

Government Policy Statement on land transport 2018

Questions and Answers

What is the GPS?

While the term GPS might be more familiar when talking about global positioning, in the transport sector it's more commonly used to refer to the Government Policy Statement on land transport.

Instead of directing us where to go, this GPS helps to direct money – like petrol taxes and road user charges – from the National Land Transport Fund into things that the government wants to achieve for New Zealand's transport network.

How does the GPS work?

The GPS helps to guide investment in transport by providing a longer-term strategic view of how we prioritise things in the transport network. The priorities set out in the GPS are given effect to by the NZ Transport Agency and taken into account by councils when making transport investments.

Why do we need the GPS?

The GPS sets aside money to:

- maintain our existing transport network to ensure we can get where we need to go, and this includes maintaining our roads
- improve our land transport network so that it functions better, through investing in roads like the Roads of National Significance, in public transport services, and in walking and cycling initiatives like through the Urban Cycleways Programme
- deliver specific objectives including lifting economic growth and productivity, improving safety, and improving preparedness for events like the Canterbury and Kaikoura earthquakes.

Where does the money allocated through the GPS come from?

The GPS informs how the money in the National Land Transport Fund is allocated.

Revenue for the National Land Transport Fund comes primarily from road users through fuel excise duty, road user charges and from motor vehicle registration and licensing fees. There are also modest contributions from sources such as the rental or sale of State highway land, and interest from cash invested.

The National Land Transport Fund is a hypothecated fund. This means revenue is ring-fenced for investment in land transport.

Does the draft GPS 2018 propose to continue the Government's existing priorities?

Yes, the draft GPS continues with the three strategic priorities of value for money, safety, and economic growth and productivity.

What is the focus of GPS 2018?

Building on the priorities of previous GPSs, this draft GPS looks to continue to provide the right infrastructure at the right level and to the best cost. It also continues to support the Safer Journeys Strategy.

There is an increased focus under the economic growth and productivity priority, particularly on:

- high growth areas
- freight
- regional improvements
- resilience

These priorities are supported by an approach including:

- technology
- One transport system

How would GPS 2018 support Auckland?

– The draft GPS 2018 supports the Auckland Transport Alignment Package. This includes addressing the four critical Auckland challenges identified by Auckland Transport Alignment Project:

- *enable a faster rate of housing growth*
- *address projected declines in access to jobs and education*
- *address increasing congestion on the motorway and arterial road network*
- *increase public transport patronage on congested corridors*

However, funding decisions for ATAP have not been made yet. The final GPS 2018 is expected to change once these funding decisions have been made.

How would GPS 2018 support high growth areas

The draft GPS 2018 focus supports High Growth Urban Areas through ATAP (as above) and the Housing Infrastructure Fund (HIF).

HIF will enable transport infrastructure projects to be brought forward where necessary to unlock housing developments in high growth areas.

How would GPS 2018 support freight?

Continuing the emphasis on supporting critical transport connections that support economic growth and productivity by:

- optimising the use of the current network (maintenance, resilience and technology)
- considering the long-term strategic view of inter-regional routes
- increasing network capacity (road, public transport, walking and cycling)
- increasing funding for road improvements and maintenance

How would GPS support this regional focus?

The draft GPS 2018 has an increased focus on regional development. It has greater emphasis on important inter-regional corridors, tourism and resilience and increased funding in the Regional Improvements activity class to help support this..

How would GPS 2018 support resilience?

By focusing on resilience at the most critical points, and giving priority to investment that improves route resilience where disruptions pose the highest economic and social costs. Also by supporting the development of regional plans to improve resilience

How would GPS 2018 support road safety

Since 2014, road fatalities and injury trends on our roads have worsened. Safety remains important for GPS 2018, and it supports safety by:

- giving greater emphasis to the Third Safer Journeys Action Plan
- increasing the funding ranges for Road Policing and Road Safety Promotion

How would GPS 2018 support value for money?

GPS 2015 made significant gains towards value for money by:

- allowing roads to be able to carry more high productivity motor vehicles
- improving rail freight travel time
- reducing maintenance costs per kilometre for some regions
- improving farebox recovery

GPS 2018 seeks to continue the progress made in value for money by:

- support the implementation of the One Network Road Classification
- continuing to emphasise improved returns from road maintenance and public transport

- use innovation and technology to increase net benefits from land transport investment and use.

How does the GPS propose to take new transport technologies into account?

Future transport demand is uncertain - transport demand is changing and these changes are expected to accelerate with technology changes.

The draft GPS 2018 emphasises the need to take a one transport system approach, that considers all modes of transport and coordination between those who are responsible for the different modes of transport. It also provides for new transport technologies and innovations that create new transport options.

Does the GPS fund maritime or air transport or rail?

While the Minister of Transport has a role in guiding coordination within the transport sector including between road, rail and maritime transport sectors, investment in rail and maritime is not currently covered under the GPS.

The draft GPS 2018 does emphasise a one transport system with an expectation for greater coordination between the GPS and those responsible for different modes of transport to help to maximise the benefits of transport to the economy.

How much funding is forecast under this GPS?

The draft GPS 2018 proposes an expenditure target of \$3.7 billion for the 2018/19 financial year; and allocates a total of \$11.35 billion over the first three years (2018/19 to 2020/21).

These expenditure targets assume that the current fuel excise duty and road user charge will continue unchanged.

Why does the draft GPS 2018 only indicate the first three years of funding?

Under the Land Transport Management Act 2003, the GPS must outline the funding ranges for activity class for the next 10 years. However, due to uncertainty around funding decisions for issues like the Kaikoura earthquakes and the Auckland Transport Alignment Plan the draft GPS 2018 only includes the funding ranges for the first three years.

The final GPS 2018 will include funding for ten years 2018/19-2027/28.

What are the key changes proposed to the activity classes in the draft GPS 2018?

<i>Activity class</i>	<i>Funding change from GPS 2015</i>	<i>Rationale</i>
<i>State highway improvements</i>	 Increase maximum funding available by 10 percent	This is to: <ul style="list-style-type: none"> • complete the freight improvements such as Roads of National Significance (RONS) • support pavement and bridge improvements to support High Performance Motor Vehicles (HPMVs) and 50 MAX vehicles • complete strategic regional corridor projects • support safety and technology improvements.
<i>Local road improvements</i>	 Decrease maximum funding available by 8 percent	This reflects the expected demand for local road improvements
<i>Regional improvements</i>	 Increase the maximum funding available by 57 percent	This activity class has increased to reflect demand to support regional economic development. This includes important strategic regional corridors and improving roads to cater for increased tourism.
<i>Walking and cycling improvements</i>	 Increase the maximum available funding by 17 percent	Funding for 2016/17 and 2017/18 was increased in December 2016 to support cycle ways initialled as part of the Urban Cycleway Fund. Proposed GPS 2018 funding proposed the continued development of urban cycleway networks and the tourism great cycle rides.
<i>State highway maintenance</i>	 Increase the maximum available funding by 9 percent	Funding has been set recognising increased VKT by heavy vehicles and the need to implement the One Network Road Classification work. The increase is moderate to

		continue the push for value for money.
<i>Local road maintenance</i>	 Increase the maximum funding available by 6 percent	<p>Funding has been set recognising increased VKT by heavy vehicles and the need to implement the One Network Road Classification work.</p> <p>The increase of \$40 million in GPS 2015 (2017/18) for the Kaikoura earthquake makes the percentage increase seem smaller.</p> <p>The increase is moderate to continue the push for value for money.</p>
<i>Public transport</i>	 increase the maximum funding available by 11 percent	This rate of increase reflects current and projected patronage growth, and allows for some public transport infrastructure investment.
<i>Road policing</i>	 Increase the maximum funding available by 9 percent	This is to reflect cost increases and for additional effort to support the implementation of the latest road safety action plan
<i>Road safety promotion</i>	 Increase the maximum funding available by 10 percent	This is to support the implementation of the latest road safety action plan.
<i>Investment management</i>	 Increase the maximum funding available by 4 percent	This is to support a continued focus on reporting, research, and particularly investing in safety research and technology trials.

How does the draft GPS 2018 propose to deal with the Kaikoura Earthquake?

The Kaikoura Earthquakes in November 2016 have disrupted transport connections in the South Island, particularly State Highway 1 and the rail freight line around Kaikoura.

The Government has agreed in principle to fund the costs of reinstating State Highway One along the existing coastal route. The uninsured cost of reinstating the rail line will be funding through Crown appropriation.

Improvements to the standard of alternative routes, and other work to improve route resilience, are still being considered. These will be funded through the GPS, but the scope and implications of this work will not be ready for the draft GPS 2018. The final GPS 2018 will include the outcome of these decisions

NEXT STEPS

How do I provide feedback about the draft GPS?

The draft GPS will be released for public engagement from February 2017 to March 2017.

Feedback can be emailed electronically to gps2018@transport.govt.nz or submitted in writing to:

Attn: GPS Policy Team
Ministry of Transport
PO Box 3175
WELLINGTON 6140

Feedback closes at 5pm Friday 31 March 2017.

Who do I contact if I have any questions?

If you have any questions which are not covered online or in these Q & A you can contact the GPS project team on gps2018@transport.govt.nz

When will the final GPS 2018 be issued?

The Ministry of Transport will consider comments received during engagement and prepare a final GPS for the Minister of Transport's consideration. The Minister must also consult with the Board of the NZ Transport Agency before the GPS is finalised.

A decision about the timing of publishing the final GPS 2018 has not been made yet.