister must issue a GPS on land transport —
  - a. before the start of the first financial year to which it applies; and
  - b. that covers a period of six financial years.
2. The Minister must issue a replacement GPS on land transport under subsection [1] before the current GPS on land transport expires.
3. If a GPS on land transport that is issued under subsection [1] is replaced, the GPS on land transport that is replaced expires on the date that it is replaced.

#### Section 67. Preparation or review of GPS on land transport

1. When preparing or reviewing a GPS on land transport, the Minister must —
  - a. be satisfied that the GPS on land transport contributes to the purpose of this Act; and
  - b. take into account —
    - i. any national energy efficiency and conservation strategy; and
    - ii. any relevant national policy statement that is in force under the Resource Management Act 1991; and
  - c. have regard to the views of Local Government New Zealand and representative groups of land transport users and providers.
2. For the purposes of subsection [1], the Minister must, at least once in every period of three financial years, review the Crown's land transport investment strategy required under section 68[1] [b].
3. To avoid doubt, nothing in subsection [2] limits section 90[1].
4. Before issuing a GPS on land transport, the Minister must consult the NZ Transport Agency about the proposed GPS on land transport.

## Section 68. Content of GPS on land transport

1. The GPS on land transport must include —
    - a. the results that the Crown wishes to achieve from the allocation of funding from the Fund over a period of at least 10 consecutive financial years; and
    - b. the Crown’s land transport investment strategy; and
    - c. the Crown’s policy on borrowing for the purpose of managing the National Land Transport Programme.
  2. The Crown’s land transport investment strategy—
    - a. must link the amount of revenue raised from road users with the planned levels of expenditure from the Fund; and
    - b. must, for the first six financial years of the GPS on land transport and any subsequent years that the Minister considers relevant, address the following matters:
      - i. the short-term to medium-term results that the Crown wishes to achieve through the allocation of funding from the Fund:
      - ii. the activity classes to be funded from the Fund:
      - iii. likely revenue, including changes to the duties, fees, and charges paid into the Fund:
      - iv. the identification of an expenditure target for the National Land Transport Programme for each year:
      - v. a maximum and a minimum level of expenditure for the National Land Transport Programme for each year (subject to the ability to carry forward funds from the closing balance of the Fund for a financial year to a future financial year):
    - vi. an allowable variation between expenses and capital expenditure incurred under the National Land Transport Programme and the inflows received by the national land transport fund:
    - vii. funding ranges for each activity class:
    - viii. the allowable reasons for varying the expenditure target identified under subparagraph (ii) when making funding allocation decisions:
    - ix. a statement of the Minister’s expectations of how the NZ Transport Agency gives effect to the GPS on land transport; and
  - c. must specify the forecast funding ranges for each activity class for the period of four financial years following the first six financial years of the GPS on land transport; and
  - d. must state the overall investment likely to be made in the land transport sector over a period of 10 financial years and the likely or proposed funding sources.
3. The GPS on land transport -
  - a. may set out national land transport objectives, policies, and measures for a period of at least 10 financial years beginning on the date that the GPS on land transport is issued; and
  - b. must, subject to the Public Finance Act 1989, specify any additional expected funding for land transport activities, including (but not limited to) any money that Parliament may appropriate for the purpose.

### **Section 69. Status of GPS on land transport**

To avoid doubt, a GPS on land transport is not—

- a. a direction for the purposes of Part 3 of the Crown Entities Act 2004; or
- b. a legislative instrument for the purposes of the Legislation Act 2012; or
- c. a disallowable instrument for the purposes of the Legislation Act 2012.

### **Section 70. Agency to give effect to GPS on land transport in respect of funding of land transport system**

1. The NZ Transport Agency must give effect to the GPS on land transport when performing its functions under subpart 1 of Part 2 in respect of land transport planning and funding.
2. To avoid doubt, the GPS on land transport may not impose an obligation on the NZ Transport Agency to approve or decline funding for a particular activity or any combination of activities under section 20.

### **Section 71. Availability of GPS on land transport**

As soon as practicable after issuing a GPS on land transport, the Minister must –

- a. present a copy of the GPS on land transport to the House of Representatives; and
- b. arrange for a copy of the GPS on land transport to be given to each of the following:
  - i. the Secretary
  - ii. the Agency
  - iii. the Commissioner
  - iv. every approved organisation
  - v. the Auckland Council; and
- c. make a copy of the GPS on land transport publicly available in accordance with section 108.

## Other relevant sections

### Section 11. Annual report on National Land Transport Fund

1. After the end of each financial year, the NZ Transport Agency must prepare an annual report on the Fund.
2. The annual report required under subsection [1] must be prepared in accordance with generally accepted accounting practice, and must include -
  - f. an explanation of how the funding of activities or combinations of activities under the National Land Transport Programme has contributed to the achievement of any outcomes, objectives or impacts set out in the relevant GPS on land transport
3. The provisions of the Crown Entities Act 2004 in respect of the preparation, audit, presentation, and publication of a Crown entity's annual report (including its financial statements) apply, with all necessary modifications, to the annual report required under subsection [1]

### Section 14. Core requirements of regional land transport plans

4. Before a regional transport committee submits a regional land transport plan to a regional council or Auckland Transport (as the case may be) for approval, the regional transport committee must -
  - a. be satisfied that the regional land transport plan -
    - ii. is consistent with the GPS on land transport;

### Section 19E. Variation of national land transport programme.

3. If the GPS on land transport is amended under section 90[1], the NZ Transport Agency must vary the National Land Transport Programme as soon as practicable if necessary to give effect to the amendment.

### Section 20. Approval of activities and combinations of activities

2. In approving a proposed activity or combination of activities, the Agency must be satisfied that -
  - c. the activity or combination of activities is -
    - i. consistent with the GPS on land transport;
5. When approving an activity or combination of activities as qualifying for payments from the Fund, the NZ Transport Agency must be satisfied that the expenditure on the National Land Transport Programme and any expenses associated with any borrowing undertaken in accordance with section 10[1](b) in the relevant financial year will not exceed the lesser of -
  - a. the maximum level of expenditure for the National Land Transport Programme outlined in the GPS on land transport for that financial year and the actual or anticipated amount of the closing balance of the Fund at the end of the previous financial year; or
  - b. the sum of -
    - i. the anticipated inflows to the Fund in that financial year; and
    - ii. the actual or anticipated amount of the closing balance of the Fund at the end of the previous financial year; and
    - iii. the allowable variation for that financial year specified in the GPS on land transport.





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