

In Confidence

Office of the Minister of Transport

Chair, Cabinet Economic Development Committee

## **Agreement to release the Government Policy Statement on land transport 2018**

### **Proposal**

1. This paper seeks Cabinet agreement to release the Government Policy Statement on land transport (GPS) 2018.

### **Executive summary**

2. The GPS is the government's main statutory lever to ensure investment in land transport by the New Zealand Transport Agency (the Transport Agency) and local government reflects government priorities over ten years.
3. The GPS provides guidance on how around \$4 billion is spent through the National Land Transport Fund (NLTF) each year. It also provides signals for the spending of a further \$1 billion each year on land transport through local government investment and approximately \$0.5 billion each year of Crown investment.
4. On 3 April 2018, Cabinet agreed to release the draft GPS 2018 for public engagement (CAB-18-MIN-0115 refers). That engagement concluded on 2 May 2018, and over 900 submissions from a wide range of stakeholders were received. I amended the draft GPS to reflect submissions and have formally consulted with the Board of the Transport Agency, in line with Land Transport Management Act (LTMA) 2003 requirements.
5. GPS 2018 is now ready for release. It has four clear priorities: a safer transport network free of death and injury, accessible and affordable transport, a focus on the environment, and value for money. Our approach is underpinned by two fundamental commitments; to address the widening infrastructure deficit in our regions, towns and cities, and to invest in the best projects, no matter what kind of transport modes they may be.
6. GPS 2018 will meet these commitments by increasing investment in regional roads, local roads, public transport, cycling and walking. GPS 2018 also makes investments in public transport and rail that will encourage a shift away from single occupant vehicle travel in our major cities. Overall I expect that GPS 2018 will make our transport system much safer, better integrated with land use, and it will support our priorities in respect of emissions reduction.

7. The LTMA requires that the GPS be released by 1 July 2018; otherwise, the former GPS (2015) would need to be reissued until such time as the new GPS can be released. I am proposing to release GPS 2018 after Cabinet consideration on 25 June 2018. The final GPS 2018 that I propose to release is attached as Appendix One.

### The purpose of the GPS

8. The GPS is the main statutory lever the Government uses to guide land transport investment. It ensures that land transport expenditure undertaken by the Transport Agency and local authorities reflects Government priorities over the next three to ten years, as required by the LTMA.
9. The relationship between the GPS and the planning and investment cycle is as follows:



10. The GPS indicates how the Government prioritises transport investments using the revenue collected from fuel excise duty (FED), road user charges (RUC) and motor vehicle registration. It provides guidance on how around \$4 billion of revenue raised from road users is spent through the NLTF each year. It also guides spending of a further \$1 billion each year on land transport through local government investment and over \$0.5 billion each year of Crown investment.

11. The GPS guides land transport investment by signalling:

- what the Government wants the land transport system to achieve (by setting strategic priorities, objectives and results)
- how much revenue will be raised for the NLTF from FED, RUC, and motor vehicle registration

- how the Government wants the funding to be allocated across different types of land transport system activities (for example, roads, rail, public transport, active transport and road policing).
12. The LTMA sets out the statutory elements of the GPS. These elements move from describing the high-level policy, through to the more detailed investment strategy and the machinery provisions about funding flows. Through the GPS, the Government ensures that the revenue raised delivers the best possible land transport system (infrastructure and services) to support the needs of New Zealanders.

### **Public engagement and Transport Agency Board consultation**

13. Since Cabinet agreed to release the GPS for public engagement (CAB-18-MIN-0115 refers), officials and I have:
- received over 900 submissions through a four week public engagement process
  - formally consulted with the Transport Agency Board on the GPS
  - hosted a GPS Summit with around 170 stakeholders
  - led regional GPS forums
  - met with key national stakeholder groups<sup>1</sup>.
14. There was a high level of public interest and support for the GPS. Submissions on GPS 2018 far exceeded historical levels – over 900 this year, and 125 in 2017. The submissions were received from a wide range of stakeholders including: individuals, local government, representative bodies (e.g. the Road Transport Forum), private sector organisations, district health boards, interest and other community groups. A Summary of Submissions document has been prepared for release at the same time as this GPS.
15. Following engagement, I revised the GPS and have subsequently consulted with the Transport Agency Board in line with LTMA requirements. Below, I outline the engagement themes and where there has been substantive changes to the GPS document.

### **Overall direction**

16. Our commitments have made it clear that this Government wants to transform the land transport system. The draft GPS 2018 presented a number of changes in direction, and provided a platform for further changes.
17. Submitters were mostly positive about the direction of GPS 2018 - with support for the proposed priorities, funding shifts and new activity classes (rapid transit and transitional rail).

<sup>1</sup> Including Local Government New Zealand, the Road Transport Forum and the NZ Automobile Association.

18. There was support for the focus on public transport and walking and cycling, and a sense that safe walking and cycling and accessible public transport would achieve a wide range of benefits including reduced congestion, community connectedness, improved health outcomes and environmental outcomes.
19. There was, however, mixed feedback on the proposed changes to funding, specifically around the proposals to reduce state highway improvements funding and increase petrol excise duty (PED) and RUC.

### **Strategic priorities**

20. A focus on safety and access (as key priorities) and the environment and value for money (as supporting priorities) were the pillars of the draft GPS. Through engagement, I specifically sought a view on the prioritisation of these four priorities – specifically whether safety and access should be key priorities.
21. Submissions supported these four priorities. The focus on safety was supported, with many submitters specifically endorsing a new safety strategy and faster implementation of the speed management guide. The importance of safety improvements for vulnerable road users (specifically walkers and cyclists) was also a theme of the submissions.
22. Access was also supported as a key priority. The focus on liveable cities was well received. Submitters agreed that increased investment in active modes (walking and cycling) and public transport was long overdue in urban and regional New Zealand, and would also deliver multiple positive outcomes (including reduced congestion and health benefits).
23. The access section has been amended to explicitly support public transport for areas of social deprivation, and areas beyond urban centres. This makes it explicit that public transport should support those most in need and addresses a concern raised in submissions about areas of New Zealand outside of urban centres needing public transport improvements.
24. The GPS supports the implementation of the Auckland Transport Alignment Project (ATAP). While some submitters had concerns that the draft GPS had a greater focus on Auckland relative to the remainder of New Zealand, I am satisfied this is in balance given both Auckland's population, and the transport issues faced in the city. Following engagement, the GPS has been updated to reflect Cabinet decisions in April 2018 on the ATAP package (CAB-18-MIN-0169)
25. Some submitters also questioned whether the draft GPS focused on urban areas at the expense of regional New Zealand. I am confident that the increased funding for local roads, regional roads, maintenance, and walking and cycling, combined with the Provincial Growth Fund, will support the delivery of regional New Zealand's priorities. I understand the main concern was from regions that were expecting four lane (or large

scale) highways. As you know, a key focus of this GPS is to create balanced investment across modes and not to view four lane (or large scale) highways as the answer.

26. Some submitters felt that the GPS could have had a stronger focus on the environment, and that the environment should be elevated as a key priority alongside safety and access. I have considered this viewpoint and believe that environment and value for money work well as supporting priorities - they should be considered at the heart of how safety and access are achieved. I believe that retaining environment as a supporting strategic priority will ensure that reducing greenhouse gas emissions and improving the local environment and public health are considered by decision makers as they plan and fund land transport. Additional elevation to a key strategic priority could dilute the focus on safety and access outcomes. As such, I have retained safety and access as key priorities and environment and value for money as supporting priorities in GPS 2018.

#### *Benefit cost ratio requirements*

27. Following some feedback expressing concerns about a requirement within the GPS for projects to have a minimum benefit cost ratio (BCR) of one, I have made an amendment to the GPS. Submitters and the Transport Agency Board were concerned that a BCR requirement of greater than one would prevent some safety projects from advancing.
28. This reflects that safety interventions can, in some cases, delay traffic and retrofitted interventions can be expensive. Requiring a BCR of greater than one can also be a problem in appraising resilience projects, which are often looking to reduce risk in relation to low probability but high impact hazards (such as earthquakes) – or ‘slow-burn’ hazards (such as sea-level rise).
29. In response, I have amended the wording in the value for money section of the GPS to state that, although it is expected that evaluations will normally occur at the project level, there is flexibility for programme level evaluations to take place when safety and access outcomes are being sought (noting there is a requirement for the Transport Agency to be transparent and report when this occurs).
30. Paragraph 68 of this paper contains a comment from the Treasury regarding this matter. The Treasury does not support a programme approach and has argued that individual projects should be assessed on their individual merits.
31. Based on advice from the Ministry of Transport and the Transport Agency, I have decided to recommend that the Transport Agency should have the flexibility to adopt a programme approach in certain circumstances, not as an interim measure but as a standard part of their assessment framework. I agree that a project approach should be the default assessment approach. However, a programme approach may be appropriate to capture benefits for a network.

32. The other example of where a programme approach may be appropriate is in relation to road safety. An individual safety intervention on a road may not be justified based on using traditional approaches to transport economic evaluation that can overstate travel time savings and wider benefits. However an aggregated programme of safety interventions targeting high risk areas may best advance the GPS safety priority.
33. I also consider that the Transport Agency's expertise would safeguard against a bundling of low-value projects with high value projects or an arbitrary aggregation or disaggregation of transport projects. I am confident other safeguards are in place to ensure good project management maximises value for money while delivering on the priorities of the GPS.

## **Themes**

34. The draft GPS 2018 also included themes to underpin the effective delivery of the priorities to ensure the best transport solutions for New Zealand are achieved. The following themes were included in the draft GPS:
- a mode neutral approach to transport planning and investment decisions
  - integrating land use and transport planning and delivery
  - incorporating technology and innovation into the design and delivery of land transport investment.
35. All three themes were supported through engagement. Some local government submitters have sought guidance on how 'integrating land use and transport planning and delivery' can best be achieved. Officials are working with local government on a range of GPS implementation matters, including this.
36. Submissions also noted that although they supported the mode neutral theme of the GPS, they felt the GPS activity classes were mode specific and therefore did not support a mode neutral approach. I agree with this feedback and will be looking to consider developing outcome-based funding classes through the second stage GPS (discussed below).

## **Activity class changes**

### *Transitional rail*

37. Although the new transitional rail activity class was generally welcomed by the public, some submitters were concerned about rail being funded from the NLTF, and noted concern that rail projects were being funded at the expense of key roading projects.
38. I continue to see the inclusion of a transitional rail activity class within the GPS as a sensible approach while the Future of Rail study is ongoing. This activity class will

ensure that priority works to maintain and improve rail infrastructure can be advanced where these will contribute to creating liveable cities. Depending on the outcome of the Future of Rail study, further changes to the GPS may be required, and these may be reflected in a second stage GPS. Officials from the Transport Agency, KiwiRail and the Ministry of Transport are working through the mechanisms to allow KiwiRail to receive funding through the NLTF in the interim.

39. I have made a minor amendment to the scope of the transitional rail activity class following engagement. There was a suggestion that funding of inter-regional rail would support the broader priorities of the GPS. In response, I have amended the definition of the transitional rail activity class to include reference to funding rolling stock. This allows the Transport Agency to fund operational and capital costs from the transitional rail activity class, but does not preclude funding from the public transport activity class.

#### *Rapid transit*

40. I have provided more direction on the scope of the rapid transit activity class in the final GPS. The new text aims to ensure investment is targeted to where it is needed most, to clarify the expected role of the Transport Agency, and to emphasise the role of rapid transit in enabling urban development in high growth areas.

#### *Funding levels within activity classes*

41. When Cabinet considered the draft GPS, I noted that over ten years my objective was to shift the NLTF funding profile so it is making more balanced investments across all modes of transport. The proposed spend would increase investments in most modes and allocate less to state highway improvements.
42. In the draft GPS 2018, investment changes were proposed through increased investment in public transport, walking and cycling, regional improvements, road policing and state highway and local road maintenance. A new activity class to support investment in rapid transit, and a transitional activity class to support rail were included. A decrease in state highway improvements, and a shift away from four lane or large scale highways was proposed.
43. While there was support for the increased funding levels and shifts within classes, there were some concerns around the impact of the state highway improvements reductions, and how this might impact on the Government's priorities of safety and access.
44. The reduced funding level for state highway improvements provides for currently contracted projects to be completed, and for some new state highway improvements that focus on safety and access improvements. Reducing the funding available for four lane highways compared to the previous GPS allows the other funding ranges in GPS 2018 to be increased. I am satisfied that the funding level for state highway improvements strikes the balance the Government is seeking.

45. The minimum funding level for the walking and cycling activity class has been increased, to ensure increased minimum levels of expenditure for walking and cycling
46. Likewise, I have increased the overall funding level (both lower and upper levels) for public transport. As mentioned, the draft GPS was released prior to Cabinet agreeing to the ATAP package, so an increase to this activity class in the final GPS will provide sufficient funding to support delivery of ATAP and other public transport priorities outside of Auckland.
47. Rapid transit is important in major metropolitan areas as it supports liveable cities. For this reason I intend to continue exploring rapid transit investments in our major metropolitan areas. However, I want to pursue this while maintaining a balance of expenditure between metropolitan areas and the regions. To do this, I have asked officials to look into alternative funding and financing arrangements for rapid transit. To signal the intended support for rapid transit, I have included a funding range of up to \$4 billion for rapid transit, thereby giving clear signals to stakeholders and investors of the Government's commitment to rapid transit.
48. I have made some changes to the funding ranges for the rapid transit activity class to reflect that there is uncertainty, and will be variation from year to year, in NLTF spend on rapid transit as part of wider funding or financing arrangements that are yet to be agreed. While the rapid transit activity class is expected to have similar overall levels of expenditure over the 10 years as previously shown, the timing of expenditure is different. The GPS now includes less expenditure from the NLTF for rapid transit in early years where financing is used, with higher expenditure in later years when borrowing is repaid.
49. I have also widened the funding range for the promotion of road safety and demand management activity class to allow greater flexibility for investment in behaviour-related measures to improve road safety (such as bike safety training), promote mode shift and optimise the transport system (such as travel management plans and promotion of ride-sharing).

#### *Rebalancing the portfolio*

50. The investment proposed through the GPS aims to rebalance the transport investment portfolio to support a resilient, efficient, effective, safe and responsible transport system.
51. This investment was well supported through engagement and remains in the final GPS 2018. It will ensure:
  - a system where transport helps enable well-functioning cities and regional growth
  - a mode neutral approach where the different transport modes complement each other to achieve desired outcomes

- a system where the impacts on individuals, communities, businesses and the natural environment are taken into account, and adverse impacts are reduced where possible
- a system where there is collaboration between transport sector entities at all levels of government.

52. Table 1 below sets out the revised activity class funding ranges proposed for 2018/19 – 2027/28. The activity class funding ranges take into account the level of expenditure expected to deliver the Government’s priorities.

53. Highlighting in table one below denotes where a change has been made to the funding range since the draft GPS was released for engagement. Appendix two provides a comparison of 2015 and final GPS 2018 funding ranges.

**Table 1: GPS 2018 Activity Class Funding Ranges**

Activity Class		GPS 2018 funding ranges						Forecast funding ranges			
		\$m2018/19	\$m2019/20	\$m2020/21	\$m2021/22	\$m2022/23	\$m2023/24	\$m2024/25	\$m2025/26	\$m2026/27	\$m2027/28
<b>Public transport</b>	Upper	630	700	710	740	770	780	800	830	980	1,100
	Lower	460	510	520	540	560	570	580	610	720	800
<b>Rapid transit</b>	Upper	310	300	150	150	180	540	830	910	710	780
	Lower	60	60	30	0	70	220	340	370	290	320
<b>Walking and cycling improvements</b>	Upper	95	120	145	125	115	115	115	115	115	120
	Lower	60	80	95	80	75	75	75	75	75	80
<b>Local road improvements</b>	Upper	230	350	450	490	520	470	480	420	430	420
	Lower	90	150	190	200	220	200	200	180	180	180
<b>Regional improvements</b>	Upper	140	180	210	210	210	210	180	190	190	200
	Lower	50	70	80	80	80	90	70	70	80	80

<b>State highway improvements</b>	Upper	1,550	1,150	1,150	1,300	1,000	900	650	600	650	500
	Lower	1,200	900	900	1,050	800	700	500	450	500	350
<b>Road policing</b>	Upper	360	370	380	380	390	400	410	420	420	430
	Lower	320	330	330	340	350	350	360	370	370	380
<b>Promotion of road safety and demand management</b>	Upper	60	75	90	110	110	110	115	115	120	120
	Lower	40	50	65	75	75	80	80	80	85	85
<b>State highway maintenance</b>	Upper	700	710	720	740	750	770	790	810	830	850
	Lower	600	600	610	630	640	660	670	690	710	730
<b>Local road maintenance</b>	Upper	720	690	710	720	740	760	780	800	820	840
	Lower	610	590	600	620	630	650	660	680	690	710
<b>Investment management</b>	Upper	80	75	80	80	80	80	85	85	85	85
	Lower	65	65	65	65	65	70	70	70	70	75
<b>Transitional rail</b>	Upper	55	175	205	185	120	40	30	5	0	0
	Lower	10	40	95	85	55	15	10	0	0	0

### **Petrol Excise Duty/Road User Charges changes**

54. The draft GPS 2018 reflected the proposal for an increase in PED<sup>2</sup> and an equivalent RUC increase. A range of 3-4 cents per litre per year for three years was used in the engagement draft GPS. There was a mixed response to this proposal through the submission process.

55. Some submissions noted concerns about proposed increases and the impact on disadvantaged groups (such as those without access to alternative transport modes). The proposed regional fuel tax in Auckland, coupled with this proposed PED and RUC increase, was a particular concern to some submitters. Other submissions were

<sup>2</sup> PED applies to petrol, but not other fuels such as compressed natural gas (CNG) and liquefied petroleum gas (LPG).

supportive of the increase, believing it is necessary to deliver the new priorities, particularly more public transport and walking and cycling.

56. In the short term, the proposed changes have the potential to increase costs faced by road users, particularly in Auckland. However, in the longer term, the projects will result in significant benefits for transport users by providing increased safety, improved access and genuine transport choices.
57. On balance, I am proposing that the revenue change proceeds, at a level of 3.5 cents per litre per year for three years for PED, and a one year equivalent increase for RUC pending a review of the way RUC rates are set. Further RUC increases are intended.

### **Other text changes in GPS 2018**

58. When the draft GPS was released for engagement, some areas were still under development. This work has progressed and the following sections have now been included:
- 58.1. **Reporting measures and reporting expectations** – there are new draft reporting measures and reporting expectations for GPS 2018. The measures are higher level and more aligned to the direction of the GPS. The updated reporting section sets a clearer monitoring and evaluation function, and has roles for the Transport Agency as well as the Ministry of Transport. While I am comfortable these measures and reporting expectations will deliver data to assess progress in the short term, Ministry and Transport Agency officials will continue to work together to develop the measures for the second stage GPS.
- 58.2. **Ministerial expectations** – this section has been revised to include expectations for the Transport Agency for each of the themes - integrated planning, mode neutrality and technology. The expectations related to prudent activity management, investment decision making and investment efficiency, and Auckland have been amended. I believe that this structure better represents the Government's expectations for the Transport Agency to deliver an integrated, well managed and mode neutral investment programme.

### **Second stage GPS**

59. The draft GPS 2018 noted the proposal for a second stage GPS. This was proposed as a mechanism to ensure Government direction for transport investment can be fully realised in a timely way, and noting there has been limited time for GPS 2018 to fully reflect the Government's priorities.
60. Inclusion of some things in this GPS has not been possible because they rely on other work such as the Future of Rail study and development of a new road safety strategy. Additionally, I noted to Cabinet that further work in the following areas may be possible in a second stage GPS: additional rapid transit and certainty on future funding of rail projects, support for coastal shipping, an outcome based funding approach and

considering whether a programme based approach (using some of the principles of ATAP) could be applied to other metropolitan areas.

61. Submissions from the public supported the concept of a second stage GPS, and some submitters, and the Transport Agency Board stressed the importance of alignment between this process and local/regional planning processes where possible.
62. A second stage GPS will provide more signals to inform investment and work is underway to progress this second stage GPS. Close engagement with the sector is intended to ensure alignment of processes and timing where possible, and to ensure the scope of the second stage GPS reflects areas of priority.

### **Matters outside of the scope of GPS 2018**

63. There were some issues that were raised by a number of submitters that were not able to be addressed through the GPS, due to the scope and role of the GPS. This included concern from local government submitters about the level of funding assistance rates (FAR), which are set by the Transport Agency. If funding levels within activity classes in the GPS rise, the requirement for local contributions rises by an equivalent proportion – i.e. the local share. Submitters, therefore, called for enhanced FAR rates, to enable local share to remain at the current level or decrease, rather than rise in line with the overall funding increases in the GPS. I have discussed this concern with the Transport Agency and they are now working with local government to consider options for revised FAR rates.
64. Likewise, many local authorities sought clarification on the status of particular local projects. Again, the responsibility for this area lies with the Transport Agency through the development of the National Land Transport Programme (NLTP). The NLTP is the ten year investment programme to give effect to the GPS. The draft Transport Agency Investment Proposal, released in late April 2018, sets out the projects and programmes that the Transport Agency proposes for inclusion in the 2018-27 NLTP. These activities will sit alongside the locally-led activities which councils put forward (in their Regional Land Transport Plans) for inclusion in the NLTP. The NLTP is due to be adopted by 31 August 2018.
65. These concerns, and those outlined in this paper as issues that were raised but did not result in amendments to the GPS, will be managed in the communications material produced at the time the final GPS 2018 is released.

### **Departmental consultation**

66. The following departments and agencies have been consulted on this Cabinet paper and the GPS 2018: Department of Conservation, Department of Internal Affairs, Energy Efficiency and Conservation Authority, Ministry of Business, Innovation and Employment,

Ministry for the Environment, Ministry for Primary Industries, Office for Disability Issues, Ministry of Health, NZ Police, Te Puni Kokiri, NZ Transport Agency, and the Treasury.

67. The Department of the Prime Minister and Cabinet has been informed.

### Treasury Comment

#### *Programme and Project Evaluation*

68. Paragraph 138 of the 'Investments are at the best cost' section of the GPS includes the following sentence: "It is expected that evaluations will normally occur at the project level, however there is flexibility for programme level evaluations to take place where this is essential to deliver on the GPS strategic priorities of safety or access." For clarity, projects are distinct transport investments and programmes are related projects bundled together. Treasury recommends that paragraph 138 is deleted (paragraph 30 of this paper refers) as it will result in low-value projects being bundled with high-value projects so that, as a programme, they offer net benefits and therefore qualify for NLTF funding. The approach proposed in the current paragraph will mean other higher-value projects may not be funded.

69. Treasury's first-best advice is to delete the paragraph to ensure all projects are subject to robust analysis. This will guide the Transport Agency with good disciplines. It will also avoid a situation where local councils may wish to pursue this avenue for certain investments that are their priority but don't offer value.

#### *Economic Evaluation Model – Safety and Access*

70. Treasury supports investigating the Economic Evaluation Model (EEM) to ensure the Transport Agency Board has robust information. Cost-benefit analysis will always involve a degree of judgement (indeed all CBA requires this) which means it is essential to be transparent about the process and assumptions in economic evaluation for the decision maker. In particular, the EEM review will address concerns that safety and access benefits may not be recognised under the current EEM. The sum of this effort will be greater national wellbeing outcomes (i.e. value for money).

#### *Response to Treasury comment*

71. Based on advice from the Ministry of Transport and the Transport Agency, I have decided to recommend that the New Zealand Transport Agency should have the flexibility to adopt a programme approach in certain circumstances, not as an interim measure but as a standard part of their assessment framework. I agree that a project approach should be the default assessment approach. However, a programme approach may be appropriate to capture benefits for a network.

72. I disagree with Treasury's view, which does not sufficiently account for the importance of network benefits in transport planning.
73. The other example of where a programme approach may be appropriate is in relation to road safety. An individual safety intervention on a road may not be justified based on using traditional approaches to transport economic evaluation that can overstate travel time savings and wider benefits. However, an aggregated programme of safety interventions targeting high risk areas may best advance the GPS safety priority.
74. I also consider that the Transport Agency's expertise would safeguard against a bundling of low-value projects with high value projects or an arbitrary aggregation or disaggregation of transport projects.

### **Financial implications**

75. There are no direct financial implications arising from the publication of the final GPS 2018.
76. Separate advice on PED and RUC increases is being provided to Cabinet.

### *Crown Contributions*

77. The GPS is required to outline any Crown contributions that are outside of the NLTF. These are within the GPS 2018 document (see page 39 of Appendix One).

### **Human rights, legislative and gender implications**

78. No specific human rights, legislative or gender issues have been canvassed in this paper.

### **Regulatory Impact Analysis**

79. A regulatory impact assessment is not required with this paper as it does not result in changes to legislation or regulations.

### **Disability perspective**

80. There are no specific proposals relating to people with disabilities. Activities funded under the GPS, such as public transport and footpath maintenance, will continue to assist with improving accessibility for disabled people. Disability perspectives will be considered as part of the normal decision-making processes carried out by local bodies when determining regional land transport plans.

## Publicity

81. In preparing GPS 2018, I am satisfied that I have complied with all legal requirements under Section 67 of the LTMA. I intend to publicly release GPS 2018 after Cabinet consideration on 25 June 2018.
82. Following Cabinet agreement to release GPS 2018, a press release will be issued by my office referring the public to the Ministry of Transport website. The website will provide the GPS 2018 and supporting documents, including questions and answers on the GPS 2018 and the summary of the submissions document (summarising the feedback received through engagement). I also intend to release both this Cabinet paper and the paper which sought Cabinet agreement to release the draft GPS for engagement as part of the supporting documents.

## Recommendations

83. I recommend that the Committee:

1. **note** the contents of the final Government Policy Statement on land transport 2018/19 – 2027/28, which commits land transport funding for the next three years
2. **agree** that the overall strategic direction of GPS 2018 remains as safety and access (as key priorities) and environment and value for money (as supporting priorities) Yes/No
3. **agree** to the funding ranges specified in GPS 2018 Yes/No
4. **note** that Cabinet is considering separate advice on revenue changes proposed through increases to petrol excise duty and road user charges
5. **agree** to release GPS 2018 after Cabinet consideration on 25 June 2018 Yes/No

Hon Phil Twyford

**Minister of Transport**

Dated:

**Appendix one: GPS 2018 (separate attachment)**

**Appendix two: GPS 2015 funding ranges compared to GPS 2018 funding ranges**

<b>Activity class</b>	<b>Average percentage change over three years<sup>3</sup></b>	<b>Increase/decrease</b>
Public transport	68	Increase
Rapid transit	New activity class	
Walking and cycling improvements	116	Increase
Local road improvements	42	Increase
Regional improvements	96	Increase
State highway improvements	-11	Decrease
Road policing	14	Increase
Promotion of road safety and demand management	99	Increase
State highway maintenance	18	Increase
Local road maintenance	17	Increase
Investment management	27	Increase
Transitional rail	New activity class	

<sup>3</sup> The funding range upper boundary across three financial years (2015/16-2017/18 for GPS 2015, and 2018/19-2020/21 for GPS 2018)