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Committee Transport and Access
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Overview of Changes Arising from the Land Transport Management Amendment Act 2008

1. Purpose

This report updates the Committee on the Land Transport Management Amendment Act 2008, the updated New Zealand Transport Strategy 2008, and the Ministry of Transport's Government Policy Statement.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The Next Steps Review of the Land Transport Sector was undertaken by the State Services Commission to identify inefficiencies and other governance issues related to the provision of transport policy and infrastructure. When the Review was released on 25 May 2007 it identified a number of concerns in the transport sector; mainly that the sector was:

- not achieving value for money
- not fully delivering on the New Zealand Transport Strategy
- not fully delivering on the Government's wider agenda, for example economic transformation and sustainability

- not sufficiently responsive
- creating an ongoing fiscal risk for the Crown.

4. Land Transport Management Amendment Act 2008

4.1 Overview

The Land Transport Management Amendment Bill introduced the changes proposed through the Next Steps process, together with a provision for implementing a regional fuel tax scheme (RFT). The Land Transport Management Amendment Act (LTMAA) 2008 was enacted on 14 July 2008.

The LTMAA principally aims to improve the integration of national and regional transport planning. At the central government level the Minister of Transport is required to produce a Government Policy Statement (GPS) outlining central government's high-level funding priorities. The LTMAA retained the option for a National Land Transport Strategy (NLTS) to further outline national policy.

The LTMAA also creates the New Zealand Transport Agency (NZ Transport Agency) – an amalgam of Land Transport NZ and Transit NZ. The Agency is responsible for, amongst other things, the delivery of the State Highway system and the development and administration of the National Land Transport Programme (NLTP). The Programme lists the activities that will receive funding from the National Land Transport Fund.

At the regional level the LTMAA amends the requirements of a Regional Land Transport Strategy (RLTS) and Programme (RLTP). Details of these changes are covered in the following sections. The Act also renames the responsible committee as a Regional Transport Committee (RTC) – formerly the Regional Land Transport Committee.

Integration between regional and national transport policy is fostered by requiring the activities in the NLTP to be first included in the RLTPs, and the RLTS is required to take the NLTS and GPS into account.

4.2 Regional Land Transport Strategies

4.2.1 Changes to RLTS

The LTMAA makes several changes to the timing and framework associated with developing regional land transport strategies:

- Section 74(1)(a) changes the planning horizon from 10 years to at least 30 years
- a RLTS is now to be prepared at least once every 6 financial years rather than every 3 (Section 74(1))
- monitoring reports on RLTS implementation are now required every 3 financial years instead of annually (Section 83(1)). They are to be

published within 3 months of the close of the financial year. The first progress report is due for the three financial years ending 30 June 2011

- the new criterion of “affordable” has been added to the requirement of aiming to achieve a transport system that is integrated, safe, responsive, and sustainable (Section 75(a)(i))
- the next RLTS will also have to be consistent with any “relevant national policy statement” or “regional policy statement” (Section 75(a)(iii)(B))
- it will need to take into account the relevant GPS (Section 75(b)(i))
- it will need to take into account the regional council’s function under section 30(1)(g)(b) of the Resource Management Act 1991 which is to consider the strategic integration of transport infrastructure with land use through objectives, policies, and methods (LTMAA 76(g)).

New explicit content requirements specified under section 77 of the LTMAA include:

- matters of inter-regional and intra-regional transport outcomes relevant to the region
- an assessment regarding compliance with sections 75 and 76 (what the RLTS needs to contribute to, be consistent with, and take account of)
- a statement of any relevant regional economic or land use considerations, as well as the likely funding of any associated land transport infrastructure
- an assessment of the role education and enforcement are making in contribution to the land transport outcomes
- the word “measurable” is added to the requirement of targets to be achieved in meeting the outcomes of the RLTS
- a summary of the policy relating to significance adopted by the RTC under section 106 of the LTMAA.

4.2.2 Consultation Requirements

Section 78 now allows the RLTS to be consulted on in conjunction with public consultations on the regional council’s Long-Term Council Community Plan or Annual Plan under the Local Government Act 2002.

4.2.3 Monitoring the RLTS

The next statutory progress report on the RLTS under the LTMAA is due in 3 years time (by 30 September 2011). However, the current annual process provides relevant, timely and helpful information for regional planning.

Therefore, the Regional Transport Committee will be asked to agree to retain annual monitoring reporting at its meeting on 28 October.

4.2.4 Variations to the RLTS

The LTMAA allows variations to be made to the RLTS without consultation where the changes are not significant. To this end the LTMAA requires that the RTC adopts a significance policy. Where a variation is deemed to be significant, a special consultative proceeding (in accordance with the Local Government Act 2002) must be undertaken.

4.2.5 Review of Current RLTS

The current Wellington RLTS (2007-2016) is still in force, but will have to be updated to comply with the new LTMAA by July 2010 (the next RLTS after that will have to be prepared before the end of July 2016).

Officers' initial assessment is that the current RLTS is well aligned with the revised New Zealand Transport Strategy 2008 (which is **not** a National Land Transport Strategy under the LTMAA) and the Ministry of Transport's GPS. Most changes are likely to be relatively minor, generally to include new information requirements as set out above.

4.3 Regional Land Transport Programmes

4.3.1 Context of RLTP

A Regional Land Transport Programme (RLTP) is a new requirement under the LTMAA but has roots in the land transport programmes by approved organisations described in the Land Transport Management Act 2003. A RLTP is required every 3 years on a specific date set by the NZ Transport Agency. The Programme needs to contain activities or combinations of activities proposed by approved organisations, full accounting of proposed funding, a list of regional priorities, and assessments on compliance with the LTMA 2003, as amended.

4.3.2 Process for Preparing and Approving RLTP

The RTC is responsible for preparing and consulting on the RLTP. Consultation on the RLTP can be carried out in conjunction with the regional council's LTCCP. A recommended RLTP must be submitted to the full regional council for approval before it can be lodged with the NZ Transport Agency for consideration during the preparation of the NLTP.

The LTMAA has a provision for referring the RLTP back to the RTC for amendments or further information if the regional council does not agree with the recommended Programme. It can do so, though, only once before submitting it to the NZ Transport Agency. If the regional council doesn't then approve the RLTP it must provide the NZ Transport Agency with an explanation why. Only after the RLTP has been submitted to the NZ Transport Agency will activities be assessed for inclusion in the NLTP.

4.3.3 Variations and Amendments to the RLTP

At any time during the 3 years the RLTP is in force the RTC can consider and approve variations or amendments. Public consultation only needs to be carried out for those modifications considered significant under the region's significance policy. The NZ Transport Agency must promptly consider a variation or amendment to a RLTP to update the NLTP. However, the NZ Transport Agency is not obligated to update the NLTP with the modifications from a RLTP; although if it decides not to include a requested variation a subsequent explanation is required.

4.4 Regional Fuel Tax

4.4.1 Regional Fuel Tax Proposals

A regional fuel tax scheme (RFT) can be proposed if a region needs funding for one or more capital projects that are considered to be a priority (even if the project is located in the jurisdiction of another regional council) and all other avenues for funding have been exhausted. The proposal must identify and describe the relevant capital project(s), provide a complete accounting of how the capital project(s) are to be funded – including all other funding sources, the duration any capital project will be receiving funding from an RFT scheme, and the details of any project agency that has accepted responsibility for any of the capital projects.

A RFT scheme cannot commence until July 2009 (no earlier than 9 months after the commencement of the LTMAA). The RFT must begin on the first day of January, April, July or October, allow for a reasonable amount of time for retailers to prepare, and contain a specified end date. The tax cannot exceed 10 cents per litre of fuel at any given time, and no more than 5 cents per litre can support roading projects. The consultation procedure for an RFT can coincide with the regional council's RLTS, RLTP, LTCCP or Annual Plan consultation processes.

4.4.2 Auckland Region's RFT

On 6 October 2008 the Government approved Auckland Regional Council's request to levy a RFT, the first of its kind and the only scheme proposed to date. The levy on petrol and diesel will begin at 2 cents per litre from July 2009, to 5 cents from July 2010 and finally up to 9.5 cents starting July 2011 – ending in 2039. Revenues of around \$110 million a year are expected once the full 9.5 cents levy is in place. These funds are dedicated towards Auckland's rail electrification project, improving the ferry terminals, developing an integrated ticketing system and construction of a new road linking the Whangaparoa Peninsula to SH 1 at Redvale (Penlink).

4.5 Provisions for Government Policy Statements (GPS)

4.5.1 Requirements of the Act

The LTMAA requires the Minister of Transport to issue a GPS every three years. A GPS will include the government's overall short to medium-term

priorities, 3 year funding and outcome targets for the NLTP, funding ranges by transport mode for the next six years, and funding range forecasts for the following four years (for a total of ten years). It will also indicate any necessary changes to the fuel excise duty, road user charges, and motor vehicle registration fees to fund the proposed activities.

The Act describes how the GPS relates to certain land transport planning and funding processes including that:

- The NZ Transport Agency must give effect to the GPS in developing the NLTP and take account of the GPS when approving funding for activities
- Regional Land Transport Strategies must take account of the GPS
- Regional Land Transport Programmes must be consistent with the GPS.

4.5.2 Government Policy Statement on Land Transport Funding 2009/10 – 2018/19

The current GPS was issued by the Ministry of Transport on 4 August 2008 and will be effective from 1 July 2009. It covers the period 2009/10 to 2014/15 and more indicatively for a further 4 years to 2018/19 and outlines the funding that central government will make available through the NLTP.

The following table shows the GPS short-term targets compared to similar RLTS targets:

GPS by 2015	RLTS by 2016
reduce kilometres travelled by single occupancy vehicles, in major urban areas on weekdays, by 10% per capita	3.2 private vehicles account for no more than 62% of region-wide journey to work trips 3.4 vehicles entering Wellington CBD during AM peak period contain an average of at least 1.5 people per vehicle
increase the mode share of transporting freight by coastal shipping and rail	7.2 all infrastructure constraints to rail freight movements are removed
no overall deterioration in travel times and reliability on critical routes	4.1 average congestion on selected roads remain below 20 seconds delay per kilometre 4.3 key routes are very rarely affected by closure
reduce fatalities and hospitalisations from road crashes	5.1 no road crash fatalities attributable to roading network deficiencies 2.3 fewer than 100 pedestrians and 75 cyclists injured in the region per annum

GPS by 2015	RLTS by 2016
increase patronage on public transport by three percent per year	1.1 passenger transport accounts for at least 25 million peak period trips per annum (21% journey to work trips)
increase number of walking and cycling trips by one percent per year	2.1 active modes account for at least 15% of region wide journey to work trips

The GPS also identifies road maintenance and accessibility as two areas where potential future targets will be created.

Overall, our initial assessment is that the RLTS targets are well aligned to the GPS. The NZ Transport Agency is currently developing regional breakdowns of the national GPS targets. This will be reported on in due course.

5. New Zealand Transport Strategy 2008

The updated New Zealand Transport Strategy replaces the 2002 version with increased clarity and guidance. The vision for this new strategy is to ensure that: “People and freight in New Zealand have access to an affordable, integrated, safe, responsive and sustainable transport system.” The Strategy retains the 5 objectives from the 2002 version. These objectives are then supported by long-term targets – most of which extend to 2040. The objectives and targets are:

1. Ensuring environmental sustainability

- halve per capita greenhouse gas emissions from domestic transport by 2040
- increase coastal shipping’s share of inter-regional freight to 30% of tonne-kilometres by 2040
- increase rail’s share of freight to 25% of tonne-kilometres by 2040
- become one of the first countries in the world to widely use electric vehicles
- reduce the kilometres travelled by single occupancy vehicles, in major urban areas on weekdays, by 10% per capita by 2015 compared to 2007
- reduce the rated carbon dioxide emissions per kilometre of combined average new and used vehicles entering the light vehicle fleet to 170 grams CO2 per kilometre by 2015, with a corresponding reduction in average fuel used per kilometre
- increase the area of Crown transport land covered with indigenous vegetation.

2. Assisting economic development
 - improve reliability of journey times for identified critical routes
 - reduce average journey times for identified critical routes.
3. Assisting safety and personal security
 - reduce road deaths to no more than 200 per annum by 2040
 - reduce serious injuries on roads to no more than 1,500 per annum by 2040.
4. Improving access and mobility
 - increase use of public transport to 7% of all trips by 2040 (from 111 million boarding in 2006/7 to more than 525 million boarding in 2040)
 - increase walking, cycling and other active modes to 30% of total trips in urban areas by 2040.
5. Protecting and promoting public health
 - reduce the number of people exposed to health-endangering noise levels from transport
 - reduce the number of people exposed to health-endangering concentrations of air pollution in locations where the impact of transport emissions is significant.

The NZTS identifies seven key components for increased priority. These are:

- integrated planning
- making the best of existing networks and infrastructure
- investing in critical infrastructure and the transport sector workforce
- increasing the availability and use of public transport, cycling, walking and other shared and active modes
- considering options for charging that will generate revenue for investment in transport infrastructure and services
- using new technologies and fuels
- maintaining and improving international links.

6. Next Steps

The NZ Transport Agency will shortly release an estimate regional funding allocation that fits with the GPS budget. Officers will review the region's existing transport programme and advise the RTC further over the coming months. It may be appropriate to consider the development of a regional fuel tax scheme as part of the development of the new RLTP.

The RTC will need to prepare and approve its RLTP by 30 June 2009. The following table outlines the timeframe for this process:

Key Step	Timing
Approved organisations enter proposed activities into LTP Online	14 November 2008
Programme prioritisation	Dec 2008 – Feb 2009
RTC approves draft RLTP	March 2009
Consultation on RLTP	April – May 2009
Consideration of submissions	May 2009
RTC recommends final RLTP to GW	June 2009

The RLTS needs to be updated to comply with the new legislative requirements described in this report by July 2010.* The following table outlines the timeframe for this process:

Key Step	Timing
Update pressures, issues, strategic options, and develop new sections required by LTMAA 2008 (taking into account NZTS, GPS, etc.)	Jul 2009 – Feb 2010
RTC approves draft RLTS	March 2010
Consultation on draft RLTS	April – May 2010
Consideration of submissions	May – June 2010
Recommend final RLTS to GW	June 2010

7. Communication

There is nothing to communicate as a result of the Committee receiving this report.

* The Minister of Transport may approve an extension of the existing RLTS by a period of up to 18 months.

8. Recommendations

That the Committee:

- 1. Receives the report;*
- 2. Notes the content of the report.*

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