Te Kāwanatanga o Aotearoa New Zealand Government

# Government Policy Statement on

# LAND TRANSPORT

**2021/22-30/31**

**DRAFT FOR ENGAGEMENT – NOT GOVERNMENT POLICY**

Overview of GPS 2021 5

**SECTION 1 ROLES AND RESPONSIBILITIES** 8
1.1: Role of the GPS 9
1.2: Responsibilities 10

**SECTION 2 STRATEGIC DIRECTION** 12
2.1: The strategic priorities for GPS 2021 13
2.2: Safety 16
2.3: Better Travel Options 18
2.4: Improving Freight Connections 20
2.5: Climate Change 22
2.6: Indicators for how progress will be measured 24

**SECTION 3: INVESTMENT IN LAND TRANSPORT** 26
3.1: Funding land transport 27
3.2: Principles for investing 29
3.3: Dedicated funding for delivering transport priorities 31
3.4: Activity class framework 31
3.5: Delivering Government Commitments 36
3.6: Crown funding for land transport 37
3.7: Statement of Ministerial expectations 39

**SECTION 4 APPENDICES** 42
Appendix 1: The land transport planning environment 43
Appendix 2: GPS 2021 framework 45
Appendix 3: Summary of key policy direction documents 46
Appendix 4: Glossary 50

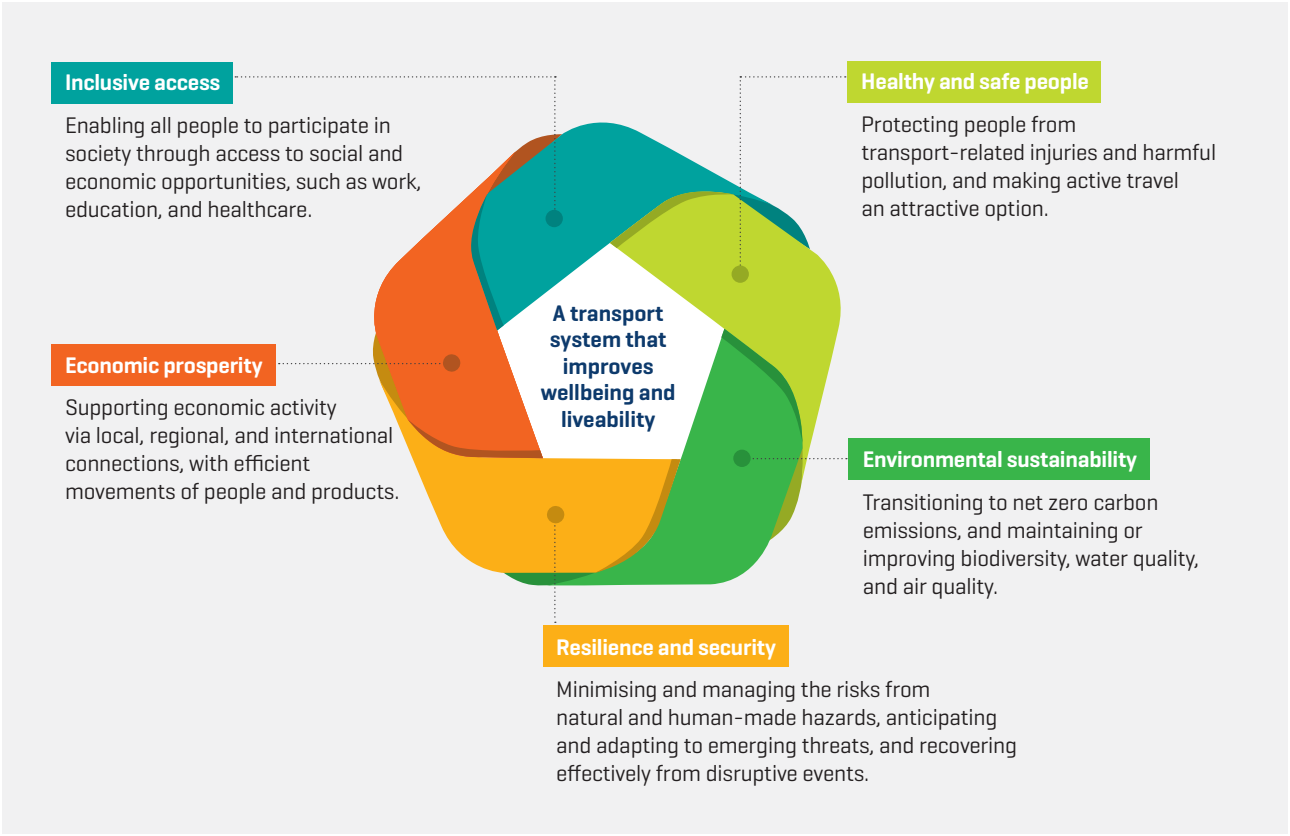
# Foreword

Placeholder: A Ministerial Foreword will accompany the final GPS 2021.

# Overview of GPS 2021

1. The purpose of the transport system is to improve people's wellbeing, and the liveability of places. It does this by contributing to five key outcomes, identified in the Ministry of Transport's Transport Outcomes Framework.

## Transport Outcomes Framework




2. Providing and maintaining a transport system that will improve wellbeing and liveability requires coordination and investment by a number of different agencies and decision makers including:
   - Minister of Transport
   - Ministry of Transport
   - Waka Kotahi the NZ Transport Agency (the NZTA)
   - Local government
   - KiwiRail
   - Ministry of Housing and Urban Development (HUD) and Kāinga Ora Homes and Communities (Kāinga Ora).

3. The overall national programme of different projects and activities to realise the above transport outcomes is funded from the National Land Transport Fund (the Fund), local communities ('local share'), the Crown and potentially other funding or financing sources.

4. This Government Policy Statement on land transport (GPS 2021) provides direction and guidance to those who are planning, assessing and making decisions on investment of the Fund over the next 10 years (2021/22-2030/31). GPS 2021 outlines the responsibilities of relevant parties with respect to land transport investment.

5. More details on the *Roles and Responsibilities* of the GPS and key agencies is provided in Section 1 of this document.

## Investment will be guided by four strategic priorities

6. Considering the 10 year context (2021/22-2030/31), the Government has identified four strategic priorities for land transport investment to best contribute to improving our communities' wellbeing and liveability:

7. They build on the strategic priorities set in GPS 2018. Each strategic priority will guide investment to meet outcomes identified in the Transport Outcomes Framework. Some priorities are more directly linked to specific outcomes – for example the Safety priority has a direct link to the Healthy and Safe People outcome. However, as the outcomes are inter-related, each strategic priority will deliver co-benefits across the Transport Outcomes Framework. For example, reducing greenhouse gas emissions will be achieved through action across all priorities, programmes and activity classes.

8. Section 2 of this document provides more detail on the Strategic Direction for GPS 2021. It explains what will be delivered under the priorities by 2031, and how we will measure progress. The strategic direction is underpinned by the principle of mode-neutrality, which is another central component of the Transport Outcomes Framework.

## Applying the strategic direction to land transport investment

9. Section 3 *Investment in Land Transport* of this GPS sets out how investment from the Fund will be allocated to eleven activity classes. In identifying these activity classes and setting the funding range for each activity class, the Government has applied the underpinning principle ofmode-neutrality (in the Transport Outcomes Framework), and considered what will best deliver the four strategic priorities.

10. The Government has considered priorities across New Zealand's diverse communities acknowledging that urban, regional, and remote communities have very different needs.

11. A large proportion of land transport will continue to be focused on maintaining the transport system at acceptable levels of service, taking account of the strategic priorities in GPS 2021.

12. New investment (over this base) will be strongly driven by the strategic priorities, and four specific Government Commitments for GPS 2021:
    - Auckland Transport Alignment Project (ATAP)
    - Let's Get Wellington Moving (LGWM)
    - Road to Zero (around 70 percent of this investment will be outside of Auckland and Wellington)
    - Investment from the Fund will also contribute to implementation of the New Zealand Rail Plan

13. As announced in December 2019, the Crown will invest $6.8 billion in land transport infrastructure. This will fund specific projects to speed up travel times, ease congestion and make our roads safer by taking trucks off them and moving more freight to rail. They will help further the strategic priorities of GPS 2021. This funding supplements the activity classes, which display investment from the Fund only.

14. Section 3 also provides detail on the likely revenue supporting the Fund and guidance on how different funding and financing sources should be considered. It sets out principles to be taken into account when investing in the land transport sector such as value for money.

15. Finally, Section 3 sets out the Ministerial expectations for how the NZTA gives effect to the investment strategy.

## Transitioning from GPS 2018 to GPS 2021

16. GPS 2021 continues the strategic direction of GPS 2018, but provides stronger guidance on what Government is seeking from land transport investments.

17. The strategic priorities of Climate Change and Safety have been updated to reflect policy work that has taken place since GPS 2018 was published, such as the development of Road to Zero. Access has been separated into Better Travel Options and Improving Freight Connections. Value for money is expressed as a principle that applies to all investments, rather than a strategic priority that could change as Government changes.

18. A separate *GPS Transitions Guide* accompanies this document, outlining what has changed from GPS 2018 and what remains the same. The *GPS Transitions Guide* is available from the Ministry of Transport's website: www.transport.govt.nz/gps

# 1 Roles and responsibilities

This section describes the role of the GPS and relevant parties in giving effect to it.

Section 1.1

# Role of the GPS

19. Transport investments have long lead times, high costs and leave long legacies. Therefore transport planning and investments need to be guided by a long-term strategic approach, with a clear understanding of the outcomes that government is seeking to achieve.

20. The GPS is where the government determines how investment into the land transport system will contribute to achieving overall government outcomes, taking into account a range of policies and strategies as listed in Appendix 3. It outlines the government's strategy to guide land transport investment over the next 10 years. It also provides guidance to decision-makers about where and under what conditions government will focus resources. The GPS operates under the Land Transport Management Act 2003 (LTMA 2003), which sets out the scope and requirements for the GPS (see Appendices 1 and 2 for details).

21. The GPS influences decisions on how money from the Fund will be invested across activity classes, such as state highways and public transport. It also guides local government and the NZTA on the type of activities that should be included in Regional Land Transport Plans (RLTPs) and the National Land Transport Programme (NLTP).

22. Over $4 billion of New Zealanders' money is spent through the Fund each year, which is supplemented by co-investment from local government and additional funding and financing.

Section 1.2

# Responsibilities

## The Minister of Transport

23. The Minister of Transport issues a GPS on land transport, and reviews it at least once every three years, in consultation with the NZTA. In this document, the Minister sets out the investment strategy for land transport and the results the Crown wishes to achieve from allocation of the Fund for the coming decade. The Minister is not responsible for funding decisions on individual projects supported by the Fund.

24. The Minister must be satisfied that the GPS contributes to the purpose of the LTMA 2003 and have regard to the views of Local Government New Zealand and representative groups of land transport users and providers.

## The Ministry of Transport

25. The Ministry of Transport is the government's system lead on transport. The Ministry advises on the total set of transport interventions and levers including investment, regulation and others. It must consider the long term outcomes for the whole system. These outcomes are described in the Transport Outcomes Framework, which applies the Living Standards Framework to the transport system. The Ministry helps the Minister produce a GPS that sets out how government expects the Fund to contribute to a well-functioning land transport system over 10 years.

26. The Ministry leads advice on investments that have implications for the Fund beyond 10 years and transport investments (including land transport investments) that are funded outside the GPS and the Fund. It works in partnership with the NZTA to consider how expectations on the NZTA may fit with future GPSs and wider priorities.

27. As part of the wider government commitment to the Māori-Crown relationship, the Ministry has a responsibility to engage with Māori and consider Māori outcomes.

## Local government

28. Local government works to promote the social, economic, environmental and cultural wellbeing of their communities, now and into the future.

29. RLTPs set out objectives, policies and priorities for transport networks and services in their regions. Local government works with the NZTA to progress these where projects align with the GPS. As the largest co-funder of NLTP projects, local government have an important role in building strong, evidence-based projects and programmes for investment. They work closely with the NZTA to make sure projects run smoothly from proposal to delivery.

30. Regional councils, territorial authorities and unitary councils will support this as they lead long-term planning for their locality (including spatial planning and more detailed land use and transport planning). Local government must engage with their communities and encourage community participation in decision-making. Reflecting the LTMA 2003, local government also has a responsibility to engage with Māori and understand the Treaty of Waitangi context in which they operate.

31. An RLTP must contribute to the purpose of the LTMA 2003, which seeks an effective, efficient and safe land transport system in the public interest. It is also required to be consistent with the GPS.

## Waka Kotahi the NZ Transport Agency (the NZTA)

32. The NZTA works with a range of partners across central and local government to plan, invest in, build, manage and operate the land transport system within the priorities and outcomes set in the GPS. It leads on the state highway programme and can deliver other infrastructure when agreed with central government.

33. The NZTA works with local government and other agencies to develop integrated plans for transport and land use. It supports local government to create quality RLTPs, which it draws from to create the NLTP that gives effect to the GPS' priorities. In doing this, it optimises investment across priorities and available funding and financing sources. From 2021, the NZTA will also have new partners to work with. Bringing rail into the NLTP represents a significant change for the system.

34. The NZTA will be responsible for advising the Minister of Transport on how KiwiRail's proposed Rail Network Investment Programme (RNIP), and the activities under it, fit with its broader land transport investment programme under the NLTP. This involves confirming that the rail network activities are aligned with the LTMA's purpose and the GPS, and advising the Minister that the activities represent good value for money. The NZTA will also have a role in monitoring the delivery of the RNIP.

35. In addition to the LTMA 2003 requirements on Māori engagement, and the consideration of the Treaty of Waitangi, NZTA shares the Crown's commitment to the Māori-Crown partnership, which is expressed in its 'Te Ara Kotahi/Our Māori Strategy'.

## KiwiRail

36. KiwiRail will be required to develop and deliver a 3-year investment programme for the rail network. The RNIP will also include a 10-year forecast. The New Zealand Rail Plan, and the funding signals in the GPS, will guide the development of the RNIP. The RNIP will be funded from the rail activity class as set out in the GPS, supported by Crown funding.

37. Planning, operating and maintaining the rail network and the associated freight, tourism and property services remain the core business and responsibility of KiwiRail.

## Agencies with rail responsibilities

38. While the individual roles of Agencies with rail responsibilities are detailed above, the new planning and funding framework for rail will require the Ministry of Transport, the NZTA, KiwiRail, Auckland Council, Auckland Transport and Greater Wellington Regional Council to work together to plan and fund New Zealand's rail network infrastructure. This includes working with other councils who have responsibility for inter-regional rail services as outlined in the New Zealand Rail Plan.

## Ministry of Housing and Urban Development and Kāinga Ora Homes and Communities

39. The Ministry of Housing and Urban Development (HUD) leads New Zealand's housing and urban development work programme. HUD is leading the development of the Government Policy Statement on Housing and Urban Development (HUD GPS), which will communicate the Government's long-term vision for the housing and urban development system. It will also provide direction to Kāinga Ora – Homes and Communities (Kāinga Ora). Kāinga Ora will lead, facilitate and enable urban development projects, which will include the delivery of transport and other infrastructure. The Ministry of Transport are working closely with HUD as they develop the HUD GPS.

40. This GPS 2020 and the HUD GPS together will provide consistent strategic direction across the spectrum of transport and land-use policy, and beyond, to guide the actions of agencies such as the NZTA and Kāinga Ora to achieve the outcomes sought.

41. HUD also works with the Ministry for the Environment (MfE) and other government departments to coordinate the Government's Urban Growth Agenda (UGA), which addresses the fundamentals of land supply, development capacity and infrastructure provision by removing undue constraints. Work on spatial planning frameworks for New Zealand is also being led by HUD and MfE under the UGA and the review of the resource management system. The policy, funding and finance outputs of the UGA will influence the kinds of transport solutions that the NZTA support.

# 2 Strategic direction

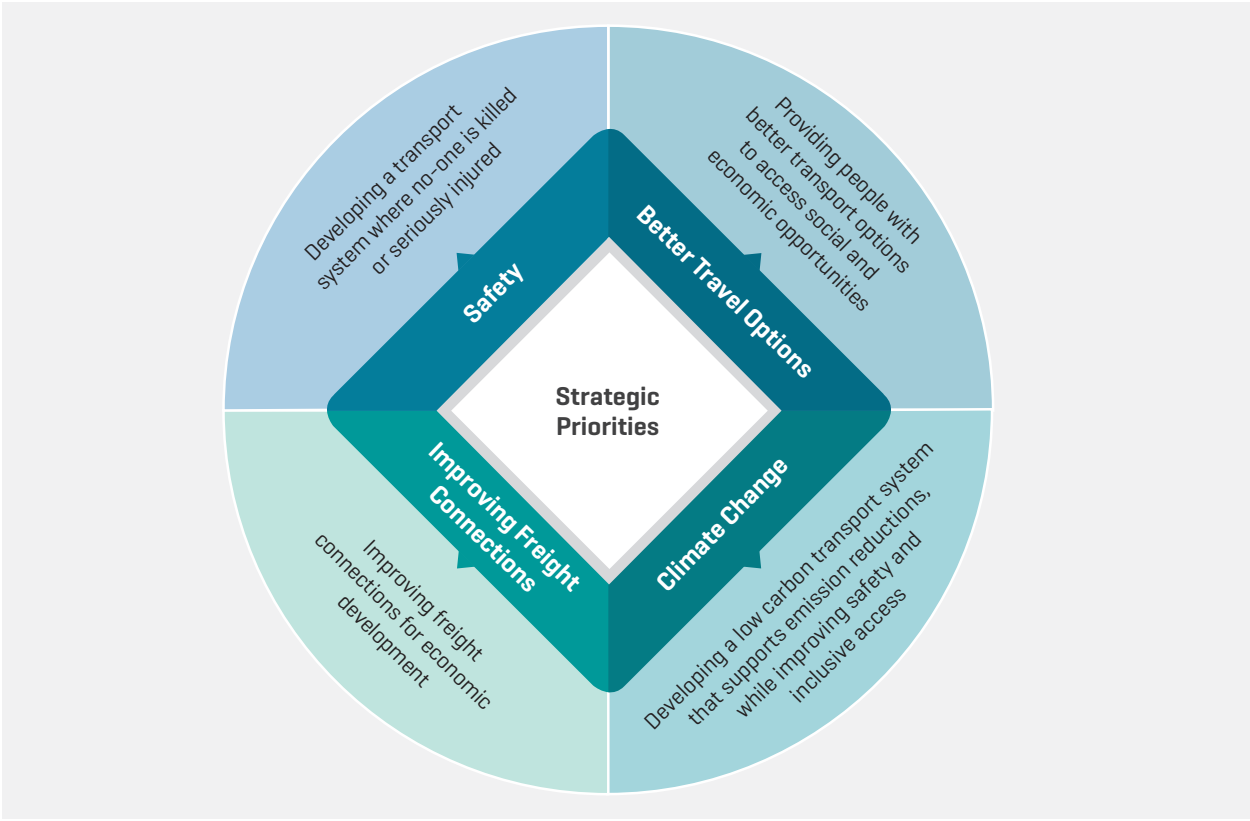
This section describes the strategic priorities for GPS 2021, and the outcomes that they will contribute to. It also explains what the priorities will deliver by 2031, and how we will measure progress.

Section 2.1

# The strategic priorities for GPS 2021

42. GPS 2021 has four strategic priorities, summarised in Figure 1. These priorities will guide land transport investments from 2021/22-2030/31.

Figure 1: Strategic direction of the GPS 2021




## 1. Safety

43. On average, one person is killed every day on New Zealand roads, and another seven are seriously injured. The number of road deaths in New Zealand rose significantly between 2013-2017. Deaths and serious injuries should not be an inevitable cost of moving people and freight from place to place. We need to create a transport system in both urban and regional areas that protect people. This priority gives effect to, but is not limited to, the Road to Zero: the 2020-2030 Road Safety Strategy (Road to Zero).

## 2. Better Travel Options

44. People live in, and visit, cities and towns because they value access to jobs, education, healthcare, cultural activities, shops, and friends and whānau. Highly liveable cities and towns are people-friendly places with healthy environments that improve wellbeing and economic prosperity. The transport system contributes to liveable cities and towns by providing people with good travel options. This requires all parts of the transport system, be it roads, rail, public transport, and walking and cycling routes, to work together.

## 3. Improving Freight Connections

45. Efficient, reliable, safe, mode-neutral and resilient freight transport – within cities, between regions and to ports – is vital for a thriving economy. Regional New Zealand's primary production is a key driver of the national economy. The transport system needs to support the movement of freight by the most appropriate mode, improving interregional corridors, and increasing resilience.

## 4. Climate Change

46. Vehicles that run on fuel are the fastest growing source of harmful climate pollution – emitting almost 70 per cent of our total transport emissions. The way we transport ourselves and our goods from one place to another should not be detrimental to the health of individuals and our environment. Prioritising a reduction in greenhouse gases emitted by transport will help to achieve the Government's emission reduction targets and protect public health.

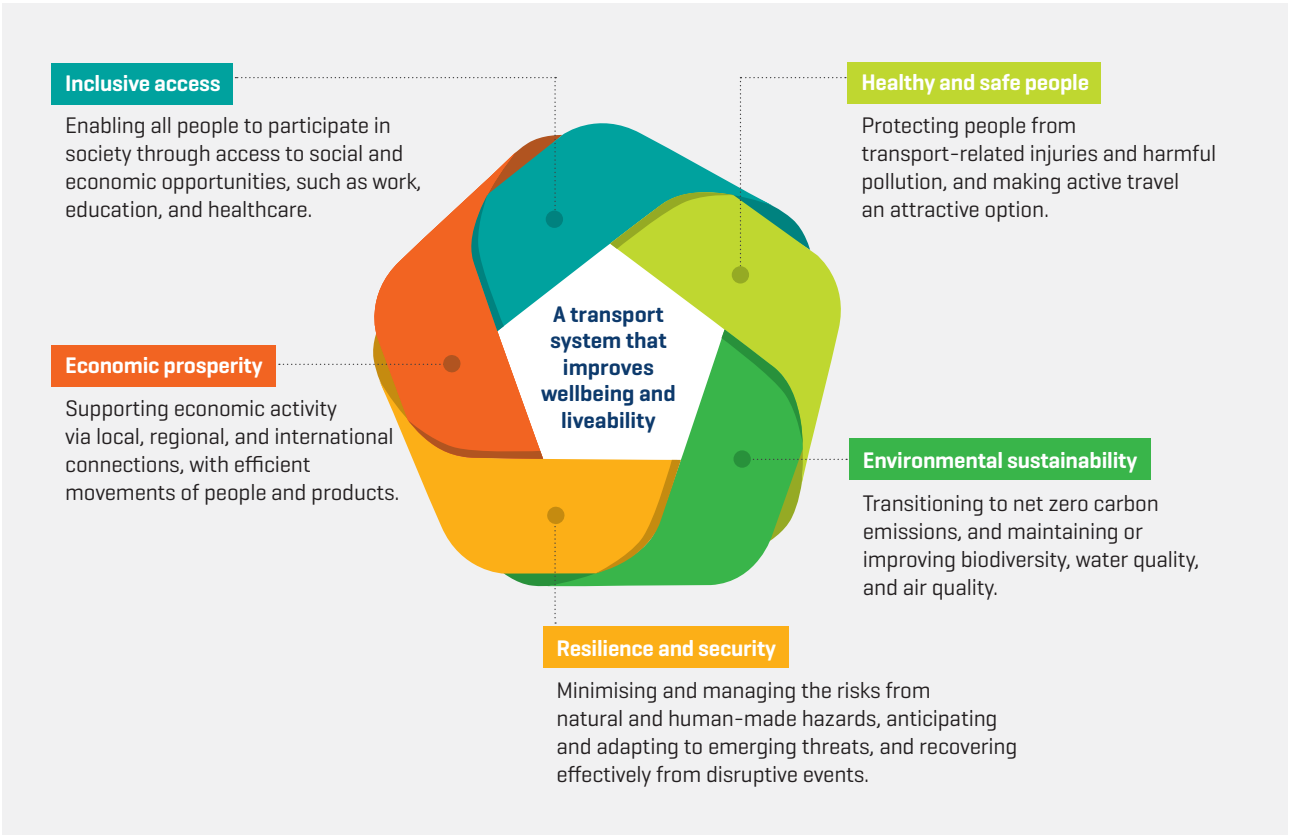
47. The four strategic priorities overlap. For example, making places safer for people walking and cycling will give people better travel options. Similarly, investments in the rail system will lead to stronger inter-regional connections while making freight movements safer.

## How the land transport system improves wellbeing and liveability

48. Transport is not an end in itself. It enables, and shapes, other social, economic, and environmental outcomes.

49. In 2018, the government transport agencies established a Transport Outcomes Framework (Figure 2) to identify how the transport system supports and can improve intergenerational wellbeing and liveability outcomes. The Transport Outcomes Framework aligns with the Treasury's Living Standards Framework.

Figure 2: Transport Outcomes Framework




50. Together the four strategic priorities and investment strategy in this GPS 2021 will contribute to all five key outcomes of the Transport Outcomes Framework. In addition, reducing greenhouse gas emissions and supporting regions apply across all priorities, programmes and activity classes.

51. While GPS 2021 contributes to the achievement of these outcomes, those who are planning, assessing and making investment decisions in relation to the Fund should be guided by the GPS 2021 strategic priorities.

52. Addressing climate change is a particular challenge that this Government is working to tackle. This GPS reflects the importance of making investment decisions in the transport sector that will help New Zealand towards that goal.

## Supporting regions

53. Acknowledging that each region has diverse communities with different needs, GPS 2021 supports regional New Zealand by reflecting the enabling role of regional transport to regional development.

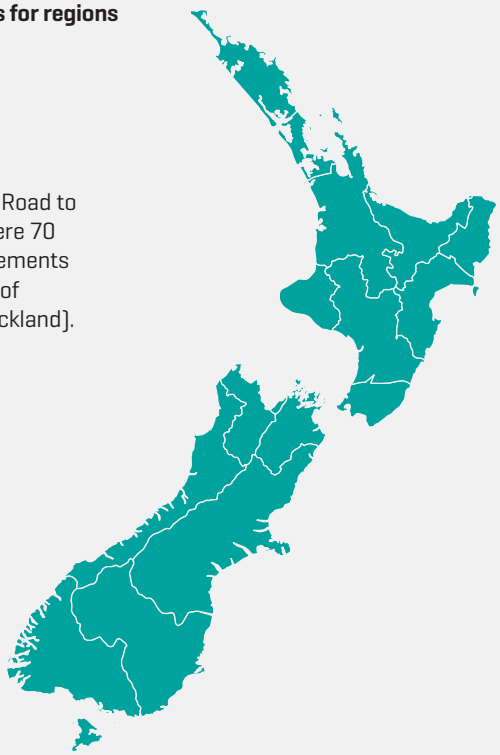
54. GPS investment supports other regional investment programmes such as the Provincial Growth Fund, Billion Trees and Aquaculture Planning Fund.

55. Investment that benefits the regions is incorporated in the Government Commitments (Road to Zero) and is supported by the strategic direction. This will be funded across all activity classes.

56. **Key areas of focus for regions include:**

**Road to Zero**

Implementing the Road to Zero strategy (where 70 percent of improvements should be outside of Wellington and Auckland).



**Freight network**

Improving the freight network for primary producers to markets.

**Funding**

Sufficient funding to maintain networks to the condition required to ensure a safe, resilient and accessible network.

Section 2.2

# Strategic Priority: Safety

## **Safety Priority:** Develop a transport system where no-one is killed or seriously injured

### Key outcomes of Safety

**Primary outcome**

**Healthy and safe people**

**Co-benefits**

- **Inclusive access**
- **Economic prosperity**
- **Resilience and security**

### Primary outcome

57. The primary focus of this priority is to develop a transport system that advances New Zealand's vision that no-one is killed or seriously injured while travelling. New Zealand roads will be made substantially safer.

### Co-benefits

58. Safer travel will also improve wellbeing and liveability through the following co-benefits:

**Inclusive access**

- Many New Zealanders are reluctant to travel by foot, bike, or micro-mobility options due to a lack of safe infrastructure. Safer roads, footpaths, and cycleways as well as safe public transport services, will give people a wider range of quality options to access opportunities.

**Economic prosperity**

- Well-designed and safe transport networks support productive economic activity as a result of fewer crashes, and more reliable travel times.

**Resilience and security**

- Safer travel includes security measures to prevent deaths and injuries from malicious acts. Additionally, fewer disruptions from crashes, and supporting alternatives to key routes and modes will improve the resilience of the network. Safer integrated designs can improve resilience of assets, which in turn enhances communities' and agencies' response and recovery to unexpected events.

## What will be delivered by 2031 (short to medium term results)

- Reduced number of deaths and serious injuries
- Safer land transport network

## How to deliver these outcomes

- Implement the Road to Zero (and the initial action plan for 2020-2022) to achieve the target of a 40 percent reduction in deaths and serious injuries by 2030. Road to Zero underwent public engagement and can be found at www.transport.govt.nz/zero. Key elements of the Road to Zero strategy and initial action plan to be invested in through GPS 2021 include:
  - infrastructure safety treatments on roads across New Zealand where data show the highest concentrations of deaths and serious injuries (particularly targeting head-on, run-off-road and intersection crashes)
  - enhancing the safety and accessibility of footpaths, bike lanes and cycleways
  - maintaining current levels of road policing, which includes funding for 1,070 dedicated road police, plus wage increases over time necessary to sustain those numbers
  - court-imposed alcohol interlocks to support the road policing action
  - road safety campaigns (including on speed, restraint use, cell phone use while driving, and drug and alcohol impaired driving) to support actions targeting safer road user choices
  - new roadside drug testing equipment to support the action on drug driver testing
  - a range of measures to support Tackling Unsafe Speeds.
- Implement the New Zealand Rail Plan. Rail is safer than road transport. Increasing use of freight and passenger rail will therefore support the Government's Road to Zero strategy by providing safer transport options and reducing traffic volumes on roads over time, which will improve road safety.
- Ensure that improvements and updates proactively manage significant security threats that may be posed.
- Increase access to safer travel modes (e.g. public transport), with initial priority in Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown. This will also contribute to Better Travel Options.
- Shape land use, urban form and street design in a way that reduces car dependency, makes walking, wheeling, cycling and micro-mobility safe and attractive travel choices, and reduces emissions from transport. This will also contribute to Better Travel Options.

## How progress will be measured

59 Road to Zero and the New Zealand Rail Plan will include specific indicators to measure progress in this area. GPS reporting will cover a subset of these indicators, so that progress can be measured over the course of the GPS. The full list of indicators will be provided in section 2.6 once the strategic direction of GPS 2021 is finalised. There is an overlap in indicators related to Safety and Better Travel Options.

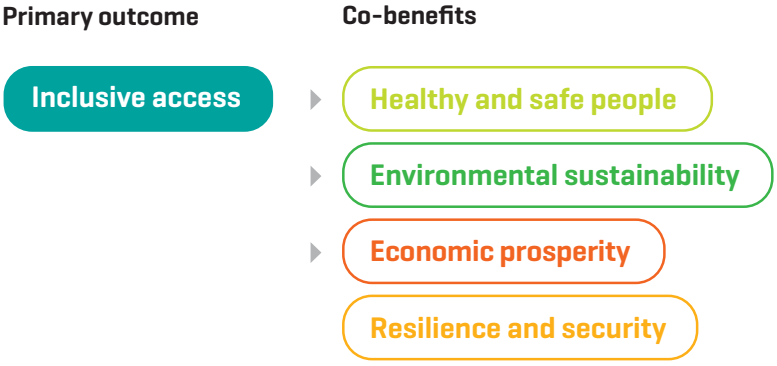
60. Indicators will include data on:
- transport deaths, serious injuries and hospitalisations
- deaths and serious injuries where alcohol, drugs, speed, fatigue or distraction was a contributing factor.

Section 2.3

# Strategic Priority: Better Travel Options

**Better Travel Options priority:** Provide people with better travel options to access places for earning, learning, and participating in society

## Key outcomes of Better Travel Options




## Primary outcome

61. The primary focus of this priority is to improve people's ability to get to places where they live, work and play and to make sure our major cities have transport networks that are fit for purpose and fit for the future.

## Co-benefits

62. Better Travel Options will also improve wellbeing and liveability through the following outcomes:

**Healthy and safe people**

- Better active travel options will support positive physical and mental health.

**Environmental sustainability**

- People will have better options for low emissions travel modes, including active modes and public transport.

**Economic prosperity**

- High capacity and rapid transit systems and multi-modal travel options in urban centres will help to manage road congestion, and enable efficient flows of people (and products).

**Resilience and security**

- Supporting alternatives to key routes and modes will improve the resilience of the network. Better and more diverse travel options can reduce localised resilience risks for communities.

## What will be delivered by 2031 (short to medium term results)

- Improved access to social and economic opportunities
- Public transport and active modes are more available and/or accessible
- Increased share of travel by public transport and active modes
- Reduced greenhouse gas emissions
- Reduced air and noise pollution

## How to deliver these outcomes

- Optimise and maintain existing transport networks so it is accessible for all people to get to places where they live, work and play in comfort, reliably, and in reasonable time.
- Support transport investments that enable, support and shape growth, make streets more inviting places for people, and enable increased housing supply in line with the Urban Growth Agenda.
- Implement mode shift plans for Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown. The NZTA will take a more proactive role in accelerating mode shift by partnering with local government and other agencies to shape urban form, make shared and active modes more attractive, and influence travel demand and transport choice. This includes progressing work that is already well underway on developing a public transport system in Christchurch.
- Implement the New Zealand Rail Plan to enable reliable and resilient metropolitan rail networks in Auckland and Wellington, and provide a platform for future investment to enable the rail network to respond to growing patronage demands.
- Support the Disability Action Plan's intentions to increase the accessibility of transport.
- Continue investing in specialised services to support accessibility, such as 'Total Mobility'.
- Support the Tourism Strategy by providing resilient, safe transport infrastructure that offers choice and eases the end to end journey.
- Deliver ATAP, including fulfilling the funding commitments for investment in Auckland made by the Government.
- Develop and deliver LGWM. In the early years of this GPS the focus will be on pre-construction work and ensuring cross-sector governance is well established. An in-cycle amendment to the GPS may be required to reflect progress on this programme, and to deliver Central Government's share of the investment.

## How progress will be measured

63. ATAP and LGWM will include specific indicators to measure progress. GPS reporting will cover a subset of these indicators, so that progress can be measured over the course of the GPS. The full list of indicators will be provided in section 2.6 once the strategic direction of GPS 2021 is finalised.

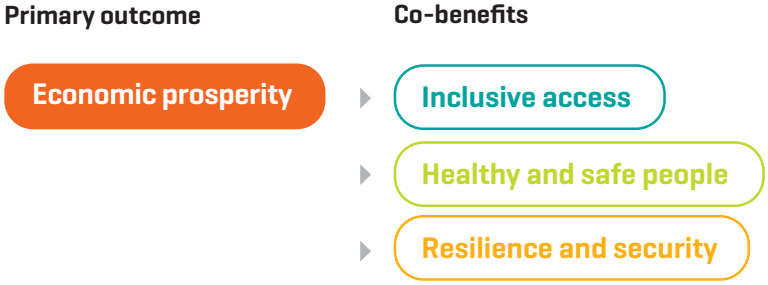
64. Indicators will include data on:
- share of travel people make by active modes and public transport
- access to frequent public transport services
- access to jobs and essential services
- greenhouse gas emissions from land transport
- people exposed to elevated levels of land transport related air and noise pollution

Section 2.4

# Strategic Priority: Improving Freight Connections

## **Improving Freight Connections priority:** Improve freight connections to support economic development

### Key outcomes of Improving Freight Connections




### Primary outcome

65. Well-designed transport corridors with efficient, reliable and resilient connections will support productive economic activity.

### Co-benefits

66. Stronger freight connections will also improve wellbeing and liveability through the following co-benefits:

**Resilience and security**

- Improving transport connections, alternative routes and investments in multiple travel modes, will boost the ability of the transport system and communities to recover from disruptive events, supporting continuity in economic activity and regional development.

**Environmental sustainability**

- Over time increasing movements of freight by lower emission transport modes, such as rail and coastal shipping, will reduce emissions and pollutants.

**Healthy and safe people**

- Increasing movements of freight by rail and coastal shipping over time, which are safer than road travel, will reduce the safety risks of travel.

## What will be delivered by 2031 (short to medium term results)

- Freight routes that are more reliable
- Freight routes that are more resilient
- Reduced greenhouse gas emissions
- Reduced air and noise pollution.

## How to deliver these outcomes

- Maintain the roads and railways that are crucial for linking production points with key distribution points.
- Manage resilience risk on important regional corridors where disruptions cause the highest economic and social costs.
- Implement the New Zealand Rail Plan to enable a reliable and resilient rail network that supports freight movements in a mode-neutral system.
- Improve mode choice for moving freight by coastal shipping, through investing in infrastructure, support to domestic start-ups and relevant research.
- Improve the safe and efficient movement of freight through logistics planning and network optimisation.

## How progress will be measured

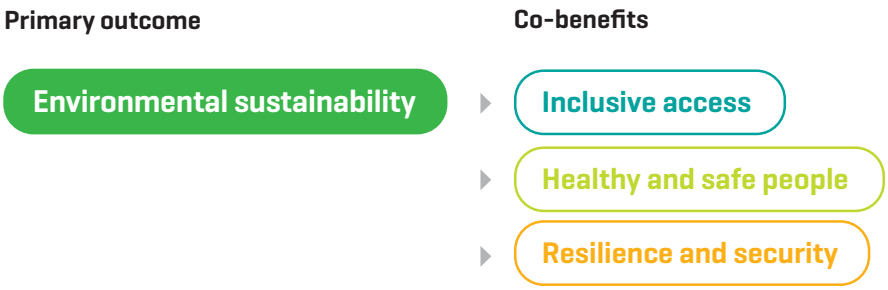
67. The New Zealand Rail Plan will include specific indicators to measure progress. GPS reporting will include some of these indicators, so that progress can be measured over the course of the GPS. The full list of indicators will be provided in section 2.6 once the strategic direction of GPS 2021 is finalised.

68. Indicators will include data on:
    - mode share for freight (including road, rail, and coastal shipping)
    - travel time predictability on priority freight routes
    - network availability on routes of most economic and social importance.

Section 2.5

# Strategic Priority: Climate Change

**Climate Change priority:** Transform to a low carbon transport system that supports emission reductions aligned with national commitments, while improving safety and inclusive access.




## Primary outcome

69. Investment decisions will support the rapid transition to a low carbon transport system, taking account of the ICCC target recommended to Cabinet until emissions budgets are released in 2021, and contribute to a resilient transport sector that reduces harmful emissions, taking account of the emissions reduction target recommended to Cabinet until emissions budgets are released in 2021.

## Co-benefits

### Inclusive access

- Mode shifts in urban areas from private vehicles to public transport, walking and cycling will reduce emissions. Higher density, mixed use and transit oriented development, where people live in closer proximity to where they work, learn and play, will help achieve emissions reductions by making public and active transport more feasible. The *Improving Freight Connections* priority will ultimately lead to greater use of rail, and explore opportunities for moving freight by coastal shipping.

### Healthy and safe people

- Greater walking and cycling (and travel by modes other than private vehicles) in our urban areas should reduce exposure to elevated concentrations of land transport-related air pollution.

### Resilience and Security

- The National Adaptation Plan will help New Zealand determine how to minimise the effect of natural hazards on the land transport system.

70. Nearly 20 percent of New Zealand's domestic greenhouse gas emissions currently come from transport, with 90 percent of these emissions from road transport. New Zealand has committed to reduce greenhouse gas emissions by 30 percent below 2005 levels by 2030 under the Paris Agreement on Climate Change. Through the Climate Change Response (Zero Carbon) Act, the Government has set a target for New Zealand to be net zero carbon by 2050. Transport emissions are growing, so intervention is required to reduce them.

71. Achieving net zero carbon ultimately requires a transition to a low carbon transport system. In such a system, measures are in place to reduce transport demand and infrastructure is inter-connected encouraging walking, cycling and the use of public transport. Almost all vehicles in the land transport system emit no or low levels of greenhouse gases, whether they be a motor vehicle, bus, or freight truck. The nature of infrastructure investment decisions, combined with New Zealand's relatively old and inefficient vehicle fleet, means the investment decisions made today will have long term implications for emissions.

72. The transition will require combined approaches, with government, businesses, and communities all playing a part. The government should lead because it has a range of tools available to reduce land transport emissions from regulations and standards to direct investment, urban planning requirements and incentive schemes.

73. New Zealand's cities need to be places where people can safely and enjoyably travel by low emission transport modes such as walking, cycling, and emissions-free public transport. Businesses also need to look for lower emission ways to move freight. These choices are influenced by Government investment decisions; the GPS has a part to play in supporting this transition.

74. The outcomes for the Climate Change strategic priority in GPS 2021 reflect the Government's move towards setting emissions budgets to make sure New Zealand achieves its emissions reduction goals. The Interim Climate Change Commission (the Commission) is developing emissions budgets, which will set a cap for emissions in five year periods (2022–2025, 2026–2030 and 2031–2035). The Commission will provide advice on the direction of policy required for an emissions reduction plan for the first budget, by February 2021. The Government will respond with its plan to achieve the first budget by 31 December 2021. All investment decisions will need to be consistent with the transport component of that plan.

75. We are already experiencing the impacts of climate change (such as more frequent severe storm events, flooding and coastal inundation) on New Zealand's transport network. Responding to these risks requires the coordination and collaboration of many agencies.

76. The National Climate Change Risk Assessment (NCCRA) will provide a national overview of how various hazards and threats throughout the country might be influenced by climate change, and how these hazards may impact infrastructure (including land transport infrastructure). The first NCCRA is expected to be completed by mid-2020. The Government will use it to prioritise actions to reduce risks, improving resilience of the system, or take advantage of opportunities through its National Adaptation Plan. This may influence investment choices made through the Fund.

### What will be delivered by 2031 (short to medium term results)

- **Reduced greenhouse gas emissions**
- **Reduced air and noise pollution**
- **Improved resilience of the transport system**

## How to deliver these outcomes

- The NZTA will implement its Sustainability Strategy and Action Plan
- Investment decision making that supports national commitments on emissions reduction
- The NZTA will undertake relevant actions identified in the National Adaptation Plan

## How progress will be measured

77. Monitoring the transport sector's contribution to reducing emissions will be led by the Ministry for the Environment. GPS reporting will continue to include relevant indicators.

78. Indicators will include data on:
    - Greenhouse gas emissions
    - Harmful emissions
    - Exposure to elevated levels of noise and air pollution.

Section 2.6

# Indicators for how progress will be measured

79. Table 1 shows results and indicators that reflect the draft GPS 2021. This list will be updated, if required, when the investment strategy is finalised.

Table 1: Relationship between strategic priorities, results and proposed indicators

| Desired result | Transport Outcome(s) | | | | | Proposed indicator(s) |
|---|---|---|---|---|---|---|
| | Healthy and safe people | Inclusive access | Economic prosperity | Resilience and security | Environmental sustainability | |
| **Strategic priority 1:** Developing a transport system where no-one is killed or seriously injured | | | | | | |
| 1. Reduction in road deaths and serious injuries | ✓ | | ✓ | | | A. Road deaths and serious injuries |
| | | | | | | B. Hospitalisations from road crashes |
| | | | | | | C. Deaths and serious injuries where alcohol, drugs, speed, fatigue or distraction was a contributing factor |
| 2. Safer land transport network | ✓ | ✓ | | ✓ | | D. % of state highway and local road networks modified to align with a safe and appropriate speed |
| | | | | | | E. % of road network covered by automated safety cameras |
| | | | | | | F. Number of dedicated road policing staff |
| **Strategic priority 2:** Better transport options to access social and economic opportunities | | | | | | |
| 3. Improved access to social and economic opportunities | | ✓ | ✓ | | | G. % of jobs that are accessible (within a reasonable travel time) by mode |
| | | | | | | H. % of people with access to essential services (i.e. shopping, education and health facilities) by mode |
| 4. Public transport and active modes are more available and/or accessible | ✓ | ✓ | | | ✓ | I. % of population with access to frequent public transport services |
| 5. Increased use of public transport and active modes | ✓ | ✓ | | | ✓ | J. Mode share for people (i.e. % of travel by mode) |
| | | | | | | K. Number of passenger boardings using urban public transport services (by region) |

| Desired result | Transport Outcome(s) | | | | | Proposed indicator(s) |
|---|---|---|---|---|---|---|
| | Healthy and safe people | Inclusive access | Economic prosperity | Resilience and security | Environmental sustainability | |
| **Strategic priority 3:** Improved freight connections to support economic development | | | | | | |
| 6. Freight routes that are more reliable | | | ✓ | ✓ | ✓ | L. Predictability of travel times on priority routes |
| | | | | | | M. Mode share for domestic freight (i.e. % of freight moved by road, rail, and coastal shipping) |
| | | | | | | N. Number of affected travel hours that priority routes are unavailable |
| 7. Freight routes that are more resilient | | | | ✓ | | O. % of priority routes that have viable alternative routes |
| | | | | | | P. Kilometres of road and rail infrastructure susceptible to coastal inundation with sea level rise |
| **Strategic priority 4:** Reduced greenhouse gas emissions from land transport | | | | | | |
| 8. Reduced greenhouse gas emissions from land transport | | | | | ✓ | Q. Tonnes of greenhouse gases emitted per year from land transport |
| 9. Reduced air and noise pollution | ✓ | | | | ✓ | R. Tonnes of harmful emissions emitted per year from land transport |
| | | | | | | S. Number of people exposed to elevated concentrations of land transport-related air pollution |
| | | | | | | T. Number of people exposed to elevated levels of land transport noise |

# 3 Investment in land transport

This section describes how different funding and financing sources should be considered and sets out principles to be taken into account when investing in the land transport sector. It sets out how investment from the Fund has been allocated to activity classes and the Ministerial expectations for how the NZTA gives effect to the investment strategy.

Section 3.1

# Funding land transport

80. The previous section sets out the strategic direction; this section describes investment in land transport to deliver the strategic priorities. The government provides a dedicated fund, the Fund, to support the delivery of land transport investments. The Government expects the transport sector to supplement and support the Fund by considering the most appropriate funding and financing options[1].

81. Many projects will be solely funded by a combination of investment from the Fund and councils. But for large-scale and long-term programmes, and particularly those where transport is part of an integrated package, the Government expects that all appropriate funding and financing approaches will be considered.

82. To determine the most appropriate funding and financing options, a set of principles and a funding and financing toolkit is being developed. Until this is developed, early expectations are that:
- where transport is one of many outcomes being pursued, the Fund should appropriately represent transport's share – this is an opportunity to pursue more ambitious packages that have wider benefits, and of which transport is just one part
- for investments (such as rapid transit) that generate value, capturing some of this value should be considered to offset the costs of the transport investment
- targeted funding, where those who directly and significantly benefit from an infrastructure project pay a greater share of its costs, should be considered
- the procurement approach should seek to best deliver the investment objectives while optimising whole of life costs
- when seeking investment from the Fund for large intergenerational projects (over $100 million) and projects where transport and other outcomes are advanced together, financing approaches should be considered. This includes considering alternative sources (e.g. new Infrastructure Funding and Financing tools) and alternative operational models (e.g. Public Private Partnerships).The Ministry of Transport and the NZTA will expect confirmation that there has been adequate consideration of financing before supporting such large projects.

83. Adopting an alternative financing proposal may foreclose other options so it must represent the best course of action for the land transport system. Alternative financing proposals may also have implications for the Government's broader fiscal strategy and so will need to be considered within an all-of-government context.

## The Government will assist parties to make optimal funding and financing decisions

84. The Government has been developing new investment models with different funding and financing applications. This includes two city-specific approaches in New Zealand (ATAP and LGWM) and innovative approaches to deliver rapid transit in Auckland. While these are at different stages of progress, they are both adopting new principles and expectations around funding and financing, with parties working closely together to determine who should fund what, and what funding sources should be used to complement the Fund.

85. The Government will continue to work with other participants in the land transport planning and funding system (e.g. local government and other agencies) to enable better results within available funding limits. It will also continue to investigate new options for how transport sector projects can be funded and financed. In part, this will be achieved through the funding and financing toolkit, which will assist decision-makers to choose appropriate and effective methods to pay for new infrastructure. Once established, this toolkit will provide users with access to information, guidance and best practice. This toolkit will grow and improve over time.

1. Funding sources cover revenue available (e.g. local government rates) while financing is money raised (e.g. from banks or a loan) that has to be repaid.

## 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 realising the value to communities of land use changes that can be optimised by land transport investment
- that the overall benefits are greater than using the Fund
- that it is the best procurement option, as per Infrastructure Commission guidance.

## Design principles for alternative financing

86. 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 design of the Fund to use today's revenue generally for today's needs
    - 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 discretion of decision-makers.

Section 3.2

# Principles for investing

87. Transport investment decisions need to be transparent and provide the best possible impact and value to New Zealanders.

88. For investment using the Fund this means seeking value for money through:

## Alignment

### Does investment align with the strategic direction of the GPS?

89. The GPS sets out the Government's vision for the land transport sector. This includes the results it wishes to see and some of the key deliverables expected. Government commitments in GPS 2021 show where the Government deems alignment to the strategic priorities to be strongest.

## Effectiveness

### To what extent does the proposal achieve the priorities of the GPS?

90. Making the right investment decisions requires responses to be scoped correctly and show meaningful contributions to the identified results. Funding applicants need to show that they considered alternatives. This includes considering whether there are better ways to operate and maintain the existing land transport system before considering new improvements.

## Efficiency

### Is this being achieved at the best cost for the results being delivered?

91. The principle of efficiency within value for money when procuring goods or services does not necessarily mean selecting the lowest price but rather the best possible outcome for the total cost of ownership (or whole-of-life cost). This includes considering the appropriate funding source and the whole life costs and benefits (both short and long-term, and monetised and non-monetised). An established technique supporting this is cost benefit analysis.

92. This approach is aligned with the Ministry of Transport's system planning, appraisal, investment and evaluation frameworks, and the business case process. The approach will be utilised by NZTA when it prioritises activities for inclusion in the NLTP and considers funding approvals for the programme.

## Making the most of our existing land transport network

93. Often existing networks and services could be used more efficiently, potentially delaying the need for major investment in additional capacity. This means that applying an intervention hierarchy that considers integrated planning, demand management and optimisation of existing networks before constructing new infrastructure is a critical part of achieving value for money from transport investment.

94. Travel demand management is an integrated – whole of system – approach to managing transport using techniques designed to influence the way people travel. This includes how people travel (i.e. by what mode), when people travel, how often they travel, and where they travel to, what route they take and if they even need to travel.

95. In practice, demand can be managed by:
- providing better travel options through infrastructure/service improvements, and system optimisation
- establishing incentives and disincentives to encourage people to change the time, mode or route they travel (e.g. discounts or charges)
- land use management (e.g. focusing growth in areas with good existing travel options and intensification near public transport links)
- policies and behaviour change programmes – 'soft' methods (e.g. marketing and travel planning).

96. One potential benefit of these approaches is that if applied effectively (e.g. contributing to significant mode shift), some forecasted investments (e.g. extra road capacity) may no longer be required, or can be delayed. For cases where investment in new infrastructure or services is necessary to increase the capacity of the transport network, additional supporting demand management interventions to encourage mode shift should be considered. An example could be when a new arterial road is being planned, separate cycle lanes be included into the plans to encourage non-car travel for some users.

97. GPS 2021 expects that demand management initiatives (including promotional activities) will be developed as part of transport planning and business case processes and then funded from the most appropriate activity class.

## Innovation can increase the net benefits from land transport investment and use

98. Innovation can support value for money by providing alternatives or better choices in the way investments are made and used. The land transport system is changing, with new and innovative transport solutions and services affecting the way people and goods travel. The private sector is driving much of this change by playing a greater role in delivering transport services in New Zealand. For example, there is an increasing number of shared mobility services operating in New Zealand's main urban centres.

99. Innovation can help overcome many of the challenges facing the transport system by, for example, improving safety and providing greater access for people. Innovation also provides opportunities to improve, and in some cases, transform the way people travel, and how freight is moved on our land transport network. We need to plan and invest to take advantage of these opportunities. The NZTA will invest from the Fund to support this innovation.

100. When the land transport sector considers investment the Government expects it to take advantage of the opportunities that innovation provides. This includes supporting, developing and making use of new technologies (such as low emission, connected and autonomous vehicles), new business models (such as car share and bike share schemes), and making better use of 'big data' to improve user experiences, integrate different transport options, or optimise traffic flows.

101. Successful innovation depends on encouraging collaboration, and building partnerships, between central and local government, the private sector, academic institutions, and organisations that represent economic, social, and environmental interests.

## Sometimes lead investments will be appropriate

102. In some cases it may represent value for money to make investments ahead of demand, to support future developments (lead investments). For example, building a multi-modal transport corridor ahead of demand while land prices are cheaper will lower the land purchase cost and could help shape urban form in a way that better integrates transport and land use. The early introduction of public transport services to a newly urbanising area can also help establish multi-modal travel patterns. If undertaken strategically, this approach can help minimise the level of car dependency experienced by many existing urban areas.

103. It is important that work to support lead investments is completed in a robust and transparent manner, and only when required by specific Government policy. In GPS 2021, lead investment will help provide access to serviced land for housing development in high growth urban areas. In such cases, the Government expects relevant stakeholders, including the NZTA and local government to agree on how to use existing and new funding and financing tools effectively in combination.

Section 3.3

# Dedicated funding for delivering transport priorities

104. Revenue raised from the land transport system (fuel excise duty, road user charges and motor vehicle registration and licensing fees) is put into the Fund to be used on transport projects. Use of the Fund should:
    - create transport-related benefits
    - generally be used to address today's transport priorities.

105. An increase in fuel excise duty and road user charges has not been modelled as part of this GPS. There will be no increase to FED and RUC in the first three years of this GPS. The revenue for the Fund is projected to increase from around $4.4 billion in 2021/22 to $5.1 billion in 2030/31. Local government supplements the Fund with their 'local share' to help meet the cost of investments that benefit their communities.

106. 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 2021. Actual expenditure will vary with actual revenue collected in the Fund.

107. The NZTA is required to match its expenditure to the target expenditure set out in GPS 2021. 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 LTMA 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. Surpluses can be carried forward from one financial year into the next.

108. The NZTA will manage the long-term sustainability of its transport investment programme. In managing the transport investment programme it should consider fiscal adequacy and resilience to unexpected events, and the ability to cope with long-term trends that create future fiscal risks.

109. The NZTA will need to manage both short term cash flow issues and long term commitments such as public private partnerships.

Table 2: National Land Transport Programme funding ranges 2021/22 to 2026/27

| | 21/22 $m | 22/23 $m | 23/24 $m | 24/25 $m | 25/26 $m | 26/27 $m |
|---|---|---|---|---|---|---|
| **Expenditure target** | 4,500 | 4,550 | 4,650 | 4,700 | 4,800 | 4,850 |
| **Maximum expenditure** | 4,700 | 4,750 | 4,850 | 4,900 | 5,000 | 5,050 |
| **Minimum expenditure** | 4,300 | 4,350 | 4,450 | 4,500 | 4,600 | 4,650 |

Section 3.4

# Activity class framework

110. GPS 2021 allocates funding ranges to eleven activity classes. The activity classes are:

- Road to Zero
- Public transport services
- Public transport infrastructure
- Walking and cycling improvements
- Local road improvements
- State highway improvements
- State highway maintenance
- Local road maintenance
- Investment management
- Rail network
- Coastal shipping

111. Funding from local government will contribute to the delivery of projects across the activity classes, but this is not restricted by activity class. While this will typically be for local government-led projects, by exception the NZTA Board may approve local share contribution to NZTA projects, such as state highway improvements. Any local share provision is additional to the activity class funding ranges.

112. 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 2021. As per the strategic direction of GPS 2021 and following on from GPS 2018, the focus of the investment in the activity classes is on improving safety, better travel options and improved freight connections.

113. This means the NZTA will need to ensure its systems can consider projects that may require investment across activity classes. This supports a more mode neutral and results focused approach, as it enables GPS investments to be funded from more than one activity class to provide the best transport solution.

114. For each activity class, a funding range is given with an upper and lower limit for expenditure from the Fund. There will be additional funding expenditure from other sources (such as Crown funding) to complete some projects e.g. rapid transit. The NZTA is responsible for allocating funding within these ranges to specific activities, while staying within the overall expenditure target.

115. 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 NZTA. 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 NZTA and the Ministry of Transport will advise the Minister of Transport of the risk or opportunity and possible responses.

116. **Table 3** (p34) sets out the activity class funding ranges for 2021/22 – 2030/31. The activity class funding ranges take into account the forecast expenditure from the Fund to deliver the Government's priorities and to realise the strategic direction in GPS 2021.

## New activity classes

### Road to Zero

117. Investment through the Road to Zero activity class will be targeted towards those interventions identified as being key to achieving the target reductions in deaths and serious injuries sought through Road to Zero, for example:
- Safety infrastructure and speed management: safety treatments and speed management on roads across New Zealand where data show the highest concentrations of deaths and serious injuries occur, as well as road engineering to support speed reductions around urban and rural schools. Around $1.5 billion will be invested in infrastructure focused on road safety.
- Road policing: maintaining the number of existing dedicated road policing staff plus necessary wage increases over time, non-dedicated staff time undertaking road policing activities, and associated equipment and overheads, new roadside drug testing equipment, and court-imposed alcohol interlocks subsidy scheme
- Automated enforcement: expanding the safety camera network and its operation and management
- Road safety promotion: national and local/regional campaigns and initiatives to achieve safety outcomes.
- System management activities: strengthen system leadership, support and coordination.

118. Outside of this activity class investment from other activity classes may be used to fund activities with a safety outcome.

119. $1.2 billion additional investment in local roads is estimated as part of Road to Zero interventions and is therefore included in the Road to Zero activity class.

### Rail network

120. Rail is an integral part of the transport system in New Zealand. Rail enables access and mobility, transporting people and goods, supporting productivity and business growth, reducing emissions, congestion and road deaths, and strengthening social and cultural connections between communities.

121. GPS 2021 implements the findings of the Future of Rail Review. The purpose of this activity class is to implement the draft New Zealand Rail Plan by funding approved activities from the Rail Network Investment Programme. The priority is to ensure a reliable and resilient rail network. It provides funding to KiwiRail to maintain and renew the national freight rail network.

122. Projects approved under the transitional rail activity class for the Auckland and Wellington metropolitan rail networks and certain approved inter-regional rail projects will now be funded through the Public transport infrastructure activity class.

123. Public transport operating funding for metropolitan rail networks in Auckland and Wellington will continue to come through the Public Transport Services activity class. This includes a contribution to network infrastructure maintenance and renewal as part of service charges Auckland Transport and Greater Wellington Regional Council pay to KiwiRail.

### Public transport services and Public transport infrastructure

124. Public transport moves large numbers of people through the network. It also can shape the urban landscape and create more liveable cities.

125. The reframed Public Transport Services and Public Transport Infrastructure activity classes in GPS 2021 allow the NZTA to separate regular investment to support continual services, from investment in brand new infrastructure.

126. By incorporating rapid transit funding (e.g. for busways and light rail infrastructure) and metro rail funding into Public Transport Infrastructure, the NZTA will have the flexibility to work with local government to plan and deliver the most appropriate improvements as urban areas grow. The significant cost of rapid transit infrastructure means that alternative funding and financing arrangements may be required to deliver rapid transit and supplement the funding available in the Fund.

### Coastal shipping

127. New Zealand's coastal shipping sector fulfils a critical role in New Zealand's freight system. It provides a safe and sustainable mode for transporting large, heavy cargo such as petroleum products, cement and aggregate. There is potential to increase the use of coastal shipping as an alternative to other freight transport.

128. Ultimately, the Government's expectation for investment in coastal shipping is to embed mode neutrality and choice for freight transporters, to allow New Zealand flagged coastal shipping to operate on a level playing field with other freight operators, and to enhance the sustainability and competitiveness of the domestic sector. It also reflects the Government's interest in partnering with industry to understand the challenges facing coastal shipping, and working with it to address these challenges. The initial three years of funding will include relevant research to see what future support for the sector may help achieve Government's aims.

Table 3: Activity classes and proposed funding ranges

| Activity Class | Expenditure reporting line | Definition |
|---|---|---|
| | | |
| Road to Zero | Safety Infrastructure | Investment in safety infrastructure and speed management treating high risk corridors and intersections. |
| | Road policing | Investment in road policing and associated equipment |
| | Automated enforcement | Investment in automated enforcement |
| | Road safety promotion | Investment to support behavioural changes to improve road safety outcomes |
| Public transport services | Service operation | Investment in the operation of existing public transport networks and services to improve utilisation and maintain existing levels of service. |
| | Service improvement | Investment in new public transport services to improve the level of service and encourage the uptake of public transport. |
| Public transport infrastructure | Existing | Investment in maintaining the level of service of existing public transport infrastructure. |
| | New | Investment in new public transport infrastructure to improve the level of service. |
| Walking and cycling improvements | Walking and cycling | Investment to improve the level of service and increase uptake for walking and cycling including promotional activities |
| Local road improvements | Existing | Investment in improving the capacity or level of service on existing local roads |
| | New | Investment to optimise utilisation,improve level of service and improve capacity where needed |
| State highway improvements | Existing | Investment in improving the capacity or level of service on existing state highways |
| | New | Investment to optimise utilisation, improve level of service and improve capacity where needed |
| State highway maintenance | Operate | Investment in the operation of existing state highways to optimise existing infrastructure and 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 |
| Local road maintenance | 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 |
| Investment management | Planning | Investment in the transport planning research and funding allocation management |
| | Sector Research | |
| | Management | |
| Coastal Shipping | Coastal shipping | Investment in coastal shipping |

129. **Funding a reliable and resilient rail network will also include funding from the Crown and those figures will be reflected in the final GPS 2021, following Budget 2020.**

| | | |
|---|---|---|
| Rail network | Rail network | Investment to enable a reliable and resilient rail network |

| | | GPS 2021 funding ranges | | | | | | Forecast funding ranges | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2021/22 $m | 2022/23 $m | 2023/24 $m | 2024/25 $m | 2025/26 $m | 2026/27 $m | 2027/28 $m | 2028/29 $m | 2029/30 $m | 2030/31 $m |
| | Upper | 910 | 940 | 980 | 1000 | 1040 | 1070 | 1080 | 1110 | 1140 | 1170 |
| | Lower | 820 | 840 | 870 | 900 | 930 | 960 | 970 | 1000 | 1020 | 1050 |
| | Upper | 600 | 630 | 700 | 820 | 900 | 920 | 950 | 970 | 1000 | 1030 |
| | Lower | 390 | 410 | 420 | 430 | 440 | 450 | 470 | 480 | 490 | 510 |
| | Upper | 770 | 650 | 660 | 780 | 830 | 850 | 810 | 810 | 850 | 870 |
| | Lower | 500 | 450 | 370 | 340 | 340 | 350 | 350 | 350 | 370 | 380 |
| | Upper | 145 | 140 | 160 | 115 | 115 | 115 | 120 | 120 | 120 | 120 |
| | Lower | 95 | 90 | 105 | 75 | 75 | 75 | 80 | 80 | 80 | 80 |
| | Upper | 300 | 250 | 260 | 260 | 130 | 130 | 140 | 140 | 140 | 150 |
| | Lower | 120 | 100 | 100 | 110 | 50 | 50 | 50 | 60 | 60 | 60 |
| | Upper | 1250 | 1000 | 1000 | 950 | 900 | 800 | 650 | 550 | 450 | 450 |
| | Lower | 1000 | 800 | 800 | 750 | 700 | 600 | 450 | 350 | 350 | 300 |
| | Upper | 860 | 880 | 900 | 940 | 970 | 1020 | 1060 | 1110 | 1150 | 1190 |
| | Lower | 740 | 750 | 770 | 800 | 830 | 870 | 910 | 950 | 980 | 1020 |
| | Upper | 760 | 780 | 800 | 820 | 840 | 860 | 880 | 900 | 930 | 950 |
| | Lower | 650 | 670 | 680 | 700 | 720 | 730 | 750 | 770 | 790 | 810 |
| | Upper | 80 | 85 | 90 | 90 | 90 | 95 | 95 | 95 | 100 | 100 |
| | Lower | 70 | 75 | 75 | 75 | 80 | 80 | 80 | 85 | 85 | 85 |
| | Upper | 15 | 15 | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Lower | 10 | 10 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Upper | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |
| | Lower | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Section 3.5

# Delivering Government Commitments

130. To support commitments that have been made by Government towards certain programmes, the Government expects forthcoming NLTPs to meet investment expectations (set out in Table 4), across total investment in activities.

131. The activity classes in GPS 2021 have been set to deliver the results the Government wishes to see from ATAP, LGWM and Road to Zero. The NZTA also has a role to play in implementing the New Zealand Rail Plan. The activity classes include sufficient funding to cover the Central Government share for each of these Government Commitments. Some investments (e.g. a dedicated safety improvement in Auckland) will contribute to meeting multiple Government Commitments.

132. The NZTA is expected to report to the Minister on the investment and delivery progress of these programmes. They will work closely with approved organisations to do this.

Table 4: Investment expectations for Government Commitments to be met in NLTPs

| Government Commitments | Investment expectations |
|---|---|
| **Auckland Transport Alignment Project (ATAP)**<br>ATAP is an aligned strategic approach between the Government and Auckland Council to develop a transformative transport programme that addresses Auckland's key challenges over the next 30 years.<br>In April 2018 the Government and Auckland Council agreed the ATAP package of investment priorities for Auckland. The indicative package of $28 billion for the first decade will be funded from the Fund, Crown funding, rates and the Auckland regional fuel tax.<br>Funding to give effect to the Government's commitment to the second decade of ATAP, which begins in 2028/29, will be factored in through a future GPS update. | $16.3 billion from the Fund (from 2018/19-2027/28)[2] |
| **Let's Get Wellington Moving (LGWM)**<br>LGWM is a joint initiative between Wellington City Council, Greater Wellington Regional Council, and the NZTA. The programme focuses on the area from Ngauranga Gorge to the airport, encompassing the Wellington Urban Motorway and connections to the central city, hospital, and the eastern and southern suburbs.<br>In May 2019, the Government, Wellington City Council and Greater Wellington Regional Council announced the LGWM indicative package, made up of a number of components to improve walking, cycling, public transport and liveability in Wellington. | $3.8 billion from the Fund (from 2021/22-2041/42)[3] |
| **Road to Zero**<br>'Road to Zero' charts a new approach to road safety for the next 10 years to 2030, with a vision of a New Zealand where no one is killed or seriously injured in road crashes. The strategy builds on the safe system approach introduced in the previous 'Safer Journeys' strategy 2010-2020, with a focus on infrastructure improvements and speed management; vehicle safety; work-related road safety; road user choices and system management. Road to Zero introduces a target of a 40 percent reduction in deaths and serious injuries over ten years (from 2018 levels). | $10 billion from the Fund (between 2021/22-2030/31) |
| **New Zealand Rail Plan**<br>The New Zealand Rail Plan outlines the Government's vision and priorities for rail. Our long-term vision is for New Zealand's national rail network to provide modern transit systems in our largest cities, and to enable increasing volumes of freight to be moved off the roads and onto rail. Over the next decade investment is needed to retain the current level of service from our national network and achieve a reliable and resilient national freight rail network. The NLTF will be one contributor to funding this. | $1.2 billion from the Fund (between 2021/22 and 2030/31) |

2. $16.3 billion was the commitment from the Fund to ATAP in 2018. This may change as part of an ATAP refresh. Further clarification will be provided in the final GPS 2021.

3. This reflects Cabinet endorsement of an indicative package and an overall 60:40 split between central and local government. This was based on revenue growth assumptions that are not built into the GPS 2021 forecast and is subject to each party being able to provide their share.

Section 3.6

# Crown funding for land transport

133. Some 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 NZTA or KiwiRail acting as the Crown's delivery agent.

134. This section will be updated once decisions around Budget 2020 are made. This will include any relevant Crown funding related to implementing the Future of Rail.

**Table 5: Other committed land transport Crown funding 2021/22 to 2030/31 ($000)**

**Placeholder:** In the final GPS, section 3.6 will be updated to reflect any contributions to land transport from Budget 2020.

## The New Zealand Upgrade Programme

135. The Government has committed $6.8 billion in capital investment from the Crown to progress new infrastructure projects – the New Zealand Upgrade Programme. This will support specific projects that will further the Government's ambition for the future transport system of New Zealand. Details of the programme can be found at www.nzta.govt.nz/nzupgrade.

136. This is a significant investment programme which builds on investment made through the Fund. This Crown funding is not included in the activity classes in section 3.4 (as it is not land transport revenue) but brings overall investment in land transport to around $54 billion over 10 years (2021/22 to 2030/31). Table 6 shows the cumulative expected investment into the land transport system through the Fund (directed by this GPS) alongside the forecast annual investment through the New Zealand Upgrade Programme.

**Table 6: Transport investment through the Fund and the New Zealand Upgrade Programme**[4]

| | 21/22 $m | 22/23 $m | 23/24 $m | 24/25 $m | 25/26 $m | 26/27 $m | 27/28 $m | 28/29 $m | 29/30 $m | 30/31 $m |
|---|---|---|---|---|---|---|---|---|---|---|
| Fund expenditure | 4,500 | 4,550 | 4,650 | 4,700 | 4,800 | 4,850 | 4,900 | 5,000 | 5,050 | 5,100 |
| New Zealand Upgrade Programme expenditure | 1,050 | 1,050 | 1,000 | 1,050 | 750 | 650 | 200 | 150 | 100 | 0 |
| **Total** | **5,550** | **5,600** | **5,650** | **5,750** | **5,550** | **5,500** | **5,100** | **5,150** | **5,150** | **5,100** |

137. Combined, the investment through the GPS 2021 and the New Zealand Upgrade Programme will help future proof the economy, get our cities moving, and make our roads safer.

138. The New Zealand Upgrade Programme delivers important projects that will speed up travel times, ease congestion and make our roads safer. It reflects the Government's balanced transport policy with $6.8 billion being invested across road, rail, public transport and walking and cycling infrastructure across New Zealand.

139. Of the $6.8 billion investment, around $1.8 billion of the projects that will be delivered through the New Zealand Upgrade Programme would have otherwise been delivered as a result of the GPS 2021. This means that the New Zealand Upgrade Programme has provided additional flexibility for the GPS 2021 to signal increased investment in:

- public transport services and infrastructure, to help to make towns and cities more liveable through achieving the Government's ambitions for mode shift
- road safety investment, to ensure the reduction of deaths and serious injuries by 40 percent
- road maintenance, to allow New Zealanders to continue to experience well maintained and serviced roads.

4. Investment of the New Zealand Upgrade Programme will begin in 2019/20. Figures in table display investment from 2021/22 onwards.

Section 3.7

# Statement of Ministerial expectations

140. Ministerial expectations highlight important behaviours or action required from the NZTA to give effect to GPS 2021. Any necessary further detail on these expectations will be set out in the annual letter of expectations provided by the Minister of Transport, relating to the NZTA's wider role.

### The NZTA will play a more proactive role in accelerating mode shift across New Zealand

141. The Minister expects that the NZTA will:

- implement the NZTA's mode shift plan ("Keeping Cities Moving").
- work with local government to implement agreed mode shift plans in the high-growth urban areas of Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown.
- assist in the implementation of recommendations from the national climate change risk assessment.

### The NZTA will have a greater role in long-term, integrated planning for the sector

142. The Minister expects that the NZTA will:

- work closely with every region to help them develop robust RLTPs informed by evidence that take account of GPS 2021
- coordinate delivery across the whole land transport system based on service level standards that are consistent with network use and function
- have and maintain a longer term understanding of the costs of maintaining land transport assets
- encourage consistent, good practice planning so that the interaction between transport use and land use is well managed
- encourage future-focused planning, such as through designating and authorising land use for transport, to provide certainty to the sector and communities
- in agreement with local and central government, make use of funding and financing tools that encourage contributions from new developments (or parties benefitting from them) to the costs that development imposes on the transport system
- work collaboratively with local government to ensure that transport infrastructure effectively supports urban growth and aligns with wider initiatives to provide quality urban form. In making trade-offs between investments that support intensification (e.g. expanded capacity of a rail station or bus services) and those that support greenfield development (e.g. trunk infrastructure) the NZTA will need to consider the extent to which the latter set of investments support 'quality urban environments', improve transport choice and support the reduction of greenhouse gas emissions, and are consistent and have regard to spatial planning exercises
- support the Ministry of Transport in carrying out its roles of system-level planning across transport levers and funding sources, and long term planning of investment in the transport system, particularly by providing information about local needs and the condition of land transport assets
- support the Ministry of Transport in its role of considering transport investments (including land transport investments) that may be funded outside the GPS and the Fund.

### The NZTA will work closely with the Ministry of Transport and local government in developing and implementing the NLTP to give effect to the GPS

143. The Minister expects that the NZTA will:

- ensure all its planning frameworks, tools and approaches are driven clearly and solely by the GPS
- ensure clear, transparent and regular feedback loops with local government and the Ministry of Transport in ensuring it is giving effect to GPS 2021
- carefully manage expectations in respect of the GPS programme and commitments
- ensure alignment with the Ministry of Transport's system planning, appraisal, investment and evaluation frameworks.

### The NZTA will help to meet the specific programmes under Government Commitments

144. The Minister expects the NZTA will:
- help deliver the Government Commitments (ATAP, LGWM and Road to Zero) by:
  - establishing three year investment targets for Government Commitments
  - proactively managing progress across programmes (responding to slower or quicker delivery) in order to reach investment targets for Government Commitments
  - establishing specific reporting on Road to Zero that demonstrates that it delivers on the measures in the Road to Zero strategy and action plan
  - establishing specific reporting on LGWM, and supporting the ATAP reporting process.
- the above reporting should indicate progress towards investment targets and delivery
- fulfill its role in supporting the implementation of the draft New Zealand Rail Plan.

### The NZTA will need to work with KiwiRail to support the implementation of the draft New Zealand Rail Plan and changes to the LTMA 2003 to implement the new planning and funding framework for rail

145. The Minister expects the NZTA will work closely with KiwiRail, the Ministry, the Treasury, and relevant regional authorities to implement the new rail planning and funding model, including the changes to the LTMA 2003. The NZTA will:
- support KiwiRail as the owner of the national rail network to develop an RNIP that aligns with the delivery of the draft New Zealand Rail Plan and the GPS
- develop the appropriate assessment approach to enable it to provide recommendations on the RNIP, including building its capability in assessing rail network activities
- support principles of the recommendations of the Future of Rail review, which seeks to provide long-term certainty of funding for rail, particularly around maintenance and renewal of the network
- ensure other transport interventions that interact with rail align with the New Zealand Rail Plan and the RNIP (in particular public transport funding for metropolitan rail services, and investment in road around level crossings)
- be accountable for the monitoring of investment in rail from the Fund.

### The NZTA will develop its ability to manage delivery across projects, packages, programmes that comprise their wider portfolio

146. The Minister expects that the NZTA will:
- establish core capability to effectively manage programmes and projects and have complete oversight of the portfolio of land transport projects and programmes supported by the Fund. This should also allow the NZTA to make sure costs are effectively managed across the portfolio, and that the Board has appropriate oversight of the use of the delivery of investment programmes
- set an example for the sector through its portfolio management approach by having a clear approach to managing investments across the project lifecycle from planning to business case to execution and monitoring implementationensure it has the right capability to undertake business case analysis and cost benefit analysis
- more actively influence the way local government designs and delivers public transport services. This includes driving more integrated planning of transport solutions at a local level, prioritising the delivery of modern integrated ticketing systems in New Zealand's main centres, and driving the Government's mode shift priority through its planning and funding levers for public transport
- build leadership and assurance capability to play a stronger oversight role in enabling the investment, procurement, and delivery of public transport services, including setting best practice standards for how co-investment partners undertake procurement and contract management.
- ensure it has robust strategies and approaches for managing the asset performance of the State highway network.

### The NZTA should be innovative within its own business, and work collaboratively with others to deliver transport innovation for the land transport system

147. The Minister expects the NZTA will:
- work collaboratively with others to better understand, promote and facilitate innovative solutions across the transport system. This includes piloting or demonstrating new approaches in areas such as street design and travel demand management, and testing the use of new technologies where they can make a meaningful contribution to the objectives of this GPS.
- consider how different funding sources can be used to support innovative research or 'proof of concept' proposals put forward by the private sector, the research community, or other central or local government agencies, where they have the potential to contribute to the research priorities set out in the Transport Evidence Base Strategy.
- proactively identify and remove barriers that prevent it from delivering innovation across its core business, and barriers that make it unnecessarily difficult or costly for other entities (including local government and the private sector) from advancing innovative solutions (including research) that would contribute to the objectives of this GPS
- ensure that any direct investments the NZTA makes in innovation clearly contribute to the Government's priorities
- contribute annual funding from across the Fund and participate in a transport sector innovation programme in collaboration with the private sector and research community. This will also require taking a considered and deliberate approach when determining the role that the Agency should play in innovation initiatives. In some cases (where an initiative relates to the NZTA's core functions), this may require the NZTA to play a lead role. In other cases, it may be more appropriate for the Agency to partner with others entities in the private sector, local government or academia.

### The NZTA will take a robust approach to getting value for money from the Fund

148. The Minister expects that the NZTA will:
- ensure a robust and mode-neutral options analysis process is used that follows the NZTA's intervention hierarchy, for addressing any problems and opportunities that have been considered when making investment decisions
- seek opportunities to deliver co-benefits across multiple outcomes
- support the sector to put forward the best transport solutions and ensure a fit for purpose investment process. This means the NZTA will continue to support funding across activity classes, and enable approved organisations to not choose or define projects based on the activity class structure
- have clear and regular communication channels with local government during the assessment and allocation processes, which provide sufficient detail for areas to understand funding decisions.

### The NZTA will work with the Ministry of Transport to continuously improve the GPS monitoring and reporting system to inform decisions throughout the life of the GPS

149. The Minister expects the NZTA will:
- have the appropriate information systems to manage the performance of the road network and the annual provision of measures' data to the Ministry
- 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 2021
  - the amount of investment associated with the strategic priorities and Government Commitments
  - 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 except minor investment decisions
    - when and why lead investment has taken place
    - how investment decisions have been made at the programme level, where relevant
    - 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 Framework across state highways and local roads
- report annually on progress against each expectation in this Statement of Ministerial Expectations.

### The NZTA should make land transport data available to others, and promote the use of common data standards

150. The Minister expects the NZTA will work collaboratively across the sector within the environment created by the Transport Evidence Base Strategy to:
- fully incorporate the Transport Evidence Base Strategy, and associated Implementation Plan, into all data, information, research and evaluation work programmes
- make necessary, timely and cost-effective enhancements to information, data, analytical and modelling systems to manage and gain insight from the large volumes of data generated by the land transport system
- collect, maintain and publish accurate, reliable and relevant, open (land transport) data
- ensure appropriate governance of this open data including leading the development of open data protocols for land transport data
- work with KiwiRail to assess what information should be collected and by whom and accordingly collect and provide consistent and accessible information, data, and analysis
- integrate transport evidence with evidence from other areas including land use, economic development and health
- proactively facilitate the provision of information and data held by the NZTA that third parties use to integrate transport services through mobility as a service or similar platforms.

### The NZTA should align investment decisions with the Transport Resilience and Security Framework

151. The Minister expects that the NZTA will:
- align investment decision making with the Transport Resilience and Security Framework
- consider potential for climate change adaptation when approving projects for investment. For example, proposals should consider whether they will be under threat from climate change in the medium to long term and whether a small additional investment would allow for effective adaptation to avoid such threats
- consider community wellbeing (including the wellbeing of regional communities) when approving projects for investment
- where relevant, ensure that project proposals have considered, and are designed in such a way to mitigate, significant threats to personal security.

# 4 Appendices

# Appendix 1: The land transport planning environment

Investment in the land transport network is made under the framework set out in the LTMA 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 ten years. In addition, the strategy's forecast funding ranges must extend out to 10 years.

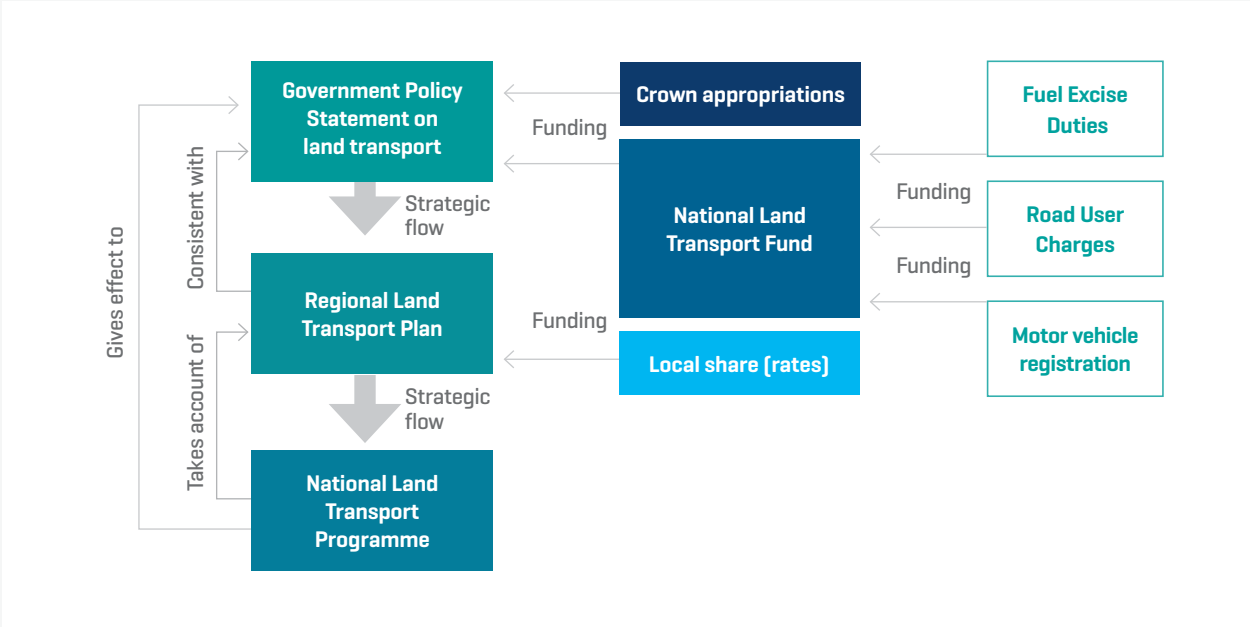
## The National Land Transport Programme (NLTP)

The NZTA must develop an NLTP 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. The NLTP must take account of RLTPs in doing this (ideally the NZTA and local government inform each other's plans).

## Regional Land Transport Plans (RLTPs)

RLTPs 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 NZTA. RLTPs 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 RLTPs. The linkages between these different documents are set out in Figure 3.

Figure 3: Linkages between land transport documents

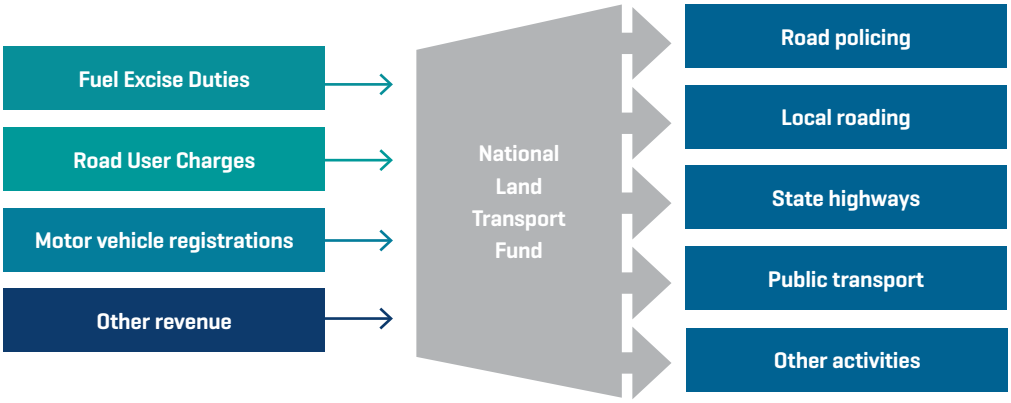


## Funding for land transport investment

While the GPS provides a national picture of land transport funding, the specific detail of how funding is invested is the responsibility of the NZTA. The NZTA'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.

Figure 4: Funding flows




The NZTA allocates the Fund to activities to give effect to the objectives, results and expectations set out in the GPS. The NZTA, the New Zealand Police (NZ Police) and other approved organisations under the LTMA 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 and road policing.

Some of the activity classes (including local roads and public transport) relate to land transport activities that are the responsibility of local government (regional, district and city councils). The costs of these activities are shared by the Fund and local government.

## Crown contributions

For the period to 2030/31, 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.

Details of land transport appropriations will be added to GPS 2021 once decisions around Budget 20 are made.

## Rail

As part of the rail network being funded through the Fund, track user charges will be implemented to contribute to the costs of rail. The Ministry is undertaking further work on developing and implementing track user charges, changes to the LTMA 2003 are also being progressed to allow for track user charges to be paid into the Fund. Crown funding is also expected to contribute.

## Land use planning

The GPS directs transport planning and investment (under the LTMA 2003), and it informs land use planning processes (under the Resource Management Act 1991). As an example, transport planning and investment can deliver an active transport network in line with the priorities of the GPS, but is reliant on land use planning to ensure that more efficient and liveable urban form supports active transport.

Together with the Government Policy Statement on Housing and Urban Development (currently under development), the GPS on land transport will provide consistent strategic direction across the spectrum of transport and land-use policy. The statement of priorities, objectives and results in the GPS enables well informed decision-making in both transport and land use planning, 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.

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.

# Appendix 2: GPS 2021 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 LTMA 2003, which is:

**"To contribute to an effective, efficient, and safe land transport system in the public interest"[5].**

Without limiting the legal interpretation of these terms, for the purpose of GPS 2021, 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 NZTA, the NZ Police and other approved organisations[6] will use the framework in the LTMA 2003 to deliver investment across New Zealand that is prioritised and coordinated.

## GPS 2021 components

The LTMA 2003 requires a GPS to include a number of components. These components have been grouped in GPS 2021 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 LTMA 2003.

## Requirements of the GPS

The LTMA 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 2021 does this by describing:

- the Government's priorities for expenditure from the Fund from the 2021/22 to the 2030/31 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 LTMA 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 NLTP
- 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.

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 NLTP for each year
  - a maximum and a minimum level of expenditure for the NLTP 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 NLTP 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 NZTA 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.

5. Section 3 of the LTMA 2003.
6. Approved organisations: territorial authorities, regional councils, Auckland Transport, the Department of Conservation and the Waitangi National Trust Board.

# Appendix 3: Summary of key policy direction documents

## Road to Zero: New Zealand's Road Safety Strategy 2020 – 2030

**(see www.transport.govt.nz)**

Road to Zero charts a new approach to road safety for the next 10 years to 2030, with a vision of a New Zealand where no one is killed or seriously injured in road crashes. The strategy builds on the safe system approach introduced in the previous Safer Journeys strategy 2010-2020, with a focus on infrastructure improvements and speed management; vehicle safety; work-related road safety; road user choices and system management. Road to Zero introduces a target of a 40% reduction in deaths and serious injuries over ten years (from 2018 levels).

## Auckland Transport Alignment Project

**(see www.transport.govt.nz)**

The Auckland Transport Alignment Project (ATAP) is an aligned strategic approach between the Government and Auckland Council to develop a transformative transport programme that addresses Auckland's key challenges over the next 30 years. The Government Policy Statement makes explicit reference to supporting ATAP 2018 projects. The RLTP for Auckland is fully aligned with ATAP 2018 and the NLTP must give effect to Government's priorities that for Auckland are embodied in the ATAP package.

## Urban Growth Agenda (UGA)

**(see www.hud.govt.nz)**

The UGA is a cross-government initiative designed to remove barriers to the supply of land and infrastructure and make room for cities to grow up and out. The core objectives of the UGA are to improve housing affordability, housing choice, and access to employment, education and services, as well as assisting in emission reduction and enabling quality built environments whilst avoiding unnecessary urban sprawl.

To achieve these objectives the UGA consists of five interconnected focus areas:

- infrastructure funding and financing – to enable a more responsive supply of infrastructure and appropriate allocation of cost
- urban planning – to allow urban areas to make room for growth, support quality built environment and enable strategic integrated planning
- spatial planning (initially focused on Auckland and the Auckland-Hamilton corridor) – to build a stronger partnership with local government and iwi to shape urban outcomes through long-term, integrated planning
- transport pricing – to ensure the price of transport infrastructure promotes efficient use of the network
- legislative reform – to ensure that regulatory, institutional and funding settings are collectively supporting the UGA objectives.

Combined, the UGA signals a new approach to genuinely integrated planning for land use and infrastructure, which should be at the heart of any decisions on transport investments in the future. The upcoming Comprehensive Review of the Resource Management Act will also look at options for making spatial planning integral to our planning system.

## National Policy Statement on Urban Development (NPS-UD) – under development
**(see www.mfe.govt.nz)**

A key initiative of the Urban Growth Agenda is the development of the National Policy Statement on Urban Development (NPS-UD), a national direction policy tool in the Resource Management system.

The proposed NPS-UD focuses on the role of the planning system in enabling growth and regulating land use in urban areas. It aims to enable growth by requiring councils to provide development capacity to meet the diverse demands of communities, address unnecessary regulatory constraints, and encourage quality urban environments. It will help ensure planning that is strategic and responsive to demand and enables well-connected growth. This will, in turn, lead to improved mobility and more dynamic land use.

- The NPS-UD consultation document, published in August 2019 contained objectives and policies in four key areas: Future Development Strategy – requires councils to carry out long-term planning to accommodate growth and ensure well-functioning cities.
- Making room for growth in RMA plans – requires councils to allow for growth 'up' and 'out' in a way that contributes to a quality urban environment, and to ensure their rules do not unnecessarily constrain growth.
- Evidence for good decision-making – requires councils to develop, monitor and maintain an evidence base about demand, supply and prices for housing and land, to inform their planning decisions.
- Processes for engaging on planning – ensures council planning is aligned and coordinated across urban areas, and issues of concern to iwi and hapū are taken into account.

The consultation document also sent clear signals about the role of transport in driving more efficient and liveable urban form, and the need for decisions on land use to assist in supporting public and active transport. This includes:

- making provision for urban intensification in appropriate areas, including around transport infrastructure
- providing for greenfield development where this enables quality built environments and transport choice (amongst other conditions),
- limiting the ability to require car parking provision in new developments
- requiring Future Development Strategies to be developed for all Major Urban Areas (Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown) to show how and where local government will provide for future development. These are to be informed by, and are encouraged to inform, RLTPs.

## Regional Economic Development (RED)
**(see www.mbie.govt.nz/www.mpi.govt.nz)**

Regional development and resilience are critical to the success of New Zealand as a whole. Through the Provincial Growth Fund and other initiatives, the Government is supporting regions so that all New Zealanders, town or city, can fully participate in an economy that is sustainable, inclusive and productive. While all regions are eligible for the Provincial Growth Fund, key regions that have been prioritised for funding are Tai Tokerau/Northland, Bay of Plenty, East Coast, Hawke's Bay, Manawatū-Whanganui, and the West Coast.

## New Zealand Energy Efficiency and Conservation Strategy (NZEECS) 2017–2022

**(see www.eeca.govt.nz)**

NZEECS contributes to the delivery of the Government's energy priorities set out in the New Zealand Energy Strategy. The NZEECS 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".

## New Zealand Renewable Energy Strategy – under development

**(see www.mbie.govt.nz)**

The Government is currently developing a national renewable energy strategy to achieve an affordable, secure and sustainable energy system that provides for New Zealanders' wellbeing in a low emissions world, Aotearoa New Zealand's economy and exports by driving innovation in clean energy. The work programme focuses on three main outcomes:

- An inclusive and consumer focused energy system.
- A system that encourages increased investment in low emissions technologies.
- An innovative and modern energy system that creates new opportunities for business and consumers.

## 2015 National Infrastructure Plan

**(see www.infrastructure.govt.nz)**

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.

## New Zealand Health Strategy: Future Direction 2016 and New Zealand Health Strategy: Roadmap of actions 2016

**(see www.health.govt.nz)**

The New Zealand Health Strategy has two parts. Both parts of the Strategy together comprise the 'New Zealand Health Strategy'.

- **Future Direction** – 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.'
- **Roadmap of Actions 2016** – 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.'

## Public Transport Operating Model

**(see www.transport.govt.nz)**

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 are awarded through a mix of direct negotiations and tendering. The legislative elements of the model are set out in Part 5 of the LTMA 2003. The operational elements are in the NZTA's Procurement manual and Guidelines for preparing regional public transport plans.

The Government has asked the Ministry of Transport to lead a review of the Public Transport Operating Model, which is expected to be completed by the end of 2020.

## Tourism Strategy
**(see www.mbie.govt.nz)**

The New Zealand-Aotearoa Government Tourism Strategy sets out a more deliberate and active role for Government in tourism to enrich New Zealand-Aotearoa through sustainable tourism growth.

The Government wants tourism growth to be productive, sustainable and inclusive. Our goals are:

- Tourism supports thriving and sustainable regions
- Tourism sector productivity improves
- New Zealand-Aotearoa delivers exceptional visitor experiences
- Tourism protects, restores and champions New Zealand-Aotearoa's natural environment, culture and historic heritage
- New Zealanders' lives are improved by tourism

## New Zealand Disability Strategy
**(see www.odi.govt.nz)**

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 Disability Action Plan, which is currently being reviewed to reflect current Government priorities.

## Draft New Zealand Rail Plan
**(see www.transport.govt.nz)**

The New Zealand Rail Plan will guide investment for rail over the longer-term by setting out a 10-year investment programme. The draft New Zealand Rail Plan is currently available for engagement. The draft New Zealand Rail Plan and investment signals within it have informed the draft GPS.

The draft New Zealand Rail Plan outlines Government's long-term commitment to the significant investment needed to achieve a reliable, resilient and safe rail network. The final plan will guide both network and track based infrastructure owned by KiwiRail, as well as investment in passenger and freight trains, and rail services owned and provided by KiwiRail, Auckland Transport, and Greater Wellington Regional Council. This will guide both future Crown funding decisions and, through the GPS, funding decisions from the Fund.

## Rail Network Investment Programme

KiwiRail will be required to develop a 3-year investment programme for the rail network. This will be called the Rail Network Investment Programme (RNIP). The RNIP will also have a 10 year forecast. KiwiRail will be guided by the New Zealand Rail Plan, and the funding envelope and signals in the GPS.

The Minister of Transport will approve the RNIP to reflect the need to take a holistic view of rail investment, especially while the rail network is being restored and Crown funding provided.

The NZTA will be responsible for advising the Minister of Transport on how the proposed RNIP, and the activities under it, align with the LTMA 2003, outcomes in the GPS, the New Zealand Rail Plan, and fit with the overall land transport investment programme and align with RLTPs. The NZTA will also be responsible for advising that the activities represent value for money and monitoring delivery of the RNIP.

The proposed funding for rail and its incorporation into the draft GPS is contingent on the passing of the Land Transport (Rail) Legislation Bill, which will implement a new planning and funding framework for rail.

# Appendix 4: Glossary

| | |
|---|---|
| Activity | Defined in the LTMA 2003 as a land transport output or capital project, or both. |
| Activity class | Refers to a grouping of similar activities. |
| Active modes | Transport by walking, cycling or other methods, which involve the direct application of kinetic energy by the person travelling. |
| Approved organisations | Organisations eligible to receive funding from the NZTA for land transport activities. Approved organisations as defined in the LTMA 2003. |
| Capacity of network | The amount of movement of people and/or goods that the network can support at a given time. |
| Demand management | 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. Modeshift is one way of managing demand. |
| Fuel Excise Duty (FED) | 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. |
| Hypothecation | 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). |
| Lead investment | Investment which acts as a catalyst for future development. |
| Land Transport Management Act 2003 | The main Act governing the land transport planning and funding system. |
| Land transport revenue | Revenue paid into the Fund under the LTMA 2003. |
| Local road | Defined in the LTMA 2003 as a road (other than a state highway) in a district that is under the control of a territorial authority. |
| Local share | The contribution that communities make (through local government) towards transport projects that have shared national and local benefits. |
| Maintenance | Maintaining a road so that it can deliver a defined level of service, while leaving the fundamental structure of the existing road intact. |
| Major urban centre | As defined in the draft National Policy Statement on Urban Development. Major urban centres include Auckland, Tauranga, Hamilton, Wellington, Christchurch, and Queenstown. They are areas of high population, high growth and high employment density. |
| Micro-mobility | Light, short haul modes of transport such as electric scooters, skateboards, share-bicycles. |
| Ministry of Transport | 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. |
| Mode neutral | 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. |
| Mode shift | Increasing the share of people's travel by public transport, walking and cycling. |
| Motor vehicle registration and licensing fees | Motor vehicles pay a registration fee when first registered to enter the fleet, and an annual licence fee to legally operate on the road network. Motor vehicle registration and licensing fees are defined as land transport revenue. The fees are intended to contribute to the maintenance of the Motor Vehicle Register where the details of motor vehicles are recorded. |
| National Land Transport Fund (the Fund) | The set of resources, including land transport revenue, that are available for land transport activities under the National Land Transport Programme. |

| | |
|---|---|
| National Land Transport Programme (NLTP) | A programme, prepared by the NZTA, that sets out the land transport activities which are likely to receive funding from the National Land Transport Fund. The NLTP is a three-yearly programme of investment in land transport infrastructure and services from the Fund. |
| New Zealand Rail Plan | Government's plan that will guide investment to be made through the rail investment programme to achieve a reliable, resilient and safe rail network. |
| Petrol Excise Duty (PED) | Petrol Excise Duty is a tax imposed by the government on petrol and is used to fund land transport activities. |
| Public transport | Passenger transport infrastructure and services contracted by local and central government which may include shared on-demand services identified in Regional Public Transport Plans as integral to the public transport network. Interregional passenger transport by means of a rail vehicle. |
| Rail Network Investment Programme (RNIP) | This programme will set out 10 years of projects for funding approval, guided by the draft New Zealand Rail Plan, to achieve a reliable, resilient and safe rail network. The programme will be written by KiwiRail and approved by the Minister of Transport with guidance from the NZTA. |
| Rapid transit | A fast, frequent, reliable, and high capacity form of urban public transport that can move a large number of people. Rapid transit vehicles run on permanent routes, and are largely separated from other traffic to avoid being delayed by congestion. Examples include rail, light rail, and bus rapid transit systems. |
| Regional Land Transport Plans (RLTPs) | 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 NLTP. |
| Regional Transport Committee (RTCs) | 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 an RLTP. |
| Road controlling authorities (RCAs) | Authorities and agencies that have control of the roads, including the NZTA, territorial authorities, Auckland Transport, the Waitangi Trust and the Department of Conservation. |
| Road User Charges (RUC) | Charges on diesel and heavy vehicles paid to the government and used to fund land transport activity. |
| State highways | A road operated by the NZTA, as defined under the LTMA 2003. |
| Track User Charges (TUC) | Track user charges are under development by the Ministry of Transport. Track user charges will apply to track users to ensure that track users contribute to the National Land Transport Fund in a fair and transparent way. Auckland Transport and Greater Wellington Regional Council already pay track service charges to KiwiRail. The intention is not to make changes to these arrangements at this time. |
| Total Mobility Scheme | Subsidised taxi services. |
| Waka Kotahi the NZ Transport Agency (the NZTA) | The government agency with statutory functions to manage the funding of the land transport system and manage the state highway system. |

# Please use this page to jot down your thoughts.

## Then go online and submit your comments to https://www.transport.govt.nz/gps

Share your thoughts on this DRAFT POLICY by emailing GPS@transport.govt.nz. You can also share your thoughts on the draft New Zealand Rail Plan at the same time. If you wish to provide feedback on the Land Transport (Rail) Legislation Bill please direct it to the Transport and Infrastructure Select Committee.

Disclaimer: all reasonable endeavours are made to ensure the accuracy of the information in this document.

However, the information is provided without warranties of any kind including accuracy, completeness, timeliness or fitness for any particular purpose.

The Ministry of Transport excludes liability for any loss, damage or expense, direct or indirect, and however caused, whether through negligence or otherwise, resulting from any person's or organisation's use of, or reliance on, the information provided in this document.

Under the terms of the New Zealand Creative Commons Attribution 4.0 [BY] licence, this document, and the information contained within it, can be copied, distributed, adapted and otherwise used provided that –

- the Ministry of Transport is attributed as the source of the material
- the material is not misrepresented or distorted through selective use of the material
- images contained in the material are not copied.

The terms of the Ministry's Copyright and disclaimer apply, available at: www.transport.govt.nz