

## Investment strategy scenarios for GPS 2021

<b>Reason for this briefing</b>	To seek further decisions required for preparing a draft GPS 2021.
<b>Action required</b>	Discuss outstanding areas at your meeting with officials on Monday 18 November 2019.
<b>Deadline</b>	18 November 2019.
<b>Reason for deadline</b>	We are scheduled to deliver a draft GPS 2021 by 3 December 2019. This paper seeks further decisions to support the development of the draft GPS.

### Contact for telephone discussion (if required)

Name	Position	Telephone	First contact
Helen White	Manager, Investment	██████████	✓
Bryn Gandy	Deputy Chief Executive, Strategy and Investment	██████████	
Danielle Bassan	Senior Advisor, Investment	██████████	

### MINISTER'S COMMENTS:

<b>Date:</b>	15 November 2019	<b>Briefing number:</b>	OC191184
<b>Attention:</b>	Hon Phil Twyford	<b>Security level:</b>	Budget sensitive

### Minister of Transport's office actions

- Noted*
 *Seen*
 *Approved*
- Needs change*
 *Referred to*
- Withdrawn*
 *Not seen by Minister*
 *Overtaken by events*

## Purpose

1. This briefing is to confirm your preferred strategic direction for GPS 2021 and seek your views on some of the assumptions and steers needed for preparing a draft GPS 2021. This briefing covers:
  - 1.1. Cost pressures that may impact GPS implementation
  - 1.2. Initial advice on Funding Assistance Rates
  - 1.3. Regional Improvements funding assumptions
  - 1.4. Coastal shipping activity class options

## Comment

2. Through discussions with officials and Associate Ministers you made significant progress towards your preferred investment strategy for GPS 2021.
3. Officials will turn this into a draft GPS but will need to work closely with NZTA on some of the detail required. To enable this, there are some outstanding questions and assumptions where it would be useful to know your views. They are summarised in this paper, and supported by detail in the attached A3s.

## Your priorities for GPS 2021 fit within revenue forecasts if Future of Rail contributions are reduced

4. The attached A3s translate the steers you have provided into a summary strategic direction, covering your discussions with Minister Genter and Minister Jones and highlighting any areas that you have not signalled as priorities for GPS 2021 (annex 1 and 2).
5. Your office has indicated that you may consider reducing indicative NLTF contributions to implement the Future of Rail from \$123 million per annum to \$100 million per annum. This means \$23 million per annum could be put towards other priorities. The scenarios set out in this briefing assume you are content to take this approach but we will confirm this with you when we meet on 18 November 2019.
6. Two sets of corresponding draft activity classes have been supplied. They reflect low (annex 4) and high (annex 3) investment scenarios, depending on where you set your level of ambition on some of your investment areas. More investment will allow a greater level of ambition, whereas less investment will provide for small, limited improvements.
7. Current revenue forecasts, plus reduced Future of Rail contributions, can accommodate the low scenario. Phasing of Let's Get Wellington Moving (LGWM) is still to be decided. This may help smooth pressure over the course of the GPS, but is unlikely to affect overall available investment as you still wish to meet the commitment in full.
8. You have signalled that you do not wish to pursue Petrol Excise Duty (PED) and Road User Charges (RUC) increases at this time and will see how natural increases in vehicle kilometres travelled affect revenue. We could put wording in the strategic direction and design the upper end of funding ranges so that if revenue increases, the GPS would enable NZTA to deliver to a higher level of ambition. Communication would need to be carefully managed so that it is clear to councils that the high end of ambition would only be achieved if revenue increases.

## Considerable pressure will remain on the NLTF and this may affect delivery

9. Whilst the priorities you have selected just fit within revenue forecasts on paper, you should note that the figures are only estimates. Actual costs are only determined when an NLTP is set, projects are confirmed for funding and business cases are completed. Even then, cost increases are common as infrastructure projects get under way.
10. Furthermore there are known cost pressures that may call on the NLTF:
  - 10.1. If Cabinet fund public transport subsidies through the Green Transport Card there would be a \$2 million to \$4 million annual call on the NLTF to cover administration and increased patronage.
  - 10.2. The NLTF agreed to set aside \$1 million per year for three years to fund Supergold card subsidies. Due to patronage growth, NZTA suggest this could increase to \$8 million per year. We are working with NZTA to understand the materiality of the funding issue and we will provide further advice if required. [REDACTED]
  - 10.3. GPS 2021 signals on state highway designations, spatial planning and coastal shipping may fund initial work/business cases for large infrastructure projects. This may set the expectation that funding to carry out those large projects will be made available. Current revenue forecasts do not include provision to fund such projects. If NZTA brought such projects to light you could seek support through:
    - 10.3.1. budget bids
    - 10.3.2. the PGF
    - 10.3.3. any future rate rises in the NLTF.
11. By signalling priorities that could use all available revenue, NZTA may still need to make trade-offs within the strategic direction you have set to cope with the known cost pressures. You should be aware that this may mean delivery does not go as far or fast as you may hope, if revenue were higher (creating more flexibility for the NZTA to meet pressures and fund new initiatives). From another perspective, the tight envelope could encourage NZTA to find efficiencies and/or innovate in order to meet your delivery expectations. You receive NZTA quarterly reporting, which will show progress.

## Funding Assistance Rates (FAR) could be altered so that councils can get local priorities over the line by contributing funding

12. You have directed the Ministry to consider changes to the FAR policy for GPS 2021. We have considered your objectives for this purpose to be:
  - 12.1. ensuring a mode neutral approach — incentives of the current FAR policy may distort delivery of the best solution from a mode-neutral perspective
  - 12.2. those who benefit from a project should contribute to its cost
  - 12.3. giving further buy-in for councils to plan for and contribute to the development of urban state highways

13. Changes to FAR policy can also have possible implications for NLTF revenue. For example, a lower FAR for state highways would require a local share, therefore reduced NLTF funding requirements.
14. While FAR is an NZTA policy setting, Ministers can set criteria for how it is set. This is seldom used — the last time was in 2008 to increase the FAR for community-led initiatives. FAR settings have only been subject to small changes since the 1920s, and the high-level settings (such as the 100 percent funding for state highways) have never changed. The previous review in 2012–2014 gradually implemented changes over 2015–2019, and the changes were mostly limited to ensuring the distribution of FAR between different regions reflected demographics and affordability. Local government has been highly engaged with any FAR policy review, because small changes can have significant impacts on councils' expenditure requirements.
15. The Ministry agrees that changes to FAR policy could potentially help to progress your objectives of ensuring mode neutrality, ensuring those benefit contribute appropriately to projects, and council buy-in to 100 percent FAR projects.
16. However, it is unlikely that FAR can help to make the GPS 2021 more affordable. In previous engagement with local government, we have heard that councils have limited capacity for additional investment in transport. Current local government investment in projects that are co-funded with the NLTF is \$1.1 billion per year, and over 50 percent of this goes towards local road maintenance, with the rest contributing to public transport, walking and cycling, and local road improvements. Without increasing the \$1.1 billion envelope, we would be limited to changes to how the existing contribution is distributed.
17. We know from previous experience that setting criteria that could change FAR policy will create significant nervousness for local government. The primary concern for councils is around whether the policy change could theoretically increase their transport funding requirements, or change the system that they are used to. We would therefore not recommend considering such changes without thorough engagement and analysis, which cannot be achieved in the timeframes for GPS 2021.
18. There are other ways to achieve your objectives through the GPS, which we are currently looking into further. For example, the GPS 2021 can direct the NZTA to work with councils to find proposals similar to previous city deals that involve local contribution to projects that would typically have a 100 percent FAR. We will provide you a briefing on this and detailed advice on FAR itself in the coming weeks.

**Under the current assumptions for the strategic direction, the regional improvements activity class is low**

19. The regional improvements activity class was created in GPS 2015 to improve the transport level of service outside of major metropolitan areas to support regional economic development. Under the current definition Wellington, Auckland, Hamilton, Christchurch, Tauranga and Dunedin are excluded as they are major metropolitan areas.
20. Under your draft strategic direction for GPS 2021, the regional improvements class would be mainly consist of activities that now fall under the Road to Zero, and therefore would feature in a safety activity class (if one was set up – OC 191000 will refer).
21. You expressed State Highway Improvements for urban growth outside Auckland and Wellington as a priority. Working with NZTA, we have interpreted this to be additional state highway regional improvement works. This may include activities like building reliable access to West Coast, port access and improvement in Napier or and town centre upgrades in Northland. Actual activities would vary and would depend on the level of funding that you

signal within a range of \$112 million to \$1.12 billion over 10 years. These activities could fall into the regional improvements class, if spent outside major metropolitan areas. However if you follow the recommendation for the low scenario (which fits within forecast revenue) it would provide \$0 million to \$20 million annually for the regional improvements activity class.

22. On Monday 18 November 2019, officials would like to discuss with you:
- 22.1. whether we have correctly interpreted your ambition for State Highway Improvements for urban growth (as per paragraph 17). If our interpretation was correct we can refresh the activity classes to include this decision in the regional improvements activity class (attached activity classes place it in the state highway improvements class until we have confirmed your aim).
  - 22.2. If your aim was more akin to re-evaluated state highway projects, then this would require a higher level of investment (likely \$500 million at a minimum). If you add this to the low scenario, then it would exceed current revenue forecasts.
  - 22.3. your views on whether the regional improvements class under the low scenario.

**We want to know if you have views on how to reflect coastal shipping in activity classes**

23. You have confirmed that support for coastal shipping is a priority for inclusion in GPS 2021. We will work with NZTA on designing how this will work in practice (OC191094 provided on 7 November 2019 refers). There are options for how to reflect coastal shipping funding:
- 23.1. Adding funding to an existing activity class such as investment management, and expanding the definitions to include coastal shipping
  - 23.2. Adding funding to several existing activity classes, and expanding the definitions to include coastal shipping
  - 23.3. Making a dedicated coastal shipping activity class, with funding only shown for the first three years.
24. If coastal shipping is part of another activity class it may be crowded out by other activities, or more coastal shipping may be funded instead of other activities you have signalled. You could request specific coastal shipping reporting from NZTA if you wanted to have transparency. If there are not many applications for funding related to coastal shipping, then having the funding within another activity class (not a dedicated class) would mean NZTA could use surplus funding on other activities, without requesting a transfer between activity classes.
25. A dedicated activity class would make coastal shipping stand out as a new feature, be transparent about funding available, make clear that it is only for first three years with further decisions to be made later and people's expectations would be set appropriately.
26. We would like to discuss with you whether you have strong views on the activity class options for coastal shipping. Each option has merits and your choice will depend on your underlying aim.

**Next steps**

27. Following discussions with you on 18 November 2019, we will draft your preferred strategic direction into a full GPS or we will return for further discussions pending your availability on 19 November, 20 November and 25 November 2019. We will draft a GPS 2021 for you to

review on 3 December 2019. In order to meet deadlines for cross-party consultation, we will need your changes by 5 December 2019.

### Recommendations

28. The recommendations are that you:

- a) **agree** to the strategic direction and investment level corresponding to the “low” activity classes and set out in the red box on the A3 Yes/No
- b) **discuss** the regional improvements activity class with officials Yes/No
- c) **discuss** your views on a dedicated coastal shipping activity class Yes/No
- d) **note** the NLTF cost pressures that will still remain under the investment scenarios
- e) **note** our initial advice on Funding Assistance Rates, and that further advice will follow

Helen White  
Manager, Investment Team

**MINISTER’S SIGNATURE:**

**DATE:**

# Annex 1: Strategic direction of GPS 2021 – based on your choices (decisions required on scale)



Safety	Better Travel Options	Improving Freight Connections
<ul style="list-style-type: none"> <li>40% reduction in Deaths and Serious Injuries from Road to Zero strategy.</li> <li>70% of improvements will take place outside Auckland and Wellington.</li> <li>Focuses investment on a package of improvements backed by evidence.</li> </ul> <p><b>This could be an activity class and/or a priority programme with a target spend (drawn from across activity classes). See Briefing for options.</b></p>	<ul style="list-style-type: none"> <li>Base allows continuation of public transport services and underway major walking &amp; cycling initiatives.</li> <li>Auckland Transport Alignment Project (ATAP) &amp; Let's Get Wellington Moving (LGWM) support major progress in quality of travel options in those areas. <b>These could be priority programmes with target spend.</b></li> <li>National Land Transport Fund (NLTF) share if councils introduce wage floor for bus drivers.</li> <li>Investing in State Highway Improvements for urban growth outside Auckland and Wellington (we could explore joint funding between councils and NZTA). <b>Note discussion needed on your aim (see briefing).</b></li> <li>Supporting delivery of mode shift plans in Hamilton, Tauranga, Christchurch &amp; Queenstown can be flexed to meet available revenue:                     <ul style="list-style-type: none"> <li>\$1.1 bn – Cost-effective mode shift, smaller-scale improvements to PT and walking/cycling, early years focus on business cases to determine best solutions to growth.</li> <li>\$0.55 bn – Limited, small change. Focus on bus lanes and bus shelters.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Base allows maintenance of roads to their current state – NZTA deem this to be low and would suggest more funding is needed to <i>improve</i> these.</li> <li>Freight improvements in Auckland and Wellington are possible from ATAP/LGWM funding &amp; State Highway Improvements for urban growth – although that is not a major focus of these programmes.</li> <li>Rail network investments support rail continuing to be an option for moving freight. <b>Future of Rail will have an activity class and be a priority programme with target spend.</b></li> <li>Coastal Shipping infrastructure projects, start-ups and studies (mode shift may be limited). This would be a trial over 3 years and should show, through Regional Land Transport Plans, if there is demand for future funding. See <b>Briefing for options.</b></li> </ul>

**In your strategic direction you can also:**

- Encourage join-up between NZTA, the Ministry's Portfolio Investment Approach and National Infrastructure Commission to make sure state highway designation work is carried out in advance if projects relate to safety, resilience or urban growth
- Encourage innovation in investments made in GPS 2021
- Be clearer about NZTA's role in helping councils make RLTP's they are proud of, and ensuring they appropriately set councils' expectations
- Encourage NZTA to invest in projects that contribute to multiple priorities
- Highlight that tourists will benefit from improvements to urban centres, safety and crucial road routes.

Remaining gaps		
<ul style="list-style-type: none"> <li>DSI reduction happens gradually over time, meaning a higher aggregate level of DSI over 10 years than if the programme was 'front-loaded'.</li> <li>Road safety strategy does not improve broader safety outcomes, for example personal security improvements or removing road/rail level crossings.</li> </ul>	<ul style="list-style-type: none"> <li>Progress in achieving mode shift outside Auckland and Wellington is dependent on level of investment. Unlikely to be fast or transformational.</li> <li>Unable to fund major investments that may be identified in Hamilton, Tauranga, Christchurch &amp; Queenstown spatial planning work (first three years of NLTF likely to focus on business cases and determining best solutions so could be a priority for next GPS review).</li> <li>No fare reductions (pressure on the NLTF if Cabinet pass Green Card).</li> <li>No specific provision to support tourism.</li> <li>Passenger rail only within LGWM and ATAP. This aligns with the upcoming Rail Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Little improvement to inter-regional road freight (e.g. state highway upgrades, High Productivity Motor Vehicles network expansion).</li> <li>No major supply chain changes (e.g. growth of Northport).</li> <li>No major reduction in harm from freight (e.g. emissions, noise reduction etc.).</li> <li>Little progress in urban freight efficiency outside Auckland and Wellington.</li> </ul>

**GPS 2021 will not include investment to back up:**

- Improving the Transport Evidence Base (\$0.1 billion)
- Resilient and reliable metropolitan rail additions [REDACTED]
- Capacity for growth in Wellington and Auckland on the rail network [REDACTED]
- Targeted reduction to public transport fares (\$0.325 billion)
- Funding noise remediation (\$0.15 billion)
- Additional state highway maintenance investment (\$0.5 billion)
- Regional development initiatives (\$0.4 billion to \$3.2 billion)
- Optimised state highway maintenance and re-evaluated state highways (\$0.5 billion- \$5.3 billion)
- Integrated ticketing (~\$0.4 billion over 10 years - rough estimate)
- Coastal shipping subsidies (cost not modelled)
- Other potential priorities e.g. environmental investment
- Walking and cycling improvements beyond finishing existing projects, ATAP and LGWM, small improvements in high growth urban areas
- Specific Auckland funding after 2028 above base (note, this will not be realistic. ATAP funding after 2028 is currently under discussion)

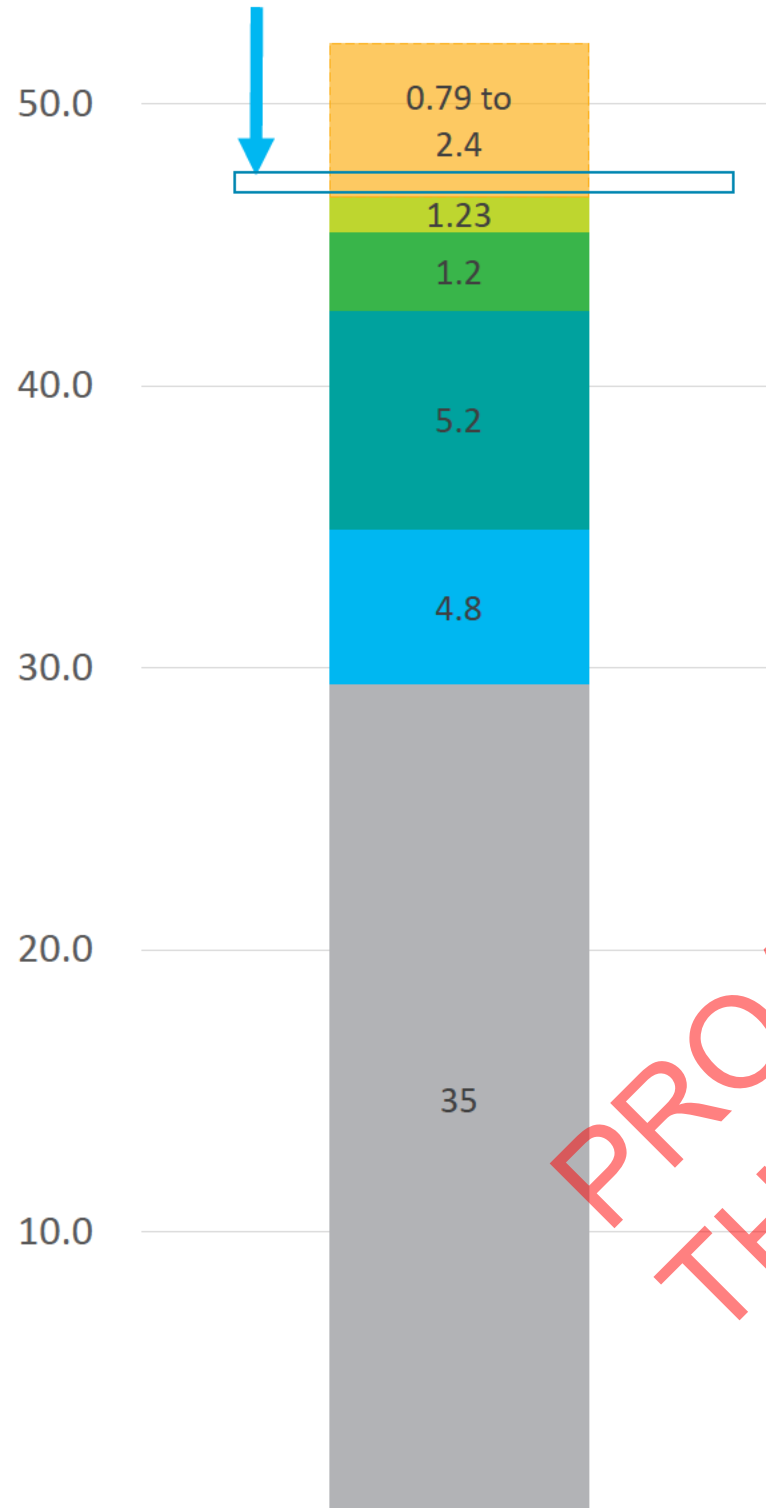
**You may wish to recommend these as future Budget initiatives**

## Annex 2: Summary of strategic direction against revenue

Total spend 2021/22-2030/31 (\$b)

\$48 billion forecast revenue – assumes no rate increases beyond 2020.

\$570 million remains after Future of Rail, LGWM, ATAP, Road to Zero, and base spend.



Item	Description
Priorities provided to officials on 12 November 2019	Priorities that you have signalled interest in but need extra revenue
Future of Rail	Cost of rail to the NLTF. This could be slowed; or reduced
LGWM	The costs of LGWM not in base spend
ATAP	The costs of ATAP not in base spend
Road to Zero	The costs of Road to Zero not in base spend
Total base spend	<p>You have confirmed broad support for the total level of expenditure required to operate and maintain the network at current levels of service.</p> <p>You will provide further steers on State Highway maintenance.</p> <p>We will draft GPS 2021 to re-focus research funding and demand management, on future-focused work and innovation.</p>

### You wish to support \$794m to \$2.4bn additional activities

- Coastal shipping (\$30 million to \$40 million over 3 years)
- Living wage for bus drivers
- State Highway Improvements for urban growth excl. ATAP & LGWM e.g. reliable access to West Coast, port access and improvement in Napier, town centre upgrade Northland. (\$112 million to \$1.12 billion over 10 years)
- Modeshift in Tauranga, Hamilton, Queenstown and Christchurch e.g. bus lanes, bus shelters, walking & cycling, business cases determine future needs (\$552 million to \$1.151 billion over 10 years)

### This can fit with revenue but there are limitations

- If you reduce FoR commitments to \$1bn then the “low” scenario fits within the revenue forecast – pending discussion about our interpretation of your aims for State Highway Improvements for Urban Growth outside Wellington and Auckland.
- These figures are only estimates and there are still known pressures outside your control e.g. SuperGold Card.
- The NZTA will need to balance delivery of these activities against any cost pressures that arise during GPS 2021 implementation.

### How this reflects feedback from Associate Ministers

Minister Jones’ priorities are reflected in:

- The base (expenditure in regions)
- Coastal shipping
- Future of Rail
- Road to Zero (70% improvements outside Auckland & Wellington)
- Parts of State Highway Improvements for urban growth (see above)\*
- Wording on state highway designations that will be added to the strategic direction

Additional funding outside the main urban centres could include activities that support jobs/economy, i.e. more HPMV routes capability, resilience protection for key primary produce routes, etc. This would need \$400m to \$3.2 billion so has been excluded.

Minister Genter’s priorities are reflected in:

- Coastal shipping (may build groundwork for mode shift)
- Future of Rail (mode shift contribution)
- Road to Zero
- LGWM and ATAP
- Modeshift in Tauranga, Hamilton, Queenstown and Christchurch

GPS 2018 boosted investment in alternatives car use. GPS 2021 priorities are more concentrated and bring in coastal shipping and heavy rail. Therefore funding ranges for walking and cycling will be lower. For \$100m per year we could match 2018 funding ranges in walking and cycling.



## Annex 3: Indicative draft activity classes– scenarios based on high ranges (this would require additional revenue)

- This table shows what the activity classes could look like to support this scenario.
- The scenario is for illustrative purposes only, to initiate the GPS 2021 'investment story' development. It is not a recommendation.
- We have included some annotations to highlight key decisions that need to be considered, and will advise you in future advice in more detail where changes might need to be considered.

Activity class	Change from GPS 2018	GPS 2021 funding ranges (high scenario)						Forecast funding ranges			
		2021/22 \$m	2022/23 \$m	2023/24 \$m	2024/25 \$m	2025/26 \$m	2026/27 \$m	2027/28 \$m	2028/29 \$m	2029/30 \$m	2030/31 \$m
Public transport	↓	770 560	760 550	790 580	760 550	760 560	780 570	810 590	680 490	700 510	720 520
Rapid Transit	↓	310 120	320 120	320 130	400 160	410 160	430 170	450 180	150 60	180 70	190 70
Walking and cycling improvements	↓	220 145	210 140	210 140	110 70	90 55	85 55	80 50	25 15	25 15	25 15
Local road improvements	↓	430 180	380 160	390 160	400 170	400 170	410 170	420 180	200 80	210 90	260 110
Regional improvements	↓	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
State highway improvements	↑	1800 1400	1550 1250	1550 1250	1450 1150	1350 1050	1250 1000	1150 900	950 750	950 750	900 700
Road policing	↑	█	█	█	█	█	█	█	█	█	█
Promotion of road safety and demand management	↓	65 45	65 45	70 45	70 50	70 50	75 50	75 50	75 55	80 55	90 60
State highway maintenance	↑	860 740	880 750	900 770	940 800	970 830	1020 870	1060 910	1110 950	1150 980	1190 1020
Local road maintenance	↑	760 650	780 670	800 680	820 700	840 720	860 730	880 750	900 770	930 790	950 810
Investment management	↑	80 70	85 75	90 75	90 75	90 80	95 80	95 80	95 85	100 85	100 85
Rail	↑	560 265	385 180	165 75	110 50	110 50	105 50	105 50	105 50	105 50	105 50
Coastal shipping	New	15 10	15 10	15 10	0 0	0 0	0 0	0 0	0 0	0 0	0 0

In this scenario, the ATAP commitment ends in 2027/28. The first decade (with \$16.3b commitment) ends here, which is why some funding ranges are lower from this point.

Public transport spend is sufficient to deliver existing services, ATAP, LGWM, plus \$25m per year in other cities.

An element of state highway improvements expenditure would happen in regions, and could be funded through the regional improvements if you want to ring-fence funding for regions.

In this scenario, Road to Zero is delivered across multiple activity classes. Future advice will show it as its own activity class.

The Rail activity class includes \$100m per year for Future of Rail, and completing the Transitional Rail projects.

The difference between the upper and lower funding bands use the same assumptions as GPS 2018, combined with the estimated mid-points for this scenario – we will review these for our next advice.

### Key features of this scenario

- Coastal shipping low end of range (\$40 million over 3 years) –no additional funding in later years. See Briefing paper for options.
- Living wage for bus drivers funded in full through the public transport activity class
- State Highway Improvements for urban growth is funded at the high end of the range (\$1.12 million over 10 years) – this consists of investment in areas outside of ATAP & LGWM. Examples of kinds of investment include, SH improvements to unlock urban growth, reliable access to West Coast, port access and improvement in Napier, town centre upgrade Northland
- Modeshift in Tauranga and Hamilton, Queenstown, Christchurch at the high end of range (\$1.15 billion over 10 years) – you said you wanted to progress rapid transit in Hamilton and Tauranga, focusing on buses. At the high end of the range NZTA could make considerable progress with mode shift.
- Walking and cycling improvements from ATAP, LGWM and high growth urban areas.

## Annex 4: Indicative draft activity classes– based on low ranges (this just fits within forecast revenue)

- This table shows what the activity classes could look like to support this scenario.
- The scenario is for illustrative purposes only, to initiate the GPS 2021 ‘investment story’ development. It is not a recommendation.
- The annotations from the previous slide also apply, and we will advise you in future advice in more detail where changes might need to be considered.

Activity class	Change from GPS 2018	GPS 2021 funding ranges (low scenario)						Forecast funding ranges			
		2021/22 \$m	2022/23 \$m	2023/24 \$m	2024/25 \$m	2025/26 \$m	2026/27 \$m	2027/28 \$m	2028/29 \$m	2029/30 \$m	2030/31 \$m
Public transport	↓	750	740	760	730	740	750	770	650	660	680
		540	540	560	530	530	550	560	470	480	500
Rapid Transit	↓	310	320	320	400	410	430	450	150	180	190
		120	120	130	160	160	170	180	60	70	70
Walking and cycling improvements	↓	175	170	170	90	70	60	60	0	0	0
		115	110	110	55	40	40	35	0	0	0
Local road improvements	↓	420	370	380	390	390	400	410	190	200	250
		170	160	160	160	160	170	170	70	80	100
Regional improvements	↓	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0
State highway improvements	↑	1650	1450	1450	1350	1250	1150	1000	850	800	800
		1300	1150	1150	1050	950	900	750	650	600	600
Road policing	↑	█	█	█	█	█	█	█	█	█	
Promotion of road safety and demand management	↓	65	65	70	70	70	75	75	75	80	90
		45	45	45	50	50	50	50	55	55	60
State highway maintenance	↑	860	880	900	940	970	1020	1060	1110	1150	1190
		740	750	770	800	830	870	910	950	980	1020
Local road maintenance	↑	760	780	800	820	840	860	880	900	930	950
		650	670	680	700	720	730	750	770	790	810
Investment management	↑	80	85	90	90	90	95	95	95	100	100
		70	75	75	75	80	80	80	85	85	85
Rail	↑	560	385	165	110	110	105	105	105	105	105
		265	180	75	50	50	50	50	50	50	50
Coastal shipping	New	12	12	12	0	0	0	0	0	0	0
		8	8	8	0	0	0	0	0	0	0

- Coastal shipping low end of range (\$30 million over 3 years) –no additional funding in later years. See Briefing paper for options.
- Living wage for bus drivers funded in full
- State Highway Improvements for urban growth funded at low end of range (\$112 million over 10 years) – investment in areas outside of ATAP & LGWM, examples of kinds of investment: reliable access to West Coast, port access and improvement in Napier.
- Modeshift in Tauranga and Hamilton, Queenstown, Christchurch at the low end of range (\$552 million over 10 years) – you said you wanted to progress rapid transit in Hamilton and Tauranga, focusing on buses rather than light rail. At the low end of the range NZTA would apply best practice to public transport planning by focusing on small-scale improvements first. This would most likely be on small bus shelter improvements and bus lanes. Planning work and business cases are yet to determine what larger scale solutions may be required for the future of these areas.
- Walking and cycling ranges are lower than in GPS 2018.

## GPS 2018 activity classes – for reference

Activity class	GPS 2018 funding ranges						Forecast funding ranges			
	2018/19 \$m	2019/20 \$m	2020/21 \$m	2021/22 \$m	2022/23 \$m	2023/24 \$m	2024/25 \$m	2025/26 \$m	2026/27 \$m	2027/28 \$m
<b>Public transport</b>	630 460	700 510	710 520	740 540	770 560	780 570	800 580	830 610	980 720	1100 800
<b>Rapid Transit</b>	310 60	300 60	150 30	150 0	180 70	540 220	830 340	910 370	710 290	780 320
<b>Walking and cycling improvements</b>	95 60	120 80	145 95	125 80	115 75	115 75	115 75	115 75	115 75	120 80
<b>Local road improvements</b>	230 90	350 150	450 190	490 200	520 220	470 200	480 200	420 180	430 180	420 180
<b>Regional improvements</b>	140 50	180 70	210 80	210 80	210 80	210 90	180 70	190 70	190 80	200 80
<b>State highway improvements</b>	1550 1200	1150 900	1150 900	1300 1050	1000 800	900 700	650 500	600 450	650 500	500 350
<b>Road policing</b>	360 320	370 330	380 330	380 340	390 350	400 350	410 360	420 370	420 370	430 380
<b>Promotion of road safety and demand management</b>	60 40	75 50	90 65	110 75	110 75	110 80	115 80	115 80	120 85	120 85
<b>State highway maintenance</b>	700 600	710 600	720 610	740 630	750 640	770 660	790 670	810 690	830 710	850 730
<b>Local road maintenance</b>	720 610	690 590	710 600	720 620	740 630	760 650	780 660	800 680	820 690	840 710
<b>Investment management</b>	80 65	75 65	80 65	80 65	80 65	80 70	85 70	85 70	85 70	85 75
<b>Transitional rail</b>	55 10	175 40	205 95	185 85	120 55	40 15	30 10	5 0	0 0	0 0