

Report No.

20-174

Information Only - No Decision Required

GENERAL UPDATE - KEY POLICY DOCUMENTS AND SUBMISSIONS

1. PURPOSE

- 1.1. The purpose of this report is to provide members with updates on various documents and consultation items released by Central Government and Agencies.

2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 20-174 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. CLIMATE IMPACT STATEMENT

- 6.1. There is no climate change impact as a result of this report.

7. BACKGROUND

- 7.1. There are a number of key documents and updates that have been released by government and agencies, 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.
- 7.2. Items were presented to the Committee in March and June outlining a number of these documents which the RTC has submitted on. Updates have been provided below on each of these documents as well as some new consultation documents that are underway.

8. GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT

- 8.1. Members will recall that government released the draft **Government Policy Statement on Land Transport, 2021 (GPS)** for consultation in March 2020. The Committee submitted on the draft GPS in May.

- 8.2. The final GPS was released on 17 September 2020 and takes effect on 1 July 2021.
- 8.3. The GPS outlines the Government's strategy that guides land transport investment over the next decade. It guides how the National Land Transport Fund (NLTF) should be spent by specifying funding ranges across different types of transport spend (referred to as "activity classes").
- 8.4. Overall, as compared to the previous 2018 GPS, the final 2021 GPS features a significant reduction in funding for state highway and local road improvements, and a significant increase in funding for Road to Zero safety activities (including smaller scale safety infrastructure improvements on state highways and local roads), public transport services and public transport infrastructure. This is consistent with the current Government's philosophy of 'moving people' and 'mode neutrality' rather than 'moving cars'. Another key shift in the new final GPS is that rail infrastructure is now eligible for funding from the National Land Transport Fund.

Key changes between draft and final GPS, 2021

- 8.5. The main difference between the draft and final GPS is small changes to some of the activity class funding ranges as follows:
 - Increased funding for State Highway maintenance (added \$100 million)
 - Increased funding for walking and cycling infrastructure (added \$35 million)
 - Increased funding for investment management (added \$5 million)
 - Increased funding for rail network (added \$50 million)
 - Decreased funding for State Highway improvements (taken \$200 million off the lower end of the band)
- 8.6. Other changes include:
 - Additional financial information inserted in the section under Crown funding for Land Transport (Sec 3.6) outlining other committed land transport Crown funding,
 - A new diagram showing the relationship between GPS and other Crown funded investment; and
 - Some new text inserted into the Statement of Ministerial Expectations (Section 3.7) regarding Waka Kotahi NZ Transport Agency (Waka Kotahi) engagement with key agencies to develop the Rail Network Investment Plan (RNIP) and implement the new planning and funding framework for rail.

Next Steps

- 8.7. Waka Kotahi is in the process of developing the National Land Transport Programme 2021-24 (the NLTP) to give effect to the GPS. The NLTP sets out the specific transport activities that will be funded to address the transport objectives set out in the GPS. The NLTP will be adopted in August 2021.
- 8.8. The NLTP must take into account the Regional Land Transport Plans (RLTPs) that each region's Regional Transport Committee is preparing and are required to be finalised and submitted to Waka Kotahi by 30 June 2021.

9. ARATAKI

- 9.1. Arataki is Waka Kotahi'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).

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- 9.2. The RTC provided feedback on Arataki in February. Following receipt of about 50 pieces of feedback, Waka Kotahi released a new version (Version 1.1) of Arataki which included a series of technical amendments and research into the impacts of Covid-19 on regions.
- 9.3. Arataki Version 2.0 was released on 26 August 2020. Version 2 incorporates an assessment of the impacts of COVID-19 on the land transport system and identify the post-COVID opportunities over the next 10 years. A copy of the Manawatū-Whanganui Regional Summary is attached as Annex A to this item.
- 9.4. The information included in Arataki has been considered and incorporated, where relevant, into the draft RLTP which is currently under development.

10. DRAFT NEW ZEALAND RAIL PLAN

- 10.1. The **draft New Zealand Rail Plan (draft Rail Plan)** is a new document developed by the Ministry of Transport (MoT) which sets out the government's strategic direction for rail and signals investment priorities in the rail network over a 10 year period. It feeds into the GPS and will guide the Rail Investment Programme (RNIP).
- 10.2. The draft Rail Plan was initially released in December 2019 and called for submissions by 11 May 2020. The Committee submitted on the draft Rail Plan in May.
- 10.3. Following consideration of submissions, an updated Rail Plan was due to be presented to Cabinet (alongside the draft GPS) on 10 August. At the time of writing a final Rail Plan had not been released, with no indication given when the final Plan may be available.

11. DRAFT INVESTMENT PRIORITISATION METHOD

- 11.1. Waka Kotahi released the draft **Investment Prioritisation Method (IPM)** for consultation in September 2020. Submissions closed on 2 November 2020.
- 11.2. The IPM will replace the Investment Assessment Framework for the 2021-24 period. It has been developed in response to the GPS, 2021 and will be used to prioritise activities in the 2021-24 **National Land Transport Programme (NLTP)**.
- 11.3. The **Local Government Transport Special Interest Group (TSIG)** submitted on the draft IPM. Staff were involved with reviewing the draft TSIG submission and providing feedback. The TSIG submission represents the transport sector in Regional Councils and Unitary Authorities. Staff consider the TSIG submission adequately represents the views of Council and as such have not made a separate submission. The TSIG submission is attached as Annex B to this item.
- 11.4. Waka Kotahi have indicated that a final IPM is expected to be complete by mid-December 2020.

12. REGIONAL FREIGHT HUB

- 12.1. KiwiRail is progressing plans for a high-tech, intermodal freight hub which will help grow Palmerston North's role as a critical freight distribution centre for the lower North Island. It will support rail and road transport working together to meet the freight demand in the lower North Island, while boosting the regional economy. The project is known as the Regional Freight Hub.
- 12.2. The KiwiRail Regional Freight Hub has attracted funding from the **Provincial Growth Fund (PGF)** to design a regional growth/freight hub in the region, designate land use for rail, and commence purchasing the required land. The preferred site is partially in the North East Industrial Zone, stretching over rural land north towards Bunnythorpe. It is close to Palmerston North's major distribution businesses and Palmerston North Airport.

- 12.3. Over July, KiwiRail sought informal feedback on the location of the Freight Hub prior to moving forward with the designation process. Horizons provided feedback on the proposal and has had ongoing dialogue with KiwiRail representatives.
- 12.4. In late October 2020, KiwiRail lodged its Notice of Requirement (NoR) for a designation in the Palmerston North City Council District Plan for the construction and operation of a new intermodal rail and freight hub.
- 12.5. It is anticipated that the NoR will be publically notified in early 2021 and staff will consider the information available and advise the Committee regarding making a submission.
- 12.6. KiwiRail advise that after the designation is complete and land has been purchased, the next stage will be to begin planning to build the Regional Freight Hub, including any necessary resource consents, building consents and other third-party approvals.

13. MARTON FREIGHT HUB

- 13.1. On 18 August 2020, Minister Hon Shane Jones announced that the Government will help fund the construction of a rail hub in Rangitīkei dedicated to handling and transporting logs from around the lower North Island. The facility, to be built in Marton, will receive \$9.1 million from the Government's COVID-19 Response and Recovery Fund. Once complete and operational, the Marton Freight Hub will enable more efficient log transportation in the lower North Island. It is expected that the hub will create more jobs, attract more commercial developments in the area and take freight trucks off the roads.
- 13.2. In September Rangitīkei District Council went through a Plan Change process to change the land zoning for the Rail Hub. A decision has been made on the Plan Change but at the time of writing, that decision had been appealed.
- 13.3. Timing surrounding design and construction of the freight hub is not yet known, however further updates will be provided to the Committee once more information comes to light.

14. NORTHERN EXPLORER

- 14.1. In March 2020, the Northern Explorer train service was shut down due to Covid-19. It was not reinstated when the Country came out of lockdown. Following support from local and regional councils, KiwiRail announced the Northern Explorer service would resume for the summer season.
- 14.2. It is noted, there is local and regional drive and support to change the function of the Northern Explorer from a tourist train to a passenger commuter train, which will be reliant on additional funding required to support the service and keep fares at an appropriate level. There is also support for changing the name from Northern Explorer to Northern Connector to reflect the change in purpose.
- 14.3. Any updates on progress with this project will be made available to the Committee.

15. MINISTRY OF TRANSPORT: PROPOSED APPROACH TO SETTING OF SPEED MANAGEMENT – GUIDANCE DOCUMENT

- 15.1. The government is developing the setting of speed limits rule (the draft rule) as part of its Tackling Unsafe Speeds programme. This is intended to give effect to a new regulatory framework for speed management and the requirements for safer speed limits outside schools and will replace the Land Transport Rule: Setting of Speed Limits 2017.
- 15.2. The Ministry of Transport released a guidance document designed to provide local government and key stakeholders with visibility of the direction of the proposed changes and enable provision of additional input into drafting of the new 'setting of speed limits rule' ahead of formal consultation. It is understood that formal consultation was planned to occur after the general election.

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15.3. Given the impact the setting of speed limits rule will have for our region, it is our intention to provide feedback on any formal consultation once it commences. Further detail will be provided to the Committee once it is available.

16. SIGNIFICANCE

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

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MANAGER TRANSPORT SERVICES

ANNEXES

- A Annex A: Arataki Version 2 - Manawatu-Whanganui Regional Summary
- B Annex B: TSIG Submission on draft IPM