

Transport Congress

Summary

The Presenters – To inform the Debate

Martin Mathews – Ministry of Transport

- Emphasised the significance of transport to the New Zealand economy – moving freight and people locally, regionally, nationally and internationally.
- Over the next 20 years freight flows are expected to significantly increase in Auckland, Waikato, Tauranga and Canterbury.
- Over the next 30 years the use of motor vehicles for people travel is expected to decline from 83 percent to 70 percent but for all other modes increase – model shift.
- Moving from a society based upon low cost energy to one which will be based upon high cost energy.
- Transport accounts for 42 percent of current New Zealand energy emissions.
- Resiliency of New Zealand transport networks an issue.
- Technology may assist New Zealand to get more value out of existing networks.
- In summary key issues are
 - Economic
 - People
 - Energy
 - Environment
 - Technology

FUNDING

Minister of Transport – Steven Joyce

- Focus on economic growth and economy will continue to shape transport investment decisions.
- Existing capital projects, roads of national significance, will be priorities for investment.
- Looking for efficiencies in other activity categories to allow funding of current priorities.
- Don't expect greater revenue sharing – Government must justify taxation to electorate therefore gets to decide priorities and allocation.
- Investment in transport is not the big "economic fix".

Barry Kidd – Ministry of Transport

- Identified the sources of revenue for the National Land Transport Fund and illustrated how these have changed over the past decade – fuel excise tax increased significantly.
- Over that same timeframe expenditure has increased from \$1 billion to nearly \$3 billion and will go to \$4 billion over the next ten years.
- The proportion of the fund spent on state highways and public transport has increased but for local roads and road policing decreased.
- Options for local government contribution to "local share" are rates, developer charges, borrowing and tax increment financing.
- Funding priorities drive the spend but there is a need to get greater value.

Geoff Dangerfield - New Zealand Transport Agency

- Presented detailed breakdown of central and local government funding contribution to each National Land Transport Funding activity class.
- Demonstrated the linkages and responsibilities for decision-making.
- NZTA required to "give effect" to Government Policy Statement.
- Key decision-making criteria are high, medium or low assessments in relation to strategic fit, effectiveness and economic efficiency.
- Current priorities are:
 - roads of national significance (and local connectors)
 - key freight and tourism routes
 - key urban arterials
 - model urban walking and cycling communities
 - public transport where it eases urban congestion
 - optimising existing capacity and levels of service
- These are unlikely to change but key start points are likely to be:
 - Safer Journeys (and road safety action plans)
 - state highway classification
 - roads of national significance
 - Auckland Spatial Plan
 - public transport - sector action plan
 - freight efficiency
- Current National Land Transport programme on target to meet forecast outcomes
- Little scope for increasing expenditure in all activities in next Government Policy Statement – most likely to be funded at lower end of each indicative activity funding range.
- Emerging themes are:
 - clearer strategies and alignment of them with programmes
 - Improving effectiveness of investment (improved costing and better alignment between land use and transport planning)
 - must optimise investment within a flat line revenue scenario.

From the Plenary – The Debate

Some changes in thinking

- In general
 - The major challenge facing the sector may not be the need for additional funding but better prioritisation / use of existing funding.
 - Strategy and planning have got out of step with the ability and willingness to fund.
 - Further work needs to be done in order to identify core transport needs.
 - Some of the calls of the past (e.g. changes to financial assistance rate (FAR)) were not at the heart of the problems now facing the sector but are topics for debate once the core problems are resolved.

The opportunities

- The Plenary was recognised as a "water shed moment". It brought an opportunity for changing the way the local government sector deals with short term and long term issues and problems. It was acknowledged that the sector needs to respond appropriately to the short term issues (e.g. the pending release of the Government Policy Statement) within the context of longer term objectives.

- There was a continued acknowledgement of the different issues within the sector, but also clear recognition of the need to change the way the sector works together so that those differences did not undermine the ability to achieve common needs.
- Through generating multi-partisan support for an agreed vision the significant swings that can occur in national direction could be reduced. In general it was felt that the often significant government lead changes in direction made it difficult and costly for local government to be as effective in delivering results as it could be.
- Local government is willing and able to play an increasing role with government in finding transport solutions that have national impacts, and in continuing to strengthen its role as a provider of effective and efficient solutions for local and regional issues.

The challenges

- Finding a way to balance how national priorities and expectations work with regional and local priorities and expectations. Either not balancing, or understanding where the balance lies, leads to lack of trust and generally ineffective relationships.
- Finding a way for local government to speak with a stronger single clear voice while continuing to recognise the differences across local government. (It is easier for central government to buy into a single clear voice.)
- As a sector maintaining a clear focus on short-term issues whilst addressing these in the context of a longer term view.
- Finding a meaningful message ("vision") that can be brought into by local government, communities and political parties.

Conclusions

- The development of a whole of local government vision for transport will enable the sector to use a common voice to discuss the *key issues and challenges* with our communities and government. This should be based upon informed debate with the aim of winning "hearts and minds".
- It is desirable to establish a small working group to scope and lead work on the first stages of developing the local government vision for transport. The working group would be overseen by a governance "steering" group. To ensure it is supported by evidence it will need access to information within councils.
- Having progressed the development of a local government transport vision there is then the opportunity to engage communities and central government in creating an even more widely shared vision. (In general it was felt that while we needed to work effectively with central government we needed to spend a bit of time getting our own house in order as a sector first.)
- With the pending release of the next Government Policy Statement on Land Transport Funding, *Local Government New Zealand* will first consider taking a middle ground in its response noting the significance of the above work and acknowledging the importance of getting the right balance across the network between maintenance (first priority) and capital (second priority).
- There is a need for a clear *Local Government New Zealand* communication strategy around the approach that is being taken by local government including:
 - Providing local authorities with agreed messages that they can use in their conversations with communities and members of Parliament.

- Providing local authorities with key information and analysis on national trends and challenges to support them in their awareness of strategic transport issues.
- Developing high level messages for use in with Government.
- In creating a local government vision there was consensus that:
 - It needs to be underpinned by a “network” or “system” approach that takes into account all modes of transport, all users and all providers.
 - Short to medium term funding does not appear to match the needs of longer term capital investment, neither to respond to expected changes in the economy, environment and society.
 - Over time build a transport network which is more resilient to natural disasters, oil and energy constraints, economic impacts and societal changes.
 - There is a need to manage the ever present expectation within communities about what can be done and at what cost. This will require an understanding of the real transport needs and having a realistic approach to funding those needs.
 - There were a number of key issues that will have to be considered including:
 - While progress had been made and further steps were being taken to simplify land transport planning/programming, more was still needed.
 - Addressing the relationship between land use and transport so that transport can play an appropriate role in shaping our communities and supporting our economy, while managing both the positive and negative external impacts.
 - With the future scenarios around fuel price, population changes etc it is imperative to start to look for more sustainable funding solutions.