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GPS 2021

Local Government New Zealand's submission on the draft GPS 2021

11 May 2020

SUBMISSION

**We are.
LGNZ.**
Te Kāhui Kaunihera o Aotearoa.

We are. LGNZ.

LGNZ is the national organisation of local authorities in New Zealand and all 78 councils are members. We represent the interests of councils and lead best practice in the local government sector. LGNZ provides advocacy and policy services, business support, advice and training to our members to assist them to build successful communities throughout New Zealand. Our purpose is to deliver our sector's Vision: "Local democracy powering community and national success."

This final submission was endorsed under delegated authority by Dave Cull, President, LGNZ.

Introduction

LGNZ's 78 member councils who own, maintain and develop 88 per cent of New Zealand's roading network and manage regional public transport systems, hold the key to the success of this Government Policy Statement (GPS). Indeed, about half of the funding from local roads come from communities themselves, and the remainder from the National Land Transport Fund. This submission has been developed using expert knowledge from a local government sector Advisory Group, Refer **Appendix A**. The national panel represents 14 cities and districts from across New Zealand as well as a representative from the regional sector Transport Special Interest Group¹ to provide a balanced view from a variety of different community settings.

LGNZ would like to thank the Ministry of Transport for this opportunity to provide feedback on the draft GPS. Overall we would like to congratulate the Ministry on producing a document that is clear, well-structured and easy to understand.

We note that the draft GPS was developed ahead of the COVID 19 crisis, and expect that some changes will be needed to reflect the changed context. We would appreciate another opportunity to provide feedback once it is clearer how the draft GPS will change to reflect COVID 19.

The submission outlines support for the draft GPS 2021 but notes that impacts of COVID 19 on councils' ability to deliver desired outcomes will be seriously impacted. The submission focuses on three key areas: the role and responsibility that local government will play; strategic direction; and investment.

¹ TSIG is an officer group established under the Regional Sector of LGNZ. All regional councils, unitary authorities and Auckland Transport are represented on TSIG. Our organisations are responsible for regional transport planning, identifying regional transport investment priorities, and provision of public transport services.

Roles and responsibilities

Support: It is pleasing to see local government's role explained on page ten of the document, however, it would be appropriate, given local government's significant ownership interest, to be presented as the main partner alongside NZTA. As the scale of local government's role is not always well understood, we recommend the inclusion of a statement such as the following: "Local councils are responsible for 88 per cent (83,000km) of New Zealand's roading network, of which 20 per cent of the network is urban and 80 per cent is rural." This highlights the size and strategic importance of the rural roading network in delivering freight connections. (Ref: Section 1.2, p.g 10, Pt 28.)

Support: Transport as key tool through which councils deliver on the well-being outcomes of their communities, be they cultural, economic, environmental or social. Collectively councils are responsible for a significant proportion of the system's outcomes, namely developing, maintaining and operating a large network of local roads and delivering public transport infrastructure and services. They also have an important role in achieving integrated transport planning."² Recognising why councils see transport as important and respecting the existing institutional settings and long-established relationships that underpin the transport sector will be an important aspect of GPS 2021. Regional land transport plans (RLTPs) already form a key role in improving integration of planning both across the transport system and with land use. It is good to see the role of RLTPs recognised in the GPS. (Ref: Section 1.2, p.g10, Pt 29.)

Issue: We support working more closely with the Ministry of Housing and Urban Development to strengthen the links between transport, land use planning and housing. However we note that the new planning mechanisms currently being considered and implemented by the Government can create uncertainty, as these can over-ride local authority land use and transport planning (ie the functions of Urban Development Authorities and their ability to over-ride District Plans and RLTPs). (Ref: Section 1.2, p.g10, Pt 39.)

Issue: Recognition that local government's co-funding partnership with NZTA is a complex one. We would like to see "works with" and "works closely" replaced with "collaborates with" and "partners with". (Ref: Section 1.2, p.g10, Pt 29.)

Issue: Recognition of existing levels of community engagement. We would like to see "Local government must engage with their communities and encourage community participation," replaced with "Local government engages with local communities and encourages local decision-making." (Ref: Section 1.2, p.g10, Pt 30.)

Issue: Giving effect to partnership. The local government sector is a critical partner and therefore should be more directly involved in the GPS development. While we have been consulted alongside other stakeholders, we would have appreciated more opportunity for direct engagement, to present the viewpoints and needs of different regions.

² <https://www.nzta.govt.nz/planning-and-investment/planning/our-role-in-planning/the-role-of-local-government/the-role-of-territorial-authorities/>

Strategic Direction

The strategic priorities for GPS 2021

Support: LGNZ supports the four strategic priorities of Safety; Better Travel Options; Improving Freight Connections; and Climate Change. We support separating Access into Better Travel Options and Improving Freight Connections. We welcome the alignment between the strategic priorities and the Transport Outcomes Framework. This recognises that transport planning and investments have long lead-times and that investment needs to be guided by a long-term strategic approach. The guidelines for the development of more consistent RLTPs 2021 around the country will be using this Transport Outcomes Framework as the foundation of RLTP strategic frameworks. (Ref: Section 2, p.g6, pt. 6.)

Issue: Resilience and security are important outcomes in the Transport Outcomes Framework. The GPS 2021 climate change priority however, focuses almost solely on developing a low carbon transport system. We are concerned that the resilience focus in the 2018 Transport Outcomes Framework could get overlooked in the draft GPS 2021. In its current form it does not capture the critical lifeline/access function and that sometimes new roads/major upgrades may be needed for access/lifelines reasons that are not about freight or alternatives. The resilience of the transport network to things like sea level rise, flooding and other natural hazards do not seem to be adequately reflected in the GPS. We would therefore like to see resilience incorporated in greater detail across all the strategic priorities. (Ref: Section 2, p.g6, pt. 7.)

Safety

Support: LGNZ supports the holistic approach to road safety as an important strategic priority for GPS 2021. We agree that this includes a focus on both urban and regional parts of the system. (Ref: Section 2, pg. 13, pt. 43.)

Issue: Local government will play a critical role in achieving this priority. LGNZ is seeking assurance that infrastructure safety treatments on roads, enhancing the safety and accessibility of footpaths, bike lanes and cycle ways as well as road safety promotion will receive sufficient funding. COVID 19 revenue reductions for councils should be acknowledged as an unknown with potential to delay progress. (Ref: Section 2, pg17.)

Better Travel Options

Support: LGNZ supports providing citizens with better transport options to access social and economic opportunities.

Support: LGNZ sees opportunities for innovation. Obvious ones include the increased trends in walking and cycling during COVID 19 conditions.

Improving Freight Connections

Support: LGNZ supports the improvement of freight connections as a priority to support economic development (Ref: Section 2.4, pg. 20.) We support bringing rail more fully into the wider planning and funding system under the Land Transport Management Act 2003 (LTMA).

We would like to see a full integration into the LTMA framework with rail network projects prioritised through RLTPs and NZTA making funding decisions alongside all other projects.

Issue: This new focus could have an impact on funding for other activity classes. For councils a sensitive area is the local road maintenance activity class. Maintaining unsealed roads to keep dust levels within health guidelines is important for rural community health and well-being. Forty thousand kilometres of rural roading is unsealed.

Climate change

Support: LGNZ supports the inclusion of climate change as a strategic priority.

Issue: There needs to be an expanded focus on resilience and security as at present the strategic priority focusses on greenhouse gas emissions. We acknowledge that the draft GPS recognises the risks of more frequent storm events, flooding, land slips and coastal inundation on New Zealand's transport system. We would like to see more detail in the GPS about how NZTA and local councils will collaborate to ensure the appropriate response to future climate events. (Ref: Section 2: pg. 23, pt75, 76.)

Indicators for how progress will be made

Issue: It is essential that there are a common set of indicators used nationally across all strategic documents so that there is efficiency and consistency in data gathering and information/results reporting. The work outlined in the Investment Decision-Making Framework released by Waka Kotahi (NZTA) late in 2019 had a wide range of indicators that should be the starting point for how progress will be measured for the implementation of GPS 2021.

Investment in land transport

Funding land transport

Support: LGNZ is pleased to see acknowledgement that many of the projects required to deliver the strategic priorities will be funded by a combination of NZTA's National Land Transport Fund and councils. This further highlights the critical role local government will play in implementation of the GPS. (Ref: Section 3, pg. 27, pt. 81.)

Issue: Sustainability of funding to deliver the projects is being eroded by the impacts of COVID 19 both at the national and local level. A report by the Local Government COVID 19 response unit³ confirms significant impacts on councils' revenue, expenditure, borrowings and liquidity in the short to medium term. We would like to see the implications of COVID 19 integrated into the draft GPS investment plan.

Issue: LGNZ supports a set of principles and financing toolkit and notes this is in development to support alternative funding and financing options. We would encourage an inclusive co-design process that involves LGNZ and its members. (Ref: Section 3: pg. 27, pt82.)

³ Local Government Sector, COVID 19 Financial implications, Report 1, April 2020, pg. 5

Principles for investing

Support: LGNZ supports the value for money principle applied to all investments instead of being a standalone priority. In addition, we also support the principles of alignment, effectiveness and efficiency.

Issue: Making the most of our existing land transport network. LGNZ is concerned about integrating travel demand management within standalone projects. Without having a dedicated activity class for travel demand management there is a risk that demand management initiatives will not have funding and end up being lost. Travel demand management represents an important part of successful delivery of the GPS. (Ref: Section 3: pg. 30, pts 94-97.)

Dedicated funding for delivering transport priorities

Support: LGNZ generally supports a dedicated Fund and the National Land Transport funding ranges 2021/22 to 2026/27.

Issue: LGNZ would like to see confirmation of alternative funding streams to ensure that the funding ranges can be achieved. COVID 19 impacts will be significant on the revenue streams for the Fund (fuel excise duty, road user charges and motor vehicle registration and licensing fees.) NZTA will need to consider fiscal adequacy and resilience to unexpected events, and the ability to cope with long-term trends that create fiscal risks (Ref: Section 3, p.33, 108.) We have raised the issues of “local share” being impacted by COVID 19 (Ref: Section 3: pg. 31, pt. 104,105.) We appreciate that the GPS 2021 will need to consider these impacts and there will be some rewriting required.

Activity class framework

Support: LGNZ is supportive of the establishment of the new Road to Zero activity class, Rail network activity class, Public Transport Services and Public Transport Infrastructure activity classes. Several issues below for consideration. (Ref: Section 3, p.g33, pts 117-126.)

Support: LGNZ supports the additional \$1.2billion being invested into the local roading network as part of the Road to Zero activity class. (Ref: Section 3, p.g33, pts 119.)

Support: LGNZ is supportive of an increase of 15 per cent to the State Highway Maintenance Activity Class. (Ref: Section 3, p.g34, 35.)

Support: LGNZ is supportive of the increase of five per cent into the local road maintenance activity class. Members have emphasised the importance of this funding to ensure maintenance and renewals programmes continue and contribute to local economic recovery. (Ref: Section 3, p.g34, 35.)

Issue: By creating the PT Services and PT Infrastructure activity classes, there is a risk that big projects in Auckland and Wellington could take up most of the funding available leaving very little for smaller scale PT infrastructure – eg new bus hubs in the other centres. (Ref: Section 3, p.g34, 35.)

Issue: With the creation of the new Road to zero activity class work has been bundled together. More information is needed in the document to show that the different components (ie safety infrastructure, (both SHS and LRs) road policing, automated enforcement and road safety promotion) are all sufficiently funded (Ref: Section 3, p.g34, 35.) We are particularly concerned that funding for road safety promotion will be reduced or lost as a result of competing demands in the overall activity class.

Delivering government commitments

Issue: LGNZ would like it noted that COVID 19 (Ref: Section 3, pg. 36, pt. 130) will affect all RLTPs.

Issue: LGNZ has some concerns that the large projects identified to achieve the four Government Priorities may divert funding away from other parts of the system with equal or greater need. There is a risk that some regions could perceive that they are disadvantaged if they do not benefit from one of these Government Commitments. (ATAP, LGWM, Road to Zero and NZ Rail Plan.)

We appreciate that the budgeting under COVID 19 will be challenging but signal the need to manage expectations with local councils early of any changes. (Ref: Section 3, p.g36, Table 4.)

Issue: Higher financial assistance rates (FARs) for councils is needed. Many councils may not be able to meet their 50 per cent local share in the next three years. We would like the enhanced FAR signalled in the GPS to ensure councils without sufficient funding can continue their projects without increasing the local rate burden. There will be considerable pressure for local authorities to have low or zero rate increase over the next long term plan period (2021-2024) and hence higher FAR rates will ensure essential transport work continues. If the GPS stated a higher FAR for safety improvements (and other activity classes that affect councils) particularly in the regions, that would be very helpful for local Government. (Ref: Section 3, pg. 33.)

Crown funding for land transport

Support: The New Zealand Upgrade Programme. LGNZ supports the programme and the \$6.8billion being invested in road, rail, public transport and walking and cycling infrastructure noting that this Crown funding will lie outside of the GPS.

Issue: The upgrade programme comes at a time when NZTA has undergone significant structural change over the past two years. These changes mean the agency will be re-establishing itself with new Chief Executive and Board. These cultural changes across the organisation take time. The relationship between the NZTA and local government is complex but critical to achievement of the desired GPS outcomes. (Ref: Section 3, pg. 37, pt. 133.)

Statement of Ministerial expectations

Issue: The 'Ministers Expectations of Waka Kotahi' in Section 3.7, which confers significant responsibilities to Waka Kotahi on delivering the GPS. We seek that the draft GPS recognises the significant role that local government (including regional councils) play and the need for MoT and Waka Kotahi to work with and alongside local government partners. This would recognise and reflect the very important co-partner role that local government has in delivering on the GPS. (Ref: Section 3, pg. 39, pt142.)

Conclusion

Overall LGNZ supports within the GPS 2021 the continued strategic direction and alignment with the 2018 Transport Outcomes Framework. We further support increased focus on safety, better travel options, Improving freight connections and climate change as strategic priorities, supported by increased funding allocations to the state highway network and local roads.

The submission puts emphasis on the critical role that local councils play in the successful implementation of this GPS. We have identified that COVID 19 will have an impact on councils' ability to fund the local share. The report by the Local Government COVID-19 response unit confirms significant impacts on council's revenue, expenditure, borrowings and liquidity in the short to medium term. We recommend some rethinking and rewriting of the GPS in partnership with LGNZ in light of these developments. As such, we support enhanced FAR for activity classes.

We have highlighted the strategic importance of the co-investment partnership arrangements between councils and NZTA. An important strategic outcome will be to improve this working relationship across governance, management and officials.

We thank you again for the opportunity to submit on the draft GPS.

SUBMISSION

Appendix A

LGNZ submission Technical Advisory Group

SUBMISSION

Council	First name	Second name	Position
LGNZ	Philip	Shackleton	Principal Policy Advisor - Submission lead
Christchurch City Council	Richard	Osborne	Head of Transport
Hamilton City Council	Robyn	Denton	Operations team leader
Wellington City Council	Siobhan	Procter	Manager Transport
Hastings District Council	Jag	Pannu	Transportation Manager
Invercargill City Council	Russell	Pearson	Roading Manager
Napier City Council	Robin	Malley	Team Leader Transport
Rotorua District Council	Jodie	Lawson	Safe and Sustainable Journeys Manager, Infrastructure Group
Taupō District Council	Denis	Lewis	Manager Infrastructure
New Plymouth District Council	Rui Marco	Leitao	Manager - Transportation
Central Otago District Council	Murray	Hasler	Roading Manager
Clutha District Council	Chris	Bopp	Senior Infrastructure Engineer
Manawatū District Council	John	Jones	Roading Manager
Thames-Coromandel District Council	Matt	Busch	Roading Manager
Transport special interest group	Anke	Kole	TSIG convenor