



AGENDA

Ordinary meeting of the

Works and Infrastructure Committee

**Thursday 24 July 2014
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

Membership: Councillor Eric Davy (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland, Ian Barker, Ruth Copeland, Matt Lawrey (Deputy Chairperson), Gaile Noonan, and Tim Skinner

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)
- It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the table for discussion and voting on any of these items.

24 July 2014

A1218645

Page No.

Apologies

1. Confirmation of Order of Business

2. Interests

2.1 Updates to the Interests Register

2.2 Identify any conflicts of interest in the agenda

3. Public Forum

4. Confirmation of Minutes – 12 June 2014

8-16

Document number A1205282

Recommendation

THAT the minutes of the meeting of the Nelson City Council – Works and Infrastructure Committee, held on 12 June 2014, be confirmed as a true and correct record.

5. Status Report – Works and Infrastructure 24 July 2014

17

Document number A1150321

Recommendation

THAT the Status Report – Works and Infrastructure 24 July 2014 (A1150321) be received.

6. Chairperson's Report

BUILDINGS

7. Council Owned Earthquake Prone Buildings – Earthquake Assessment Update

18-29

Document number A1206206

Recommendation

THAT the report Council Owned Earthquake Prone Buildings - Earthquake Assessment Update A1206206 and its attachments (A573820, A573853 and A573921) be received;

AND THAT it be noted that work will continue in 2014/15 to complete all detailed seismic assessments for those buildings with Initial Seismic Assessments (ISAs) less than 34% New Building Standard (NBS);

AND THAT it be noted that a further report will be presented once all detailed assessments and costs of strengthening works for all Council owned buildings (with ISA's less than 34% NBS) have been completed, with the emphasis on a standardised approach on how to proceed with all Council building assets going forward;

AND THAT it be noted that strengthening works are underway on key building assets;

AND THAT it be noted that seismic strengthening works are underway at Founders Energy Centre to address critical structural weaknesses at an estimated total cost of \$90,000;

AND THAT any decision to strengthen to 67%NBS be made at a later date;

AND THAT it be noted that seismic strengthening works are underway at Founders Bakery to an estimated total cost of \$45,000;

AND THAT the above strengthening works be funded from provision in the current 2014/15 financial year.

TRANSPORT AND ROADING

8. Proposed Submission on the Draft Government Policy Statement on Land Transport 2015/16 – 2024/25

30-79

Document number A1217533

Recommendation

THAT the report Proposed Submission on the Draft Government Policy Statement on Land Transport 2015/16-2024/25 (A1217533), and its attachments (A1217420 and A1219303) be received;

EITHER

AND THAT amendments to the submission (A1217420) be delegated to the Chair and Deputy Chair of the Works and Infrastructure Committee;

AND THAT the amended submission be forwarded to the Minister for Transport

OR

AND THAT no submission be made.

9. Nbus Electronic Ticketing System

80-85

Document number A1216077

Recommendation

THAT the report Nbus Electronic Ticketing System (A1216077) be received;

AND THAT the request for funding be approved to secure Nelson City Council's involvement in the joint procurement proposal, for the 2014/15 financial year, from existing budgets;

AND THAT the future funding required for the 2015/16 and 2016/17 financial years be included in the Long Term Plan.

10. Trial Closure of Beatson Road

86-90

Document number A1212415

Recommendation

THAT the report Trial Closure of Beatson Road (A1212415) and its attachment (A1213688) be received;

AND THAT the Trial Closure of Beatson Road be approved between 1 September and 19 September 2014 (at all times);

AND THAT the findings of the Trial Closure of Beatson Road be reported back to a future Works and Infrastructure Committee meeting;

AND THAT the Trial Closure of Beatson Road be funded from existing budgets.

PUBLIC EXCLUDED BUSINESS

11. Exclusion of the Public

Recommendation

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Works and Infrastructure Committee Minutes – Public Excluded – 12 June 2014	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure	The withholding of the information is necessary: <ul style="list-style-type: none">• Section 7(2)(i) To carry out negotiations

	These minutes confirm the minutes of 1 May 2014 and also contain information regarding negotiations with respect to the disposal of property in Washington Valley.	of information for which good reason exists under section 7	
2	<p>Public Excluded Status Report – Works and Infrastructure 24 July 2014</p> <p>This report contains information regarding Washington Valley Property Disposal.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations

12. Re-admittance of the public

Recommendation

THAT the public be re-admitted to the meeting.

Note:

- **Youth Councillors Jethro Burr and Daniel Leaper will be in attendance at this meeting.**

Minutes of a meeting of the Works and Infrastructure Committee

**Held in the Council Chamber, Civic House, Trafalgar Street,
Nelson**

On Thursday 12 June 2014, commencing at 9.02am

Present: Councillors E Davy (Chairperson), L Acland, I Barker, R Copeland, M Lawrey, G Noonan and T Skinner

In Attendance: Councillors K Fulton, B McGurk, P Rainey and M Ward, Chief Executive (C Hadley), Group Manager Infrastructure (A Louverdis), Chief Financial Officer (N Harrison), Senior Asset Engineer – Transport and Roading (R Palmer), and Administration Adviser (E-J Ruthven)

Apology: Her Worship the Mayor (R Reese)

1. Apologies

Resolved

THAT the apology from Her Worship the Mayor be received and accepted.

Noonan/Acland

Carried

2. Interests

There were no updates to the Interests Register, and no conflicts of interest with any agenda items were declared.

3. Confirmation of Order of Business

There was no change to the order of business.

4. Public Forum

4.1 Fifeshire Crescent

Mr David Smythe spoke about stormwater provision in Fifeshire Crescent, and tabled a document (A1205275).

He said that, in his opinion, had the stormwater drain in Fifeshire Crescent North been replaced earlier, the road would not have slumped and no damage to property would have occurred.

He said that Council's view that the slump occurred as a result of failure of a retaining wall was incorrect. He said that stormwater from the road surface had caused the wall to move, due to failure of the stormwater drain, and added that one house was now uninhabitable due to damage from the slump.

Mr Smythe suggested that the Fifeshire Crescent North stormwater drain should be a priority in the Annual Plan 2014/15.

The Chairperson advised the committee that a meeting between officers and relevant parties would take place next week regarding stormwater issues in Fifeshire Crescent.

5. Confirmation of Minutes – 1 May 2014

Document number A1179538, agenda pages 8-17 refer.

In response to a question, it was clarified that Standing Order 3.21.6 prevented debate on any matter raised at public forum, however allowed members to pass a motion to seek a report on the matter raised to a subsequent meeting.

Resolved

THAT the minutes of a meeting of the Nelson City Council – Works and Infrastructure Committee, held on 1 May 2014, be confirmed as a true and correct record.

Barker/Davy

Carried

6. Status Report – Works and Infrastructure 12 June 2014

Document number A1150321, agenda pages 18-19 refer.

In response to a question regarding the item 'Bata Building Way Forward', Group Manager Infrastructure, Alec Louverdis, explained that the relevant Council resolution stated that the carpark on the Bata Building site would be finished to a pavement seal, and that there was no resolution to include plantings.

Resolved

THAT the Status Report – Works and Infrastructure Committee 12 June 2014 (A1150321) be received.

Barker/Noonan

Carried

Works and Infrastructure Committee
12 June 2014

7. Chairperson's Report

The Chairperson gave a verbal report. He encouraged committee members to consider all options, and to balance the responsibility of representing the community against potentially increasing Council's debt level when making decisions on the items before the committee at the meeting.

TRANSPORT AND ROADING

8. Rocks Road Walking and Cycling Project

Document number A1201952, agenda pages 20-77 refer.

Senior Asset Engineer – Transport and Roading, Rhys Palmer, presented the report. He said that investigation into Rocks Road walking and cycling options had progressed to a point where it was appropriate to seek the community's views, and outlined the time constraints on the project.

There was a discussion regarding the availability of Council's R Funding for the Rocks Road project. Mr Palmer gave a Power Point presentation regarding Council's available R Funds and the projects that currently qualified for such funding from NZTA (A1205410).

In response to questions, Mr Palmer confirmed that NZTA had indicated that it would be able to fund Rocks Road concepts 1 and 2 75% from R funding, and potentially up to 100%, as Rocks Road was designated as a State Highway. However, he cautioned that NZTA funding would apply to transport solutions only, and that local funding would be necessary for any additional amenity items within the project, such as planting or seating along the road.

In response to questions, Mr Palmer clarified that, if the State Highway designation were removed from Rocks Road, it would lower the level to which NZTA could fund the project, to a maximum of 53%.

Mr Palmer further clarified that R funds had to be substantially committed, with road works starting on each project no later than 30 June 2018, otherwise the funding would be lost.

In response to further questions, Mr Palmer advised that there were not many other good quality projects with regards to local roads that would qualify for R funding from NZTA, although it was likely that other state highway projects may qualify. He added that discussions had not yet taken place with NZTA regarding responsibility for on-going maintenance of the Rocks Road walkway/cycleway once built.

Resolved

THAT the report Rocks Road Walking and Cycling Project (A1201952) and its attachments (A1189936 and A264415) be received.

Lawrey/Acland

Carried

The Chair advised that the recommendation to Council would be taken in parts.

Recommendation to Council

THAT the Council confirm it does wish to proceed to the next steps with the Rocks Road walking and cycling project;

Davy/Lawrey

Carried

Recommendation to Council

AND THAT Council approve each concept plan separately;

Davy/Lawrey

Carried

Councillor Davy, seconded by Councillor Noonan, moved

AND THAT concept plan one (\$9-13M) be approved;

AND THAT concept plan two (\$11-14M) be approved;

AND THAT concept plan three (\$33-47M) be approved;

Councillors discussed the motion. There was general agreement that concept plans one and two should be approved for community engagement, however a variety of views were expressed regarding concept plan three.

Councillors in favour of concept plan three being approved for community engagement noted that all three concepts were already in the public arena, and that it was important to seek community feedback on all three options.

Councillors against approving option three for community engagement noted that the cost of concept three was such that Council was unlikely ever to commit to this option, and that the benefit of engagement was to ascertain the community's feedback regarding concept one (on-road cycle lanes) and concept two (shared path arrangement).

Following extensive discussion, the mover and seconder withdrew the motion, with the leave of the meeting.

Councillor Davy, seconded by Councillor Lawrey moved

AND THAT concept plan one (\$9-13M) be approved;

AND THAT concept plan two (\$11-14M) be approved;

AND THAT engagement on concept plan three (\$33-47M) occur only for the purposes of disclosure and that all messaging on this concept reflect its lack of value as compared with the required investment.

Councillors discussed the motion.

In response to a question, Mr Palmer explained that the officer recommendation regarding concept three was worded to reflect that there were similar transport outcomes as between concepts two and three, however a large variation in cost.

The majority of councillors expressed support, noting that it was useful for concept three to be utilised in community engagement in order to provide context and promote an understanding of the costs involved, alongside messaging that the costs of concept three outweighed the value to be gained from this option.

Recommendation to Council

AND THAT concept plan one (\$9-13M) be approved;

AND THAT concept plan two (\$11-14M) be approved,

AND THAT engagement on concept plan three (\$33-47M) occur only for the purposes of disclosure and that all messaging on this concept reflect its lack of value as compared with the required investment;

Davy/Lawrey

Carried

Recommendation to Council

AND THAT the engagement plan be presented to Council for approval at its meeting on 17 July 2014;

AND THAT the outcome of the engagement be presented to Council to guide consideration of any future investment.

Davy/Barker

Carried

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Attendance: The meeting adjourned for morning tea from 10.42am to 10.56am

9. Auckland Point Pedestrian Crossing Safety Improvements

Document number A1106535, agenda pages 75-85 refer.

Senior Asset Engineer – Transport and Roading, Rhys Palmer, presented the report, and gave a Power Point presentation (A1205413). He said that the two-laning of this stretch of road encouraged 'jostling' behaviour by motorists, leading to high speeds in the area, and creating safety risks for pedestrians using the crossing.

Mr Palmer outlined the options investigated for the road, and explained the reasons for the recommended option of one-laning the road.

Councillors discussed the proposal. In response to questions, Mr Palmer advised that modelling suggested that one-laning would have no effect on the operation of the QEII Drive/Haven Road roundabout.

In response to further questions, he explained that activity outside Auckland Point School did not meet NZTA thresholds for installation of a variable speed zone. He said that the school preferred the option of a signalised crossing, but that the cost of installing one was significant, and this option would have little effect on the speed issues in the area.

There was a further discussion regarding the Halifax Street/Haven Road roundabout. In response to a question, Mr Palmer said that one-laning this roundabout would likely lead to significant vehicle tailbacks, but that other options for this intersection were still being investigated.

Councillors were generally in favour of one-laning this section of the road, particularly if it resulted in a reduction in average speeds and an increase in pedestrian safety in the area.

Resolved

THAT the report Auckland Point Pedestrian Crossing Safety Improvements (A1106535) and its attachments (A663472) be received;

AND THAT the zebra crossing on Haven Road at Auckland Point be reconfigured during the 2014/15 financial year to have a single lane in each direction.

Lawrey/Acland

Carried

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WATER, WASTEWATER, STORMWATER

10. Water Supply and Wastewater Bylaws

Document number A1181459, agenda pages 86-182 refer.

Senior Asset Engineer – Utilities, Phil Ruffell, presented the report.

Resolved

THAT the report Water Supply and Wastewater Bylaws (A1181459) and its attachments (A1181512, A1181471, A1181533, A1181535, A1181600 and A1181552) be received;

AND THAT in accordance with section 155 of the Local Government Act 2002 Council determines that making the proposed Water Supply Bylaw is the most appropriate way of addressing the safety and security of supply issues for the Nelson City water supply network;

AND THAT in accordance with section 156 of the Local Government Act 2002 Council agrees to revoke the Nelson City Council Water Supply Bylaw No. 217, such revocation to come into effect upon the adoption of the proposed Water Supply Bylaw 2014 (No. 223);

AND THAT the Statements of Proposal dated June 2014 and the summary of information contained in the Statements of Proposal (documents A1181512, A1181533, A1181600 and A1181552 be approved and advertised using the Special Consultative Procedure (section 83 of the Local Government Act 2002);

AND THAT the Works & Infrastructure Committee hear and deliberate on submissions on the proposed water supply and wastewater bylaws in documents A1181471 and A1181535.

Noonan/Copeland

Carried

11. Exclusion of the Public

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p>Works and Infrastructure Committee – Public Excluded – 1 May 2014</p> <p>These minutes confirm contain information regarding the public excluded status report:</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p>
	<ul style="list-style-type: none"> Trafalgar Centre Follow Up Report – Short Term Actions, including a resolution that this item is moved to the status report on the public agenda of the Works and Infrastructure Committee meeting of 1 May 2014 		<ul style="list-style-type: none"> Section 7(2)(h) To carry out commercial activities Section 7(2)(i) To carry out negotiations
	<ul style="list-style-type: none"> Trafalgar Centre – Update Report, including a resolution that this item is moved to the status report on the public agenda of the Works and Infrastructure Committee meeting of 1 May 2014 		<ul style="list-style-type: none"> Section 7(2)(h) To carry out commercial activities Section 7(2)(i) To carry out negotiations

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	<ul style="list-style-type: none"> Washington Valley Property Disposal 		<ul style="list-style-type: none"> Section 7(2)(i) To carry out negotiations
2	<p>Public Excluded Status Report – Works and Infrastructure Committee 12 June 2014</p> <p>This report contains information regarding the Washington Valley Property Disposal.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> Section 7(2)(i) To carry out negotiations

Noonan/Lawrey

Carried

The meeting went into public excluded session at 11.41am and resumed in public session at 11.46am.

12. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Davy/Lawrey

Carried

There being no further business the meeting ended at 11.46am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Status Report – Works and Infrastructure 24 July 2014

Date of meeting/Item	Action Resolution	Officer	Status
28/11/13 W&I Committee The Brook Area Walking and Cycling Improvements Project – Public Feedback	AND THAT the proposals shown in Attachment 1 (A580995) be approved for implementation in 2014/15.	Rhys Palmer	24/07/14 Design continuing. UNDERWAY
12/6/14 W&I Committee Auckland Point Pedestrian Crossing Safety Improvements	AND THAT the zebra crossing on Haven Road at Auckland Point be reconfigured during the 2014/15 financial year to have a single lane in each direction.	Rhys Palmer	24/07/14 NOT YET STARTED

Council Owned Earthquake Prone Buildings – Earthquake Assessment Update

1. Purpose of Report

- 1.1 To provide an update on the status of earthquake assessments of Council owned buildings undertaken last financial year 2013/14.
- 1.2 To provide a programme for continued earthquake assessments in the current financial year.
- 1.3 To advise of strengthening work currently underway on two buildings.

2. Delegations

- 2.1 The Works and Infrastructure Committee is delegated to make decisions on building services and structures.

3. Recommendation

THAT the report Council Owned Earthquake Prone Buildings - Earthquake Assessment Update A1206206 and its attachments (A573820, A573853 and A573921) be received;

AND THAT it be noted that work will continue in 2014/15 to complete all detailed seismic assessments for those buildings with Initial Seismic Assessments (ISAs) less than 34% New Building Standard (NBS);

AND THAT it be noted that a further report will be presented once all detailed assessments and costs of strengthening works for all Council owned buildings (with ISA's less than 34% NBS) have been completed, with the emphasis on a standardised approach on how to proceed with all Council building assets going forward;

AND THAT it be noted that strengthening works are underway on key building assets;

AND THAT it be noted that seismic strengthening works are underway at Founders Energy Centre to address critical structural weaknesses at an estimated total cost of \$90,000;

AND THAT any decision to strengthen to 67%NBS be made at a later date;

AND THAT it be noted that seismic strengthening works are underway at Founders Bakery to an estimated total cost of \$45,000;

AND THAT the above strengthening works be funded from provision in the current 2014/15 financial year.

4. Background

4.1 Council resolved in August 2013 to prioritise detailed assessments of all buildings with ISA's less than 34%NBS over two financial years (2013/14 and 2014/15) with a view to reporting back to Council once all detailed assessments and costs of strengthening works for all Council owned buildings have been completed, with the emphasis on a standardised approach on how to proceed with all Council building assets going forward.

4.2 This report provides a mid-way summary as to where this project work is at.

Update on section 124 notices

4.3 Since August 2013, five further Section 124 notices have been issued to Council (Trafalgar Centre, Duncan House at Founders, Hunter Furniture, Highland Pipe Band Hall and the Granary building at Founders) taking the total section 124 notices issued to Council to 11 (including State Advances, Mediterranean Food Warehouse, Refinery, Zumo, Riverside façade and Plant & Food).

4.4 Officers have since received notification on 27 March 2014 and revised letters for all current section 124 notices from the Building Unit noting recent Building Act changes requiring buildings to be strengthened to a minimum 34%NBS (Council's Earthquake Prone and Insanitary Buildings Policy 2007 established a standard of 67%NBS when there was no legislative guidance).

4.5 Section 124 notices are expected for the Founders Energy Centre and Founders Bakery in the near future.

4.6 Strengthening work to 67%NBS to the Riverside Pool façade has been completed and once Code of Compliance has been issued, the Section 124 will be lifted.

4.7 The Section 124 notice on the Bata building (The Hub) has been removed as the building has been demolished.

- 4.8 The Section 124 notice on the Savings Bank building has been lifted as the area will no longer be used as a designated Emergency Operations Centre (EOC) for Civil Defence since the construction of a designated EOC in Richmond.

Financial

- 4.9 Council provided two streams of funding over two financial years (2013/14 and 2014/15) to deal with detailed assessment and possible remedial work.
- 4.10 Funding is provided in the current financial year as below:
- Detailed assessments - \$360,000;
 - For potential capital remediation works - \$639,000.
- 4.11 Strengthening work has commenced on several building assets as a result of a number of circumstances including the Seddon earthquakes, works to address safety issues and the opportunity to undertake strengthening works during routine maintenance. Work on site includes:
- 4.12 Melrose House chimney strengthening following damage from the Seddon earthquakes at a total estimated cost of \$260,000. A no risk approach was adopted following the Christchurch earthquakes where damage from masonry chimneys was well documented. The risk of failure of the chimneys in further earthquakes, falling either onto the house or outwards posed a real risk. The remedial work agreed to with Heritage New Zealand was to remove the existing chimneys and reinstate with light weight replicas. Work has also included removal of asbestos. When completed the building will not be rated as earthquake prone.
- 4.13 Broadgreen Cellar infill work required as a result of the December 2011 extreme rainfall event which raised the ground water level undermining the historic house foundations. The only remedial solution is to infill the cellar. This involved liaison with Heritage New Zealand. When completed the building will not be rated as earthquake prone (total estimated cost of \$40,000).
- 4.14 Highland Pipe Band Hall - Temporary work to reduce risk (\$7,500).
- 4.15 Hunter Furniture – Work to achieve 34%NBS to be undertaken if the roof repair goes ahead (\$5,000).
- 4.16 Founders Granary – Minor works to achieve 34%NBS (\$10,000).
- 4.17 Founders Duncan House – Works to strengthen to 67%NBS (as per MoE guidelines), as the building is used as a school (total estimated cost of \$140,000).

Assessment summary updates

- 4.18 The table below details the seismic assessments undertaken to date:

Name	ISA (initial) (% NBS)	DSA (detailed) (% NBS)	Comments
Elma Turner library	28	42	> 34%NBS threshold
Founders Duncan House	25	67	See 4.11
Melrose House	10	34	See 4.11
Broadgreen House	33	<34	See 4.11
Beach Café & Toilets	7	76	> 34%NBS threshold
Founders Granary	10	42	See 4.11
Highland Pipe Band	11	14	See 4.11
Founders Bakery	12	20-33	See section 5
Founders Energy Centre	12	<34	See section 5
Youth Nelson (Pioneer Park)	17	42	>34%NBS threshold
Hunter Furniture	13	East 34 West 50	See 4.11

- 4.19 The following buildings have had their initial assessments revised (and they move from <34%NBS to >34%NBS). This recognises that the focus on ISAs has shifted to saving lives rather than maintaining building integrity/function after an earthquake. In addition, a new section was provided on timber framed buildings which more accurately reflects the performance of light weight timber buildings, which was previously over penalised.

Description	Initial ISA (%NBS)	Revised ISA (% NBS)
Founders Jaycee Centre	13	75
Orchard Flats Community Hall	13	76
CAB Plunket House	25	40
Founders Cottage Hospital	32	40

- 4.20 The following buildings/structures have been added to the priority list and detailed seismic assessments will be undertaken in 2014/15.

Description	ISA rating (% NBS)	Comments
Anchor Building	5	Recently purchased and currently vacant
Old Trafalgar Grandstand	16	Existing glass panels to be replaced in the interim as a safety precaution.
Riverside Pool club rooms	ISA underway	

- 4.21 The Committee is reminded that ISAs are very much a preliminary rating; that Council's experience is that detailed assessments for most buildings reflect a much higher rating (see table 4.18).

5. Discussion

Founders Energy Centre

- 5.1 The detailed seismic assessment put the rating at less than 34%NBS, but also identified a critical structural weakness that could result in the loss of gravity support if some of the welded connections fail in a moderate earthquake.
- 5.2 The building is a key building within Founders Park and has a maximum permitted capacity of 500 due to fire safety constraints as determined by a fire evacuation plan.
- 5.3 It is used as a public venue mainly by large groups - typically 10 private bookings over the year and of course the very successful book fair, which brings in around \$134,000 per year. Whilst the next big booking is scheduled for October 2014 (Arts Festival), there will be an impact on other users, and officers are working with those affected.
- 5.4 The book fair recorded 10,000 visitors over 10 days. The threshold of 500 at any one time in the centre was not reached but a couple of hundred visitors at any one time were likely.
- 5.5 The Arts Festival runs for a period of 2 weeks and will at times be required to accommodate a maximum occupancy of 500.
- 5.6 The building has a replacement value of \$680,000, but is not insured for reinstatement.
- 5.7 The cost (including design, consent fees, physical work, administration and contingency) to strengthen to 34%NBS is estimated at \$90,000 and includes improved connections.
- 5.8 The cost to strengthen to 67%NBS (there being no difference to achieve 100% NBS) is estimated at \$150,000 and includes an external steel frame.

- 5.9 It is highly unlikely that remedial strengthening works to 67%NBS could be undertaken in time to hold the Arts Festival.
- 5.10 In addition if Council was of a mind to achieve 67%NBS in the long-term, it would be possible to do the work in two stages; this would incur minor additional cost.
- 5.11 A Section 124 Notice is expected from the Building Unit very shortly for this building; strengthening to 34%NBS in line with the recent March 2014 Building unit notifications is expected.
- 5.12 Strengthening to 34%NBS has been organised, using the exceptional circumstances clause within the procurement policy to fast track the work. This will ensure the work is completed in time for the Arts Festival. This decision was taken, knowing the impact that the closure of another venue would have on the cultural and economic wellbeing of the City. The Centre will be closed while the work is completed.

Founders Bakery

- 5.13 The detailed seismic assessment put the rating at less than 34% NBS, identifying the existing brick oven (not used and not historic) as the limiting factor. If the oven fails, the gravity support to the first floor may be compromised.
- 5.14 The Bakery is leased, open to the public and one person works infrequently in the bakery.
- 5.15 The building has a replacement value of \$165,000.
- 5.16 Making improvements to the oven, removing the chimney and supporting the façade will improve the seismic rating to 40%NBS. The cost to address this work is estimated at \$45,000 (including design, consent fees, physical work, administration and contingency).
- 5.17 A Section 124 Notice is expected from the Building Unit very shortly for this building and Council will need to respond to any proposed timeframes for strengthening. Strengthening to 34%NBS in line with the recent March 2014 Building unit notifications is expected.
- 5.18 This work will be underway shortly.

Priorities for 2014/15

- 5.19 Detailed assessments of the remaining buildings/structures, as detailed below, and as approved by Council in August 2013, are scheduled for completion in 2014/15:

Description	ISA rating (% NBS)
Riverside Pool clubrooms	underway
Anchor Building	5

Description	ISA rating (% NBS)
Founders Chapel	13
Wakapuaka Crematorium	14
Community Arts (Paru Paru) (detailed underway)	15
Hunting & Fishing	16
Old Trafalgar Grandstand	16
Wakapuaka Community Hall	18
Founders Anchor Inn	18
Founders Maritime Museum	19
Founders Port Building	19
Stoke Hall (detailed underway)	20
Refinery Gallery timber	20
Founders Windmill	21
Reliance Engineering	21
Four Seasons	24
Trafalgar Street Hall (detailed underway)	25
Woodturners Building	29

6. Options

- 6.1 The work Council is undertaking fits in well with the purpose of local government, as it provides for good quality local infrastructure, provides a public service and meets regulatory requirements that will guide good decision making.
- 6.2 Council needs to strengthen two buildings in Founders Park (Energy Centre and Bakery - see section 5) if they are to continue to be used. The options are to strengthen to 34%NBS or to 67%NBS.
- 6.3 In light of the funding within the Annual Plan, the minor nature of the works, and the importance of the Energy Centre being available as a venue for Nelson, works are underway.
- 6.4 Any decision on strengthening to greater than 34% NBS can be made at a later time.

7. Assessment of Significance against the Council's Significance Policy

- 7.1 This is not a significant decision.

8. Consultation

8.1 No consultation has been undertaken as this stage. Future significant decisions to be made by Council will be guided through consultation through the Long Term Plan or Annual Plan process.

9. Alignment with relevant Council policy

9.1 This work aligns with the 2013/14 and 2014/15 Annual Plans.

9.2 This work is aligned to Council's current Earthquake Prone, Dangerous and Insanitary Buildings Policy.

9.3 Funding exists in the current 2014/15 financial year to progress the remaining detailed assessments and to effect remedial works.

9.4 This work is consistent with Nelson 2060, particularly providing a strong economy and sustainable city.

10. Inclusion of Māori in the decision making process

10.1 No specific consultation has been undertaken with Māori.

11. Conclusion

11.1 Detailed assessments on buildings with ISAs less than 34%NBS commenced last financial year and are due to be completed in 2014/15.

11.2 Remedial works have commenced on some buildings due to special circumstances and opportunities.

11.3 Budgets exist to complete the detailed assessments and undertake limited remedial works as-and-when required following these assessments. Future budgets for remedial works will be required.

11.4 The updated status lists are shown on the accompanying attachments.

11.5 Two buildings in Founders Park are undergoing remedial work; strengthening to remove the critical structural weaknesses in the Energy Centre is underway to ensure that the venue is available for the Arts Festival 2014, along with improvements to the Bakery.

11.6 Future decisions on the future of other building assets (demolition, retain, dispose) will need to be made by Council.

Alec Louverdis
Group Manager Infrastructure

Attachments

Attachment 1: List of initial assessments < 34% NBS [[A573820](#)]

Attachment 2: List of initial assessments (34% - 67% NBS) [[A573853](#)]

Attachment 3: List of initial assessments > 67% NBS [[A573921](#)]

Earthquake Prone Buildings		
High Risk - ISA 34% NBS or less		
Note: This list excludes sheds, garages, toilets, shelters, bridges etc		
Description	ISA (NBS%)	Revised %NBS following DSA
Anchor Building	5	
Beach Café & Toilets	7	76
Melrose House	10	<34
Founders Granary	10	<34
Highland Pipe band hall	11	14
Founders Energy Centre	12	<34%
Founders Goodmans bakery	12	<34%
Founders Chapel	13	
Founders Jaycee centre	75*	n/r
Orchard Flats Community Hall	76*	n/r
Hunter Furniture	13	<34 Building East 50 Building West
Wakapuaka Crematorium	14	
Community Arts (25 Paru Paru)	15	
Hunting & Fishing	16	
Old trafalgar grandstand	16	
Youth Nelson (Pioneer Park)	17	42
Wakapuaka Community Hall	18	
Founders Anchor Inn	18	
Founders Maritime Museum	19	
Founders Port Building	19	
Stoke Hall	20	
Refinery Gallery timber	20	
Founders Windmill	21	
Reliance engineering	21	
Four Seasons (Haven Road)	24	
Founders Duncan House	25	15
CAB Plunket house	40*	n/r
Trafalgar Street Hall	25	
Elma Turner library	28	42
Woodturners Building	29	
Founders Cottage Hospital	40*	n/r
Broadgreen House	33	<34
<i>* Initial seismic assessments have been updated following release of revised guidance documents for the IEP Process in November 2013</i>		

Complete List of Initial Assessments - Buildings	
Moderate Risk IEP between 34% and 66%	
Description	ISA (%NBS)
Tahuna Campground - Info build	>34%
Tahuna Campground - Office building	>34%
Tahuna Campground - Unit 85 & 86	34
Brook camp cabin Q	35
Andrews farm office	35
Founders school	36
Maitai camp Kitchen	36
Founders Tobacconist	38
Founders General Store	38
Stoke Community Centre	39
Tahuna Police Station	41
Former Maitai Club	42
Brook Camp Cabins J K M N O P R	43
Tahuna Conference Center	45
Founders Railway Cottage	47
Founders Firestation	49
Nightingale Library	50
Tahuna Campground - Family Unit	50
Tahuna Campground - Studio Units	50
Brook Camp Kitchen/TV	51
Hockey Pavillion (Old Building)	52
Broadgreen Root Cellar	53
Waahi Takaro Pro Shop	53
Tahuna Campground - Cottage	62
Riverside pool (excl frontage)	65

Complete List of Initial Assessments - Buildings	
Low Risk ISA > 66%. No Action Required	
Description	ISA (%NBS)
Recycling - shop	>67
Recycling - ticket office	>67
Tahuna Campground - Guest Lounge	>67
Trafalgar Park Pavilion	67
Broadgreen Office	69
Founders Law	70
Founders Nelson Mail	70
Founders Bank of NSW	70
Founders Livery Stable	70
Founders Museum	70
Founders Baigent Workshop	70
Nayland Pool complex	74
Founders Rutherford cottage	74
Tahuna Campground - Unit 1 & 2	75
Tahuna Campground - Unit 3 & 4	75
Saxton Stadium	75
Saxton Netball Pavilion	80/100
Trafalgar Park - Media Facilities	85
Tahuna Campground - Unit 8 & 9	87
Isei House	97
Stoke Library	99
Youth Nelson Computer Room - Pioneer Park	100
Saxton Hockey/ Softball Pavilion	100
Saxton Oval Pavilion	100
Saxton Cricket Pavilion/Utility	100
Marsden Valley Sexton Office and amenities	100
Soccer Building	100
Civic House Tower Block	110
Millers Acre	100+

Proposed Submission on the Draft Government Policy Statement on Land Transport 2015/16-2024/25

1. Purpose of Report

- 1.1 To consider the Draft Government Policy Statement on Land Transport 2015/16-2024/25 (GPS) and agree on the Council submission to the Ministry of Transport on the GPS.

2. Delegations

- 2.1 Under Section 6.4 of the Delegations Register the Works and Infrastructure Committee has responsibility for the land transport aspects of Nelson City Council including delegated authority to make submissions to external bodies on that area of responsibility.

3. Recommendation

THAT the report Proposed Submission on the Draft Government Policy Statement on Land Transport 2015/16-2024/25 (A1217533), and its attachments (A1217420 and A1219303) be received;

EITHER

AND THAT amendments to the submission (A1217420) be delegated to the Chair and Deputy Chair of the Works and Infrastructure Committee;

AND THAT the amended submission be forwarded to the Minister for Transport

OR

AND THAT no submission be made.

4. Background

- 4.1 The GPS is the government's main statutory lever to ensure investment in land transport reflects government priorities over the ten years from 1 July 2015.

- 4.2 The Minister for Transport is required by the Land Transport Management Act 2003 to issue a Government Policy Statement every three years to identify the objectives, direction and strategy for spending of over \$3 Billion through the National Land Transport Fund each year. The draft GPS was issued on 11 June 2014 and is open for formal engagement until 11 August 2014. Refer attachment 2.
- 4.3 The purpose of the Land Transport Management Act and therefore the draft GPS is "To contribute to an effective, efficient, and safe land transport system in the public interest." It does not specify projects, only levels of funding.
- 4.4 The draft GPS continues the approach started in 2009 of putting "the wealth generating capacity of our economy at the top of the agenda" and sets the national strategic direction for land transport as focussing on three areas:
- economic growth and productivity: providing high quality connections between key areas of production, processing and export. Emphasis has been placed on the Roads of National Significance (RoNS), freight routes through the increase in the permitted weight of vehicles, reduction in areas of severe congestion (particularly Auckland), continuing the level of investment in local roads connecting communities and businesses, supporting the increase in public transport services, and ongoing improvements to walking and cycling networks.
 - road safety: this remains a key priority for funding through the Safer Journeys road safety strategy for all categories of roads.
 - value for money: NZ Transport Agency will continue to improve the productivity of investment in all categories of roads and activities, and expects all road controlling authorities to continue to improve asset management and procurement practices. Similarly, maintenance investment and road improvements should also continue to result in improvements to investment and productivity.
- 4.5 The NZ Transport Agency and other relevant authorities will use the adopted GPS framework to detail, prioritise and deliver transport investment through the National Land Transport Programme.
- 4.6 The draft GPS has been prepared based on overall modest growth in freight demand and a "flat demand" in light vehicle travel, measured in vehicle kilometres travelled, over recent years. It does, however, recognise there are regional characteristics which result in "...bottlenecks and intense localised congestion on particular routes and at specific pressure points". Congestion in Auckland and Christchurch is specifically recognised.
- 4.7 The draft GPS is also based on the National Freight Demand Study 2014, which indicates a growth in freight traffic, both nationally and in the Tasman/ Marlborough region to 2042. Personal travel is expected to increase according to demographic changes, but "the best available

information to date suggest that growth in personal travel will remain more muted than in previous economic cycles”.

4.8 Whilst the importance of the national and regional freight routes and the Roads of National Significance key freight links are well recognised in the draft GPS, the necessity for Auckland to achieve an efficient transport system to improve the contribution the city makes to the national economy remains a priority.

4.9 Land Transport expenditure, as a proportion of GDP, is at its highest level since 1960’s, with public expectations of better levels of service. The draft GPS expects transport decision makers to recognise this and “ensure transport makes a broad positive contribution to the economy and society”, ensuring “that expenditure delivers the right infrastructure and services to the right level at the best cost” and “achieves results which are clear, achievable and measurable”.

4.10 The draft GPS identifies five objectives:

- A land transport system that addresses current and future demand, through
 - Ongoing investment in the State Highway network
 - Accelerated investment in Auckland
 - Ongoing investment in Canterbury recovery
 - Increased investment in our local road network.
- A land transport system that provides appropriate transport choices, supporting transport mode choices, public transport, specialised services, and cycling, to enable access to social and economic opportunities to those with limited access to private vehicles.
- A land transport system that is reliable and resilient, investing to reduce the impacts of disruption that pose the highest social and economic cost,
- A land transport system that is a safe system, increasingly free of death and serious injury, maintaining investment in the improvements in the overall safety system of vehicle safety, driver behaviour and road infrastructure.
- A land transport system that appropriately mitigates the effects of land transport on the environment, improved investment in the land transport system has long term implications for the environment and fuel use.

4.11 The draft GPS sets the funding ranges for the next 10 years, increasing from around \$3.4 Billion in 2015/16 to \$4.4 Billion in 2024/25. This funding is allocated to activity classes providing a framework for investment. The draft GPS proposed to reduce the number of activity classes to provide better flexibility in funding. The emphasis is on

coordinated, integrated land transport planning, prudent but better whole of life asset and service management performance, and demonstration of value for money in achieving the objectives set.

- 4.12 Specifically a new regional funding activity is proposed to replace the current regional funding. The draft GPS gives the example of improvements on roads in regional NZ, e.g. work on a State Highway or local roads serving a regional port. Between \$50 - \$90 Million is allocated each year to this category.

5. Discussion

- 5.1 The document does not include any details of projects or regional funding, however, it does propose increases in all funding activities key to Nelson which should be supported. A draft submission for consideration is attached (A1217420). The final date for submissions is 11 August 2014.

6. Assessment of Significance against the Council's Significance Policy

- 6.1 The decision to make a submission on the draft GPS is not significant in terms of the Council's Significance Policy as no specific change to the land transport infrastructure in Nelson is proposed.

7. Consultation

- 7.1 No consultation has been undertaken.

8. Alignment with relevant Council Policy

- 8.1 This submission aligns with the Regional Land Transport Plan, Transport Asset Management Plan and Long Term Plan.
- 8.2 There are no budget implications of making this submission.
- 8.3 Making a submission on the draft GPS will not be contrary to any aspects of Nelson 2060.

9. Inclusion of Māori in the decision making process

- 9.1 No specific consultation has been carried out with Māori in preparing this report.

10. Conclusion

- 10.1 Council has the opportunity to make a submission to the Minister for Transport regarding the draft GPS. Whilst staff consider there is little in the draft GPS Council would object to or change, Council may wish to make a submission supporting certain aspects of the draft GPS and emphasising Nelson's significant volume of freight using both the State Highway and local roads contributing to the national economy.

- 10.2 Should Committee decide it is appropriate to make a submission on the draft GPS, a draft submission is attached.

Rhys Palmer
Senior Asset Engineer, Transport and Roading

Attachments

- Attachment 1: Draft Submission to Minister of Transport on 2015 GPS
[A1217420](#)
- Attachment 2: Engagement Draft – Government Policy Statement on Land
Transport [A1219303](#)

Proposed Submission on the Draft Government Policy Statement on Land
Transport 2015/16-2024/25



File Ref: A1217420

When calling
please ask for: [text]
Direct Dial Phone: [number]
Email: [address]

[date]

Memo To: Minister of Transport

Memo From: Nelson City Council

Subject: Submission on draft GPS – July 2014

Nelson City Council wishes to make the following submission to the 2015 Draft Government Policy Statement on Land Transport 2014/15-2024/25.

1. Nelson City Council supports the overall emphasis of the GPS on economic growth and efficiency. It is necessary this is translated through to the important contributions the regions make to this growth and efficiency and that the GPS recognises and provides for adequate funding to be allocated to support this important task.
2. Council supports the retention of a regional fund (albeit in the proposed form) as it has a significant freight task and transport challenges that are vitally important to our region but are likely to be less of a national priority than those posed by the main centres.
3. Council supports the reduction in the number of funding activity classes and the resultant increased flexibility in the allocation of funds proposed by this GPS, however it does note that from an accounting perspective it is important that maintenance and operations is separated from renewals as they are typically funded differently by local government.
4. The increase in funding across all activities is supported as the flatlining of budgets in both the 2009 and 2012 GPS's placed a large strain on the maintenance and operations activities carried out by Council. As we come to procure new contracts in the current economic climate it is likely that inflationary pressures will be much greater than we have experienced in recent years.
5. Council has made a step change in its public transport service which since the change has experienced excellent fare box recovery and increases in patronage over time. The increase in public transport funding signalled by the GPS to support mode shift and optimisation of our existing infrastructure is supported.

A1217420

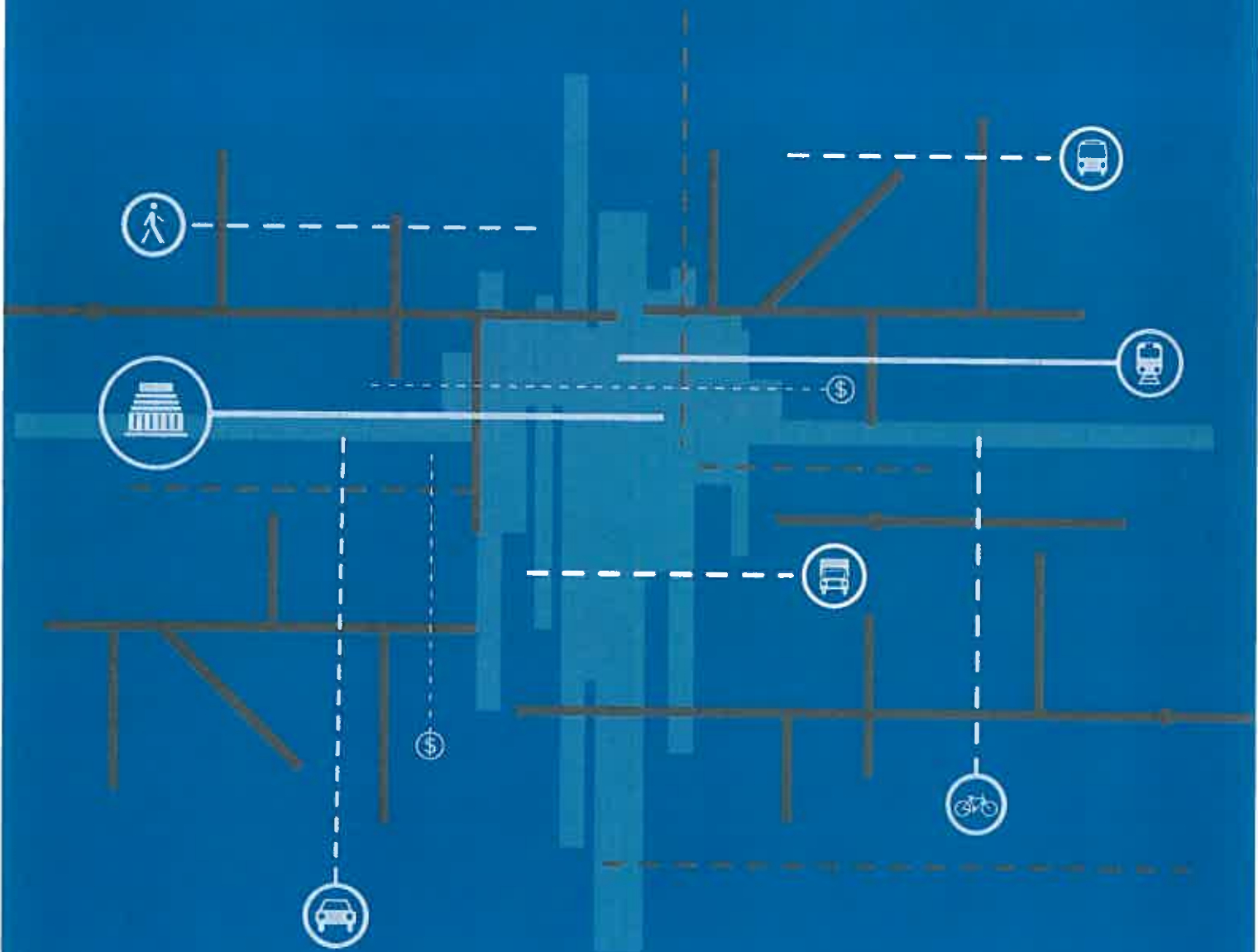
Draft Submission to MfT on 2015 18 Jul 14 14:23 Page 1 of 1
Draft GPS

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ENGAGEMENT DRAFT

GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT

2015/16-2024/25



Publish date: 15 June 2014

newzealand.govt.nz

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INTRODUCTION

Transport is a critical part of daily life for all New Zealanders, enabling a range of activities and making a significant contribution to New Zealand's economic growth and productivity.

Effective transport enables travel to and from work, access to services, and visits to family and friends, and allows businesses, regions and cities to be productive and well-connected.

Recognising the importance of our land transport network, over \$3.0 billion of New Zealanders' money is spent through the National Land Transport Fund (the Fund) each year. This investment is accompanied by a further \$1.0 billion of local government investment. The Government Policy Statement on land transport (the GPS) sets out the strategy for this investment and the results the Government wants to achieve from it over the next 10 years.

GPS 2015 (draft) continues the approach begun in 2009 of putting the wealth generating capacity of our economy at the top of the agenda. It focuses on investments that will improve connectivity and reduce the costs of doing business. It maintains the impetus on improving the safety of travel, and puts a spotlight on continuing to deliver measurable value from land transport investment.

GPS 2015 (draft) provides a solid land transport foundation for a thriving New Zealand.

The overall proposal for the national strategic direction for land transport is as follows:

To drive improved performance from the land transport system by focusing on:

- economic growth and productivity
- road safety
- value for money

Supporting economic growth and productivity

Following more than a decade of increasing concern about under-investment in roading infrastructure, in 2009 the Government began a significant improvement programme. With an intention to invest nearly \$11 billion in New Zealand's State highways over the 10 years to 2019, the Government focused on enabling economic growth rather than simply responding to it, providing high quality connections between key areas of production, processing and export.

Continued funding under GPS 2015 (draft) for State highway improvements will bring benefits for national economic growth and productivity, particularly given that State highways carry most freight and link major ports, airports and urban areas.

Significant steps are being taken to improve all of New Zealand's critical land transport infrastructure.



Roads of National Significance (RoNS)

The RoNS have been the most visible evidence of this investment, and represent the largest improvement programme in our history, with a focus on lead investments that will reduce the costs of doing business.



Freight

Considerable investment has been made to improve the productivity of the entire land transport network. As at 2014, approximately 4,500km of the network has been approved for 44 to 62 tonne high productivity motor vehicle use. This has required considerable effort to strengthen bridges and structures across New Zealand.



Congestion

A key priority has been to address severe urban congestion, with a particular focus on Auckland. An efficient and effective transport network for Auckland is crucial to improving the city's contribution to national economic growth. A key part of this involves transport investments which support areas of residential and business growth, improve travel times, reduce fuel use, and improve safety. We need to do all of this without placing an unreasonable funding burden on the population. This will require the use of all available transport tools, including increases in network capacity. High value investment in State highway capacity improvements will be brought forward with support from central Government. Additional measures to improve the capacity of other choke points in Auckland's network will proceed as a normal part of the Fund's allocation process.

Alongside investment from the Fund, the Government has made significant investments in metro rail improvements in Wellington and Auckland, and supporting the KiwiRail Turnaround Plan.



Local roads

The Government recognises the important role local roads have in connecting communities and businesses. GPS 2015 (draft) continues the level of investment to allow existing levels of activity to be maintained.



Public transport

We see the need for public transport to help unlock the potential of growing urban centres by providing a choice of ways to move around. The Government recognises that improving the capacity of the network is as important as building new infrastructure, and public transport will continue to be funded to help increase network capacity. GPS 2015 (draft) provides for increased provision of public transport services, where justified by demand.



Active modes

The investment made in walking and cycling under GPS 2015 will enable ongoing progress to be made on improving the urban cycling networks in our main centres.

Road safety

Road safety remains a key transport priority for Government. Every year thousands of New Zealanders are killed or seriously injured in crashes. The Government has taken a 'safe system' approach to this problem through the Safer Journeys road safety strategy. This means looking across the entire transport system — roads, vehicles and users — to deliver greater levels of safety.

GPS 2015 (draft) supports the delivery of the Safer Journeys vision of a safe road system increasingly free of death and serious injury. It does this through investment in safer roads and roadsides and safer road use. Each of the RoNS will be built to a high safety rating. Other road safety investments will occur in local roads, road policing and in the road safety promotion activity classes.

GPS 2015 (draft) will make it clearer how much of our investment in roading delivers safety benefits that will save lives. Good information is needed to ensure safety expenditure delivers the best possible results per dollar spent.

Value for money

As funding for transport infrastructure comes from motorists, businesses and ratepayers, we have a responsibility to ensure costs are kept under control, and that any additional funding delivers the best possible outcomes for New Zealand. To that end, the Government through GPS 2015 (draft) has asked the NZ Transport Agency to continue the work it has started on improving the productivity of investment.

To ensure we get the maximum impact from our efforts to drive growth, GPS 2015 (draft) strengthens our focus on delivering measurable value from the investment in the land transport sector. This applies irrespective of which agency is making the investment, and encompasses State highways, local roads, public transport and policing services. It reflects expectations to ensure a strong rationale for projects and activities by requiring a greater culture of continually seeking better and smarter ways of operating.

While the Government is confident that significant progress has been achieved during GPS 2012 we are seeking more ambitious results in GPS 2015 (draft). We expect all road controlling authorities to work together to continually improve asset management and procurement approaches, and to share best practice with others.



Maintenance

Progress is being made on improving the returns from maintenance investment. GPS 2015 (draft) anticipates that progress will continue in this area. This includes the ongoing implementation of the findings of the Road Maintenance Taskforce and identification of further opportunities to improve investment productivity.



Improvements

Similarly, continuing to drive for the best possible measurable value from State highway improvements is anticipated both from investments prioritised by the Government, such as RoNS, and the wider State highway improvement programme.

SECTION 1: GPS 2015 (DRAFT) FRAMEWORK

1. This section sets out the framework for GPS 2015 (draft).

A. Purpose of the GPS and what it does

2. The Land Transport Management Act 2003 (the Act) requires the Minister of Transport to issue a GPS.
3. GPS 2015 (draft) sets out national land transport objectives for a period of at least 10 financial years, and the results that the Government wishes to achieve from allocation from the Fund.
4. The GPS presents the Government's land transport strategy in a framework that will guide investment over the next ten years, and provides guidance to decision-makers about where Government will focus resources, consistent with the purpose of the Act. It does this by allocating funding to different types of activities, and identifying results which focus on particular elements of the Act's purpose. The purpose of the Act is:

"To contribute to an effective, efficient, and safe land transport system in the public interest"¹.

5. Without limiting the legal interpretation of these terms, for the purpose of GPS 2015 (draft), a land transport system is:

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

6. The NZ Transport Agency, local government, the New Zealand Police and other approved organisations² will use the framework in the Act to deliver investment across New Zealand that is prioritised and coordinated.
7. While the GPS provides a national picture for investment, the detail of how funding is allocated to regions and specific activities is the responsibility of the NZ Transport Agency. This is expressed in the National Land Transport Programme (the Programme).
8. A full description of what the GPS must include, and how it links with national and regional land transport planning, is provided in Appendix A.
9. Once finalised, GPS 2015 will be issued by the Minister of Transport, and will cover the financial period 2015/16 to 2024/25. It will have effect from 1 July 2015. The land transport investment strategy, which is included in the GPS, must be reviewed every three years.

¹Section 3 of the Land Transport Management Act 2003

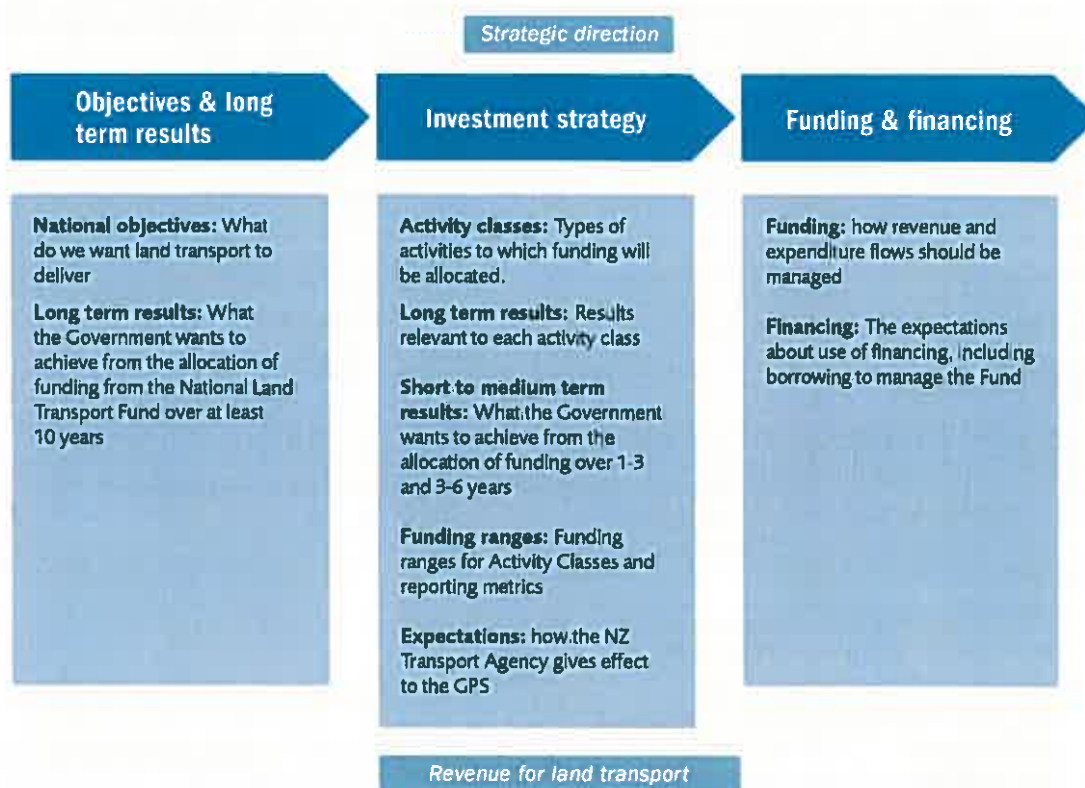
²Approved organizations: territorial authorities, regional councils, Auckland Transport, the Department of Conservation and the Waitangi National Trust Board

B. Framework for GPS 2015

10. A GPS has a significant number of statutory components. These components have been grouped so they move from the high level policy, through the more detailed investment strategy, to the machinery provisions about funding flows.

Collectively these provisions cover all of the requirements in the Act. Figure 1 sets out the order in which the various statutory elements of GPS 2015 are presented³.

Figure 1: GPS 2015 (draft) framework



C. Scope of GPS 2015

11. GPS 2015 (draft) allocates investment from the Fund between different types of activity. It sets out activity classes and associated funding ranges. The NZ Transport Agency then allocates that funding to projects in accordance with the objectives, results and expectations set out in the GPS.
12. GPS 2015 (draft) also covers Crown funding made available to the NZ Transport Agency for specific investments. The GPS sets out the purpose of that funding, its timing and whether it is in the form of a grant or a loan repaid from future revenues to the Fund.

Crown contributions

13. For the period to 2024/25, a number of land transport projects and activities will be funded through annual Crown appropriations rather than through the Fund. This includes funding for capital investment in Wellington and Auckland commuter rail, and the SuperGold Card free off-peak public transport scheme.
14. Some projects in the Programme will be brought forward by Crown loans, such as the Auckland transport package. Any Crown contributions will be recorded in the GPS.

³ This framework reflects changes made to the Land Transport Management Act 2003 that came into effect in June 2013, and which affect the form and function of the GPS.

Rail freight, coastal shipping and freight transfer facilities

15. While the Minister of Transport has a role in guiding coordination within the rail sector, and between the rail, road and sea transport sectors, investment in rail freight services and infrastructure is not currently covered under the GPS.
16. Investment in rail freight services and infrastructure is managed by public bodies under their own empowering legislation. Investment in urban passenger rail services is funded from land transport revenues and local rates, is delivered by regional councils, and is covered under GPS 2015 (draft).
17. Funding of coastal shipping services, ports and airports are only covered to the extent that land transport services link these facilities. These services are delivered by private providers, and there is no authority to use revenue from the Fund for these services.
18. Nevertheless, there is benefit in public agencies involved in rail freight and land transport investment coordinating their activities where possible. GPS 2015 (draft) provides guidance about the priority to be given to improving efficiency where these various networks link.

Regulation

19. Transport regulation (eg speed limits and give way rules) is outside the scope of the GPS. This type of regulation is undertaken by a range of public bodies, including the NZ Transport Agency and the New Zealand Police, but under different legislation.
20. Future GPSs could cover transport regulation. Decisions to further investigate these issues lie outside of the GPS and may require legislative change.

Future developments in networks and vehicles

21. One of the challenges faced by Road Controlling Authorities across New Zealand is responding to developments in technology and demand.
22. We expect that over the coming decade, technology will play an increasing part in managing network access and capacity. We have seen that relatively small initiatives, such as improved traffic light phasing, have led to measurable improvements in traffic flows in the Auckland network. Promising developments in the fields of collision avoidance technology, autonomous vehicles, and in-vehicle telematics will continue to shape our understanding of how to manage vehicles and networks more efficiently. For example, lane control technology and automatic braking systems increasingly common in new cars could potentially evolve into systems that enable significantly reduced separation distances between vehicles and improved traffic flows. This could enable a dramatic increase in peak period motorways throughput using existing infrastructure.
23. Mechanisms with longer-term potential to improve the performance of the land transport system, such as more sophisticated road pricing than is delivered by the current Road User Charges system, could be included in a future GPS. Decisions to further investigate these issues lie outside of GPS 2015 (draft).

SECTION 2: CONTEXT FOR GPS 2015 (DRAFT)

24. This section describes the context within which GPS 2015 (draft) has been developed, including Government infrastructure policies, the nature and scale of demands being placed on the system, progress under GPS 2012, and the level of funding available.

A. Government infrastructure policy

25. GPS 2015 (draft) has been informed by overall national policies signalled by the Government. These are:
- building a more competitive and productive economy
 - rebuilding Christchurch
 - delivering better public services within tight financial constraints
 - responsibly managing the Government's finances
26. Elements of these national policies are reflected in five national documents relevant to New Zealand:
- the Business Growth Agenda, with its focus on growing our export capacity
 - the National Infrastructure Plan, with its focus on making better use of the existing network before extending the network, and better allocation of new investment when the network is extended
 - the New Zealand Energy Efficiency Conservation Strategy, with its focus on reducing the energy footprint of the land transport system
 - Connecting New Zealand, with its focus on improving the efficiency of our transport networks
 - Safer Journeys, with its focus on a land transport system that is a safe system

Further information about these documents and links is set out in Appendix C.

B. Demand

27. New Zealand's transport system operates in a dynamic environment. While transport infrastructure often has an operational life spanning many decades, the demands that New Zealand has of the land transport system are changing. This affects both the revenue available for investment, and the type of investment which needs to be made.
28. New Zealand is still in the process of addressing some critical constraints on the network particularly, but not exclusively, in the upper North Island.
29. Continued investment is needed to address these constraints through the RoNS programme, the Auckland package, improvements in Christchurch and measures to make more of the network accessible to heavier freight vehicles.

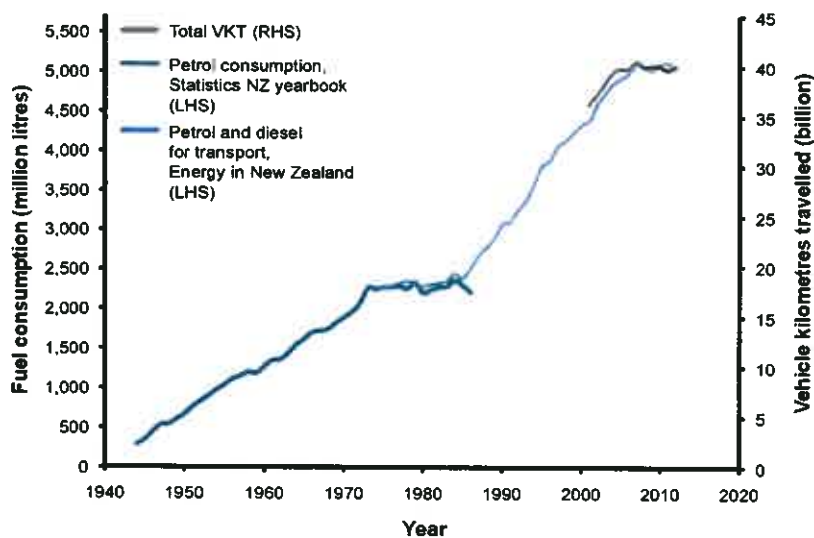
Existing demand

30. GPS 2015 (draft) has been prepared following a period of modest increases in freight demand and flat demand in light vehicle travel, measured in vehicle kilometres travelled (VKT). This is illustrated in Figure 2.
31. Demand grew strongly through the early 2000s, easing back through the middle of the decade. Following the global financial crisis in 2008, demand returned to close to 2005/6 levels and remained at these levels through to the end of 2013. A similar period of flat demand occurred in the aftermath of the fuel crisis in the early 1970s. In that case, demand remained soft for more than 10 years.
32. This overall demand story masks a regional story, and one where New Zealand continues to have areas where there are bottlenecks and intense

localised congestion on particular routes and at specific pressure points. Demand has held up more in the north and south than in central New Zealand. Some parts of the Auckland network continue to be subject to severe congestion, and congestion in western Christchurch has increased markedly following the earthquakes.

33. New Zealand's major urban centres are more densely populated than most cities in Australia or America. Comparative congestion data suggests our urban road networks are under more pressure than cities with more roading per person. Further intensification may compound congestion pressures, and retrofitting capacity to existing network can be costly.

Figure 2: Travel demand as indicated by VKT and fuel consumption, 1944 to 2012



Sources: Ministry of Transport's total VKT data (TV001)
Ministry of Business, Innovation and Employment's Energy in New Zealand data

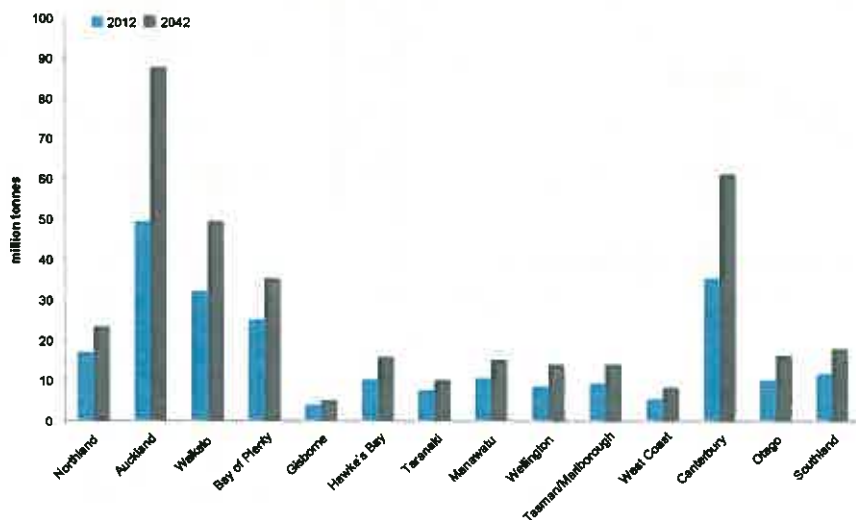
Travel forecasts

- 34. Forecasting undertaken for the GPS and the recently released National Freight Demand Study suggests that the transport task will recover as the economy strengthens.⁴
- 35. This recovery in demand would be led by freight traffic, as production and consumption increases. Personal travel is expected to increase in line with demographic trends. However the best available information to date suggests that growth in personal vehicle travel will remain more muted than in previous economic cycles.
- 36. This pattern is not unique to New Zealand. It appears to be mirrored in the experience of most mature economies that New Zealand tends to compare itself to.
- 37. In summary, overall demand is forecast to grow over the period of GPS 2015, albeit at a slower rate than the early 2000s, and to be concentrated in areas experiencing economic and population growth. The timing and scale of this increase in demand within the GPS 2015 period is uncertain as these variables depend on the speed and scale of the economic recovery and social changes.

Freight transport forecasts

- 38. There is currently a recovery occurring in freight demand, with more freight being moved, but in fewer trucks. Effective and efficient freight movement is critical to the economic health of an exporting nation. Gains that can be made in this area flow into the rest of the economy.
- 39. New Zealand's freight task is forecast to grow by 58 percent by 2042⁵ (from 236 million tonnes in 2012 to over 373 million tonnes). This rate of growth is slower than forecast in 2008, but still represents about 2 percent growth per annum. Road is expected to continue to remain the main mode for freight, accounting for about 70 percent of tonne kilometres, up to 26.3 billion kilometres.
- 40. The majority of growth in tonnage by 2041 is expected to be in building materials (102 percent) and waste (70 percent), with Auckland and Canterbury accounting for the bulk of movements and growth. Growth in transportation of general agricultural products (62 percent) and dairy products (60 percent) is expected to lead freight growth in regional New Zealand.

Figure 3: Changes in Freight Flows by Origin Regions 2012 and 2042 (million tonnes)



(Source: National Freight Demand Study 2014)

⁴ National Freight Demand Study 2014, Ministry of Transport

⁵ Demand Forecast, NZIER, December 2013

C. Exporting

41. Exporting primary produce remains central to New Zealand's economic welfare. Reducing the internal transport costs experienced by producers, processors and exporters of primary produce is one way to improve our international competitiveness.
42. The RoNS target key freight links in growing regions. Upgrades of bridges on State highways and local roads to cope with more productive freight vehicles will continue to unlock significant existing capacity. However freight pressure points remain across the network.

D. Congestion

Auckland

43. Achieving an efficient transport system for Auckland is central to improving the contribution the city can make to the national economy.
44. Since 2009, the Government has undertaken a major programme of investment in Auckland's transport infrastructure. By 2017, Auckland will have a completed motorway network and an upgraded and electrified metro rail network. This investment programme is delivering significant results, helping to hold congestion steady despite population growth.
45. Looking over the next 20 years, Auckland's population is expected to increase by 480,000, an amount roughly equivalent to the current size of Wellington. The additional demand for travel from this growth will put increasing pressure on Auckland's transport network. Careful land use decisions along with greater emphasis on public transport and demand management will play a role, but private vehicle travel will continue to account for 80 percent of daily trips. The location and timing of new roading investments will be critical to the development and redevelopment of new areas of housing and business.
46. To accommodate new demand, further increases in the capacity of the roading network, particularly those sections currently experiencing severe congestion, will remain a priority.

Canterbury

47. Canterbury traffic patterns have been significantly affected by land use changes following the earthquakes. There has been a substantial shift of traffic to the west of Christchurch city. This has produced pressures on the network that will be mitigated by a combination of the Christchurch RoNS and the re-opening of the Central Business District.
48. However, there is substantial uncertainty around the speed and scale of further changes to the distribution of Christchurch traffic. The long term impacts of changed land use patterns and associated travel demands will become clearer over the next three years. Additional measures to address network capacity in the western areas may well prove necessary over time.

E. Funding

49. As a proportion of GDP, land transport expenditure in New Zealand is at its highest levels since the 1960s. There are high user and societal expectations for increases in levels of service across the whole transport network. Users express this in terms of reduced levels of congestion, a safer system, greater resilience, and mitigation of environmental impacts.
50. Transport decision-makers need to take account of those expectations, and ensure transport makes a broad positive contribution to the economy and society. The land transport sector has stewardship of a significant proportion of our national wealth, and needs to ensure that expenditure of those funds delivers the right infrastructure and services to the right level at the best cost. Government expects the sector to achieve results which are clear, achievable and measurable.

SECTION 3: STRATEGIC DIRECTION

51. This section describes the proposed overall strategic direction for GPS 2015 (draft).

A. Strategic Direction

52. The proposed overall national strategic direction for land transport is to:

To drive improved performance from the land transport system by focusing on:

- economic growth and productivity
 - road safety
 - value for money
53. GPS 2015 (draft) maintains the direction set in 2009 of putting the wealth generating capacity of our economy at the top of the agenda. It will do this by:
- continuing the focus on lead investments that will materially reduce the cost of doing business
 - maintaining an impetus on improving the safety of travel
 - putting a spotlight on the measurable results for road users from investment in existing and new transport capacity
54. Productivity and safety will be supported by a substantial investment package. Expectations of decision-makers make it clear that an increased emphasis is needed on securing the best possible value from the current network and new investment.

Supporting economic growth and productivity

55. While the seven RoNS have been the most visible evidence of investment in our productive capacity, this is complemented by significant funding to improve all of New Zealand's critical roading infrastructure. This effort can be seen both through targeted improvements to enable bridges to carry heavier freight vehicles, and more general funding for improvements to regional networks.

Road safety

56. The Government has taken a 'Safe System' approach to road safety through the Safer Journeys road safety strategy. This means looking across the entire transport system to aim for safer roads and roadsides, safer speeds, safer vehicles, and safer road users.

Value for money

57. All the funds available to advance the results identified in this GPS need to be used in a way that delivers the best possible value to New Zealanders. We need a land transport system that is effective in enabling the movement of people and freight in a timely manner, and efficient in delivering the right infrastructure and services to the right level at the best cost.
58. All the public bodies involved in providing the land transport system need to work together to improve its performance. The NZ Transport Agency will, as the Government's delivery agent, continue to take a leading role in securing improved effectiveness and efficiency within the priorities for investment established by the Government.

SECTION 4: OBJECTIVES AND RESULTS

59. This section sets out the proposed national land transport objectives and results the Government wishes to achieve from the allocation of funding from the Fund.

A. Objectives

60. The proposed national land transport objectives for GPS 2015 (draft) are for a land transport system that:
- addresses current and future demand
 - provides appropriate transport choices
 - is reliable and resilient
 - is a safe system, increasingly free of death and serious injury
 - appropriately mitigates the effects of land transport on the environment

B. Results

61. The GPS is required to include the long term and short to medium term results the Government wants to achieve from the allocation of investment from the Fund.
62. In advancing the high-level national land transport objectives, the long term results sought from land transport investment are listed in Table 1.

C. Mapping of results and objectives

63. On the following pages, each of the proposed national land transport objectives is described in more detail. In addition, the main long term results relevant to each objective are also described.
64. All long term and short to medium term results are set out in Table 3.

Table 1: Results sought from land transport investment

GPS 2015 Priority	Associated long term results
Economic growth and productivity	<p>Support economic growth and productivity through provision of better access to markets, employment and business areas</p> <p>Support economic growth of regional New Zealand through provision of better access to markets</p> <p>Enable access to social and economic opportunities, particularly for people with limited access to a private vehicle</p> <p>Improved network resilience and reliability at the most critical points</p>
Road safety	<p>Reduction in deaths and serious injuries at reasonable cost</p> <p>Increased safe cycling through extension of the cycle networks</p>
Value for money	<p>Delivery of the right infrastructure and services to the right level at the best cost</p> <p>Improved returns from road maintenance</p> <p>Improved returns from public transport</p> <p>On-road enforcement of the road user charges regime at reasonable cost</p> <p>Understand the costs associated with environmental mitigation</p>

Objective: A land transport system that addresses current and future demand

Description

65. The land transport system has a critical role in connecting where people live, work and play. These connections are vital to New Zealand's economic and social wellbeing. The demands placed on the system are dynamic and change as economic and social conditions change.
66. A land transport system that is capable of adjusting to changing demand reduces the costs imposed on other parts of the economy and enables New Zealand to compete more effectively in the global economy.

Government's long term results under this objective

Result: Support economic growth and productivity through provision of better access to markets, employment and business areas

67. New Zealand's existing network is reasonably well developed and provides most of the connections needed at a local, regional and national level. However, even better access is needed to markets, employment and areas that contribute to economic growth and productivity.
68. GPS 2015 (draft) will support this through:
 - a. **Ongoing investment in our State highway network:** The State highway network provides critical economic links for New Zealand businesses. Although the State highway network is only 12 percent of the total roading network, it accounts for about half of the vehicle kilometres travelled each year, and about two-thirds of the vehicle kilometres driven by heavy vehicles. Some of these State highway routes link growing economic hubs, or have existing infrastructure that cannot cope with heavier vehicles, and need improvement. GPS 2015 (draft) will enable:
 - completion of the RoNS programme, which is designed to address capacity on our key supply chain routes
 - ongoing investment in improvements to increase the percentage of the State highway network open to high productivity motor vehicles
 - b. **Accelerated investment in Auckland:** Liveable, well connected cities are critical to our economic and social prosperity. Our population and associated economic activity is increasingly concentrated in our urban areas. As the density of activity in our cities rises, so does congestion. Our growing cities need

to provide improved connectivity to increase the range of economic and social opportunity that can be reached in a given travel time if the benefits of urbanisation are to be realised.

Auckland is expected to account for 60 percent of New Zealand's population growth over the next 20 years. An Auckland transport network that is working well is crucial to improving the contribution the city can make to national economic growth. This includes addressing associated needs such as a responsive housing supply and improving energy efficiency. Increased demand for travel arising from population growth needs to be accommodated at an acceptable price to road users and Aucklanders. This will require the efficient and effective use of all currently available transport tools, including improved traffic management and increases in network capacity. GPS 2015 (draft) will enable:

- continued significant investment in a range of transport initiatives, including the Auckland transport package, that address congestion and improve travel times for freight and general traffic by increasing capacity on key routes which are under pressure.
- c. **Ongoing investment in Canterbury recovery:** The Canterbury earthquake recovery is well underway, with provision in place under GPS 2012 to enable the recovery programme to proceed as quickly as possible. GPS 2015 (draft) will enable:
 - completion of the recovery of the Canterbury land transport system, including supporting the delivery of the Central City Recovery Plan and the Greater Christchurch Recovery Strategy.
 - d. **Increase investment in our local road network:** Local roads have a critical role linking areas of production and processing to the national network and in supporting new areas of residential and business growth. They account for 88 percent of the network by length and provide most of the access to properties. GPS 2015 (draft) will enable:
 - increased funding ranges for local road improvements that deliver high measurable returns on the investment
 - an explicit commitment to regional roading infrastructure through the creation of a GPS activity class to replace regional funding

Result: Improved returns from investment in road maintenance

69. The nature of the network needs to adjust to accommodate changing patterns of demand. Service levels on some roads may be adjusted upward and some adjusted downward over time.
70. GPS 2015 (draft) will support this result through:
- a Ongoing investment in maintaining the roading network: Around \$1.5 billion a year is invested in operation, maintenance and renewal of the existing network. The Road Maintenance Taskforce (the Taskforce) identified the potential for worthwhile improvements in road asset management, including the need for a nationally consistent road classification system. The potential benefits identified by the Taskforce have yet to be fully realised. GPS 2015 (draft) will enable:
- maintenance of the existing road network at appropriate levels of service
 - increased road maintenance productivity over time

Result: Improved returns on investment in public transport

71. Public transport contributes to economic growth and productivity by providing additional capacity on corridors serving our main office centres at peak periods. It also has a role in providing transport choices.
72. GPS 2015 (draft) will support this result through:
- a Continued investment in public transport to increase total system capacity: Well used and configured public transport can increase network capacity on key corridors at peak periods when they are under the most pressure. Considerable investment has been made in the public transport network to build patronage. Much of this investment has been ahead of patronage demand, particularly in metro-rail services. A period of consolidation is needed where the focus is on securing the patronage gains anticipated from measures such as integrated ticketing, reconfigured bus networks, and metro rail investments. There are nevertheless some pressure points where additional capacity may be needed. For example, while constraints on Auckland rail capacity are not expected in the medium term,

as a result of the 40 percent additional capacity from the new electric trains, bus congestion in the Auckland central business district is expected to emerge as patronage grows and additional services are provided. GPS 2015 (draft) will enable:

- the provision and development of public transport services at levels appropriate to their patronage and network function
- completion of improvements to metro-rail services, integrated ticketing and public transport network changes intended to increase patronage, including transfer and interchange facilities
- provision for targeted infrastructure improvements that improve transfer facilities across the network and address emerging bus capacity constraints in central Auckland, Wellington and Christchurch
- gains in public transport productivity

Result: Support economic growth of regional New Zealand through providing better access to markets

73. Local roads and state highways have a critical role, linking areas of production and processing to the national network. However, there are some regional routes with an especially significant role in the movement of freight and tourists that warrant a particular investment focus.
74. GPS 2015 (draft) will support this result through:
- a Creation of a regional improvements activity class: Regional routes have a critical role in regional and provincial New Zealand. They link points of production with key distribution points. They also provide tourists with access to local attractions. GPS 2015 (draft) will enable:
- progressive replacement of regionally allocated funding with new regional funding in non-urban areas, that targets investment in regional route improvements that provide links to key freight or tourist routes.



Objective: A land transport system that provides appropriate transport choices

Description

75. The land transport system needs to be able to support a choice of modes appropriate to user needs at reasonable cost, to enable transport users to access employment, education, and social opportunities.

Government's long term results under this objective

Result: Enable access to social and economic opportunities, particularly for people with limited access to a private vehicle

76. While the primary role of public transport investment is to increase capacity where the network is experiencing severe congestion, as addressed under the previous objective, public transport has an additional role in providing an alternative to cars in urban areas where there is a sufficient concentration of users to support cost effective scheduled services. On demand services for the transport disadvantaged provide a degree of network access to people who cannot use either scheduled public transport or private transport.
77. GPS 2015 (draft) will support this result through:
- a **Continued investment in specialised services:** Public transport investment can deliver specialised services (e.g. the Total Mobility scheme) that provide access to the transport system for those not able to use a car or public transport. Public transport networks in urban areas can also contribute to increasing the transport choices available to people, including those that would otherwise be unable to participate as fully in the workforce or continuing education. However, some areas do not have the density of population required to support scheduled public transport services. Achieving this result requires a focus on better use of available resources. GPS 2015 (draft) will enable:
- provision of appropriate alternatives for the transport disadvantaged, at reasonable cost

Result: Increased safe cycling through improvement of the cycle lane network

78. Cycling provides an alternative for short journeys and for single purpose trips like commuting to work or school. Dedicated investment in cycling under GPS 2012 has delivered encouraging outcomes from the Model Communities initiatives and improved cycle links. While cycling plays a small role in the total transport task, there has been growth in some areas and the existing dedicated cycling facilities are largely fragmented. There are, therefore, a number of opportunities for cycling to take a greater role in providing transport system capacity in our main centres.
79. While there are health benefits associated with cycling where it increases the total amount we exercise, safety continues to be a concern, and represents a critical barrier to cycling fulfilling its transport task potential.
80. GPS 2015 (draft) will support this result through:
- a **Increased investment in cycle networks:** Additional investment is needed in safe cycle networks in the main urban areas. GPS 2015 (draft) will enable:
- extension of the dedicated cycle networks in the main urban areas where this can be achieved at reasonable cost, including impact on general traffic capacity.
 - improved suburban routes for cyclists where this can be achieved at reasonable cost.



Objective: A land transport system that is reliable and resilient

Description

81. Disruptions to New Zealand's land transport system have implications for all users. When disruptions occur, it is important to restore services based on the importance of the link within the network.
 82. The risks and hazards that can cause disruption to the land transport system range from high probability/low impact events such as vehicle breakdowns on key commuter routes, to low probability/high impact events, such as natural disasters, to more gradual changes in environmental or demographic patterns. As the value and complexity of transport infrastructure continues to increase, so too natural hazards and events are likely to increase the cost of remediation.
85. GPS 2015 (draft) will support this result through:
 - a **Ongoing investment in improving network resilience as part of road improvements:** Improvements are needed at the most critical points to reduce the impacts of disruption.
 - b **Ongoing investment in responding to incidents as part of road maintenance:** Investment in the initial response to restore basic land transport access after significant disruption.
 - c **Provisions enabling bespoke funding for extraordinary events:** Financial management provisions allowing a flexible response to a major event with multi-year implications for management of the Fund.

Government's long term results under this objective

Result: Improved network resilience and reliability at the most critical points

83. The land transport system needs to respond effectively to man-made events of high frequency that cumulatively have a substantial impact on economic welfare and productivity, and natural events generally of lower frequency but with substantial social and economic consequences.
84. Priority needs to be given to preventing or responding to disruptions that pose the highest economic and social costs to users. As with other investments, this will need to be targeted to where the most gains can be secured for the investment proposed.



Objective: A land transport system that is a safe system, increasingly free of death and serious injury

Description

86. Road safety is an ongoing issue. Deaths and serious injuries are reducing due to a combination of improvements in vehicle safety, driver behaviour and road infrastructure. Nevertheless, the costs of road trauma remain high. The Government's road safety direction is set out in the Safer Journeys Strategy, with its safe system approach.

Government's long term results under this objective

Result: Reduction in deaths and serious injuries at reasonable cost

87. While the social costs and numbers of actual deaths and injuries arising from road crashes has been falling, it is still a significant cost and New Zealand is not achieving the level of performance achieved by other countries.

88. To increase the benefits of road use to New Zealanders, it is important to support the road safety interventions that have the greatest effect relative to cost. The GPS funds road safety policing, road safety promotion and investment in safer roading infrastructure.

89. GPS 2015 (draft) will support this result through:

a. **Maintaining investment and improving returns in road safety:** Road safety outcomes are tracking in the right direction, and there is a case to at least maintain existing resourcing for road safety policing, road safety promotion and safety-related roading infrastructure.

b. **Clear reporting on the investment in road safety infrastructure:** Clear reporting is needed on what is spent on road safety infrastructure. In order to make the most effective investment in road safety, it is important to continue to increase the understanding of the factors contributing to road safety, their effectiveness and their cost so that good choices can be made. GPS 2015 (draft) will enable:

- a focus on improved reporting of the effectiveness of safety related road investment with a view to improve future allocations



Objective: A land transport system that appropriately mitigates the effects of land transport on the environment

Description

90. Land transport can have significant local, national and global effects on the environment, including on public health and climate change. Improvements to the land transport system can reduce existing harmful effects as well as mitigate adverse effects of increased traffic. The long lived nature of transport infrastructure means that decisions today can have long term implications for the environment and fuel use. The effects can be direct or indirect and can accumulate over time.

Government's long term results under this objective

Result: Understand the costs associated with environmental mitigation

91. Land transport investment can have positive as well as negative impacts on the environment. Investment in motorways or expressways that removes traffic from suburban streets can significantly improve the living environment for many people within the transport catchment. Investment that reduces fuel use by enabling shorter trips or smoother traffic flow can reduce the national or global impacts of land transport.

92. However, improvements can have adverse impacts on those living closest to the improvements. These local impacts need to be addressed at reasonable cost in the course of securing Resource Management Act approvals if the wider benefits of increased network capacity and capability are to be realised.

93. We also need to get to a position where the total investment in environmental mitigation is better understood.

94. This GPS 2015 (draft) will support this result through:

- a. **Enabling the mitigation of environmental effects:** The scale of the land transport investment programme will result in a continued substantial investment in local mitigation, concentrating on the most adverse cases.
- b. **Better understanding of the investment in environmental mitigation:** A better understanding of the costs involved in environmental mitigation is needed to inform future policy work on the types of mitigation and the most effective form of mitigation.

SECTION 5: INVESTMENT IN LAND TRANSPORT

95. This section sets out the allocation of funding to activity classes, the associated results and Ministerial expectations on how the NZ Transport Agency gives effect to the investment strategy.

A. Total funding for GPS 2015 (draft)

96. To support the achievement of the Government's results for land transport, funding available for allocation from the Fund is projected to increase from around \$3.4 billion per annum in 2015/16 to \$4.4 billion per annum by 2024/25.

97. This revenue will predominantly be sourced from fuel excise duties, road user charges, and motor vehicle registration and licensing fees. The Government expects that it will need to increase rates of fuel excise duty and road user charges during the period covered by this GPS by the rate of inflation. The Government has committed to a 3 cent per litre increase in fuel excise duty and equivalent increase in road user charges on 1 July 2015. This would be followed by potential annual increases in the order of 1.5 cents per litres, reflecting the forecast rate of inflation, from 2016/17.

98. The Government will determine the need for the annual inflation related increases on a case by case basis, annually.

99. This revenue is supplemented by contributions from local government to activities included in the Programme. Crown funding may also be made available for specific activities in addition to those directed by this GPS.

100. Table 2 below shows the total expenditure target (the expected level of expenditure) along with the maximum and minimum range for the Programme for the first three years of GPS 2015 (draft). The total level of funding represents a balance between achieving the Government's expected results (in Section II) and the level of revenue that the Government decides should be raised.

Table 2: National land transport programme funding ranges 2015/16 to 2024/25

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Expenditure target	3400	3500	3600	3700	3800	3900	4000	4150	4250	4400
Maximum expenditure	3650	3750	3850	3950	4050	4200				
Minimum expenditure	2900	3000	3050	3150	3200	3300				

B. Activity class framework

101. The GPS allocates funding to activity classes which provide a framework for investment from the Programme.
102. GPS 2015 (draft) proposes fewer activity classes compared to GPS 2012. This is intended to provide the NZ Transport Agency with additional flexibility to allocate funds to deliver the best value from investment. This will be balanced by additional reporting lines for each activity class referred to as 'focus areas' (see table 3).
103. The following activity classes are proposed for GPS 2015 (draft):

Activity classes

- State highway improvements
- State highway maintenance
- Local road improvements
- Local road maintenance
- Public transport
- Walking and cycling improvements
- Regional improvements
- Road policing
- Road safety promotion
- Investment management

104. Under this proposed structure:

- investment in operating the existing road network is consolidated into a single activity class each for State highways and local roads. All of this investment is directed at keeping roads operating at a standard appropriate to their use and function. Service level improvements previously incorporated in maintenance and renewals are reported separately within new road investment.
- investment in public transport is consolidated into a single activity class, allowing investment to be directed to service or infrastructure depending on where the best returns can be secured.
- cross cutting functions, like planning, research and allocation, are consolidated into a new investment management activity class, recognising their common role in securing best possible value across the entire programme.

105. For each activity class, a funding range is given with an upper and lower range for expenditure. The NZ Transport Agency is responsible for allocating funding within these ranges to specific activities.

106. In addition to the activity classes proposed above, five multi-class focus areas have also been created which relate to investment occurring across multiple activity classes. This is intended to be a reporting mechanism to cover expenditure that is embedded in a range of activity classes. The proposed multi-class focus areas are:

Multi class focus areas




- Auckland
- Road safety
- Resilience
- Environmental mitigation
- Fuel efficiency




Activity class table





107. Table 3 presents the proposed activity class structure for GPS 2015 (draft). It sets out the proposed:
- activity classes
 - focus areas for each activity class (for reporting purposes)
 - long term results that map to each activity class
 - short to medium term results that map to each activity class
 - reporting metrics for each activity class
 - funding ranges for each activity class for 2015/16 – 2017/18
108. The results and reporting metrics of primary importance to the Strategic Direction proposed in GPS 2015 (draft) are highlighted in blue italics.
109. Table 3 then sets out the proposed funding ranges for each activity class for 2015/16 to 2017/18 and forecast funding ranges for 2018/19 to 2024/25.


Table 3: ACTIVITY CLASS STRUCTURE: GPS 2015 (draft)






(Primary results and reporting in blue)

Activity Class	Focus Area	Definition	Associated long term results	Associated short to medium term results	Reporting	Bands	2015/16 (\$m)	2016/17 (\$m)	2017/18 (\$m)								
State highway improvements 	Existing	Investment in existing State highways that improves capacity or service levels (e.g. improvements on an existing road corridor)	<ul style="list-style-type: none"> Support economic growth and productivity through provision of better access to markets, employment and business areas Improved network resilience and reliability at the most critical points. Reduction in deaths and serious injuries at reasonable cost Understand the costs associated with environmental mitigation 	<ul style="list-style-type: none"> Deliver major State highway projects on time and to budget Increased freight vehicle productivity across the network Reduced travel times in key corridors leading to our main urban and logistics centres Increased capacity on main routes within our growing urban areas Reduce the risks of disruption at the most critical points and deal with disruption efficiently Progress the Safer Journeys Action Plan and improve the transparency of road safety related investment Improved transparency of investment in mitigating adverse environmental effects, including climate change 	<ul style="list-style-type: none"> Change in the proportion of State highways available to high productivity freight vehicles Change in travel times on key State highways serving our main urban and logistics centres Change in the network productivity (speed-flow) of our growing urban centres, in accordance with Austroads methodology Multi class focus areas reporting on resilience, safety and environmental mitigation 	Lower Upper	1,000 1,400	1,050 1,450	1,100 1,500								
	New	Investment in new State highways that improves capacity or service levels (eg improvements on new road corridor)								State highway maintenance 	Operate	Investment in operation of existing State highway capacity or services (eg paying for the power used in traffic lights)	<ul style="list-style-type: none"> Support economic growth and productivity through provision of access to markets, employment and business areas Improved returns from investment in road maintenance Reduction in deaths and serious injuries at reasonable cost 	<ul style="list-style-type: none"> Maintain appropriate levels of service to support economic growth and productivity Achieve measureable efficiencies in the cost of maintaining the State highway network A reduction in variability in the maintenance efficiency of networks Improved transparency of road safety related investment 	<ul style="list-style-type: none"> Change in State highway condition and lane kilometre maintenance cost by road classification Change in State highway maintenance cost per lane kilometre expenditure by: <ul style="list-style-type: none"> metro regions provincial regions rural regions Multi class focus area reporting on safety 	Lower Upper	445 585
State highway maintenance 	Operate	Investment in operation of existing State highway capacity or services (eg paying for the power used in traffic lights)	<ul style="list-style-type: none"> Support economic growth and productivity through provision of access to markets, employment and business areas Improved returns from investment in road maintenance Reduction in deaths and serious injuries at reasonable cost 	<ul style="list-style-type: none"> Maintain appropriate levels of service to support economic growth and productivity Achieve measureable efficiencies in the cost of maintaining the State highway network A reduction in variability in the maintenance efficiency of networks Improved transparency of road safety related investment 	<ul style="list-style-type: none"> Change in State highway condition and lane kilometre maintenance cost by road classification Change in State highway maintenance cost per lane kilometre expenditure by: <ul style="list-style-type: none"> metro regions provincial regions rural regions Multi class focus area reporting on safety 	Lower Upper	445 585	450 605	455 620								
	Maintain	Investment in the maintenance of existing State highway capacity or services, excluding asset upgrades (eg replacing blown bulbs in traffic lights)															
	Renew	Investment in renewal of existing State highway capacity or services, excluding asset upgrades (eg replacing existing traffic lights)															

Activity Class	Focus Area	Definition	Associated long-term results	Associated short to medium term results	Reporting	Bands	2015/16 (\$m)	2016/17 (\$m)	2017/18 (\$m)
Local road improvements 	Existing	Investment in existing local roads that improves capacity or service levels (eg improvements on an existing road corridor)	<ul style="list-style-type: none"> Support economic growth and productivity through provision of better access to markets, employment and business areas 	<ul style="list-style-type: none"> Increased freight vehicle productivity across the network 	<ul style="list-style-type: none"> Change in the proportion of local roads available to high productivity freight vehicles 	Lower Upper	150 230	155 240	160 250
	New	Investment extending local roads that improves capacity or service levels (eg improvements on a new road corridor)	<ul style="list-style-type: none"> Improved network resilience and reliability at the most critical points Reduction in deaths and serious injuries at reasonable cost Understand the costs associated with environmental mitigation 	<ul style="list-style-type: none"> Reduced travel times in key corridors leading to our main urban and logistics centres Increased capacity on main routes within our growing urban areas Reduce the risks of disruption at the most critical points and deal with disruption efficiently Progress the Safer Journeys Action Plan and improve the transparency of road safety related investment Improved transparency of investment in mitigating environmental effects, including climate change 	<ul style="list-style-type: none"> Change in travel times on key local roads serving our main urban and logistics centres Change in the network productivity (speed-flow) of our growing urban centres, in accordance with Austroads methodology Multi class focus areas reporting on resilience, safety and environmental mitigation 				
Local road maintenance 	Operate	Investment in operation of existing local road capacity or services (eg paying for the power used in traffic lights)	<ul style="list-style-type: none"> Support economic growth and productivity through provision of access to markets, employment and business areas Improved returns from investment in road maintenance Reduction in deaths and serious injuries at reasonable cost 	<ul style="list-style-type: none"> Maintain appropriate levels of service to support economic growth and productivity Achieve measureable efficiencies in the cost of maintaining the local road network A reduction in variability in the maintenance efficiency of networks Improved transparency of road safety related investment 	<ul style="list-style-type: none"> Change in local road condition and lane kilometre maintenance cost by road classification Change in local road maintenance cost per lane kilometre expenditure by: <ul style="list-style-type: none"> metro region provincial region rural region Multi class focus area reporting on safety 	Lower Upper	405 565	410 580	415 595
	Maintain	Investment in the maintenance of existing local road capacity or services, excluding asset upgrades (eg replacing blown bulbs in traffic lights)							
	Renew	Investment in renewal of existing local road capacity or services, excluding asset upgrades (eg replacing existing traffic lights)							
Public transport 	Infrastructure operation	Investment in public transport infrastructure operation (eg cleaning of an existing interchange)	<ul style="list-style-type: none"> Support economic growth and productivity through provision of better access to markets, employment and business areas Enable access to social and economic opportunities, particularly for people with limited access to a private vehicle Improved returns on investment in public transport Understand the costs associated with environmental mitigation 	<ul style="list-style-type: none"> Increased capacity on main routes within our growing urban areas A reduction in the cost of public transport per passenger kilometre A reduction in variability in the efficiency between areas and service providers Improved transparency of investment in mitigating environmental effects, including climate change 	<ul style="list-style-type: none"> Change in patronage and cost per passenger kilometre where available, by: <ul style="list-style-type: none"> bus train ferry Change in patronage and cost per passenger kilometre where available, by: <ul style="list-style-type: none"> peak off peak Multi class focus area reporting on environmental mitigation 	Lower Upper	275 390	290 400	300 410
	Infrastructure improvement	Investment in public transport infrastructure (eg a new interchange)							
	Service operation	Investment in the operation of existing subsidised public transport services							
	Service improvement	Investment in new subsidised public transport services							

Activity Class	Focus Area	Definition	Associated long term results	Associated short to medium term results	Reporting:	Bands	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)
 Walking and cycling improvements	Walking and cycling	Investment in walking and cycling that improves capacity and service levels, including promotional activities (eg a new cycleway)	<ul style="list-style-type: none"> Increased safe cycling through improvement of cycle networks Support economic growth and productivity through provision of better access to markets, employment and areas that contribute to economic growth Reduction in deaths and serious injuries at reasonable cost Understand the costs associated with environmental mitigation 	<ul style="list-style-type: none"> Extension of the dedicated cycle networks in the main urban areas without reducing general traffic capacity Improvement of suburban routes for cyclists Progress the Safer Journeys Action Plan and improve the transparency of road safety related investment Improved transparency of investment in mitigating environmental effects, including climate change 	<ul style="list-style-type: none"> Change in the proportion of cycle lane kilometres Multi class focus areas reporting on safety and environmental mitigation 	Lower	15	15	16
						Upper	33	34	36
 Regional improvements	Regional	Improvements to roads in regional New Zealand (eg work on a State highway or local roads serving a regional port)	<ul style="list-style-type: none"> Support economic growth of regional New Zealand through provision of better access to markets Improved network resilience and reliability at the most critical points Reduction in deaths and serious injuries at reasonable cost Understand the costs associated with environmental mitigation 	<ul style="list-style-type: none"> Increased freight vehicle productivity across the network Reduced travel times and vehicle operating costs on key regional freight and tourists routes Reduce the risks of disruption at the most critical points and deal with disruption efficiently Progress the Safer Journeys Action Plan and improve the transparency of road safety related investment Improved transparency of investment in mitigating environmental effects, including climate change 	<ul style="list-style-type: none"> Change in lane kilometres available to higher productivity freight vehicles on key regional routes Change in travel times on key regional routes serving urban and logistics centres Annual assessment of the contribution to affected communities Multi class focus areas reporting on resilience, safety and environmental mitigation 	Lower	50	60	70
						Upper	90	90	90
 Road policing	Road policing	Investment in road policing by the New Zealand Police (eg highway patrol)	<ul style="list-style-type: none"> Reduction in deaths and serious injuries at reasonable cost On road enforcement of the Road User Charges regime at reasonable cost 	<ul style="list-style-type: none"> Progress Safer Journeys Action Plan Improved transparency of road safety related investment Reporting of the Road User Charges component of road policing 	<ul style="list-style-type: none"> Change in deaths and serious injuries across all investment 	Lower	280	285	290
						Upper	320	325	330
 Road safety promotion	Safety promotion	Investment in road safety promotion by the NZ Transport Agency and approved organisations (eg television road safety advertisements and reimbursement relating to impounded vehicles)	<ul style="list-style-type: none"> Reduction in deaths and serious injuries at reasonable cost 			Lower	30	31	31
						Upper	37	38	38

Activity Class	Focus Area	Definition	Associated long term results	Associated short to medium term results	Reporting	Bands	2015/16 (\$m)	2016/17 (\$m)	2016/17 (\$m)
Investment management 	Planning	Investment in the transport planning system (eg improvement of activity management plans)	<ul style="list-style-type: none"> • Support all other results • Delivery of the right infrastructure and services to the right level at the best cost 	<ul style="list-style-type: none"> • A sound evidence and analytical base for investment decision making • Research that helps decision makers determine the optimal form or timing of investment • Integration with long term transport related research across Government • Improved reporting of the measurable value from investment in each focus area 	<ul style="list-style-type: none"> • Investment made in each focus area • The estimated return on investment by focus area, including in benefit cost analysis (BCA) terms • Percentage of lessons learnt from post project reviews implemented • Annual assessment of research outputs • Three yearly assessment of research impacts and outcomes 	Lower	53	54	55
	Research	Investment in strategic and operational research to support sound system planning and investment (eg identification of user preferences)				Upper	59	60	61
	Investment	Investment in the funding allocation system (eg impartial analysis of benefit-cost assessments)							

Multi-Class Focus Area	Definition	Associated longer-term results	Associated short-to-medium term results	Reporting
 <p>Auckland</p>	Investment relating to Auckland to maximise throughput of people and freight as Auckland grows, enabling further economic growth and productivity	<ul style="list-style-type: none"> Support economic growth and productivity through provision of better access to markets, employment and areas that contribute to economic growth Reduction in deaths and serious injuries at reasonable cost Understand the costs associated with environmental mitigation 	<ul style="list-style-type: none"> Deliver the Auckland package on time and to budget Increased capacity on main routes under pressure within Auckland Reduce the risks of disruption at the most critical points and deal with disruption efficiently Progress the Safer Journeys Action Plan and improve the transparency of road safety related investment Improved transparency of investment in mitigating environmental effects, including climate change 	<ul style="list-style-type: none"> Change in network productivity (speed-flow) on Auckland roads, in accordance with Austroads methodology Multi class result areas reporting on resilience, safety and environmental mitigation
 <p>Resilience</p>	Investment that addresses the risks and impacts of disruption due to manmade and natural events at the most vulnerable key points in the network (eg treatment of slip prone locations on key routes)	<ul style="list-style-type: none"> Support economic growth and productivity through provision of better access to markets, employment and business areas Improved network resilience and reliability at the most critical points Reduction in deaths and serious injuries at reasonable cost Understand the costs associated with environmental mitigation 	<ul style="list-style-type: none"> Reduce the risks of disruption at the most critical points and deal with disruption efficiently Improved transparency of road safety related investment Improved transparency of investment in mitigating environmental effects, including climate change 	<ul style="list-style-type: none"> Change in lane availability at the most economically and socially critical points in the roading network Change in expenditure on emergency works by focus area Multi class result areas reporting on safety and environmental mitigation
 <p>Road Safety</p>	Investment in safety across roading activity classes (eg skid resistance treatments)	<ul style="list-style-type: none"> Reduction in deaths and serious injuries at reasonable cost 	<ul style="list-style-type: none"> Progress Safer Journeys Action Plan Improved transparency of road safety related investment 	<ul style="list-style-type: none"> Change in deaths and serious injuries across all investment Change in total safety related investment in roads including conjoint investment
 <p>Environmental mitigation</p>	Investment relating to environmental mitigation of the most adverse effects of the land transport system (eg storm water retention ponds in a new project)	<ul style="list-style-type: none"> Understand the costs associated with environmental mitigation 	<ul style="list-style-type: none"> Improved transparency of investment in mitigating adverse environmental effects, including climate change 	<ul style="list-style-type: none"> Three yearly report on the change in investment in environmental mitigation across all improvement investment
 <p>Fuel efficiency</p>	Investment to reduce fuel related vehicle operating costs	<ul style="list-style-type: none"> Understand the costs associated with environmental mitigation 	<ul style="list-style-type: none"> Reduction in fuel consumed due to land transport improvements 	<ul style="list-style-type: none"> Change in litres per hundred kilometre (petrol and diesel)

110. Table 4 sets out the funding ranges for each activity class for 2015/16 to 2020/21 and the forecast funding ranges for ranges for each activity class for 2021/22 to 2024/25.

Table 4: GPS 2015 (draft) activity class funding ranges

	Bands	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m	2020/21 \$m	2021/22 \$m	2022/23 \$m	2023/24 \$m	2024/25 \$m
State highway improvements	lower	1,000	1,050	1,100	1,100	1,150	1,200	1,200	1,250	1,300	1,350
	upper	1,400	1,450	1,500	1,550	1,600	1,650	1,700	1,850	1,950	2,000
State highways maintenance	lower	445	450	455	455	460	465	470	475	480	485
	upper	585	605	620	640	660	680	700	720	745	765
Local road improvements	lower	150	155	160	160	165	175	180	185	190	195
	upper	230	240	250	260	270	285	295	310	320	335
Local road maintenance	lower	405	410	415	420	430	435	440	450	455	465
	upper	565	580	595	610	620	640	650	670	685	700
Public transport	lower	275	290	300	315	315	320	325	335	345	360
	upper	390	400	410	420	440	450	470	480	500	510
Walking and cycling improvements	lower	15	15	16	16	17	17	18	18	19	20
	upper	33	34	36	37	38	40	41	42	44	45
Regional improvements	lower	50	60	70	70	70	75	75	75	75	75
	upper	90	90	90	90	90	95	95	95	95	95
Road policing	lower	280	285	290	295	300	305	310	315	320	320
	upper	320	325	330	340	345	350	360	365	375	380
Road safety promotion	lower	30	31	31	33	33	33	35	35	35	35
	upper	37	38	38	39	39	40	40	41	42	42
Investment management	lower	53	54	55	56	57	58	59	60	61	62
	upper	59	60	61	62	63	64	65	66	67	67

111. The Act requires the GPS, subject to the Public Finance Act 1989, to specify any additional expected funding for land transport, including any money Parliament may appropriate for the purpose. The appropriations are set out in Table 5:

Table 5: Other land transport spending 2015/16 to 2017/18

	15/16 \$000	16/17 \$000	17/18 \$000
Auckland Transport Package - Loan	90,000	65,000	65,000
SuperGold Card concessions	17,905	17,905	17,905
Wellington Metro Rail Network Upgrade	4,166	3,024	2,867
Rail - Public Policy Projects	3,270	3,270	3,270
Rail - Railway Safety	500	500	500
Reinstatement of earthquake damaged roads in Christchurch - Loan	63,420	-	-

C. Statement of Ministerial expectations

112. Ministerial expectations are a statement of the Minister's expectations of how the NZ Transport Agency gives effect to the GPS.⁶ Ministerial expectations form part of the Government's land transport investment strategy.
113. The Ministerial expectations included in GPS 2015 (draft) relate to how the NZ Transport Agency leads planning, allocates funding, delivers services and reports on results being achieved. The key elements of this cycle are summarised in the figure below.

Figure 4 : Land transport investment cycle



*Including operation policies and processes

114. Under the Land Transport Management Act 2003, Regional Transport Committees and Auckland Transport need to frame Regional Land Transport Plans that are consistent with the GPS.

⁶ Section 68(2)(b)(ix) of the Land Transport Management Act 2003 refers

Planning

115. Network planning enables the land transport system to be provided in a way that aligns form, function and use. Network planning is needed to ensure the land transport system anticipates and responds effectively and efficiently to travel demand changes over time. It is also needed to coordinate the activities of almost 80 system providers.

Asset management

116. There is considerable variability in the measurable returns being delivered around the country. Increased productivity in service levels, particularly in road maintenance, is a theme in GPS 2015 (draft).

Reporting

117. It is essential that the Government and those who pay for land transport are provided with information that is transparent about what is being delivered for the level of investment made. This requires consistent and systematic monitoring and reporting of measurable costs and benefits in order to assess performance of key parts of the land transport system.
118. Making the right transport investments is important for the Government's productivity and economic growth objectives, for value for money and for road safety. A particular focus for GPS 2015 (draft) is gains through continuous improvement of the investment analysis process. This involves robust assessment and prioritisation of effective and efficient investments as demand for investment exceeds the available supply of funds.
119. Additional funding has been made available within the Investment Management activity class for use in the Investment focus area to support this increased focus on investment efficiency.

Expectations

120. The proposed expectations for GPS 2015 (draft) are that the NZ Transport Agency will continue to:
 - take a lead role in securing integrated planning of the transport system by network providers
 - take a lead role in securing prudent asset management and services management and operations
 - monitor and report on investment efficiency, productivity changes and results under the GPS

Expectation: The NZ Transport Agency will take a lead role in securing integrated planning of the transport system by network planners

121. The Minister expects the NZ Transport Agency will:

- work collaboratively with the sector to continuously improve demand models to provide better predictive bases for investment decision making
- employ network classification systems that support adjustment of service levels (up or down) to reflect changes in growth rates and demand patterns
- optimise investment in existing and new infrastructure and services
- encourage coordinated network operations resulting in seamless service delivery to users based on service level standards consistent with network use and function
- encourage consistent, good practice planning so that the interaction between transport use and land use is managed effectively
- encourage integrated network planning that increases system efficiency

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

122. The Minister expects the NZ Transport Agency will:

- support whole of life asset and service management at standards appropriate to demand from road freight and light vehicles, at the best whole of life cost for the standard
- ensure ongoing value for money including:
 - » better aligning the costs of maintaining each part of the network with its use and function, with a focus on improving network productivity of parts that have higher than average costs due to different asset management practices
 - » achieving productivity improvements that are at least in line with those gained in the rest of the economy
- ensure standards and operational policies represent the best economic use of resources
- continue improvements in whole-of-life asset and service management performance by all providers, focusing particularly on those with most scope for improvement
- support sharing of good practice across providers

Expectation: The NZ Transport Agency will monitor and report on investment efficiency, productivity changes and results under the GPS

123. The Minister expects the NZ Transport Agency will continue to monitor and report, among other things, on:

- significant and emerging demand and system performance trends
- progress against GPS focus area results in a consistent way over the life of GPS 2015
- the relative effectiveness and efficiency of investment in each focus area identified in GPS 2015 and of any significant new or revised standards or operational practices, including using benefit cost analysis
- the results of post implementation reviews for a significant proportion of focus areas and standards
- productivity improvements made in road maintenance including:
 - » an assessment of the state of New Zealand road assets from an asset management empirical and analytical basis
 - » progress and results arising from the implementation of Road Maintenance Task Force recommendations, including the impact of the One Network Road Classification initiative
 - » changes in the scope of maintenance expenditure
 - » factors influencing the variance in the costs and returns to road maintenance expenditure per lane kilometre on State highways and local roads (by region)
- assessments of any significant changes to strategies, standards and guidelines that impact on expenditure from the National Land Transport Fund, that:
 - » ensure that all practical options for addressing the problem have been considered
 - » ensure the benefits of the preferred option not only exceed the costs, but will also deliver the highest level of net benefit.

SECTION 6: FUNDING SOURCES AND MANAGEMENT OF EXPENDITURE

124. This section includes information about:

- the primary approach to funding land transport
- principles guiding the use of alternative funding sources
- principles guiding the management of expenditure to revenue

A. Primary approach to funding land transport

125. The core approach to funding land transport is the use of hypothecated funds within a 'modified pay-as-you-go' approach:

- hypothecation means that the revenue raised from the land transport system (that is from fuel excise duties, road user charges, motor vehicle registration and licensing fees, road tolling, and the proceeds from the leasing or disposal of Crown land held for State highway purposes) is put into the Fund, to be used for land transport purposes
- a pure 'pay as you go' system is one in which costs (cash outflows) must be met from revenue (cash inflows). The timing of revenue receipts determines the ability to make payments. The system applying to the Programme is best described as 'modified pay-as-you-go', where some flexibility has been introduced to deal with cash-flow variations and large lumpy projects.

126. Together, hypothecation and pay-as-you-go form the foundation for land transport planning and funding. They define a relationship between road users, the Government, and wider society, which is the starting point for informed discussion about what is needed from the land transport system. The terms of the relationship are that:

- transport revenues will be used to create transport benefits
- transport revenues will be set in proportion to the funding needs of the whole transport task
- today's funding will in general address today's priority needs; funding will be available tomorrow when other needs become the priority
- wider Government revenues will be used where wider benefits are sought

127. In practice, the world is more complicated than this relationship allows for who benefits from land transport infrastructure and services, who should pay, and over what period of time, are all open to debate. Complexity also makes it hard to predict with complete accuracy how much revenue will be available when, or the schedule on which expenditure may be incurred.

128. In addition to the Government's primary funding sources, a significant contribution towards the costs of local roads and public transport is made through local government revenues. Each of these is established through and operated in accordance with the relevant statute.

B. Principles guiding the use of alternative financing sources by NZTA

129. In addition to the primary central Government and local government funding sources, it is possible to access alternative funding through Government financing through a grant or loan, or from private financing, through public private partnerships. At some point, it may also prove practical and desirable to introduce alternative forms of revenue gathering, such as more sophisticated road pricing.

Process principles when considering alternative financing

130. Any alternative funding proposal will require a business case. Because adopting the proposal will foreclose other options, it must represent the best course of action for the land transport system. Whether using debt or revenue measures, alternative funding proposals also have implications for the Government's broader fiscal strategy and will need to be considered within an all-of-government context, and be approved by Cabinet in the context of whole of Government financing and borrowing principles.

Design principles for alternative financing measures

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

- achieving economically efficient investment while preserving the intent behind the pay-as-you-go approach
- optimising financial efficiency in the present management of the National Land Transport Fund while preserving the flexibility to respond to future opportunities and risks
- adopting measures that are proportionate to the task to be performed without unreasonably curtailing the freedom to manage of those who are responsible for doing so

C. Principles guiding the management of expenditure to revenue

132. The NZ Transport Agency is required to match expenditure to the target expenditure set out in this GPS. However, it is also limited by law to spending no more than the available revenue in the Fund. Because both the timing and level of revenue and expenditure are subject to uncertainty, the Act provides for an allowable variation to be set in a GPS as a way of managing any imbalances that arise.
133. A short-term borrowing facility for cash flow management provides the specific capacity for allowable variation, where expenditure temporarily exceeds revenue. Although this borrowing facility increases the NZ Transport Agency's flexibility, the Government expects the NZ Transport Agency to manage expenditure in a way that it is fiscally neutral at the end of the 10 year period of this GPS. The specific level and conditions of allowable debt are set by the Ministers of Finance and Transport, in accordance with the principles guiding the use of alternative funding measures.
134. Where revenue exceeds expected expenditure, the GPS allows expenditure to be scaled to meet the upper end of each funding range and surpluses can be carried forward from one financial year into the next.
135. Where it is likely that actual revenue levels will vary significantly from expenditure targets, the Ministry of Transport and the NZ Transport Agency will advise the Minister of Transport on the options for aligning expenditure and revenue.

SECTION 7: APPENDICES

Appendix A: Land transport investment framework

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

Government Policy Statement on land transport (the GPS)

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

Each GPS must cover a period of at least ten years, and be reviewed every three years. Components of the Government's Investment Strategy, such as the short to medium term results, cover up to six years. However, the Crown Investment Strategy funding ranges and overall investment must cover 10 years.

The current GPS due for review in June 2015, was issued in 2012.

More detailed information about the content and purpose of the GPS is out in Appendix B.

The National Land Transport Programme

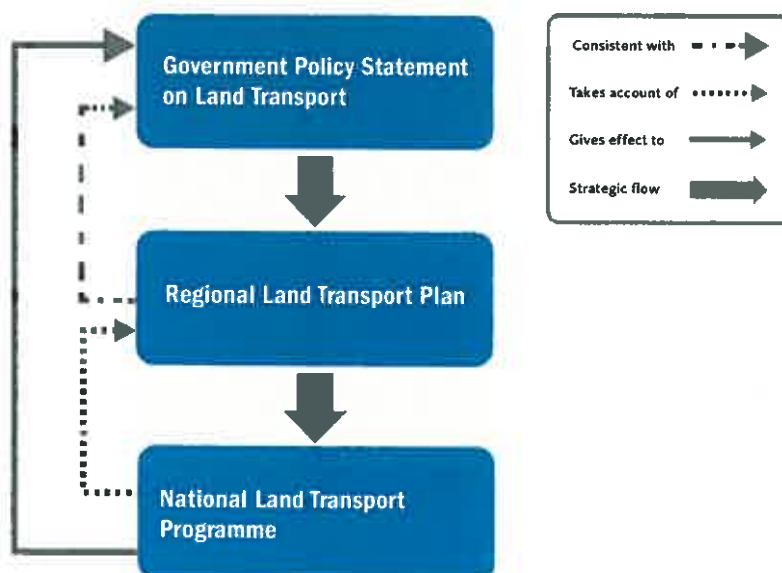
The NZ Transport Agency must develop a Programme every three years to give effect to the GPS. The programme sets out the specific activities that will be funded to address the transport objectives in the GPS.

Regional Land Transport Plans

Regional Land Transport Plans are prepared by Regional Transport Committees and, for Auckland, by Auckland Transport. They list all of the planned transport activities for a region for at least 10 years and are used to prioritise applications for Government funding through the NZ Transport Agency. Regional Land Transport Plans must be issued every six years and reviewed every three years. Regional Transport Committees and Auckland Transport must ensure consistency with the GPS when preparing Regional Land Transport Plans.

The linkages between these different documents are set out in Figure 5.

Figure 5: Linkages between documents



Funding for land transport investment

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

All fuel excise duties and road user charges are allocated directly to the National Land Transport Fund. Additionally, a portion of motor vehicle registration income and other revenue is paid into the National Land Transport Fund, while a small subset of activity, such as funding for the SuperGold Card free off-peak public transport scheme, is supported directly from the Government's consolidated fund.

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

Figure 6: Funding



Appendix B: Purpose, scope and required content of the GPS

A core function of the GPS is to set out the Government's priorities, objectives and funding available for the land transport sector. The GPS 2015 (draft) describes:

- the Government's priorities for expenditure from the National Land Transport Fund from the 2015/16 to the 2025/26 financial years
- how it will achieve these through investment in certain areas known as activity classes (for example, the maintenance of State highways, road policing and walking and cycling)
- how much funding will be provided
- how the funding will be raised

Under the Land Transport Management Act 2003, the GPS:

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

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

The Crown's land transport investment strategy:

- must link the amount of revenue raised from road users with the planned levels of expenditure from the national land transport fund
- must, for the first 6 financial years of the GPS on land transport and any subsequent years that the Minister considers relevant, address the following matters:
 - (i.) the short-term to medium-term results that the Crown wishes to achieve through the allocation of funding from the National Land Transport Fund
 - (ii.) the activity classes to be funded from the National Land Transport Fund
 - (iii.) likely revenue, including changes to the duties, fees, and charges paid into the National Land Transport Fund
 - (iv.) the identification of an expenditure target for the National Land Transport Programme for each year
 - (v.) a maximum and a minimum level of expenditure for the National Land Transport Programme for each year (subject to the ability to carry forward funds from the closing balance of the National Land Transport Fund for a financial year to a future financial year)
 - (vi.) an allowable variation between expenses and capital expenditure incurred under the National Land Transport Programme and the inflows received by the national land transport fund
 - (vii.) funding ranges for each activity class
 - (viii.) the allowable reasons for varying the expenditure target identified under subparagraph (iv) when making funding allocation decisions
 - (ix.) a statement of the Minister's expectations of how the Agency gives effect to the GPS on land transport
 - must specify the forecast funding ranges for each activity class for the period of four financial years following the first six financial years of the GPS on land transport
 - must state the overall investment likely to be made in the land transport sector over a period of ten financial years and the likely or proposed funding sources

Appendix C: Summary of key policy direction (or strategy) documents

Connecting New Zealand

Connecting New Zealand contains the Government's broad policy direction for the whole transport sector to assist investment decision making in the transport sector. It is a key document for land transport. Connecting New Zealand identifies economic growth and productivity, value for money and road safety as areas of focus.

Business Growth Agenda

The Business Growth Agenda is focused on six key inputs that businesses need to succeed: export markets, capital markets, innovation, skilled and safe workplaces, natural resources and infrastructure. For transport, this means ensuring the transport system can enable efficient and effective movement of people and goods from the farm gate, through our cities and to overseas markets. While infrastructure is important, the agenda is also focused on minimising the costs of transport on businesses and improving access to export markets.

National Infrastructure Plan

The National Infrastructure Plan sets the vision that by 2030 New Zealand's infrastructure is resilient and coordinated, and contributes to economic growth and increased quality of life. The plan provides the framework for infrastructure development over the next twenty years and is focused on ensuring that we make better use of existing infrastructure and allocation of new investment that will meet long term needs.

New Zealand Energy Efficiency and Conservation Strategy 2011–2016

The New Zealand Energy Efficiency Conservation Strategy (NZECS) contributes to the delivery of the Government's energy priorities set out in the New Zealand Energy Strategy. The NZECS sets five-year targets and objectives to provide consistency and certainty for investment. In terms of transport, the objective is for "a more energy efficient transport system with a greater diversity of fuels and alternative energy technologies."

A fuller explanation of the Strategy can be found in the *New Zealand Energy Efficiency and Conservation Strategy 2011-2016* published in August 2011 on behalf of the New Zealand Government by the Ministry of Economic Development.

Safer Journeys Strategy

Safer Journeys is the Government's road safety strategy to 2020. Safer Journeys establishes a vision of a safe road system increasingly free of death and serious injuries. Safer Journeys adopts the Safe Systems approach which involves safe speeds, safe vehicles, safe road use and safe roads and roadsides. See *Safer Journeys: New Zealand's Road Safety Strategy 2010 – 2020*.

Draft ITS Action Plan

The draft Intelligent Transport Systems Action Plan outlines the Government's strategic approach to encouraging and enabling intelligent transport system technologies in New Zealand, and covers ITS issues and opportunities. It also provides an outline of central Government's intelligent transport systems related work over the period of 2014 – 2018.

See *Intelligent Transport System Technology Action Plan 2014 – 2018* (November 2013, Ministry of Transport).

Public Transport Operating Model

The Public Transport Operating Model sets the operating environment for the delivery of urban public transport services. It is a fully contracted model with features designed to incentivise commercial behaviour, create efficient networks and encourage a partnership approach to growing patronage, and reduce the level of public subsidy. Under the model, public transport contracts will be awarded through a mix of direct negotiations and tendering. The legislative elements of the model are set out in part 5 of the Land Transport Management Act 2003. The operational elements are in the NZ Transport Agency's *Procurement Manual and Guidelines for preparing Regional Public Transport Plans*.

Appendix D: Glossary

Activity	Defined in the Land Transport Management Act 2003 as a land transport output or capital project, or both.
Activity class	Refers to a grouping of similar activities.
Active modes	Transport by walking, cycling or other methods which involve the direct application of kinetic energy by the person travelling.
Approved organisations	Organisations eligible to receive funding from the NZ Transport Agency for land transport activities. Approved organisations are defined in the Land Transport Management Act 2003 as regional councils, territorial authorities or a public organisation approved by the Governor-General by Order-in-Council.
Auckland Transport Package	A number of land transport projects set out by the Government in June 2013, including roading improvements, route protection for a new Waitemata Harbour crossing, and timeframes for Crown funding of the City Rail Link.
Connecting New Zealand	This document summarises the Government's broad direction for the transport sector over the next decade.
Fuel Excise Duty (FED)	Fuel excise duty is a tax imposed by the Government on fuel and is used to fund land transport activities.
Hypothecation	The direct allocation of all income from a tax or charge (eg fuel excise duty or road user charges) to a particular type of activity, eg the National Land Transport Fund.
Land Transport Management Act 2003	The main Act governing the land transport planning and funding system.
Land transport revenue	Revenue paid into the National Land Transport Fund under the Land Transport Management Act 2003.
Local road	Defined in the Land Transport Management Act 2003 as a road (other than a State highway) in a district, and under the control of a territorial authority
Maintenance (of roads)	Repairing a road so that it can deliver a defined level of service, while leaving the fundamental structure of the existing road intact.
Motor vehicle registration and licensing fees	The Register established under the Transport (Vehicle and Driver Registration and Licensing) Act 1986, and which is continued under Part 17 of the Land Transport Act 1998. It records details of vehicles that are registered to operate on the road. Motor vehicle registration and licensing fees are defined as land transport revenue.
Ministry of Transport	The Government's principal transport policy adviser that both leads and generates policy, and helps to set the vision and strategic direction for the future of transport in New Zealand.
National Land Transport Fund	The set of resources, including land transport revenue, that are available for land transport activities under the National Land Transport Programme.
National Land Transport Programme	A programme, prepared by the NZ Transport Agency, setting out the land transport activities that are likely to receive funding from the National Land Transport Fund. The National Land Transport Programme is a three yearly programme of investment in land transport infrastructure and services from the National Land Transport Fund.

National Infrastructure Plan	A document which sets out the Government's 20 year vision for infrastructure. It provides a common direction for how economic and social infrastructure is planned, funded, built and used.
New Zealand Transport Agency	The Government Agency with the statutory independent role to develop and manage the National Land Transport Programme.
Public transport	Passenger transport services contracted by local and central Government.
Regional Land Transport Plans	Programmes prepared by Regional Transport Committees, setting out each region's transport objectives and policies for a period of at least 10 years, including bids for funding from the National Land Transport Plan.
Regional Land Transport Committee	A transport committee which must be established by every regional council or unitary authority for its region. The main functions of the regional transport committee are to prepare a Regional Land Transport Strategy and a Regional Land Transport Programme.
Road controlling authorities	Authorities and agencies, including the NZ Transport Agency, territorial authorities, the Waitangi Trust and the Department of Conservation, who have control of the road.
Road user charges (RUC)	Charges on diesel and heavy vehicles paid to the government and used to fund land transport activity.
Roads of National Significance (RoNS)	Routes which have been nominated by Government as critical to improving economic productivity and growth. Currently there are seven projects on the RoNS programme, based around New Zealand's five largest population centres. The focus is on moving people and freight between and within these centres more safely and efficiently.
State highways	A road operated by the NZ Transport Agency, as defined under the Land Transport Management Act 2003.

Appendix E: Relevant sections of the Land Transport Management Act 2003

Please note that:

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

Relevant section
<p>3. Purpose</p> <p>The purpose of this Act is to contribute to an effective, efficient, and safe land transport system in the public interest.</p>
<p>66. Minister must issue GPS on land transport</p> <p>1. The Minister must issue a GPS on land transport —</p> <ol style="list-style-type: none"> a. before the start of the first financial year to which it applies; and b. that covers a period of 6 financial years. <p>2. The Minister must issue a replacement GPS on land transport under subsection (1) before the current GPS on land transport expires.</p> <p>3. If a GPS on land transport that is issued under subsection (1) is replaced, the GPS on land transport that is replaced expires on the date that it is replaced.</p>
<p>67. Preparation or review of GPS on land transport</p> <p>1. When preparing or reviewing a GPS on land transport, the Minister must—</p> <ol style="list-style-type: none"> a. be satisfied that the GPS on land transport contributes to the purpose of this Act; and b. take into account— <ol style="list-style-type: none"> i. any national energy efficiency and conservation strategy; and ii. any relevant national policy statement that is in force under the Resource Management Act 1991; and c. have regard to the views of Local Government New Zealand and representative groups of land transport users and providers. <p>2. For the purposes of subsection (1), the Minister must, at least once in every period of 3 financial years, review the Crown's land transport investment strategy required under section 68(1)(b).</p> <p>3. To avoid doubt, nothing in subsection (2) limits section 90(1).</p> <p>4. Before issuing a GPS on land transport, the Minister must consult the Agency about the proposed GPS on land transport.</p>

68. Content of GPS on land transport

1. The GPS on land transport must include—

- a. the results that the Crown wishes to achieve from the allocation of funding from the national land transport fund over a period of at least 10 consecutive financial years; and
- b. the Crown's land transport investment strategy; and
- c. the Crown's policy on borrowing for the purpose of managing the national land transport programme.

2. The Crown's land transport investment strategy—

- a. must link the amount of revenue raised from road users with the planned levels of expenditure from the national land transport fund; and
- b. must, for the first 6 financial years of the GPS on land transport and any subsequent years that the Minister considers relevant, address the following matters:
 - i. the short-term to medium-term results that the Crown wishes to achieve through the allocation of funding from the national land transport fund;
 - ii. the activity classes to be funded from the national land transport fund;
 - iii. likely revenue, including changes to the duties, fees, and charges paid into the national land transport fund;
 - iv. the identification of an expenditure target for the national land transport programme for each year;
 - v. a maximum and a minimum level of expenditure for the national land transport programme for each year (subject to the ability to carry forward funds from the closing balance of the national land transport fund for a financial year to a future financial year);
 - vi. an allowable variation between expenses and capital expenditure incurred under the national land transport programme and the inflows received by the national land transport fund;
 - vii. funding ranges for each activity class;
 - viii. the allowable reasons for varying the expenditure target identified under subparagraph (iv) when making funding allocation decisions;
 - ix. a statement of the Minister's expectations of how the Agency gives effect to the GPS on land transport; and
- c. must specify the forecast funding ranges for each activity class for the period of 4 financial years following the first six financial years of the GPS on land transport; and
- d. must state the overall investment likely to be made in the land transport sector over a period of 10 financial years and the likely or proposed funding sources.

3. The GPS on land transport—

- a. may set out national land transport objectives, policies, and measures for a period of at least 10 financial years beginning on the date that the GPS on land transport is issued; and
- b. must, subject to the Public Finance Act 1989, specify any additional expected funding for land transport activities, including (but not limited to) any money that Parliament may appropriate for the purpose.

69. Status of GPS on land transport

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

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

71. Availability of GPS on land transport

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

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

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

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

11. Annual report on national land transport fund

- 1. After the end of each financial year, the Agency must prepare an annual report on the national land transport fund.
- 2. The annual report required under subsection (1) must be prepared in accordance with generally accepted accounting practice, and must include —
 - f. an explanation of how the funding of activities or combinations of activities under the national land transport programme has contributed to the achievement of any outcomes, objectives or impacts set out in the relevant GPS on land transport
- 3. The provisions of the Crown Entities Act 2004 in respect of the preparation, audit, presentation, and publication of a Crown entity's annual report (including its financial statements) apply, with all necessary modifications, to the annual report required under subsection (1).
- 4. The Agency must make a copy of the annual report publicly available in accordance with section 108.

19B. Core requirements for national land transport programme

The Agency must, in preparing a national land transport programme,—

- a. ensure that the national land transport programme —
 - iii gives effect to the GPS on land transport;

<p>19E. Variation of national land transport programme.</p> <p>3. If the GPS on land transport is amended under section 90(1), the Agency must vary the national land transport programme as soon as practicable if necessary to give effect to the amendment.</p>
<p>Sections with particular relevance to regional land transport committees</p> <p>14. Core requirements of regional land transport plans</p> <p>Before a regional transport committee submits a regional land transport plan to a regional council or Auckland Transport (as the case may be) for approval, the regional transport committee must—</p> <p>a. be satisfied that the regional land transport plan—</p> <p style="padding-left: 40px;">ii. is consistent with the GPS on land transport;</p>
<p>Other relevant sections</p> <p>20. Approval of activities and combinations of activities</p> <p>2. In approving a proposed activity or combination of activities, the Agency must be satisfied that—</p> <p>c. the activity or combination of activities is—</p> <p style="padding-left: 40px;">i. consistent with the GPS on land transport;</p> <p>5. When approving an activity or combination of activities as qualifying for payments from the national land transport fund, the Agency must be satisfied that the expenditure on the national land transport programme and any expenses associated with any borrowing undertaken in accordance with section 10(1)(b) in the relevant financial year will not exceed the lesser of—</p> <p>a. the maximum level of expenditure for the national land transport programme outlined in the GPS on land transport for that financial year and the actual or anticipated amount of the closing balance of the national land transport fund at the end of the previous financial year; or</p> <p>b. the sum of —</p> <p style="padding-left: 40px;">i. the anticipated inflows to the national land transport fund in that financial year; and</p> <p style="padding-left: 40px;">ii. the actual or anticipated amount of the closing balance of the national land transport fund at the end of the previous financial year; and</p> <p style="padding-left: 40px;">iii. the allowable variation for that financial year specified in the GPS on land transport.</p>

Version 1.1
ISBN: 978 0 478 07231 0

Nbus Electronic Ticketing System

1. Purpose of Report

- 1.1 To seek approval for the funding required to secure Nelson City Council's involvement in a joint procurement proposal, between the New Zealand Transport Agency (NZTA) and participating councils, for a nationally integrated electronic ticketing system.

2. Delegations

- 2.1 The Works and Infrastructure Committee has delegated authority to consider this report. This report requests funding over multiple years and it is recommended that funding for the 2015/16 and 2016/17 financial years is included in the Long Term Plan.

3. Recommendation

THAT the report Nbus Electronic Ticketing System (A1216077) be received;

AND THAT the request for funding be approved to secure Nelson City Council's involvement in the joint procurement proposal, for the 2014/15 financial year, from existing budgets;

AND THAT the future funding required for the 2015/16 and 2016/17 financial years be included in the Long Term Plan.

4. Background

- 4.1 The Nbus utilises a manual ticketing system called Wayfarer which requires a cash payment to create a paper ticket for the Customer. Certain details are recorded relating to the date, time and type of ticket purchased and its cost. This information is used to record patronage and confirm the timeliness and punctuality of the service.
- 4.2 Across New Zealand it is recognised that manual ticketing systems, like that used by Nbus, are nearing the end of their technological life cycle. In order to meet the operational requirements of bus operators, planning and reporting needs of Councils, and the expectations of customers both now and in the future the manual systems need to be replaced.

- 4.3 The overall subsidy received for public transport will not change as a result of this decision but a critical requirement for guaranteeing and securing an ongoing Public Transport subsidy from NZTA is the production of regular information. This information is used by NZTA to ensure they are satisfied that the service is meeting its objectives and to ensure their subsidy is being used wisely.
- 4.4 However, the reliability of this manual ticketing system is questionable. Delays accrue while passengers try to find correct change or alternatively wait for correct change from the driver. The information produced cannot be easily manipulated and often has to be entered into spreadsheets manually.
- 4.5 Technology is guiding Public Transport Operators toward fully integrated 'next generation' ticket systems. These systems utilise stored value cards that can be loaded for travel by the Customer and simply swiped when the Customer enters and exits the bus. Information relating to the Customer and their trip; time, date and destination, are recorded and automatically relayed directly to Council Officers and NZTA. The main disadvantage with this technology is cost and until very recently it was deemed to be out of reach for the Nbus service.
- 4.6 Larger Councils in Auckland, Wellington and Christchurch already use electronic ticketing systems, (e.g. "Snapper card"). Waikato, Otago and other provincial Councils have asked NZTA for assistance with joint procurement of similar technology, (but not necessarily "snapper") and Nelson City Council has been invited to participate

5. Discussion

Nation Wide Ticketing System Problems

- 5.1 The New Zealand ticketing market is quite small in the international context; therefore purchasing replacement systems individually is unlikely to result in value for money. NZTA recognises this and proposes a joint procurement process involving themselves and participating councils around the country.
- 5.2 This is the first time that a joint procurement approach has been undertaken in the New Zealand public transport market. As such this is a unique project given the complexities of multiple stakeholders. A joint approach is the one favoured by NZTA and dovetails well with central government's "whole of government" approach to procurement where collaborative purchasing should achieve productivity and efficiency gains.
- 5.3 NZTA recognise that the next generation ticketing systems are needed now as most participating councils have ticketing equipment that is at, or near, the end of its useful life. Ticketing equipment generally has a life span of 10-years and most participating councils have been using electronic ticketing for this length of time. The Nbus ticketing equipment is much newer than this but still utilises the same ageing technology.

Benefits of Investment

- 5.4 The potential benefits of successfully investing to address these problems were identified as part of an investment logic mapping exercise facilitated by NZTA and including the larger regional public transport operators, held on 7 August 2013. This 'stakeholder panel' identified and agreed the following potential benefits for the proposal:
- Benefit one: Increased farebox recovery. It is recognised that a 'hassle free' customer experience is more likely to lead to repeat trips and increased patronage;
 - Benefit two: Greater reliability of the passenger transport network. A swipe system will greatly reduce boarding and alighting times;
 - Benefit three: Improved travel information. It is proposed that the travel information be produced in a standardised format across all regions in terms of NZTA reporting requirements.
- 5.5 These benefits go hand in hand and when utilising a swipe on-swipe off system will lead to greater efficiency and reliability of the Nbus service.

Specific Benefits for the Nbus Service

- 5.6 Customer expectations – We live in an increasingly cashless society and it causes inconvenience when customers have to revert to cash as a fare payment method. As an example, currently on the Palmerston North urban services about 80% of all transactions are done with stored value cards. While this number is at the high end, as society becomes more reliant on technology, Councils would expect those using smart cards, or other electronic media, to increase over time.
- 5.7 Timetable reliability – Having the ability to pay through an electronic card system would greatly improve each buses punctuality and ability to adhere to current timetables through decreasing boarding times. This would have a huge impact on the network particularly at peak times when keeping to the timetables can be difficult to achieve.
- 5.8 Data integrity – Existing Nbus data relating to fares and fare types is not recorded reliably. The existing ticketing system produces information in a format that cannot easily be interrogated or edited and is prone to introducing errors that have to be corrected by hand. This poses a serious risk to the quality of the patronage data and would jeopardise Councils ability to plan for future growth and amendments to the network.
- 5.9 Reporting requirements – It also affects the trust and confidence NZTA has in Nbus reporting. NZTA uses this information to gauge the quality and effectiveness of the Nelson Bus service in relation to other services across the Country. If they are not satisfied with the quality of data reported for our service, they may decide that Nelson City Council is not utilising its subsidy wisely.

6. Electronic Ticketing Proposal

- 6.1 The larger participating councils have joined Planning and Investment staff from NZTA and have formed a Governance Group to further plan and develop the joint procurement proposal. Earlier this year the Governance Group directed a smaller Technical Working Group to develop a business case, called the 'Case for Change', that sets out how the procurement process will work and what the likely cost to participating regions will be.
- 6.2 The table below summarises the indicative costs required to move Nbus toward an integrated 'next generation' ticketing system.

Item	2014/15	2015/16	2016/17	Total
Implementation	\$8,453	\$14,238	\$5,695	\$28,475
Regional Communications	\$9,540	\$19,080	19,080	\$47,695
Hardware	-	-	\$71,064	\$71,064
Total Capital Cost	\$17,993	\$33,318	\$95,839	\$147,234

Annual Operating Costs	\$50,000 per annum (from 2016/17)
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- **Implementation:** refers to the capital contribution toward the cost of developing a regional ticketing system. This sees an increase in cost from 2014 to 2016 then reduces in 2017.
 - **Regional Communications:** refers to the capital contribution toward the cost of the communication network that link the ticketing systems with NZTA's reporting system. This is an increasing cost from 2014 to 2017.
 - **Hardware:** refers to the capital cost of the physical ticketing equipment and is proposed for the 2016/17 financial year.
 - **Annual Operating Costs:** refer to the ongoing costs to operate the system and manage the electronic reporting. This cost will be ongoing for the duration of the Nbus operation. Currently the administration costs of collecting and recording patronage data are included in the Nbus contract price. It is proposed that negotiation take place between the current operator and Council to vary the contract so that the change is as cost neutral as possible.
- 6.3 The proposal raised by the Technical Working Group recommends a subsidy from NZTA of 58% to cover all capital expenses. This would

reduce NCC's contribution to approximately \$61,000 over the 3 years from 2014/15 to 2016/17.

- 6.4 It is proposed that the 2014/15 share of the funding, \$17,993 (excluding NZTA subsidy) is met from existing public transport budgets. The remaining funding for the 2015/16 and 2016/17 financial years would be included for in the Long Term Plan.
- 6.5 The ongoing operating costs would be subsidised at the full Public Transport subsidy rate of approximately 50%.
- 6.6 At this early stage the Governance Group proposal needs to be ratified by NZTA and is reliant on the buy in of all the participating Councils across the country.
- 6.7 To ensure this the Governance Group are looking for a commitment from Council to provide the funding required to secure NCC's ongoing involvement in the joint procurement proposal.
- 6.8 To date approximately four of the 10 participating regions have confirmed their commitment to provide their share of the funding toward the joint procurement proposal. These are Waikato, Bay of Plenty, Otago and Invercargill and together make up approximately 80% of the total capital required to meet the requirements of the joint procurement process.
- 6.9 If NCC chooses not to provide the funding required to meet this commitment, the Nbus share of the costs will be spread over the remaining participating regions and Nbus will continue to utilise its existing manual ticketing system.
- 6.10 The risk for Nbus is that if the majority of participating regions move to a nationally integrated ticketing system, and Nbus doesn't, its ticketing infrastructure may be seen as obsolete. It may become more difficult to have it serviced which may affect the accuracy of data produced. If NZTA lose faith in the Nbus data they may choose to withdraw their subsidy.
- 6.11 If NCC chooses to go it alone, and purchase an integrated ticketing system at a later date, it will bear the full cost of the system software, hardware and support, which will be significantly higher than when procured jointly.

7. Assessment of Significance against the Council's Significance Policy

- 7.1 The content of this report is not considered significant in terms of Council's Significance Policy.

8. Consultation

- 8.1 The content of this report is of an operational nature and consultation is not considered necessary.

9. Alignment with relevant Council Policy

- 9.1 The content of this report is intended to improve the efficiency and effectiveness of Nelson's Nbus public transport service. This aligns with Council's strategic direction through the Regional Land Transport Strategy, the NCC Transport Asset Management Plan and Nelson 2060.

10. Inclusion of Māori in decision making process

- 10.1 The content of this report does not specifically affect Māori. Māori will benefit from the approval of this report as members of the wider community, especially if they utilise the bus service.

11. Conclusion

- 11.1 The Nbus service utilises an ageing and at times unreliable ticketing system. Modern integrated ticketing systems, although far superior operationally, are generally considered too expensive for a smaller service like Nbus.
- 11.2 NZTA acknowledge this issue at a national level and have proposed a joint procurement approach involving participating councils and NZTA. This approach proposes to share the capital costs among participating councils based on the size of each service.
- 11.3 An NZTA subsidy is proposed of approximately 58%. This reduces the NCC capital commitment from approximately \$147,000 to \$61,000 over three years (2015/16 to 2016/17).
- 11.4 NCC has the opportunity to opt in to the joint procurement approach by confirming its commitment to provide the funding.
- 11.5 If NCC chooses to opt out of the joint procurement approach, it risks losing an opportunity to replace obsolete equipment at heavily discounted costs and also places at risk the ongoing public transport subsidy from NZTA.

Shane Davies
Manager Operations

Attachments

None

Trial Closure of Beatson Road

1. Purpose of Report

- 1.1 To seek approval for the trial closure of Beatson Road.

2. Delegations

- 2.1 Any decision to temporarily close Beatson Road falls within the delegated authority of the Works and Infrastructure Committee.

3. Recommendation

THAT the report Trial Closure of Beatson Road (A1212415) and its attachment (A1213688) be received;

AND THAT the Trial Closure of Beatson Road be approved between 1 September and 19 September 2014 (at all times);

AND THAT the findings of the Trial Closure of Beatson Road be reported back to a future Works and Infrastructure Committee meeting;

AND THAT the Trial Closure of Beatson Road be funded from existing budgets.

4. Background

- 4.1 Following the Chairman's report dealing with the use of Beatson Road as a short cut to avoid morning peak hour traffic on Waimea Road, the Committee resolved on 1 May:

THAT a staff report be prepared considering the closure of the roundabout exit onto Beatson Road for a trial period of approximately three weeks.

- 4.2 The intention being to gather information, before and after a temporary closure, so that accurate conclusions can be drawn as to whether a permanent closure would benefit the operation of Waimea Road.

- 4.3 Council Officers are of the view that the duration of the closure needs to be at least 3 weeks to ensure that affected traffic has time to establish new routines and the monitoring data collected is of sufficient accuracy to be useful.
- 4.4 The proposed dates for the closure are from 1 September to 19 September 2014. These dates allow for adequate public notification and avoid school holidays.

5. Discussion

- 5.1 Officers have received complaints about early morning eastbound congestion on Waimea Road due to traffic utilising Beatson Road as a short cut. Impatient vehicles heading into Nelson in the morning utilise Beatson Road to avoid queued traffic on Waimea Road at Bishopdale Hill. These vehicles then interrupt the eastbound Waimea Road traffic flow as they turn from Beatson into Waimea.
- 5.2 It is perceived that the continual interruptions exacerbate the eastbound traffic delays along Waimea Road, further encouraging vehicles to take the Beatson Road short cut. The problem becomes self perpetuating.

6. Options

Closure Proposal

- 6.1 Officers propose that the entrance to Beatson Road, from the Whakatu Drive roundabout, is temporarily closed to eastbound traffic at all times during the trial period. The temporary closure would be constructed of semi permanent material, that is, material that cannot be removed or shifted without the use of specialist equipment. Refer to Attachment 1.
- 6.2 Of all mechanisms available, the above was considered the most effective at achieving the aims of the trial and maintaining access for those living within this area and emergency service vehicles. The proposed closure would need to be self manageable to ensure that ongoing costs are kept to a minimum.
- 6.3 Appropriate advanced warning signage will be erected and used in conjunction with electronic Variable Message Signage and a detailed communications plan.

Monitoring

- 6.4 It is proposed that monitoring be undertaken for approximately 1 week prior to the implementation of the temporary closure; and again during the 3 week duration of the closure. This monitoring will include:
- Traffic surveys on Waimea Road to determine traffic volume and speed;

- Traffic Surveys on Beatson Road near its intersection with Waimea Road to determine the change in volume of traffic exiting from Beatson Road into Waimea road during the period of the closure;
- Traffic Surveys on Ulster Street to determine any significant change in volume of traffic exiting from Ulster Street into Waimea Road during the period of the closure.

Estimated Costs

6.5 The estimated costs are set out in the table below.

No.	Description	Dollars
1.	Physical Works	\$ 10,000
2.	Newspaper and Radio Advertising	\$ 3,500
3.	Monitoring	\$ 3,000
Total		\$ 16,500

6.6 Although a specific budget line has not been allocated for this work, Officers recommend that these costs be absorbed within the NZTA subsidised Network and Asset Management work activity.

7. Assessment of Significance against the Council's Significance Policy

7.1 This project is not significant in terms of the Council's Significance Policy.

8. Consultation

8.1 The Local Government Act enables Local Authorities to temporarily close roads under Schedule 10: Conditions as to Stopping of Roads and the Temporary Prohibition of Traffic on Roads. The Act requires Council to give public notice of its decision to temporarily close a road.

8.2 Public notification is proposed via a newspaper advert and a letter delivered to those residents living in the Beatson Road area, refer to Attachment 1. The advert and letter would give residents a 2 week feedback period. A further week would be required to enable officers to consider any feedback received. An additional advert and letter drop would follow to confirm any amendments made and the closure dates.

8.3 Communications would include radio advertising for one week prior to the temporary closure and for the first two weeks during the closure.

8.4 Live Nelson, Facebook and Twitter would also be utilised prior to and during the closure.

8.5 Electronic Variable Message Signage would be in place one week prior to the temporary closure and for the full duration of the closure.

9. Alignment with relevant Council Policy

9.1 This project to improve the efficiency of the urban arterial network aligns with Council's strategic direction through the Regional Land Transport Strategy, the NCC Transport Asset Management Plan, and Nelson 2060.

10. Inclusion of Māori in the decision making process

10.1 This report does not specifically affect Māori. Māori will be consulted as members of the wider community and specifically if they reside in the area affected by the closure.

11. Conclusion

11.1 During the Works and Infrastructure Committee meeting of 1 May 2014, Council resolved to investigate the trial Closure of Beatson Road. This report recommends how this can be undertaken with an estimated cost of \$16,500.

11.2 Officers recommend that the trial closure runs from 1 September to 19 September 2014, at all times and that the residents of the area be advised two weeks in advance of the proposed trial.

Shane Davies
Manager Operations

Attachments

Attachment 1: Map showing approximate location of closure [A1213688](#)



The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution-NonCommercial 3.0 New Zealand License. Nelson City Council data must not be sold without prior written consent. For more information please contact us. Cadastral information derived from the Land Information New Zealand (LINZ) COPYRIGHT RESERVED.

Trial Closure Beatson Road: Appendix 1.


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Scale 1:4,000



Date 2/07/2014

ATTACHMENT 1

A1213668 06