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| Report No.                              | 20-26 |
| Information Only - No Decision Required |       |

## CENTRAL GOVERNMENT CONSULTATION AND UPDATES

### 1. PURPOSE

- 1.1. The purpose of this report is to provide members with information on various documents and consultation items released by Central Government or due to be released.

### 2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 20-26 and Annexes.

### 3. FINANCIAL IMPACT

- 3.1. There will be no financial impact as a result of this item.

### 4. COMMUNITY ENGAGEMENT

- 4.1. None required.

### 5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. There is no significant business risk impact as a result of this item.

### 6. BACKGROUND

- 6.1. In December 2019, a number of updates and documents were released by Central Government which relate to key projects underway in the transport sector. In many cases, these documents will guide our own planning and decision making at a regional level and it is therefore important to be across them and submit feedback where required.
- 6.2. The relevant documents are discussed below.

### 7. LAND TRANSPORT (RAIL) LEGISLATION BILL

- 7.1. On 19 December 2019, the Transport and Infrastructure Select Committee released the draft **Land Transport (Rail) Legislation Bill (Rail Bill)** and called for submissions by 7 February 2020.
- 7.2. The Rail Bill seeks to make changes to the **Land Transport Management Act (LTMA)** to provide for Rail as part of the land transport system and therefore allow for a more long-term strategic planning focus for the rail network, the ability to consider road and rail investment together, and an integrated funding/investment programme.
- 7.3. From a regional planning point of view, these changes should enable integration of rail investment projects into the Regional Land Transport Plan which will allow rail to be considered as part of the wider land transport picture for our region.
- 7.4. Below is a summary of the key changes proposed as part of the Rail Bill that are considered relevant for our Region and activities:
- The Bill requires KiwiRail to develop a three yearly **Rail Network Investment Plan (RNIP)**. Consultation on the RNIP is required with Auckland Transport and **Greater Wellington Regional Council (GWRC)** RTCs only. There is significant benefit in

consultation on the RNIP being opened up to all RTCs as this will give Councils an understanding of any rail investment proposed (or not) in their respective regions and the ability to plan for this as part of the regional land transport planning process.

- The Rail Bill proposes the first RNIP be prepared and released at the same time as the **National Land Transport Programme (NLTP)** on 1 July 2021. This timing creates difficulties from a regional planning point of view as RTCs are required to have their RLTPs completed and submitted to the NZ Transport Agency by 30 April 2021. Consequently, there will be limited ability for Councils to have a good understanding of any proposed rail infrastructure projects in their region in time for inclusion in the **Regional Land Transport Plan (RLTP)**. It would be better if the release of the RNIP was earlier to give RTCs sufficient time to incorporate rail projects into their RLTP's.
- The Rail Bill proposes a 'partial integration' model for including rail infrastructure in the LTMA. Under this model, decision making on the rail investment programme sits with the Minister of Transport, with the NZ Transport Agency making recommendations to the Minister on whether the RNIP is consistent with the LTMA and GPS. Another model was proposed (but not preferred by the Committee), called 'full integration' where the RNIP would be considered and included in the RLTP planning process and then considered and approved (or not) by the NZ Transport Agency. The full integration model would require rail investment to follow the same pathway as other land transport programmes and would assist in our regional land transport planning by enabling rail projects to be prioritised with other transport activities prior to being included in the NLTP. The partial integration model proposed does not provide for this.

For the sake of our regional planning process for land transport, it would make sense to have rail projects follow the same process as other land transport investment and go through the RLTP and NLTP process.

- The Rail Bill requires KiwiRail to be a non-voting member of the Auckland and Wellington RTCs. It proposes that KiwiRail can join other RTC's as a non-voting member if requested and if KiwiRail have the capacity. Given the Lower North Island Passenger Rail aspirations and rail freight hubbing projects in the region, KiwiRail representation on our RTC is vital.

7.5. A submission was prepared and submitted on behalf of the Committee highlighting the above matters. The submission is attached to this report as Annex A.

7.6. In summary, the changes proposed by the Rail Bill will be a positive step forward in enabling rail to be planned and funded as part of the land transport network which should allow a more holistic approach to the management of land transport activities in our region and the country as a whole.

## **8. LAND TRANSPORT (NZTA) LEGISLATION BILL – SPEED MANAGEMENT PLANS**

8.1. In December 2019, the **Ministry of Transport (MoT)** released the **Land Transport (NZTA) Legislation Amendment Bill (the Bill)** for consultation. Submissions were due 7 February 2020.

8.2. The Bill proposes changes to the LTMA to enable the establishment of a framework around speed management by strengthening MoT and the NZ Transport Agency's regulatory leadership in this space. The changes will give the NZ Transport the ability to invoke powers and require the RTC to complete actions around speed management, specifically, speed limits and the development of a regional speed management plan.

8.3. On the whole, the changes proposed are supported in principle as they aim to improve road safety, however there are some concerns around the lack of certainty and potential (unclear) implications that the changes will have at a regional level.

03 March 2020

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- 8.4. The introduction of regional speed management plans and the removal of the current bylaw-making process in conjunction with the proposed speed limit setting regime may result in an inconsistent approach to speed management across regions. More clarity is needed before it can be certain that this change will result in a more streamlined and democratic approach to speed management in New Zealand. It is recommended that the views of the relevant Road Controlling Authority be considered given their expertise and local knowledge.
- 8.5. A submission was made on behalf of Horizons Regional Council highlighting the above matters along with other areas of general support. The submission is attached as Annex B.

## 9. ARATAKI

- 9.1. Arataki is the NZ Transport Agency's 10-year view outlining what is needed to deliver on the Government's current priorities and long term objectives for land transport. It was previously called the Long Term Strategic View (LTSV).
- 9.2. The **Government Policy Statement (GPS)** provides the strategic direction for the **National Land Transport Programme (NLTP)** and therefore guides funding and strategic direction for our region. The role of Arataki is to outline the national story, with regional summaries that:
- Cover the current state;
  - Identify where there is need for changes to meet the Government's short term priorities and long term outcomes;
  - Highlights trends that influence the choices we make today and the future land transport system; and
  - Outlines what needs to be done directly and in partnership with others to deliver the government's objectives for the land transport system.
- 9.3. It is intended that Arataki will be implemented through a number of avenues including integrated land use and transport plans, council long term plans and regional land transport plans among others. It is therefore important that we are across this document and ensure the 'story' for our region is accurate and reflects our strategic priorities.
- 9.4. In December 2019, the NZ Transport Agency released the first version of Arataki for stakeholder feedback. There is no formal submission process at this stage but any feedback supplied will inform the next version of Arataki due to be published in August 2020.
- 9.5. The regional summary for our region is attached as Annex C. It highlights the NZ Transport Agency's view on the current state of our region and the proposed areas of focus moving forward. The regional summary provides a reasonable outline of the current state and pressures for our region, however the future focus doesn't seem to fully align with this or our own strategic view. There are a few key projects that are either not included or adequately emphasised. Specifically:
- The regional summary talks about supporting regional development and recognises the strategic role the region plays in the movement of people and freight north, east, west and south. However, it does not mention or recognise the importance of tying all of the links together via the Palmerston North Integrated Transport Improvements, specifically the Regional Freight Ring Road. This project is critical to ensuring safe and efficient movement of freight and people around our region, particularly from the east (once the Te Ahu Tauranga project is complete), from the south (once the Otaki to North of Levin highway is in place) and to the north west through the increasing congested Sanson to Bulls corridor. It will also be crucial in ensuring the investment central government is putting into the KiwiRail Regional Freight (Rail) Hub is successful. Put simply, the

03 March 2020

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Regional Freight Ring Road is an important piece of the puzzle and without it, the NZ Transport Agency's goals of supporting regional development and improving road safety will not be achieved.

- Further to the above, it is noted that the Capital Connection passenger rail service (or passenger rail in general) has not been identified in the Regional Summary. The capital connection service provides an important link between Palmerston North and Wellington for weekday commuters. It also provides transport choice, which, given the congestion and resilience issues on State Highway 1 between Levin and Wellington is critical. Significant investment at both the local and central government level has been committed to enable this service to continue in the short term while a longer term solution is identified and able to be implemented. This signals the value of the service from both a local and national perspective. While not as much energy or funding has been committed, we also see passenger rail to the north of our region to also be important long term to provide another mode of travel on a network that already exists and could support the tourism industry in the Ruapehu district as well as reducing emissions and improving road safety.

For this reason the passenger rail and its importance for the region should be included in the regional summary as an area of focus for our region.

- The NZ Transport Agency has identified significantly reducing harm (eg. improving road safety) as a medium priority. This should be given a high priority rating, particularly since the summary identifies the road safety record for our region is 'poor'. Further to this, the summary highlights that focus is needed on the Palmerston North, Whanganui and Levin urban areas and the state highways that link them. This however is not translated in the areas of focus at the rear of the summary. The focus appears to be on high risk rural roads, but this should be extended to local roads and connecting state highways as the issue doesn't appear to be exclusive to rural roads.

It should also be recognised that good connections (eg. the Regional Freight Ring Road) and better use of other modes such as rail and public transport will increase the safety of our urban and local roads by lessening the pressure on these corridors.

- The regional summary projects moderate population growth for Palmerston North and lower growth for Levin (with an ageing population forecast for the Horowhenua). This does not then flow on to the areas of focus. The goal of transforming urban mobility is given a medium priority and lists the matters NZ Transport Agency will focus on supporting. While this is good, it is noted that the only reference to urban growth is in Whanganui, implying that some of the initiatives that will be supported only apply to Whanganui. This does not match with previous commentary in the regional summary which refers to growth in Palmerston North and Levin.

This section should also refer to Palmerston North, Levin and possibly Feilding (given it is a satellite town for Palmerston North) as areas of projected population growth and the demand this places on the region's networks. This will ensure that improvements to walking and cycling networks and public transport services also applies to our other main centres. This will in turn improve road safety and help tackle climate change (other areas of focus identified in the regional summary).

Further, it is noted that our region has been identified as one of 5 surge regions by the Government. This is not translated in the regional summary and should be as it tells a more accurate story of growth in the region.

- The issues associated with lack of access for an ageing population are identified in the regional summary. However, in the areas of focus, only Horowhenua is identified as a focus for improving mobility for senior residents. Given the isolation of some of our northern communities who also face an ageing population, this should refer to the Ruapehu district as well.

03 March 2020

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- The summary highlights that the region has a high unemployment rate and comparatively low median household income. It notes that access to education, employment and healthcare must improve, particularly in the north and east of the region. We agree that this is needed and support the area of focus included under the 'Transform Urban Mobility' priority/focus.
- It is noted that the regional summary identifies our region as having twice the national average of journeys to work by foot or bike. This is excellent but momentum and focus on this area should remain to ensure active transport continues to increase and be a viable mode of transport in our urban centres, particularly given our vehicle emissions are higher than the national average.

We would like to see greater focus on enabling walking and cycling, as well as other active transport modes in our region included in the areas of focus in the regional summary.

- It is noted that the regional summary highlights that transport carbon emissions are higher than the national average, likely due to the volume of through traffic and freight using our networks. While this may be the case, a focus on providing other lower carbon emission options for freight and other vehicle movements is important so that we can aim to reduce the carbon emissions in our region as well as nationally.

- 9.6. Overall, the summary does not paint a bad picture for our region and it does show commitment from the NZ Transport Agency to invest in the region to improve many different transport outcomes. However it is, in our view, lacking in critical areas such as the Regional Freight Ring Road and its importance to a fully integrated and connected regional transport network as well as passenger rail. Additionally greater emphasis should be implied as to our actual high economic and population growth predictions.
- 9.7. We have taken the opportunity to provide feedback and sent a letter raising many of the above concerns and comments to the Arataki project team. We hope that this feedback will be the start of more conversations with government around the priorities and strategic direction for our region leading into the next RLTP development phase.
- 9.8. A copy of the letter is attached as Annex D.

## 10. INVESTMENT DECISION MAKING FRAMEWORK

- 10.1. The **Investment Decision Making Framework (IDMF)** is a guiding document used by the NZ Transport Agency to inform the development, assessment and prioritisation of investment in the land transport system. This document therefore has an impact on how we manage investment and seek funding for land transport projects in our region.
- 10.2. The NZ Transport Agency and MoT are working together to review the IDMF to ensure it aligns with the investment strategy outlined in the GPS while also providing greater clarity on how the investment framework works and therefore how the NZ Transport Agency makes its investment decisions.
- 10.3. In December 2019, the NZ Transport Agency released a consultation document and draft design report outlining the proposed changes to the IDMF and sought submissions by 21 February 2020.
- 10.4. This version of the IDMF follows the investigations phase which was completed in July 2019. Based on sector feedback in the investigation phase, the NZ Transport Agency has reviewed and made changes to the IDMF, some of which come into effect immediately and some which come in later. There will be future changes to this document following this round of consultation and the release of the next GPS (which the IDMF must give effect to).
- 10.5. The key substantive changes to the IDMF from the review are as follows:



#### Investment principles

The Transport Agency is moving from 10 investment principles down to five easy-to-understand principles to guide investment choices.

#### Right-sizing business cases

The Transport Agency has developed tools and guidance to make it clear how much information is needed for business cases based on risk and complexity.

#### Assessment of business cases

Tools and guidance have been developed to help in the assessment of options and in the decision-making process.

#### Capability

The Transport Agency is introducing new ways to increase the capability of users across the sector, to ensure they understand and can confidently apply the changes being made.

#### New benefits framework

A new benefits framework has been developed to make identification, measurement and use of benefits easier and more consistent. It includes quantitative, qualitative and monetised benefits.

10.6. The NZ Transport Agency is seeking feedback on the changes, specifically the nine 'building blocks' which form part of the IDMF framework. The NZ Transport Agency has asked specific questions in reference to these building blocks which they are seeking answers from the sector on. The building blocks are:

- Investment principles – five new principles have been developed to help guide investment choices and provide more detailed information where needed.
- Right sized business case guidance – this will assist with the preparation of a business case based on the level of risk, uncertainty and complexity involved. The intention is that the level of effort needed to complete a business case should be clear at the outset. A short-form business case (single stage business case lite) is also being prepared for investments up to \$5M.
- Standard interventions – Guidance is being developed to streamline the investment pathway for standard safety interventions by setting out high-level requirements that need to be supported.
- Low cost, low risk (LCLR) programmes – the threshold for low cost low risk activities is being reviewed (currently \$1M) and guidance on the information required to be provided with LCLR programmes.
- Programmes and packages – guidance has been updated to provide better clarification for AOs developing business cases for individual activities or packages of activities and the NZ Transport Agency when making decisions based on a business case or programme.
- Benefits framework – a new framework to show how benefit information is used in planning and reporting will be used in business cases when recording information in Transport Investment Online (TIO) about new activities and when reporting on benefits that have been realised.
- Early assessment sifting tool (EAST) – a new tool to support screening of early alternative and options at the long list stage of a business case. Developed from UK best practice.

03 March 2020

- Appraisal summary table – a new tool to present decision makers with concise information at the short list and preferred option stages. Based on an international concept.
  - Multi-criteria analysis – creation of a template to ensure a broad range of options and alternatives have been considered and consistent investment decisions at the long list stage.
- 10.7. Essentially, the NZ Transport Agency are seeking to improve the guidance for AOs when applying for funding to ensure the required information is supplied with the application. In some cases this may result in additional time and work being required to secure funding. However in other cases such as for Low Cost Low Risk activities and Standard Safety Interventions, the pathway may become easier with increases to the threshold for low cost low risk activities and development of a list of standard safety interventions. However, this is yet to be fully understood and we await further detail on this.
- 10.8. The content and changes of the IDMF review are of a technical nature and feedback sought was directed by a suite of questions. Rather than submitting on behalf of the RTC, officers have responded to the questions raised, where relevant, and submitted separately. The IDMF review was also discussed at the **Regional Advisory Group (RAG)** meeting on 13 February to ensure consistency in our understanding of the benefits and any concerns with the review document. Following this meeting a comprehensive draft submission from the TSIG was released which officers consider adequately addresses the key points.

## 11. GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT

- 11.1. In July 2018, the current GPS came into effect. This GPS had been amended to reflect the strategic direction of the current Government and was the first of a two stage process in achieving that direction. Since the release of the current GPS, the MoT have been working on finalising the measures to reflect the short to medium term results identified in the GPS and have advised that rather than releasing a 'stage two' GPS, they intend to include these in the GPS, 2021.
- 11.2. The most recent correspondence (February 2020) indicates that the draft GPS 2021 has been completed and is being considered by Ministers. The release of the draft GPS 2021 is expected to be in **March 2020** with the consultation period proposed to run for seven weeks.
- 11.3. A series of regional engagements are proposed (called roadshow 2020) in March 2021 and will cover both the draft GPS 2021 and key updates on other transport policy initiatives.
- 11.4. We will keep the Committee informed of any roadshow dates and of the draft GPS 2021 once it is released.

## 12. SIGNIFICANCE

- 12.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Leana Shirley  
**SENIOR TRANSPORT PLANNER**

Phil Hindrup  
**MANAGER TRANSPORT SERVICES**

## ANNEXES

- A RTC submission on Land Transport (Rail) Bill (Feb 2020)
- B RTC submission on Land Transport (NZTA) Bill (Feb 2020)
- C Regional Summary Manawatu-Whanganui December 2019
- D Horizons RTC feedback on Arataki Version One