



29 September 2023

OC230823

**Hon David Parker**

**Minister of Transport**

cc Hon Damien O'Connor

Associate Minister of Transport

## **DRAFT GOVERNMENT POLICY STATEMENT 2024 (GPS 2024) SUMMARY OF FEEDBACK FROM CONSULTATION**

### **Purpose**

To summarise feedback on the draft Government Policy Statement on land transport 2024 (Draft GPS) following public consultation.

### **Key points**

- We published the draft GPS 2024 on 17 August 2023 and closed public consultation on 15 September 2023.
- We received 351 submissions on the Draft GPS. Submitters included local government across the country, and organisations representing a range of interests including the rural and farming sectors, businesses, engineers, commercial groups, cyclists, environmental groups, community groups and the equestrian community (**Annex 1** refers). We have summarised key points from the feedback.
- It is a requirement in the Land Transport Management Act 2003 (LTMA 2003) that the Minister of Transport must consult with Waka Kotahi on the proposed GPS. We have attached the feedback provided by Waka Kotahi Board (**Annex 4** refers).
- Additionally, it is a requirement of the LTMA 2003 that the Minister of Transport must have regard of the views of Ko Tātou Local Government New Zealand (LGNZ) and representative groups of land transport users and providers. Submissions were received from LGNZ and more than 50 local government organisations. Land transport users and providers were contacted about the release of the draft GPS and many of these groups made submissions (**Annex 1** details). We have also attached the feedback from Local Government New Zealand (**Annex 5** refers).
- Following the general election, we will support the Minister of Transport to finalise the GPS, informed by the feedback received.

**Recommendations**

We recommend you:

- 1 **note** the feedback received on the Draft GPS and advise officials if you would like to discuss. yes/ no
- 2 **agree** for officials to publish **Annex 3**, the summary of feedback on the Ministry of Transport website. yes / no




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Tim Herbert  
**Manager, Investment**  
 29/09/2023

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Hon David Parker  
**Minister of Transport**  
 ..... / ..... / .....

- Minister's office to complete:**
- Approved  Declined
  - Seen by Minister  Not seen by Minister
  - Overtaken by events

**Comments**

**Contacts**

Name	Telephone	First contact
Tim Herbert, Manager Investment	s 9(2)(a)	✓
Ella Steele, Advisor Investment		

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## DRAFT GOVERNMENT POLICY STATEMENT 2024 (GPS 2024) SUMMARY OF FEEDBACK FROM CONSULTATION

### Summary of public feedback received

- 1 We received 351 submissions, from a range of local government and interest groups (**Annex 1** refers). This included 271 survey responses and 80 email submissions. A summary of the submissions is provided below. A high-level summary suitable for publication is included in **Annex 3**.

### Some key themes arising from all feedback:

#### *Feedback on the strategic priorities*

- 2 Most submitters were generally supportive of the strategic priorities. A common request was to rank or weight the strategic priorities as there was concern that the number of priorities would create a lack of direction. For example, the following priorities received particular attention:
  - 2.1 Maintaining and operating the system was of particular interest to some individuals, councils, roading, and construction groups. Some suggesting this should be the over-arching priority, or default area of focus.
  - 2.2 Emissions reduction or climate change was also frequently requested to be the overarching priority, by some individuals, councils, climate, and other advocacy groups.
  - 2.3 The safety priority was an area of interest, with several submitters noting that the GPS appears to dilute the ambition of Road to Zero, impacting the target of death and serious injury prevention.
- 3 Many submitters, including individuals and local councils, noted that the ambition of the strategic priorities does not appear to align with the available funding in the activity class funding ranges.

#### *Feedback on the Strategic Investment Programme (SIP)*

- 4 Submitters tended to support projects within their region, and the programme as a whole received support from national road interest advocacy groups. A range of respondents indicated disappointment that projects in their region were not included within the SIP and indicated a desire for such projects to be included.
- 5 Several submitters questioned the impact these projects would have on emissions and requested impact analysis be completed.
- 6 Councils and Regional Transport Committees were concerned about the lack of funding certainty for the SIP projects past the 2024-27 period.

#### *Feedback on proposed funding levels and allocation across activity classes*

- 7 Across the board, submitters frequently agreed with the increase in funding, but often noted that more funding is needed. There was concern about the long-term sustainability of the National Land Transport Fund (NLTF), and the impact of debt repayments in out-years.
- 8 While submitters often agreed with the funding allocation, more frequently, submissions requested that specific activity classes be allocated more or less funding. Generally, groups representing motorists, commercial, and construction groups prioritised investment in maintenance and new roading infrastructure. Some even expressing interest in seeing other revenue sources utilised (ie road tolls or congestion charging). In contrast, other submitters such as environmental, safety and other advocacy groups, identified alternatives to car use as a high priority for improving the transport system, and thought investment in public transport and active modes of transport should increase.
- 9 Over 50 submissions expressed concern about the removal of the Road to Zero Activity Class. The concern related primarily to the reallocation of previously ring-fenced funding for safety improvements into Local Road and State Highway Improvements. Submitters suggested that this would risk losing momentum on meeting performance targets for reductions of transport-related deaths and serious injuries (40% reduction by 2030). Concern was primarily from local councils and safety advocacy groups.

#### *Feedback on the Ministerial Expectations*

- 10 There was general support for the Ministerial Expectations section. In particular submitters, largely local councils, signalled support for Build Back Better (BBB), and Value for Money (VfM) principles.
- 11 There were some climate-based concerns in this section, including a small number of requests to bring back the high-threshold for emissions that was signalled in the indicative priorities released earlier this year. There were also several submitters who noted that VfM and BBB should incorporate the full range of additional benefits (such as health) over and above emission reduction. These comments were mostly from individuals and climate change advocacy groups.
- 12 There was some scepticism that Waka Kotahi would realistically be able to deliver the expectations, given the costs involved and the direction and funding provided in the draft GPS (i.e. the BBB could lead to considerable cost increases which might be difficult to meet, or the SIP seeming to be at odds with emissions reduction priority for example). Several individuals requested that this section should include additional requirements for reporting, including more detailed reporting and more measurable outputs and outcomes (such as emissions levels).

#### *Additional general feedback*

- 13 There was a significant volume of submissions that advocated for specific regions, projects, policies or interventions in the transport system. This included advocacy for rural areas and particular roads or bridges, and details of why these projects are important.
- 14 Dozens of submitters suggested the GPS include expectations that additional interventions are implemented to meet transport outcomes. These included

congestion charging, car-free city centres, and biofuels. Some submitters emphasised the need to invest in public transport and active modes of transport instead of roads, while others remarked that the funding from Fuel Excise Duty (FED) and Road User Charges (RUC) should only be re-invested in the roading network.

- 15 Several councils requested earlier release of the draft GPS (ie, this should be finalised 12 months before the election) to allow for the National Land Transport Plan (NLTP) to be settled eight months ahead of its planned start date (1 July 2024) and allow more time for consideration during consultation. Delays make it difficult for councils to fully implement the GPS in their work. Some suggested that the GPS should have a longer-term outlook or be a cross-party document to allow for efficient long-term planning from councils.

### Engagement with Government agencies

- 16 Departmental consultation on the Draft GPS and Cabinet paper was not undertaken prior to seeking Cabinet agreement to release the Draft GPS due to time constraints. The Ministry did however work closely with the Treasury and Waka Kotahi to develop the proposed funding package, comprised of FED and RUC increases, Crown funding and financing.
- 17 Alongside the public consultation process, we have provided Government agencies with the opportunity to provide feedback on the Draft GPS, including meeting with the Urban Development and Infrastructure agencies. We received written feedback on the Draft GPS from Housing and Urban Development (HUD), Kāinga Ora and KiwiRail.
- 17.1 HUD and Kāinga Ora proposed specific wording changes to the 'Sustainable urban and regional development strategic priority' to reinforce the role that transport investment plays in shaping urban form and increasing housing supply, choice and affordability, including by referring to the need to coordinate transport planning with proposed resource management reforms (eg Regional Spatial Strategies). HUD and Kāinga Ora also proposed reporting measures to monitor progress against these objectives.
- 17.2 KiwiRail were supportive of the strategic priorities and the rail projects included in the Strategic Investment Programme. KiwiRail are keen to work further on the detail of these projects, particularly understanding the opportunities around level crossings in Auckland and Wellington. Similar to Waka Kotahi, KiwiRail raised questions about how the Inter-regional public transport activity class would operate, highlighting a need to clarify this in the final GPS. For example, clarifying whether it is accessible for existing, as well as new inter-regional services. KiwiRail also emphasised the cost pressures it is facing in delivering the RNIP in metropolitan areas, which has resulted in shortfalls in annual maintenance and renewals. Any additional Crown funding to address these concerns will need to be considered through the Budget 2024 process, which we will be advising on in due course.

### Waka Kotahi feedback

- 18 Waka Kotahi Board feedback is attached at **Annex 4**.

- 19 Key points from the submission include:
- 19.1 Overall support for the draft GPS 2024, noting particularly Waka Kotahi's thanks for the additional funding and inclusion of the Strategic Investment Programme directly in the NLTF.
  - 19.2 In-principle support for restructuring the existing \$2 billion loan and the new \$3.1 billion loan. However, this support is subject to four conditions that may prove difficult to meet.
  - 19.3 Observation that the NLTF funding position is not sustainable and that, as a consequence, Waka Kotahi will need to take a cautious approach to advancing the Strategic Investment Programme until there is a funding pathway available to deliver it. The submission also requests clarity about how the government will fund delivery of VKT reduction and other climate mitigation measures, climate adaptation works, and the Carbon Neutral Government Programme.
  - 19.4 Offer of Waka Kotahi resources to assist with the revenue review.
  - 19.5 A request that the GPS clarify the government's road safety objectives, particularly whether there is a Crown expectation that the NLTF should prioritise safety initiatives over others in the improvement, maintenance, and renewals activity classes.
  - 19.6 A number of editorial suggestions for the final version of the document, to provide Waka Kotahi and others with more clarity on various policy points.
- 20 Treasury and Ministry officials are commencing work with Waka Kotahi to determine if loan terms acceptable to the government can be agreed. Waka Kotahi's suggestions on urban development's focus on compact urban form. This may contrast with HUD's suggestions focusing on affordable development, including greenfield sites as well as higher-density development. Tensions between these perspectives remain to be resolved before the final GPS is published.

#### **Feedback from Ko Tātou Local Government New Zealand**

- 21 Ko Tātou Local Government New Zealand (LGNZ) is the peak body representing the interests of local government. In collaboration with the Transport Special Interest Group of LGNZ, we held three online workshops for local government officials to discuss the details in the draft GPS 2024 with Ministry of Transport officials.
- 22 LGNZ submitted its support for the general direction of the draft GPS, but noted that significantly more work is needed to deliver an integrated strategy with sustainable levels of funding.
- 23 Key points from the submission include:
- Many of LGNZ's recommendations for improvement are about progressing work to secure sustainable funding for local government infrastructure, which is largely being progressed under the Future of the Revenue System project or wider Government policy work.



- An emphasis on the need to increase funding towards maintenance (including in response to cyclone damage) and resilience. We consider this will be addressed through the draft GPS funding settings and the expectation to 'build back better'. In addition, the Government has approved approximately \$1.76 billion of Crown funding (through Budget 2023 and National Resilience Plan funding rounds) for roading response and recovery works following the North Island Weather Events. The Ministry is continuing to work with Waka Kotahi and Treasury to identify and address where further Crown funding may be requested to progress cyclone recovery works.

### Feedback from the Equestrian Community

- 24 There were 174 submissions from submitters who had a primary focus on advocating for the inclusion of horses, riders and bridleways in the GPS.
- 25 These submissions were generally concerned that there was no mention of bridleways, or horses/riders (as legal road users) in the draft GPS 2024. Common requests were to include funding for horses as an active mode of transport, and for shared use of safe offroad pathways.
- 26 Horse and rider safety was also frequently addressed by the equestrian community, who cited a need for driver education and safety consideration in the draft GPS. Several submitters considered the draft GPS 2024 does not live up to the 2022-23 letter of expectations from Minister Michael Wood which mentions building a "safe system that... enables access for cycling, walking and equestrian communities."
- 27 We expect the funding and implementation of bridleways to be handled at a local government level.

### Next Steps

- 28 Officials are available to discuss feedback received.
- 29 Officials plan to upload **Annex 3** to the GPS page on our website for the public to see their feedback summarised. This is in-line with previous practice for the draft GPS 2021.
- 30 Following the general election, we will support the Minister of Transport to finalise the GPS, informed by the feedback received.

**ANNEX 1: SUBMITTERS ON THE DRAFT GPS 2024**

See below a list of submitters organised by which group they represent. Numbers of submissions for each kind of group include when submissions have been sent through by individuals in support of a group (eg there were multiple individuals who submitted on behalf of the equestrian community).

Individuals (79)	Various
Local government (52)	Ashburton District Council Auckland Council Auckland Regional Transport Bay of Plenty Regional Council - Regional Transport Committee Canterbury Regional Council Canterbury Mayoral Forum & Canterbury Regional Transport Committee Christchurch City Council Dunedin City Council Environment Canterbury Regional Council Environment Southland & Otago Regional Council Far North District Council Future Proof, Waikato Regional Council Greater Christchurch Partnership Greater Wellington Regional Council/Metlink Hamilton City Council Hawke's Bay Regional Council Hawke's Bay Regional Transport Committee Horizons Regional Council Invercargill City Council Kapiti Coast District Council Local Government New Zealand Mackenzie District Council Manawatu District Council Marlborough District Council Nelson Regional Development Agency Northland Regional Transport Committee, Northland Regional Council Otago Regional Council Palmerston North City Council Porirua City Council Queenstown Lakes District Council Selwyn District Council Taituarā - Local Government Professionals Aotearoa Taranaki Regional Council Tasman District Council & Nelson Tasman RTC Tauranga City Council Thames-Coromandel District Council Timaru District Council TSIG officers (informal submission) Upper Hutt City Council Waikato District Council Waikato Regional Transport Committee



	<p>Waimakariri District Council Wellington City Council Wellington Regional Transport Committee Western Bay of Plenty District Council</p>
Equestrian community groups (174)	<p>Ashburton Pony Club Canterbury Harness Horse &amp; Pony Society Inc Dalefield Horse Riding Park Equestrian sport New Zealand Hawkes Bay Horse Trail Advocacy Hawkes Bay Horse trails Advocacy Group Morgan Horse Association of New Zealand (MHANZ) New Zealand Equestrian Advocacy Network New Zealand Riding Clubs and Bridleways of New Zealand Inc. NZ Equestrian Advocacy Network + NZ Side Saddle Association Pony Riding School for children. Recreational Riders Bay of Plenty Taranaki Equestrian Network Taupo Dressage Group Wakatipu Riding Club</p>
Construction, road, rail engineering and commercial sectors (9)	<p>Automobile Association (AA) Civil Contractors New Zealand Energy Resources Aotearoa Engineering New Zealand Engineering New Zealand Transportation Group (TG) Federation of Rail Organisations of New Zealand Ia Ara Aotearoa Transporting New Zealand Inc Motor Trade Association (MTA) Trafinz (NZ Traffic Institute Inc)</p>
Other advocacy groups (5)	<p>Free Fares NZ Rural Women New Zealand Taxpayers' Union The New Zealand Initiative</p>
Commercial and business interests (16)	<p>Bus &amp; Coach Association New Zealand Business NZ CentrePort Ltd Federated Farmers of New Zealand Fonterra Kernohan Engineering Ltd Milestone Homes Nelson Bays Ltd Mobil Oil New Zealand Ltd Nelson Tasman Chamber of Commerce Port Nelson Property Council NZ Tauranga Business Chamber Te Waka, Waikato Regional Economic Development Ltd The Canterbury Employers' Chamber of Commerce Wellington Airport Wellington Chamber of Commerce</p>
Environment groups (3)	<p>Lawyers for Climate Action New Zealand OraTaiao: NZ Climate and Health Council</p>

Active transport mode groups (3)	Bike Auckland Living Streets Aotearoa Spokes Canterbury
Safety advocacy groups (3)	Australasian College of Road safety Brake, the road safety charity Global Road Safety Partnership (GRSP)
Central government (3)	Director of Land Transport at Waka Kotahi National Public Health Service Waka Kotahi
Iwi or other Māori groups (3)	Te Hapori Hoiho National Māori Horse Association Wakatu Incorporation
community groups (1)	Ashburton Citizens Association

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**ANNEX 2: SUMMARY OF SURVEY RESPONSES****Email submissions received total: 80****Online survey submissions total: 271**

There was particular engagement via the survey from 166 people requesting the inclusion of horses and bridleways in GPS 2024, who we have recorded separately in the table below.

<b>On line survey submission stances</b>	<b>Survey respondents (except for equestrian community)</b>	<b>Members of the equestrian community</b>	<b>Total all survey submissions</b>
Agree or strongly agree with the strategic priorities and direction	60	4	<b>64</b>
Disagree or strongly disagree with the strategic priorities and direction	20	147	<b>171</b>
Agree or strongly agree with the funding increases	53	113	<b>166</b>
Disagree or strongly disagree with the funding increases	21	20	<b>40</b>
Agree or strongly agree with the Ministerial expectations	37	4	<b>41</b>
Disagree or strongly disagree with Ministerial expectations	12	126	<b>138</b>
<b>Responses total</b>	<b>105</b> (39% of all survey submissions)	<b>166</b> (61% of all survey submissions)	<b>271</b>

**ANNEX 3: A3 SUMMARY**

Document attached in email.

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**ANNEX 4: WAKA KOTAHI BOARD FEEDBACK**

Document attached in email.

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**ANNEX 5: KO TĀTOU LOCAL GOVERNMENT NEW ZEALAND FEEDBACK**

Document attached in email.

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# Draft Government Policy Statement on land transport 2024/25-2033/34: Summary of engagement on the draft

September 2023

## The draft Government Policy Statement on Land Transport (GPS) 2024 was available for feedback over August – September 2023.

This document provides a summary of the key feedback heard during engagement. The ideas and feedback will be considered when developing the final GPS. For more information on the engagement process, and to see the draft and final GPS 2024 documents, please see [transport.govt.nz/area-of-interest/strategy-and-direction/government-policy-statement-on-land-transport-2024](https://transport.govt.nz/area-of-interest/strategy-and-direction/government-policy-statement-on-land-transport-2024)

## Overall feedback

The majority of submitters were supportive of the draft GPS 2024, including the direction set by the strategic priorities, although some advocated for more focused priorities such as a focus on maintaining and operating the system, or emissions reduction.

There was general support for the proposed funding increases, but many submitters noted more funding is needed and were concerned about long-term funding certainty. Many submitters expressed concern about the removal of the Road to Zero activity class, and the re-allocation of funding to local road and state highway improvements.

Generally, groups representing motorists, commercial, and construction groups prioritised investment in maintenance and new roading infrastructure. In contrast, other submitters such as environmental, safety and other advocacy groups identified alternatives to car use as a high priority for improving the transport system, and thought investment in public transport and active modes of transport should increase.

## Who submitted?

In total, 351 submissions were received. These included:



## What's next?

GPS24 takes effect

1 July 2024

- We will finalise and realise GPS 2024 before this takes effect on **1 July 2024**.
- **Waka Kotahi** develops the National Land Transport Programme before 1 July 2024.
- **Local Government** and **Auckland Transport** develop Regional Land Transport Plans that take into account the strategic direction of the GPS.

Implementation by Waka Kotahi and local government.



Te Manatū Waka monitors the implementation of the GPS.

## Acknowledgement

Thank you to everyone who submitted on the draft GPS 2024. We value the input from stakeholders, as it builds our understanding of the realities of implementing the GPS. We also appreciate members of the public sharing their views on what they want in a transport system. We recognise that decisions about what to spend public funds on needs to provide the best impact and value for users of the system.





# Summary of feedback

## Strategic priorities

- General support for strategic priorities, but requests to increase their focus and certainty. Maintaining and operating the system or emissions reduction/ climate change were frequently requested to be the over-arching priority.
- Submitters were concerned about the reframing of the safety priority away from Road to Zero, and perceived this as diluting the ambition of Road to Zero's prevention in death and serious injury targets.
- The ambition of the strategic priorities does not appear to align with the available funding in the activity class funding ranges.

➤ **There is general support for strategic priorities, but requests to increase their focus and certainty**

## Strategic Investment Programme (SIP)

- Support for projects within the region of the submitter, and the programme as a whole received some support. A range of submitters indicated disappointment that projects in their region were not included within the SIP and indicated a desire for such projects to be included.
- Questioning the impact these projects would have on emissions and requesting impact analysis be completed.
- Concern about the lack of funding certainty for the SIP projects past the 2024-27 period.

➤ **Many submissions questioned the impact these projects would have on emissions**

## Funding levels / allocation

- Frequent agreement with the increase in funding, but many submitters noted that more funding is needed.
- Concern about the long-term sustainability of the NLTF, and the impact of debt repayments in later years.
- Generally, groups representing motorists, commercial, and construction prioritised investment in maintenance and new roading infrastructure. In contrast, other submitters such as environmental, safety and other advocacy groups thought investment in public transport and active modes of transport should increase.
- Concern about the removal of the Road to Zero Activity Class. The concern related primarily to the reallocation of previously ring-fenced funding for safety improvements into local road and State Highway improvements.

➤ **There is frequent agreement with the increase in funding, but many submitters noted that more funding is needed**

## Ministerial Expectations

- General support for the Ministerial Expectations section, in particular submitters signalled support for Build Back Better (BBB), and Value for Money (VfM) principles.
- Some climate-based concerns, including suggestions that VfM and BBB should incorporate the full range of additional benefits (such as health) over and above emission reduction.
- A key area of concern was that the expectations are unrealistic given the cost of achieving them.
- Requests focused on additional requirements for reporting, including more detailed reporting and more measurable outputs.

➤ **There is general support for the Ministerial Expectations section**

## Additional General Feedback

- Advocacy for specific regions, projects, policies or interventions in the transport system. This included advocacy for rural regions, particular roads or bridges in towns or cities, and details on why these projects are important.
- Additional interventions were suggested to meet transport outcomes. These included congestion charging, car-free city centres and biofuels.
- Some feedback emphasised the need to invest in public transport and active modes of transport instead of roads, while others believe the funding should only be invested in the roading network.
- Several councils requested earlier release of the draft GPS, as delays make it difficult for councils to fully implement the GPS in their work. Some suggested the GPS should have a longer-term outlook.
- There were 174 submissions with a primary focus on advocating for the inclusion of horses, riders and brideways in the GPS.



Waka Kotahi NZ Transport Agency  
44 Bowen Street, Thorndon  
Wellington, 6011

15/09/2023

Audrey Sonerson  
Te Manatū Waka – Ministry of Transport  
3 Queens Wharf, Wellington Central  
Wellington, 6011

Dear Audrey,

Waka Kotahi submission in response to the draft Government Policy Statement on land transport (GPS)

Thank you for the opportunity to provide feedback on the draft GPS 2024. We greatly appreciate the effort that Te Manatū Waka and Ministers have made in preparing the GPS, as well as efforts by staff to ensure that Waka Kotahi feedback has been incorporated throughout various versions of the draft GPS up until now.

I have attached a submission highlighting all feedback from Waka Kotahi on the draft GPS. This includes high-level feedback and technical feedback. Please note that in addition to this feedback, the Director of Land Transport will also be providing a submission to highlight feedback relating to the Waka Kotahi regulatory function.

Overall, we are supportive of the draft GPS 2024 and would like to highlight the following feedback for your information.

Firstly, Waka Kotahi would like to acknowledge the efforts of Te Manatū Waka, Treasury and Ministers to provide additional funding to the NLTF. Without this additional funding, Waka Kotahi would not be able to provide for essential expenditure associated with debt repayments, delivering committed activities and maintenance for the next National Land Transport Plan (NLTP) period.

Waka Kotahi also wishes to thank Te Manatū Waka and Ministers for its decision to provide funding for the Strategic Investment Programme directly into the NLTF. This puts Waka Kotahi in a better position to more efficiently plan for these corridors, using our existing processes.

Secondly, Waka Kotahi would like to express its support for the proposed restructuring of its \$2 billion loan and \$3.1 billion Crown loan. However, we would like to highlight that taking on additional debt should only be considered a short-term fix. Efforts to resolve the wider funding instability in the NLTF should be prioritised immediately so that Waka Kotahi is not required to take on additional debt from 2027/28 onwards.

For this reason, before Waka Kothi provides in-principle agreement to the restructuring of the \$2 billion loan and taking on the \$3.1 billion loan, we are seeking written confirmation, from government, of the 4 points below:

- Address the recommendations that have been highlighted in the Land Transport Revenue Review.
- Confirm a plan to resolve NLTF funding constraints (with support from Waka Kotahi) by 2027.
- Support and accelerate implementation of policy and operational aspects to enable implementation of a new pricing and funding regime by 2027, e.g. new pricing model, congestion charging, E-RUC, telematics.
- Provide assurances that the Crown will underwrite debt liabilities of the NLTP if additional and substitute revenue sources are not secured in this period.

Waka Kotahi is happy to provide any additional resources to support the prioritisation of the Land Transport Revenue Review and will assist in any way we can to support this work progressing as soon as possible.

Thirdly, Waka Kotahi recommends that government changes the name of the “Strategic Investment Programme” to “Strategic Investment Corridors” so that it is clear that this is a set of corridors that government would like Waka Kotahi to consider in the development of the NLTP.

It is also important to note that with current forecasts of the NLTP, Waka Kotahi will not have enough revenue to cover the cost of delivering these strategic investments once planning has been completed. This creates risk both in terms of community expectations and around the potential for planning to occur well before a project can be delivered, resulting in additional cost and rework. This means that Waka Kotahi will need to take a cautious approach in determining whether to fund the planning of these projects because we will need to confirm that there is a pathway to deliver them.

Fourth, the draft GPS 2024 calls out the need to ensure that the transport system is accessible to all New Zealanders and specifically notes Māori, disabled people and rural and regional communities as key groups that may experience issues with access that require additional interventions. The draft GPS also notes that a “*focus for GPS 2024 is on ensuring Māori aspirations for the land transport system are better reflected at the strategic level.*” To ensure that Māori aspirations are reflected in the draft GPS, to the extent it hasn’t already been done, we strongly support transport sector-wide engagement with Māori and offer our support to Te Manatū Waka with any future engagement or collaboration with Māori as it occurs.

Fifth, we note that the draft GPS 2024 is not clear about how climate mitigation and climate adaptation expectations will be funded. To provide a sense of scale, Treasury has estimated that capital expenditure to reduce transport emissions could be upwards of \$20 billion over 10 years from 2025.<sup>1</sup> We note in this context that while Government is funding development of urban light VKT reduction programmes, it has not committed to funding delivery of them, and there is unlikely to be much headroom in the NLTF for the ‘additionality’ they provide.

Proposed funding settings also do not appear to account for the potential costs associated with transitioning to Carbon Neutral Government Programme (CNGP)-compliant infrastructure activities by 2025. At the same time, should the proposed strategic investment programme proceed to delivery in future, it contains projects that may increase emissions.

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<sup>1</sup> Ngā Kōrero Āhuarangi Me Te Ōhanga: [Climate Economic and Fiscal Assessment 2023](#) p. 71.

The impact of this funding (and policy) uncertainty is that delivery of significant, additional improvements for public transport, walking and cycling are unlikely to be funded from the NLTF during the 2024-2027 NLTP period. Availability of further Crown funding is also uncertain. This puts achievement of emissions reductions expected from transport from 2026 (the second emissions budget period) at risk. For this reason, we recommend that the GPS 2024 contemplate these risks and provide further clarity about how it intends to respond to these risks.

Sixth, Waka Kotahi notes that over the last year, it has been asked by government to slow down aspects of the Road to Zero programme and in particular, speed changes. This means that other aspects of the road safety programme like infrastructure investment and policing will need accelerated investment if we are to continue to target a 40% reduction in death and serious harm by 2030.

If Road to Zero activities cannot be delivered, and in some cases, significantly accelerated through this NLTP period, we will not meet the 40% reduction target. This would require additional investment as well as prioritisation of this investment, over others like resilience and adaptation. To resolve this risk, we recommend that the GPS clarify whether there is a Crown expectation that the NLTF should prioritise safety improvement initiatives over others in the improvement, maintenance, and renewals activity classes and whether there will be additional funding for this purpose where required. If neither of these apply, we suggest the government consider adjusting Road to Zero targets to reflect a slower path to delivery of these outcomes through this GPS and NLTP period.

Seventh, Waka Kotahi requests that the draft GPS be updated to include more information about the importance of digitisation (e.g. supporting technological advances to support transport options), customer enablement (providing communities with specific resources to resolve challenges) and pricing (e.g. congestion charging) to respond to some of the funding challenges Waka Kotahi and the wider transport system experiences. This may include further work on considering congestion pricing, or specifically calling out the Waka Kotahi Innovation Fund as a fund that needs to be continued.

Finally, we ask that the final version of the draft GPS goes through a final review by Waka Kotahi and Crown Law before it is finalised.

The Board welcomes any opportunity to discuss our feedback on the draft GPS 2024, either with Te Manatū Waka or Ministers.

Ngā mihi



Dr Paul H.S. Reynolds QSO

Waka Kotahi Board Chair



# Draft GPS 2024 Public Consultation

## Waka Kotahi NZ Transport Agency Submission

15 SEPTEMBER 2023

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Waka Kotahi appreciates the opportunity to provide feedback on the draft GPS 2024.

We have outlined our feedback below, covering high level feedback up front and more technical feedback underneath this.

We are more than happy to discuss our submission with you if required.

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### High-level feedback

#### Support for proposed top-up to the NLTF

Waka Kotahi would like to acknowledge and express their appreciation for the efforts of Te Manatū Waka and Ministers to provide additional funding to the NLTF. Without this additional funding, Waka Kotahi would not be able to provide for essential expenditure associated with debt repayments, delivering committed activities and maintenance for the next NLTP period.

Waka Kotahi also wishes to thank Te Manatū Waka and Ministers for its decision to provide additional funding for the Strategic Investment Programme as a top-up to the NLTF, rather than keeping this funding separate (like what was done with the NZ Upgrade Programme). This enables Waka Kotahi to be in a better position to plan for the Strategic Investment Programme more efficiently, as we can use our existing processes.

#### In-principle agreement to restructuring of debt, provided conditions are met in writing

Waka Kotahi would like to highlight that taking on any additional debt should only be considered a short-term fix. Efforts to resolve the wider funding instability in the NLTF should be prioritised immediately so that Waka Kotahi is not required to take on additional debt from 2027/28 onwards.

If the current system remains, the next NLTP will require Waka Kotahi to either take on more debt in the next NLTP period or see a substantial increase to revenue through existing mechanisms i.e. FED/RUC or other charging mechanisms. This way of doing things is not sustainable and changes to our revenue system are desperately needed before the 2027 – 2030 period.

For this reason, before Waka Kothi provides in-principle agreement to the restructuring of the \$2 billion loan and taking on the \$3.1 billion loan, we are seeking written confirmation, from government, of the 4 points below:

- Address the recommendations that have been highlighted in the Land Transport Revenue Review.
- Confirm a plan to resolve NLTF funding constraints (with support from Waka Kotahi) by 2027.



- Support and accelerate implementation of policy and operational aspects to enable implementation of a new pricing and funding regime by 2027, e.g. new pricing model, congestion charging, E-RUC, telematics.
- Provide assurances that the Crown will underwrite debt liabilities of the NLTP if additional and substitute revenue sources are not secured in this period.

Waka Kotahi is happy to provide any additional resources to support the prioritisation of the Land Transport Revenue Review and will assist in any way we can to support this work progressing as soon as possible.

#### Providing greater clarity about the strategic priorities

Waka Kotahi supports the strategic priorities that have been included in the draft GPS and notes that these are expected to be advanced through investment from a variety of different sources, not just through NLTF. It would be helpful if it was made clear in the Strategic Priorities section of the draft that Waka Kotahi is expected to take an integrated investment approach across funding sources to ensure the NLTF can be leveraged to deliver the greatest benefits across multiple priorities and outcomes, while also recognising that the priority for NLTF funding is to ensure the ongoing operation and maintenance of the system. These expectations feature across other parts of the draft GPS, but it would be helpful to have them made clearer in the Strategic Priorities section to avoid confusion.

#### Strategic Investment Programme

Waka Kotahi recommends that government changes the name of the “Strategic Investment Programme to “Strategic Investment Corridors” so that it is clear that this is a set of corridors that government would like Waka Kotahi to consider in the development of the NLTP.

It is also important to note that with current forecasts of the NLTP, Waka Kotahi will not have enough revenue to cover the cost of delivering these strategic investments once planning has been completed. This creates risk both in terms of community expectations and around the potential for planning to occur well before a project can be delivered, resulting in additional cost and rework.

This means that Waka Kotahi will need to consider the wider impacts of funding these projects, such as how this impacts the ability of other committed activities to be funded, plus any surprise changes to funding arrangements that could be introduced (i.e. an expectation on the NLTP to cover NZ Upgrade Programme costs). Waka Kotahi will also need to carefully manage stakeholder expectations throughout this process.

We recommend that the draft GPS 2024 include a commitment to fund Strategic Investment Corridors that are progressed beyond 2027, provided projects aligns with government strategic priorities and are efficient and effective. In the absence of this commitment, Waka Kotahi will take a very cautious approach in approving the funding for these projects to ensure that there is a pathway to delivery.

#### Ensuring engagement with Māori

The draft GPS 2024 calls out the need to ensure that the transport system is accessible to all New Zealanders and specifically notes Māori, disabled people and rural and regional communities as key groups that may experience issues with access, that may require additional interventions.

The draft GPS 2024 also notes that a “*focus for GPS 2024 is on ensuring Māori aspirations for the land transport system are better reflected at the strategic level.*” To ensure that Māori aspirations are reflected in the draft GPS, to the extent it hasn’t already been done, we strongly support transport sector-wide engagement with Māori and offer our support to Te Manatū Waka with any future engagement or collaboration with Māori as it occurs.

*Expectations for climate investment need to be clarified*

The Emissions Reduction Plan (ERP), the Climate Emergency Response Fund (CERF) the Carbon Neutral Government Programme (CNGP) and the National Adaptation Plan (NAP) assign activities for Waka Kotahi to lead or co-lead. Many of these are funded or managed via existing delivery programmes.

In addition to these actions, the ERP and NAP contain expectations of increased pace and scale of funding for climate mitigation (e.g., delivery of significant infrastructure and service improvements for public transport, walking and cycling; demand management and network optimisation); and climate adaptation (planning and delivery of long-term climate resilience and adaptation as opposed to emergency response and recovery).

However, the draft GPS 2024 is not clear about how these climate mitigation and climate adaptation expectations will be funded.

To provide a sense of scale, Treasury has estimated that capital expenditure to reduce transport emissions could be upwards of \$20 billion over 10 years from 2025.<sup>1</sup> We note in this context that while Government is funding development of urban light VKT reduction programmes, it has not as yet committed to funding delivery of them, and there is unlikely to be much headroom in the NLTF for the ‘additionality’ they provide.

Proposed funding settings also do not appear to account for the potential costs associated with transitioning to CNGP-compliant infrastructure activities by 2025. At the same time, should the proposed strategic investment programme projects proceed to delivery in future, it contains projects that may increase emissions.

The impact of this funding (and policy) uncertainty is that delivery of significant, additional improvements for public transport, walking and cycling are unlikely to be funded from the NLTF during the 2024-2027 NLTP period. Availability of further Crown funding is also uncertain. This puts achievement of emissions reductions expected from transport from 2026 (the second emissions budget period) at risk. It also diminishes the potential for significant equity, health, congestion and affordability benefits through place-shaping land use and mode-shift interventions.

We recommend that the GPS 2024 contemplate these risks and provide further clarity about how it intends to respond to these risks.

*Expectations for Road to Zero need to be clarified*

Waka Kotahi has committed to delivering a 40% reduction in deaths and serious injuries by 2030 (from 2018 levels) as part of the Road to Zero Programme.

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<sup>1</sup> Ngā Kōrero Āhuarangi Me Te Ōhanga: [Climate Economic and Fiscal Assessment 2023](#) p. 71.

Over the last year, Waka Kotahi have been asked by government to slow down aspects of the Road to Zero programme and in particular, speed changes. This means that other aspects of the road safety programme like infrastructure investment and policing will need accelerated investment if we are to continue to target a 40% reduction in death and serious harm by 2030.

If Road to Zero activities cannot be delivered, and in some cases, significantly accelerated through this NLTP period, we will not meet the 40% reduction target. This would require additional investment as well as prioritisation of this investment, over others like resilience and adaptation.

To resolve this risk, we suggest that the GPS clarify whether there is a Crown expectation that the NLTF should prioritise safety improvement initiatives over others in the improvement, maintenance and renewals activity classes and whether there will be additional funding for this purpose where required.

If neither of these apply, we suggest the government consider adjusting Road to Zero targets to reflect a slower path to delivery of these outcomes through this GPS and NLTP period.

#### Highlighting digitisation, customer enablement and pricing in the draft GPS

Waka Kotahi requests that the draft GPS be updated to include more information about the importance of digitisation (e.g. supporting technological advances to support transport options), customer enablement (providing communities with specific resources to resolve challenges) and pricing (e.g. congestion charging) to respond to some of the funding challenges Waka Kotahi and the wider transport system experiences. This may include further work on considering congestion pricing, using the NLTF to fund work to develop a proof of concept for alternative technology for road charging (e.g. universal e-RUC), or specifically calling out the Waka Kotahi Innovation Fund as a fund that needs to be continued.

We also see an expansion on the Investment Management activity class definition to include these elements (or the certation of a new activity class to support these interventions) as crucial, so that these things can (or can continue to) be funded.

#### Ensuring that there is a final Waka Kotahi and Crown Law review of the draft GPS 2024

Waka Kotahi asks that the final version of the draft GPS go through a final review by Waka Kotahi and Crown Law before it is approved by Cabinet. This will ensure there are no remaining ambiguities before it is finalised and published.

## Technical feedback

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### Roles and responsibilities

We think it would be helpful to highlight the role of the Ministry of Housing and Urban Development and Kāinga Ora in integrated planning to ensure their land use decisions contribute to achieving outcomes signalled in the GPS (in alignment with the GPS-HUD).

We also note that it would be helpful to highlight KiwiRail's impact on placemaking, both through the transport solutions it provides and how its network (or changes to its network) impacts local communities. For example, level crossing removals (as proposed in the Strategic Investment Programme) can have significant impacts on the community if it cuts off access from one side of

the train tracks to the other. It is important that all organisations working on projects like this are required to consider community impacts.

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## Strategic Priorities

Strategic priorities should include consideration of Tū ake, Tū māia – our regulatory strategy, which sets out how Waka Kotahi and our partners regulate the land transport system to keep it safe for New Zealanders. The regulatory strategy informs maintenance, safety, and resilience work programmes so it would be helpful to include this information in relevant strategic priorities.

## Maintaining and Operating the System

We think there is room to broaden what is outlined in the ‘maintaining and operating the system’ strategic priority. We recommend including the following:

- optimising and maintaining safety through maintenance. For example, skid resistance, and signage could help prevent safety issues arising from poor quality assets.
- reference to (and funding provision for) the mandatory requirement for Waka Kotahi to transition its infrastructure activities to 'low emission' through Carbon Neutral Government Programme requirements.
- reference to providing nature-based solutions more clearly (for Waka Kotahi and local government) and make sure funding ranges reflect this.
- Highlighting the varying levels of service around the network as well as highlighting the importance of maintaining the existing asset (and the risks of not doing so).
- Further clarification about what ‘meeting future needs’ means in practice.

## Increasing Resilience

Waka Kotahi again wishes to highlight the importance of differentiating between ‘resilience’ and ‘resilience to climate change.’

This is because there are some key differences between ‘resilience’ and ‘resilience related to climate change.’ For example, ‘resilience’ can include responses to non-climate related hazards such as earthquakes and damage caused by crashes. Responding to non-climate resilience activities is also BAU for Waka Kotahi. ‘Resilience to climate change’ on the other hand only focuses on responding to climate-related events and is interchangeable with adaptation, where our responses and approaches are expected to change over time.

Measures of climate change adaptation and resilience are also distinct from each other and require different mechanisms to track them.

To resolve this confusion and inconsistency, Waka Kotahi recommends changing the title of ‘increasing resilience’ to ‘Increasing Resilience and Climate adaptation’ and making the language in the strategic priority reflect this change. This will help our partners have a clear understanding that ‘increasing resilience’ applies to both traditional/network resilience and climate resilience.

## Reducing Emissions

We suggest that this priority be updated to reflect:

- government requirements related to the ERP (reducing enabled emissions via urban form and providing better transport options),
- Waka Kotahi responsibilities under the Carbon Neutral Government Programme, to become carbon neutral by 2025, and the highly challenging nature of these responsibilities.
- Reference to the impact of embodied emissions, which is expected to increase through the delivery of projects, like those included in the Strategic Investment Programme.
- Highlight the need for longer-term climate resilience and adaptation planning.
- Reference the emissions budget period 2 (2026 – 2030).

## Safety

We suggest the following additions be made to the safety strategic priority:

- reference the safety, health and emissions benefits that arise from reduced car travel and increased uptake of public transport and safe walking and cycling networks.
- Reference the improvements to safety that can be made through placemaking, or through piloting street changes.

Waka Kotahi also found that the draft GPS says, “it is expected that the overall level of funding going towards safety projects will remain constant” in a footnote on page 72. We ask that this statement is included in the safety strategic priority description.

We also suggest the following edits in red on page 25 - “how we will deliver these outcomes:”

- **Page 25: How we will deliver these outcomes**  
The Government has committed to a target of reducing deaths and serious injuries on our roads by 40 percent by 2030. This will be delivered through five focus areas:
  - Safety infrastructure improvements and speed management
  - Vehicle safety
  - Work-related road safety
  - Road user choices
  - System management.

GPS 2024 will contribute to several of these focus areas by further embedding our road safety Safe System principles into infrastructure planning, design, operations, maintenance, and investment decision-making. Safety expenditure will include investment in safety infrastructure (including for public transport and active modes), speed management, road policing, safety cameras and promoting safe behaviour, thereby improving safety and supporting increased access to safe travel modes e.g. public transport, walking and cycling.

## Sustainable Urban and Regional Development

We suggest making some updates to this strategic priority, including:

- Referencing the Waka Kotahi Board position on urban development: “*Waka Kotahi supports, enables and encourages quality, mixed-use, compact urban development that efficiently uses land, reduces travel distances and lowers reliance on private vehicles*”. We think that including this position in the GPS will help Waka Kotahi planners to influence spatial and regional plans to get positive outcomes.
- A greater narrative about urban form – currently the strategic priority focuses heavily on the need for more housing rather than urban form. Messaging in this section of the GPS should instead highlight that we need more sustainable and compact urban areas that provide affordable housing and transport. Transport has a massive role to play in improving urban form and this should be highlighted.



- Reducing reference to ‘low congestion,’ and instead focusing on the reliable and efficient movement of people and freight. Overall, effective management of the system for people and freight will help manage congestion more effectively.
- Acknowledging that there are likely to be some different understandings about what sustainable development means between urban areas and the regions. For example, improvements for active modes in urban areas are generally treated as a response to people walking and cycling – either commuting or using the mode for fun. By comparison, smaller regions will often consider active modes within the context of their tourism industry (i.e. bike trials that visitors use recreationally). These types of nuances should be highlighted.
- Note that further work is needed to understand what good development looks like in the regions.

### **Integrated Freight System**

The strategic priority for integrated freight system’s reference to coastal shipping (see last bullet point on page 28) is inconsistent with the activity class definition, and references investing in research which appears to be a reference to GPS2021 and is no longer applicable.

We ask that this reference to research be removed, and that reference to coastal shipping include both services and infrastructure.

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### **The Strategic Investment Programme + Corridor Studies**

We ask that the “corridor studies” be included in the GPS so that funding commitments to carrying out these studies are confirmed.

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### **Government Commitments**

#### **The draft GPS should include decarbonisation of the bus fleet in its list of government commitments**

The draft GPS 2024 does not mention the government commitment to decarbonise the bus fleet, and we think it needs to be included as a government commitment.

With the Sustainable Public Transport Framework (realised through amendments to the LTMA) now approved, there is a very big expectation by public transport authorities and Waka Kotahi that the changes needed to decarbonise the bus fleet will be facilitated through the GPS and in turn, RLTP and NLTP planning processes.

A key enabler to a decarbonised bus fleet is through strategic asset ownership (e.g. depots and charging infrastructure). Currently no adequate allowance has been made in cost projections for the funding needed to do this. By not making ‘decarbonising the bus fleet’ a commitment in the GPS, and arranging funding/financing arrangements, the barrier will be too high for the government to achieve the complete decarbonisation of the public transport bus fleet by 2035.



## Meeting the land transport needs of different users

### Māori

Waka Kotahi strongly supports the inclusion of an expectation to “*actively protect tino rangatiratanga and enable Māori to exercise kaitiakitanga with respect to natural, physical and spiritual resources.*”

We note that the GPS will focus on ensuring Māori aspirations for the transport system are better reflected at the strategic level. We suggest you utilise some of the research that has been commissioned by Waka Kotahi to support this work. For example, Waka Kotahi Research Report 688: A pathway towards understanding Māori aspirations for land transport in Aotearoa NZ, provides a helpful overview of some the key challenges Māori experience in the transport system.

Work is also underway to develop a second work - Māori experiences and expectations of our transport system – which will likely be published around March/April 2024.

### Supporting rural and regional communities

We recommend referencing community transport and on-demand services in this section to support resilience and access in these areas.

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## The GPS Monitoring Framework

We note that more work is planned to refine the monitoring framework and measures in GPS 2024, and we look forward to working with Te Manatū Waka on this. We support the overall framework structure; however the final GPS needs to be clear and explicit on:

- defining the time horizon that it is reasonable for changes to be observed in GPS outcomes, e.g. the GPS outcomes are complex and long-term and will likely require investment over multiple GPS periods before significant change is seen. The time horizon for observable change set by the GPS should reflect local and international evidence about when change can reasonably be observed for different outcomes (for example, there is already significant evidence about the time and mix of investments it takes to reduce deaths and serious injuries, which the GPS should reflect).
- articulating the ability of the GPS direction and investment levels to impact the measures selected. For example, what proportion of the vehicle fleet is low or no carbon, what contribution do we expect GPS 2024 investment to make to this area? While the direct Crown investment in things like the clean car standard and EV charging infrastructure is noted, this is not within GPS activity classes and would not fall under the reporting obligations for Waka Kotahi in section 110 of the LTMA.
- that measures of climate change adaptation and resilience are distinct from each other (current placement in the monitoring framework appears to conflate them) and we need to clarify what we mean by ‘adaptive capacity.’
- clearly stating that the monitoring framework and measures are not the mechanism for assessing individual investment proposals.

As a broader monitoring and evaluation regime for GPS delivery (as referenced in the ministerial expectations section of the draft GPS) forms up, Waka Kotahi must be involved in its design to ensure a manageable and meaningful monitoring approach.

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## Activity Class Definitions

### Rail Network

The proposed Rail Network activity class definition needs to reference operations, as outlined in red below:

*“Investment in a reliable and resilient national rail network, including enabling KiwiRail to deliver ongoing **operation**, maintenance, renewals and improvements to the rail network.”*

We also suggest that the definition be broadened to include regulatory rail functions. Doing so would enable Waka Kotahi to be funded for its input into rail infrastructure safety during planning, design, operations, maintenance, and investment decision-making.

### Coastal Shipping

The activity class definition of coastal shipping does not include resilience as an outcome, which is one of the strongest contributions coastal shipping can make to wider government objectives. We recommend you include resilience in this definition.

### Inter-regional public transport

The intent of the Inter-Regional Public Transport activity class is not clear. A clear definition is required as there is currently some contradiction as to whether existing services are included. For example, is this activity for capital expenditure only, operational expenditure only (i.e. the operation of the services, irrespective of the service being new, improved, or existing), or a mixture of Capex and Opex?

If the intent is to include operational expenditure, it will not make sense having inter-regional services split between the Public Transport Services and Inter-Regional Public Transport activity classes. They should only be in one activity class, and if that activity class is the Inter-Regional Public Transport activity class, then the proposed funding ranges will have to cover the full 10-year period, not the three years (2024-27) currently proposed.

If the intent is to separate inter-regional public transport services from other services funded via the Public Transport Services activity class, there will be questions and a push from public transport Authorities that the reason to do this is to influence the funding assistance rate for inter-regional services, otherwise why separate them if standard FARs apply. This means further clarification is needed from MoT (in collaboration with Waka Kotahi) that covers FARs. There is finite revenue available for transport investment, any change to the FAR for inter-regional public transport will mean there is less revenue available for other NLTP activities and services.

Policy should also consider the impact on existing privatised inter-regional bus and ferry transport, which is already operational and has nationwide coverage. The definition needs to be specific about whether it includes existing services, new services (and their business cases), and infrastructure (rolling stock, stations, rail infrastructure) that relates to the inter-regional services.

It would also be helpful to understand when we can expect to see the government’s response to the select committee inquiry into the future of inter-regional PT.

**State Highway Maintenance and Local Road Maintenance**

State highway maintenance and local road maintenance activity classes need to be clear they can fund improvements as part of the ministerial direction to “build back better.” There could be clearer instruction that a certain amount of level of service improvements can now be funded through the state highway maintenance and local road maintenance activity classes, to support the government’s value for money and build back better outcomes. This would be similar to the instruction that safety infrastructure and speed management activities will now be funded from the state highway improvements and local roads improvements activity classes.

**State Highway Improvements and Local Road Improvements**

State Highway Improvements and Local Road Improvements do not include automated enforcement in their definition, we suggest this is added in.

Given that the speed and infrastructure programme is being moved to the SH and local roads improvements activity classes, we suggest the definition of these should mention them. To further support safety interventions through these activity classes, it would be helpful to include additional language in the activity class definition to support safety. For example, wording could be utilised from GPS 2018 as noted below:

<p><b>State highways and local roads are safer for everyone</b></p> <p><sup>32</sup> The GPS supports investment in safety improvements on state highways and local roads. It supports targeting investment at roads and roadsides that will have the greatest impact on reducing deaths and serious injuries.</p> <p><sup>33</sup> Investment should improve safety for all users through ensuring safe and appropriate travel speeds, and improving roads, roadsides and intersections. In particular, GPS 2018 supports investment in state highways and local roads to:</p> <ul style="list-style-type: none"> <li>• accelerate the implementation of the new Speed Management Guide, focusing on treating the top 10 percent of the network which will result in the greatest reduction in death and serious injury as quickly as possible (such as reviewing speed limits and/or making engineering improvements to make a road safe for its current speed limit)</li> </ul>	<ul style="list-style-type: none"> <li>• treat the highest-risk parts of the network, including increased investment in primary safe system treatments, that reduce the risk of:             <ul style="list-style-type: none"> <li>- head-on and run-off road crashes (such as through the installation of median and side barriers)</li> <li>- urban and rural intersection crashes (such as through the installation of roundabouts or speed management devices), and</li> <li>- harm to vulnerable road users, including pedestrians, cyclists, motorcyclists, and the mobility impaired (such as through segregated facilities, markings or speed management devices, including raised platforms at roundabouts, traffic signals, and pedestrian facilities)</li> </ul> </li> <li>• increase use of lower cost safety interventions such as improved skid resistance, signs and markings (including rumble strips), safety targeted seal widening and speed management</li> <li>• ensure maintenance to ensure these safe system treatments remain fit for purpose.</li> </ul> <p><sup>34</sup> In regards to local roads, it includes reviewing the incentives, processes and funding arrangements for investing in safety initiatives by local government to ensure that safety on local roads is being improved.</p>
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GPS 2024 proposes that “infringement fees will be hypothecated to the NLTF where it will be directed to support safety investments through the Road to Zero programme”. One of the most important ways to address community (mis) perceptions around safety camera revenue is to ensure it is directed back into critical community safety programmes and road infrastructure safety improvements together with clear transparency and traceability. Noting the above intent to shift safety infrastructure investment into SH and LR improvements, and the associated issues, it will be critically important that clear and robust investment policies and pathways are established to ensure infrastructure improvements have clear alignment with Safe System outcomes and alignment with Road to Zero outcomes.

**Walking and Cycling Improvements**

We suggest updating the definition of this activity class to include reference to improving access to these modes for disabled people, as universal design is becoming more and more significant in the work carried out by the walking and cycling improvements activities class.

In the Safety activity class, behavioural changes to improve road safety outcomes are specifically mentioned, however behavioural (non-infrastructure) activities are not specifically mentioned in the walking and cycling activity class. It is assumed these activities fall under demand management and are therefore allowed to be funded in the W&C activity class; however, stating this would make it clearer.

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## Activity Class Ranges

### Safety

Inputs provided to MoT during GPS development were based on a range of \$1530 million (lower range) to \$1850 million (upper range estimate). But the upper range in the draft GPS 2024 is \$1830 million. We ask that this this upper range be increased to \$1850 million to align with forecasts.

We also ask that Safety be included in continuous programmes rather than improvements in table 6 noting that the safety class will be focused on retaining current policing levels, continuing road safety advertising and supporting safety camera, all existing and ongoing commitments.

### Inter-regional public transport

Projects that would fit under the Inter-Regional Public Transport umbrella are likely to be big projects requiring lots of resources beyond 2027. Because there is no funding allocated beyond 2027, this will make it difficult for public transport authorities to want to apply for funding from this activity class. To overcome this, we suggest including funding in the upper and lower ranges from 2027 – 2034 to give PTAs confidence that their projects can realistically be funded under this activity class. It will also be challenging for PTAs to try to develop new services (or even to continue with existing services) with only three years of funding shown. We recommend a signal in the GPS that the activity class will continue across the 10 years

We recommend the minimum range is lowered (perhaps to \$10m per annum) as it will be challenging to meet the minimum with the known activities and allowing \$10m for business cases

### Rail Network

We recommend that the Rail Network activity class ranges be widened to provide more flexibility in times of uncertainty. This will help the activity class to account for slower than planned delivery, or the addition of new activities, such as an increase in emergency works. We recommend an increase of \$200 million (each way) in total over 3 years to account for this.

### Investment Management

Internal conversations have signalled that further funding through the Investment Management activity class is required to cover additional funding for the long -term planning required to support our climate responsibilities (e.g. responsibilities under the Carbon Neutral Government Programme). While it is currently unclear how much funding is required, we would like to signal

that we would support working with you further to increase the amounts provided in this activity class.

## Local Road Maintenance

Waka Kotahi notes that councils are likely to highlight (in their submissions) that GPS ranges for Local Road and State Highway Maintenance Activity Classes do not make provision for the additional Crown-funding expected for recovery works relating to Cyclone Gabrielle and the weather events over Auckland Anniversary weekend. Early, high-level estimates suggest these events could generate an additional funding demand of between \$1Bn to \$1.5Bn (NLTF) for the Local Roads and State Highway Maintenance (\$2-\$3Bn combined).

In addition, initial maintenance bids received from Councils in early September indicate (un-tensioned) funding demand of \$3.7Bn excluding any provision for emergency works (\$300-\$500M) and nationally delivered such as Te Ringa Maimoa and Asset Management Data Standard (expected cost of \$100M -\$150M).

To ensure the Board has discretion to respond to evidence and support increase investment in council maintenance programmes, consideration should be given to increasing the upper range by ~\$500M, to \$4BN, - which is \$600M less than the top of the range for State Highway Maintenance.

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## Crown Funding

We recommend referencing section 9 of the LTMA in the draft GPS. Not doing so impacts the ability of our regulatory function to access funding to support Search and Rescue, Met Service and the MoT Crown Monitoring Function. Doing this would also take a wider funding approach to the GPS as section 9 powers enable the regulation of FED/RUC (in other words, getting non-compliant users to pay their fees), which supports the overall revenue.

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## Ministerial Expectations

### Building Back Better

While we support the principles of 'building back better' in achieving multiple strategic outcomes and value for money, the term could be better defined in the draft GPS 24-27. Traditionally, 'build back better' refers to the need to rebuild infrastructure in the aftermath of natural disasters in a way that that is more resilient to future disasters.

In addition, a key challenge to defining 'build back better' is understanding and agreeing to what 'better' means in practice. More direction is needed around what is deemed to be a sufficient standard that meets the needs of current and future users, to enable the sector to move away from a 'like- for- like maintenance regime'.

There are also a number of barriers to build back better that can make processes slower and more expensive, for example:

- there is a higher level of consultation requirement for any infrastructure delivery that is more than just 'like- for- like'



- general lack of capacity and capability in the sector in identifying improvement opportunities to deliver as part of maintenance and renewals programmes.

To resolve these issues, we suggest preparing a Waka Kotahi interpretation of 'build back better' that is published at the same time as the draft GPS. We would work with Te Manatū Waka and Ministers to ensure our interpretation is aligned with GPS expectations and objectives.

To enable a multi-modal and accessible transport network, we recommend that this section includes the direction to also consider the need for walking and cycling, which are complementary to support public transport access and often easier and more affordable to deliver, compared to public transport.

### **Supporting and building capability for innovation**

One of the ways Waka Kotahi contributes to supporting and building capability for innovation is through the Hoe ki angitū – Innovation Fund, which is administered by Waka Kotahi.

A lack of reference to investment in technology, data, piloting, removing barriers to, and investment in, innovation generally, coupled with a specific reference to innovation in relation to maintenance and renewals risks any funding for innovation going only to maintenance and renewals.

We suggest that the draft GPS make specific reference to innovation and confirm the continued funding of the Innovation fund.

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### **Other Corrections**

#### **Sustainable urban and regional development – decarbonisation (page 27)**

The last bullet point on page 27 notes: "Waka Kotahi and Public Transport Authorities will adopt the Sustainable Public Transport Framework (SPTF) and commit to decarbonising public transport by 2035."

Please note that the SPTF has already been adopted via the Land Transport Management (Regulation of Public Transport) Amendment Bill, and that we have only committed to decarbonising the bus fleet, not all public transport by 2035.

#### **Crown funding for land transport - Table 7: total land transport investment (page 49)**

We understand that this table is to show the total land investment, however, could the header for column 1 be changed to "Activity" rather than "Activity Class"?

As discussed, the funding shown in the Rail network row will be carried out across the Rail, PTI, SHI, and LRI Activity Classes not just the Rail AC. In particular, a lot of the \$3,335m of crown funded activities will not come through any of the Activities Classes as it goes directly to KiwiRail.

Table 7 appears to omit the Crown funding for Ngauranga to Petone (walking and cycling improvements). Can this table please be updated to reflect this?

#### **Appendix 4: Crown direct funding commitments to land transport (page 67)**

Please change the title “Crown direct funding” to “Crown funding” as some of the items on this list are funded through the NLTF.

**Glossary – Public Transport (page 69)**

Under the definition of ‘public transport’ it mentions inter-regional transport by means of a rail vehicle only. This needs to include more modes like buses and ferries, or generally public transport.

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// SUBMISSION



Document 4

# GPS LAND TRANSPORT 2024/25 – 2034/35

// Local Government New Zealand's submission on the Government Policy Statement on Land Transport 2024/25 – 2034/35

// SEPTEMBER 2023



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# Ko Tātou LGNZ.

Local Government New Zealand (LGNZ) provides the vision and voice for local democracy in Aotearoa, in pursuit of the most active and inclusive local democracy in the world. We support and advocate for our member councils across New Zealand, ensuring the needs and priorities of their communities are heard at the highest levels of central government. We also promote the good governance of councils and communities, as well as providing business support, advice, and training to our members.

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# Introduction

Councils have a significant role in delivering Aotearoa New Zealand's transport system. Regional councils are responsible for planning and delivering our public transport network while territorial authorities are Road Controlling Authorities who build and manage the majority of Aotearoa's estimated \$164bn of transport assets<sup>1</sup>. Local government is the largest owner of cycleways, footpaths and bridges in the country.

Local Government New Zealand (LGNZ) welcomes the opportunity to submit on the draft Government Position Statement on Land Transport (draft GPS). Transport is a significant priority for LGNZ. We recently released a [position statement](#) outlining the key issues for our members and the outcomes we want to see from the transport planning and funding framework. Our position statement calls for:

- 1) A strategic long-term approach to planning that joins up central and local government decision-making to address maintenance, development, and climate adaptation needs.
- 2) Sufficient, long-term transport investment that prioritises resilience building, safety and better asset management across both new developments as well as maintenance and renewals.
- 3) Integrated transport and freight networks that support placemaking by connecting our rural communities, town and cities by making them great places to live and work.
- 4) A transport network that can adapt to future climate impacts and prioritise decarbonisation.

We address some of these positions further in our submission and will be undertaking advocacy and policy work to support broader changes to the transport planning and funding system that are not in scope of this draft GPS.

Local government is best placed to deliver a large number of transport outcomes due to its heavy involvement in planning for communities. Providing a local lens on transport planning and investment decisions is critical to ensure they deliver on local needs and priorities and integrate with land use and community infrastructure.

We understand the importance of maintaining and improving transport assets to improve community wellbeing and councils are focused on how to ensure their communities have access to critical lifeline services and economic opportunities through our transport system. With changes to councils' water service delivery and resource management planning functions, the importance and focus put on local government's transport assets, investments and functions is likely to grow.

LGNZ is pleased the draft GPS has been released despite some delays, as this is a critical source of information that councils use to inform Long-Term Plan (LTP) decision-making. While we welcome

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<sup>1</sup> Office of the Auditor General, (2022) Managing Public Assets. Accessed from: <https://oag.parliament.nz/2013/managing-public-assets/part2.htm>

some aspects of the draft GPS (such as the proposed increase to maintenance funding) and commend the Ministry of Transport (MoT) on the work done to date, we believe significant changes are needed to ensure investment in our transport system delivers on community needs and priorities and better enables regional economic development.

## Key Points

LGNZ is supportive of the general direction of this draft GPS. However, our transport system is in desperate need of increased investment, and we need to put significant effort into decarbonising and building the resilience of the system. Significantly more work is needed to deliver an integrated strategy with sustainable levels of funding.

LGNZ supports:

- // The six strategic priorities identified in the draft GPS; and
- // The focus on building resilience and in particular the resilience of rural roads.

To improve the GPS Land Transport, LGNZ seeks the following changes:

- // That funding allocations are rationalised to ensure funding is directed to the most appropriate areas.
- // That co-benefits across activity classes are identified in the final GPS Land Transport.
- // That the government makes further increases to funding for maintenance and renewals.
- // That investment to improve the resilience of the transport system is significantly increased, alongside development of a long-term strategic approach.
- // That MoT review current emergency works policies to ensure that increasing resilience and adapting to the effects of climate change are taken into account when replacing roads.
- // Increase funding available to ensure councils can decarbonise their transport networks.
- // That MoT and Waka Kotahi work with local government to develop a national long-term strategic plan to guide investment in our national and local transport networks.
- // That MoT advances the New Zealand freight and supply chain strategy at pace and co-design the detailed actions with local government.
- // That MoT assure itself of the financial sustainability of the proposed NLTF funding ranges across all 10 years.
- // That the MoT work with DIA and local government to explore the tools that can be given to councils to raise revenue outside of rates.
- // That MoT accelerates the review into transport funding and co-designs a new transport funding framework with local government.



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- // That Waka Kotahi works with local government to investigate changes to the FAR to ensure councils' local share can be met by existing rating bases.
  - // That MoT work with local government, through Taituarā, and roading companies to increase capacity and capability in the system.
  - // That Waka Kotahi extends the deadline for adopting Regional Land Transport Plans and allow accommodations in LTP decisions.

We also believe that the current transport planning and funding arrangements are not fit for purpose and request that MoT and Waka Kotahi work with LGNZ and local government to develop a strategic long-term approach to planning and funding that joins up central and local government decision-making.

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# Our submission

## Setting strategic priorities that meet the needs of our communities

LGNZ agrees with the six strategic priorities set out in the draft GPS; they seem sensible and aligned with improving community wellbeing, as well as being aligned to the transport outcomes outlined in s 68(3) of the Land Transport Management Act. The focus on maintaining and operating our existing system and increasing resilience is welcomed as they are key priorities for councils. Despite this, it is not clear that the strategic priorities will translate into tangible change or outcomes. We're concerned that these important strategic priorities have not been translated into funding bands within the specified activity classes. We also think there are missed opportunities to understand the co-benefits across strategic priorities and activity classes.

### Recommendations:

- // We support the six strategic priorities identified in the draft GPS and request that funding allocations are rationalised to ensure funding is directed to the most appropriate areas.
- // Co-benefits across activity classes should be identified in the final GPS Land Transport.

## Maintaining and operating the System

We are pleased to see that maintaining and operating the existing system is a key strategic priority under this draft GPS. Historically, successive governments have underinvested in renewals and maintenance which has had a detrimental effect on the usability of our transport system. Therefore the proposed 30% increase to funding for maintenance and renewals programmes is welcomed. However, we are concerned that the proposed levels of funding will not be able to meet the historical shortfall and fail to account for the increasing cost of delivering this work. Post COVID-19 transport contracting costs have risen significantly due to a lack of skilled labour, resulting in large vacancy rates across the sector. Given that the Producer Price Index has shown an increase to roading costs at 8.9% for the quarter ending June 2023, the funding allocation for maintenance and renewals does not reflect the inflationary costs associated with transport work.<sup>2</sup>

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<sup>2</sup> Statistics NZ (2023) Business price indexes: June 2023. Accessed from:  
<https://www.stats.govt.nz/information-releases/business-price-indexes-june-2023-quarter/>



While it is understandable that a strong focus has been placed on responding to extreme weather events, particularly given the ongoing impacts of Cyclone Gabrielle to key parts of our transport network, LGNZ is concerned that the impacts of increased rainfall, land movement, and other extreme weather events generally have not been accounted for in the baseline maintenance and renewal budgets. Water degrades the surface health of our roads resulting in an increased need for ongoing work, which will make maintaining and operating the system more expensive.

While we understand the current cost pressures on the government and the need to balance several competing priorities, the state of our roads is deteriorating and the costs of maintenance once surface and pavement health falls below a certain threshold are growing exponentially. Significant investment in maintenance and renewals is needed to uplift our existing network to an appropriate standard.

**Recommendation:**

// That the government makes further increases to funding for maintenance and renewals.

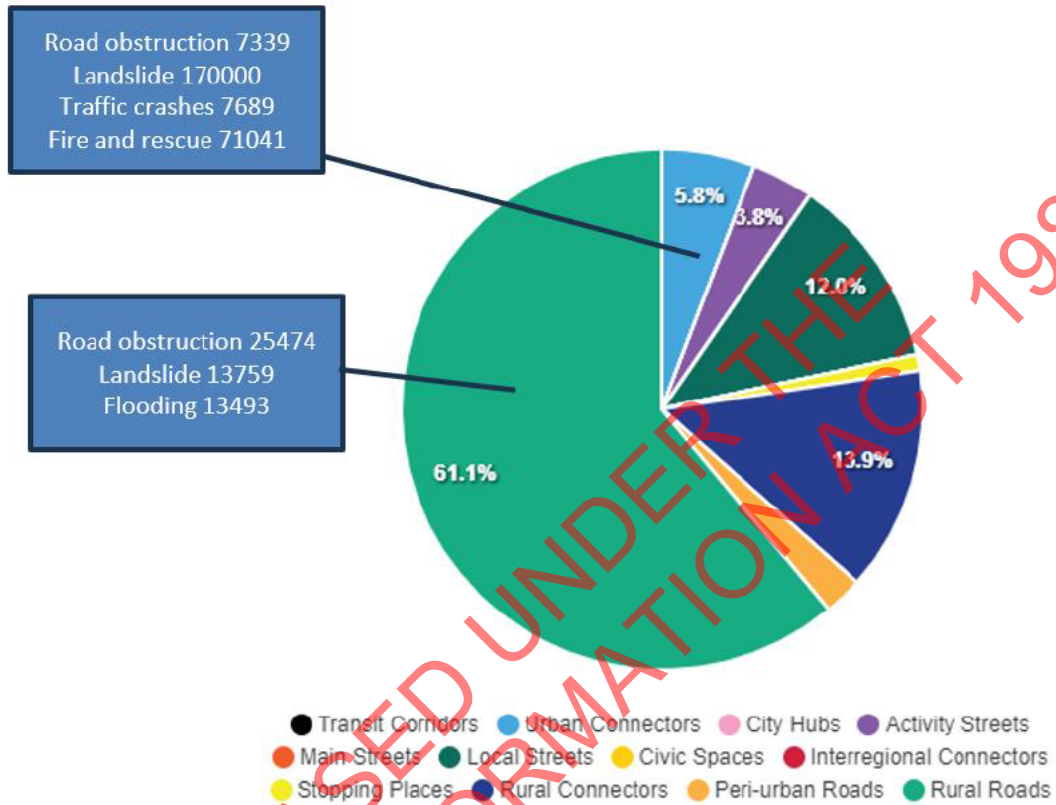
## Increasing resilience

We support the strategic priority of increasing the resilience of our transport network. Recent extreme weather events have clearly demonstrated the toll the changing climate will have on the condition of our roads and the impacts for communities disconnected from the rest of Aotearoa. Significant proactive investment and a joined-up approach to long-term planning are vital to increase the resilience of the transport networks that connect our communities and support their economic prosperity.

The impacts of road closures are often particularly acute in rural areas due to a lack of alternate routes and the travel distances to access markets and services.<sup>3</sup> As can be seen in the graph below, the majority of road closures over the past year have occurred on low-traffic rural roads. We therefore support the focus this draft GPS has put on improving the condition of our rural roads.

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<sup>3</sup> Draft Government Policy Statement on Land Transport 2024 pg. 22



We are concerned that the funding ranges indicated in the draft GPS are not commensurate with the work that needs to be delivered to increase the resilience of our transport network. Given the importance of local roads in connecting communities to lifeline services, economic and education opportunities we believe that this work should be prioritised. Councils, however, are unable to bridge the gap in funding that the draft GPS proposes. We expect significant increases in Crown spending to avoid the passing of another unfunded mandate to local government.

We understand the desire to “make the most of the considerable maintenance and renewals work programme to improve, rather than just replace, the existing asset base”<sup>4</sup>. However, LGNZ sees limitations with a “build back better” mindset and the short-term thinking this can result in. Current emergency works policies show that without a plan and significant investment councils have no other option but to replace like for like which has contributed to the state our assets are currently in. We need a joined-up, long-term strategic approach to the resilience of our transport system that links with the wider context of reform and our response to climate change. For example, Tiro Rangi Waka Kotahi’s Adaptation Plan needs to integrate with the development of Regional Spatial Strategies under the Spatial Planning Act 2023 and the work underway on identifying options for a framework for community-led retreat. A consistent and dynamic framework and identifying areas

<sup>4</sup> Draft Government Policy Statement on Land Transport 2024 pg. 8

where climate change will make service delivery an unreasonable and unending task of repairing and reopening roads will support councils to make decisions that improve the resilience of the transport system.

### Recommendations:

- // LGNZ strongly supports the focus on building resilience and in particular the resilience of rural roads.
- // That MoT review current emergency works policies to ensure that increasing resilience and adapting to the effects of climate change are taken into account when replacing roads.
- // That investment to improve the resilience of the transport system is significantly increased, alongside development of a long-term strategic approach.

## Reducing emissions

Transport emissions are one of the five main sources of Aotearoa New Zealand's emissions and account for 17% of our total emissions, so decarbonising transport is one of the key levers for reaching our emissions reductions targets and mitigating the impacts of climate change.<sup>5</sup> While some of the policies under the first Emissions Reduction Plan have moved our transport emissions in the right direction, we still need a fundamental shift in the way we move people and goods to ensure we reduce the impacts of climate change on our communities.

We are concerned that the policies outlined in the draft GPS represent an inadequate response to the clear and urgent threat climate change poses. The funding allocated under activity classes to further this strategic objective is inadequate. Even without the recent cut of \$50 million to councils to create walkable neighbourhoods and cycling networks<sup>6</sup> the level of investment indicated in the draft GPS is unlikely to meaningfully contribute to the three decarbonisation goals outlined in the ERP. For example, the Auckland Transport Emissions Reduction Plan found that given the policy levers and funding available they will only meet 51% of this target.

The disconnect between the goals outlined and the levels of funding indicated in the draft GPS and Climate Emergency Response Fund means that the need to reduce transport emissions is yet another unfunded mandate passed to local government. We encourage MoT to significantly increase the funding allocated to decarbonising transport and undertake work to understand the funding

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<sup>5</sup> Mistry for the Environment, (2022), First Emissions Reduction Plan pg. 169 Accessed from: <https://environment.govt.nz/assets/Emissions-reduction-plan-chapter-10-transport.pdf>

<sup>6</sup> <https://www.newsroom.co.nz/govt-cuts-further-236-million-from-climate-policies>

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levels required for councils to meet VKT reduction goals to ensure that they do not pass on any unfunded mandates in future GPS'.

**Recommendation:**

// Increase funding available to ensure councils can decarbonise their transport networks.

## Safety

We support the strategic priority to improve safety outcomes across the transport system as we need to reduce deaths and serious injuries on our roads, footpaths, and cycleways. Improving the safety of our transport system requires a holistic approach that includes infrastructure improvements and traffic management solutions, which are complemented by education and communications campaigns. Both these hard and soft interventions will need to be adequately funded to ensure the effective implementation of safety improvements.

We are concerned that despite safety being identified as a strategic priority and the Road to Zero plan outlining the steps we need to take, not enough investment has been allocated to improving the safety of our system.

**Recommendation:**

// The Government increases the funding allocated to improving the safety of our system.

## Sustainable urban and regional development

We support the strategic priority of sustainable urban and regional development and the strategic investment projects outlined in the GPS to support this. The range of mode-shift programmes outlined in the draft GPS individually seem sound, but don't paint a coherent picture of how we will enable urban and regional development. Mode shift will best provide value for money when infrastructure improvements are complemented by travel demand management interventions and communication campaigns.

While the proposed strategic investments will help to improve the transport connections of some communities, they do not give us confidence that the Government has a well thought out strategy for urban and regional development at a national level. As identified in our Transport Positions Statement, integrated transport and freight networks that support placemaking by connecting rural communities, towns and cities will be crucial to improving the economic and social wellbeing of our communities. Understanding regional and local contexts will be critical as the Government develops policy around areas like mode-shift and a long-term strategic plan to guide investment. We encourage MoT and Waka Kotahi to collaborate with local government to develop these policies and strategies to ensure local priorities and needs can be reflected.



With the introduction of the Spatial Planning Act and the need for councils and remit agencies such as Waka Kotahi to contribute to Regional Spatial Strategies, we have an opportunity to develop this long-term national plan. Utilising RSSs will not only enable better investment across a 30-year horizon but will also improve integration between spatial planning, land transport and community infrastructure. To develop this plan and deliver a consistent approach during RSS development, MoT and Waka Kotahi needs to increase funding for planning and policy development internally and work with local government to understand local needs and priorities.

The final GPS should clearly outline how the Government intends to fund the land transport decisions that may fall out of the development of RSSs. In addition to this, the final GPS should respond to work programmes that would improve sustainable urban and regional development such as the Inquiry into Inter-Regional Passenger Rail.

### Recommendation

// That MoT and Waka Kotahi work with local government to develop a national long-term strategic plan to guide investment in our national and local transport networks.

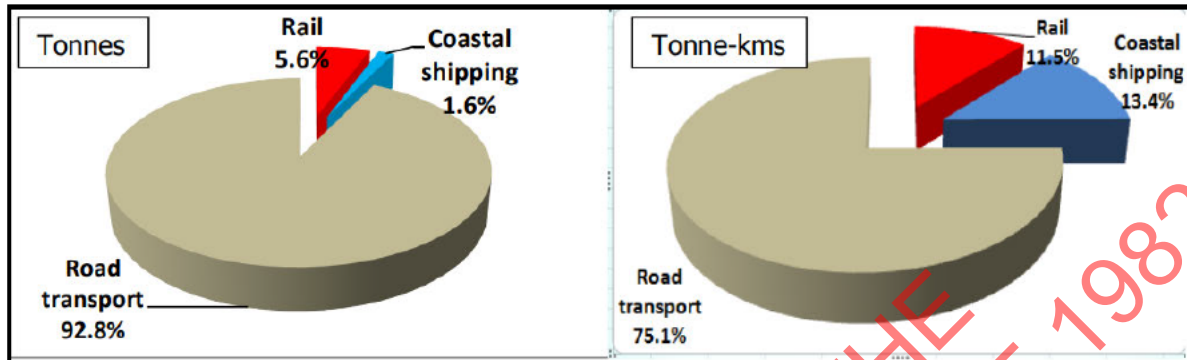
## Integrated freight system

We support the inclusion of an integrated freight system as a strategic priority. We need a freight network that enables transportation of goods across road, rail, and coastal shipping to support our regional economies. Diversifying our freight network will improve the resilience of the system and reduce the cost of maintenance and renewals, as the use of heavy vehicles has a significant impact on the condition of our roads. The National Freight Demand Study has confirmed that the majority of our freight is moved via our roads (see graph below) in particular on the local road network. Of all the \$68.4Bn exports<sup>7</sup> produced, land-based exports and their first stage processed products account for over 60% of the value of New Zealand's exports<sup>8</sup>. In today's terms \$42.4 Bn of export value per annum is transported by local and regional networks.

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<sup>7</sup> [https://oec.world/en/visualize/tree\\_map/hs92/export/nzl/all/show/2021/](https://oec.world/en/visualize/tree_map/hs92/export/nzl/all/show/2021/)

<sup>8</sup> <https://www.lgnz.co.nz/assets/Uploads/252d91a4db/BERL-Transport-Futures-Economic-Evidence.pdf>



With almost 93% of all freight transported by truck, New Zealand's roading network provides a crucial service in supporting our economy at both national and local levels<sup>9</sup>.

However, despite the clear signal from the Government that we need to improve and diversify our freight network, little has been delivered to date and the problem is getting worse. According to a review of Waka Kotahi's asset management by the Ministry of Transport (MoT)<sup>10</sup>, heavy vehicle use and volumes on the State Highway network has grown by 28% over the past 10 years, with a 7% increase in kilometres travelled by heavy vehicles experienced across the State Highways during the 2018-21 funding period alone.

We would like to see MoT advance the New Zealand freight and supply chain strategy at pace and co-design the detailed actions with local government as our local roads play an important part in getting products to market.

### Recommendation

// That MoT advances the New Zealand freight and supply chain strategy at pace and co-design the detailed actions with local government.

## Meeting the level of investment needed in our transport system

LGNZ is concerned that despite the increased levels of investment outlined in the draft GPS, our local roads and transport system will fail to meet the challenges of the 21st century, because of inadequate overall levels of investment in the system. The NLTF is constantly being asked to cover

<sup>9</sup> <https://www.transport.govt.nz/assets/Uploads/Review-of-the-Investment-in-Operating-and-Maintaining-New-Zealands-State-Highways-Part-1-Summary-Report-Final.pdf>

<sup>10</sup> [Review-of-the-Investment-in-Operating-and-Maintaining-New-Zealands-State-Highways-Part-1-Summary-Report-Final.pdf \(transport.govt.nz\)](https://www.transport.govt.nz/assets/Uploads/Review-of-the-Investment-in-Operating-and-Maintaining-New-Zealands-State-Highways-Part-1-Summary-Report-Final.pdf)



more without an adequate increase to the fund, and external factors such as climate change have exhausted budgets well before the end of the funding cycle.

We agree that funding allocated through the NLTP needs to be spent in a way in which “delivers value for money makes most efficient use of the NLTF to deliver on outcomes aligned with the strategic priorities.”<sup>11</sup> However, we are not convinced the funding allocated is sufficient, and the current funding system is underpinned by short-term thinking. This means that the NLTF is unlikely to achieve strategic priorities or meet users’ reasonable expectations. The funding drop-off after year three of the NLTP does not give councils confidence to plan long term improvements to the network either. We also have significant concerns around the debt financing proposal and the impacts this will have on future funding level and overall financial sustainability. This is especially concerning given that activity class budgets are dependent on revenue raised, and it is currently unclear whether the sources identified will achieve the hypothecated 34% increase in revenue and be able to repay Crown debt.

We believe that our transport system is not financially sustainable and the way we fund our transport network needs to fundamentally change. We strongly urge MoT to assure itself of the financial sustainability of the proposed NLTF funding ranges across all 10 years.

## Sources of revenue

We support the proposed changes to the way revenue is generated including the diversion of revenue generated through traffic infringements. We also support the extension of RUC to include EVs. While an incentive may initially have been needed to increase uptake of Electric Vehicles as a means of reducing emissions this is not a financially sustainable intervention nor does it account for the cost any type of vehicle has to the transport network.

We agree that distance-based charges like RUC and RED need to be considered, but equity considerations need to be kept front of mind. Distance-based charges are predominately paid by rural communities who currently receive only a small portion of the revenue generated. We request a larger portion of the revenue generated through RUCs is apportioned to rural road maintenance.

However, we need a wider range of revenue raising tools to meet the needs to the system. Congestion charging, the expansion of digital RUCs, and several other tools have been implemented successfully overseas and we request the MoT work with DIA and local government to explore a range of tools that can be given to councils to raise revenue outside of rates, including the ability to set their own parking infringement rates.

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<sup>11</sup> Draft Government Policy Statement on Land Transport 2024 pg. 8

We understand that MoT is currently undertaking a review into the Future Transport Revenue System. However, we believe this work needs to be accelerated to ensure investment in the transport system will meet the existing and future challenges of rural and urban communities. We would encourage MoT to work closely with LGNZ and councils during the review and co-design the new system with local government given we deliver most of the transport system. Alongside this, we need to improve our transport planning system to ensure strategic investments in the system happen in the right place at the right time.

### Recommendation

- // That the MoT work with DIA and local government to explore the tools that can be given to councils to raise revenue outside of rates.
- // That MoT accelerates the review into transport funding and co-designs a new transport funding framework with local government.

### Local share

We note that, while some increases of spending have been indicated through the NLTP, the FAR allocated to councils remains unchanged. This means that in order to meet the increased levels of funding that the GPS proposes, significant rates increases may be needed. These will be incredibly difficult for councils given their current funding pressures and the wider, current economic situation. Councils are facing significant cost pressures from implementing a raft of reforms, inflationary pressures, and the need to deliver a number of unfunded mandates from central government. Rates increases cannot keep up with the ballooning programme of works councils are expected to deliver. With councils unable to raise revenue to meet NLTP funding it is likely that some of the proposed outcomes and programmes may not be realised.

This is particularly true for councils which have a small rating base or where compounding pressures (such as recovering from Cyclone Gabrielle or deteriorating socio-economic conditions in communities) would push council budgets beyond the brink. We are concerned that rural and disadvantaged communities will have inequalities entrenched through a lack of investment in their transport networks through the NLTP. To have a well-connected New Zealand all aspects of our network need significant uplift, not just those with the population base to support significant investment. We propose that Waka Kotahi investigate the FAR available to all councils to relieve the pressure on their local rating base and investigate any further support rural and disadvantaged communities will need to maintain and operate their transport network.

### Recommendation:

- // That Waka Kotahi works with local government to investigate changes to the FAR to ensure councils' local share can be met by the existing rating base.

## Increasing capacity and capability

There currently is a significant shortfall in the skilled labour required to deliver many of the transport maintenance programmes and capital investment projects that are outlined in the draft GPS. Right now there are substantial vacancy rates in the transport construction sector and the machinery required to undertake transport upgrades is in short supply. While it is important that the levels of funding for maintenance and capital project programmes are increased to deliver a quality transport network, we urgently need to increase the capacity and capability of the system to meet the increased levels of funding and work that is needed.

One option for building capability and capacity could be to prioritise providing long term contracts to small to medium-sized contractors to support them to build capacity and capability at the local level. Providing long term certainty will give small to medium-sized businesses assurance that investment in capacity and capability will continue beyond a three-year timeframe. We encourage MoT to investigate expanding the Network Outcomes Contract framework for councils to use during procurement. We also support Taituarā's recommendation that MoT and Waka Kotahi work with them and roading companies put in place a strategy to increase capacity and capability and improve the competitiveness of the marketplace.

### Recommendation:

// That MoT work with local government, through Taituarā, and roading companies to increase capacity and capability in the system.

## Improving the way we fund our transport network

The current three-year funding cycle makes long term strategic investments difficult and the NLTP is being asked to fund a wider range of activities, meaning different needs and priorities are forced to compete with one another. Local funding isn't enough to bridge the shortfall and the ad hoc use of different funding sources through the CERF and Treasury has created a complex funding system focused on short term decisions.

The cost and impact at the local level of everchanging investment priorities following general elections has been overlooked for too long. The stark contrast in the proposals put out by political parties in the lead up to this year's general election has created uncertainty as to whether priorities, projects, and funding levels outlined in the draft GPS will change in a few months' time.

Furthermore, the NLTP does not align with council funding cycles which makes budgeting decisions difficult and can result in disruptions to work programme planning. Ideally, the GPS on Land Transport would be available at least 15 months before LTPs need to be adopted to allow councils to build the right assumptions into their budgets and meaningfully consult with their community on proposed work. We need a long-term investment strategy for our transport system that has cross party support so that regardless of the shape of the government of the day, communities and councils have confidence that the transport system will be built and maintained to a reasonable

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standard. However, in the absence of wider reform it would be useful for extend the deadline for Regional Land Transport Plan adoption and allow councils to adopt their LTP with placeholder transport decisions and have final decisions properly costed and consulted upon once the final GPS has been adopted.

A strategic, long-term approach to planning that joins up central and local government decision-making and puts local people and priorities at the centre of service delivery is crucial to meeting our desired transport outcomes. Local communities are best placed to decide on shared priorities and understand their needs when it comes to our transport network; however, agreed goals and a long-term national plan for our transport network is needed to guide local investment.

We have identified developing a strategic long-term approach to planning that joins up central and local government decision-making as a key priority in our Transport Position Statement and we will be progressing policy and advocacy work in this space after the election.

**Recommendation:**

- // That Waka Kotahi extend the deadline for adopting Regional Land Transport Plans and allow accommodations in LTP decisions.
- // That MoT and Waka Kotahi work with LGNZ and local government to develop a strategic long-term approach to planning and funding that joins up central and local government decision-making.

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# CONCLUSION

While we support the general direction of the draft GPS, we have serious concerns around whether the strategic priorities will be delivered upon given the levels of funding allocated and the lack of a coherent plan for what our transport system should look like in 30 years' time. We are concerned that means that the funding allocated will not provide the best value for money as co-benefits across activity classes have not been identified and the projects and programmes funded only encourage short-term investments. We encourage MoT to work with the incoming government to both rationalise the investment decisions in the final GPS as well as finding more revenue options to accommodate both the significant need for investment in our transport network and ensure the financial sustainability of our transport system. We encourage MoT to undertake significant changes to the NLTP and work with local government to understand local priorities and meet the levels of investment required.

Additionally, we need to fundamentally change the way we plan and fund our system to ensure that there is a strategic and joined-up approach to decision making and delivery of transport services so that integrated transport and freight networks support local placemaking and enable community wellbeing. Following the finalisation of the GPS we would like to work with MoT to review current transport planning and funding arrangements to better align decision-making and develop a long-term strategy to improving and building resilience in our transport network.

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