

// SUBMISSION

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# GPS LAND TRANSPORT 2024/25 – 2034/35

// Local Government New Zealand's submission on the draft Government  
Policy Statement on Land Transport 2024/25 – 2034/35

// APRIL 2024



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# Ko Tātou LGNZ.

Local Government New Zealand (LGNZ) provides the vision and voice for local democracy in Aotearoa, in pursuit of the most active and inclusive local democracy in the world. We support and advocate for our member councils across New Zealand, ensuring the needs and priorities of their communities are heard at the highest levels of central government. We also promote the good governance of councils and communities, as well as providing business support, advice, and training to our members.

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# Introduction

Councils play a significant role in delivering Aotearoa New Zealand's transport system. Regional councils are responsible for planning and delivering our public transport network while territorial authorities are Road Controlling Authorities (RCAs) who build and manage the majority of New Zealand's estimated \$164bn of transport assets. Local government is the largest owner of cycleways, footpaths and bridges in the country.

Local Government New Zealand (LGNZ) welcomes the opportunity to submit on the draft Government Position Statement on Land Transport (GPS). Transport is a significant priority for LGNZ. Our recently adopted [position statement](#) outlines the key issues for our members and the outcomes we want to see from the transport planning and funding framework. This work is being advanced by LGNZ's Transport Forum. Our position statement calls for:

- 1) A strategic long-term approach to planning that joins up central and local government decision-making to address maintenance, development, and climate adaptation needs.
- 2) Sufficient, long-term transport investment that prioritises resilience building, safety and better asset management across both new developments as well as maintenance and renewals.
- 3) Integrated transport and freight networks that support placemaking by connecting our rural communities, town and cities by making them great places to live and work.
- 4) A transport network that can adapt to future climate impacts and prioritise decarbonisation.

We address some of these positions further in our submission and will be undertaking advocacy and policy work to support broader changes to the transport planning and funding system that are not in scope of this GPS.

Local government is best placed to deliver a large number of transport outcomes due to its heavy involvement in planning for their areas and connections with their communities. Providing a local and regional lens on transport planning and investment decisions is critical to ensure they deliver on local and regional needs and priorities and integrate with land use and community infrastructure.

We understand the importance of maintaining and improving transport assets to improve community wellbeing and councils are focused on how to ensure their communities have access to critical lifeline services and economic opportunities through our transport system.

LGNZ is pleased the GPS has been released despite some delays, as this is a critical source of information that councils use to inform Long-Term Plan (LTP) decision-making. While we welcome some aspects of the draft GPS (such as the proposed increase to maintenance funding), we believe changes are needed to ensure it delivers on its intended priorities.

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## Key points

Our transport system is in desperate need of increased investment, and we need to put significant effort into building the resilience of the system and decarbonising it. While we are supportive of some elements of this draft GPS we feel significantly more work is needed to deliver an integrated strategy. There are a number of things that don't go far enough, fast enough, for long enough, which we'd like to see addressed.

To improve the GPS Land Transport, LGNZ wants to see the following:

- // Increased funding required overall, including a move to sustainable funding of the land transport system sooner and increased direct investment by government
- // Better alignment across central government's policy and reform programmes as they relate to transport and better alignment between central and local government planning cycles
- // Greater flexibility to better meet the needs and conditions of individual communities and deliver value for money
- // Changes to ensure that the strategic priority on safety is reinforced by other actions in the GPS to deliver safer outcomes for all road users
- // Retaining and reinforcing the GPS as the key instrument for setting out transport priorities and achieving climate change mitigation outcomes
- // Promotion of an integrated freight system
- // Reversal of the proposed changes to funding for public transport services and rail, including giving clarity on the funding approach for inter-regional public transport.

LGNZ supports:

- // The four strategic priorities identified in the draft GPS
- // Taking a longer-term focus on the system
- // Moves to make the land transport funding system self-sustaining.

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# Our Submission

## System reform

### We support the move to a longer-term view and welcome further alignment

LGNZ supports giving the GPS and National Land Transport Programme (NLTP) a 10 year horizon. This would strengthen the ability to align with councils LTPs and enable better procurement outcomes and better alignment between national and local priorities and delivery. This in part addresses our call for a strategic long-term approach to planning that joins up central and local government decision-making.

A longer-term approach to planning and investment would be further strengthened with greater political consensus and we encourage the minister to engage with colleagues from across the House to achieve this. While we acknowledge there are different views and perspectives across parties, minimising the sometime significant shifts in priorities as a result of changes in government would maximise the benefits of a move towards a longer-term view of transport investment.

The benefits of a longer-term approach would be further enhanced if delivered alongside additional reforms that delivered greater integration with other connected decisions. Currently the systems for local and regional infrastructure planning, environmental and land use planning, and financial planning are separate and not appropriately connected with each other, and with Government priorities and investment decisions.

We are also in support of the development of a 30-year infrastructure pipeline and would like to be part of these changes to get stronger alignment between the pipeline and councils' 30-year infrastructure plans. This needs to take a wider than transport approach given that achieving well-functioning cities and rural communities that deliver good social and economic outcomes requires alignment across all major nationally significant infrastructure investment, consistency in the outcomes sought, and alignment in the approach to challenges such as natural hazards and climate adaptation.

LGNZ is a strong advocate for statutory spatial planning which would enable this integration and alignment. This would see central and local government and third parties such as infrastructure providers, agree on shared priorities for regions, areas for growth and to avoid development (for example due to natural hazard risks), and infrastructure and investment needs. This would provide value for money by ensuring investment aligns spatially and temporally.

At a more practical level we note the current timing for the development of the GPS and LTPs and 30-year infrastructure plans creates alignment challenges. We'd like to see this addressed in the signalled legislative reform.

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## **We support efforts to make the land transport system self-sustaining**

LGNZ is supportive of Government's intention to create a land transport system which is better able to fund itself. We support the intention that Fuel Excise Duty (FED) and Road User Charges (RUC) are lifted to sustainably fund the priorities set out in the GPS. Given the reliance on Crown investment and loans initially, and the decreases in funding from 2026-2030, we would support increases to FED and RUC sooner given the challenges highlighted in the GPS to smooth this transition. We support lifting the RUC for heavy vehicles to better reflect the wear and tear that they cause on our roads and a faster transition to electronic road user chargers (eRUC) for all heavy vehicles.

We also support expanding the range of tools for funding and financing land transport investment. We would further support the ability for NZTA to be able to debt fund large capital projects. It is our view however that these tools need to be chosen on a case-by-case basis and informed by local conditions and preferences, rather than a nationally-set default such as is being suggested for tolling. Further to this, it is important that communities are brought along for the journey if new funding and finance tools are being used.

Further reform is required to ensure that local government's contribution to the land transport system is also sustainable. The level of funding in this GPS requires significant investment of around \$1.5 billion per year from local government. This represents a significant portion of local government's expenditure, which is generally rate funded and debt financed. The challenges of funding and finance for local government need to be addressed as well. This could partially be achieved by ensuring that local government receives the benefit from the new tools proposed, such as value capture, as well as being able to use them.

## **Strategic Priorities**

### **The GPS needs to be more integrated in order to achieve economic growth and productivity**

We support the introduction of the overarching strategic priority of economic growth and productivity.

Transport is only one of several key enablers of growth and productivity and so needs to be aligned and coordinated with the other necessary enablers. For instance, we are in support of transport investment which seeks to unlock land for housing, however desired housing will not be realised unless it is matched with investment in other infrastructure and the right land use and environmental planning frameworks and incentives.

Councils have a pivotal role to play here, and we would welcome a joined-up approach to address constraints around funding and financing infrastructure, and to ensure that housing is enabled. Statutory spatial planning which sets regional priorities and aligns investment as well as diversifying the funding and financing tools available to councils are two practical ways to enable this.

Roads of National Significance (RONS) are significant investments, and while there are diverse views on the specific RONS proposed, many of them have been championed by councils and communities

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for a long period of time. To deliver on the strategic priority of economic growth and development these should align with growth priority areas, and other infrastructure investment. The final GPS should be clearer on the proposed staging of the proposed RONS and how they will align with priority growth areas and demonstrate value for money. The effect of large scale investment in specific geographic areas through this package of RONS should be examined to ensure that regions are receiving equitable investment.

### **We support greater investment in increased maintenance and resilience**

We are pleased to see that increased maintenance and resilience is a strategic priority, and that it is matched with increased investment in road maintenance across state highways and local roads. Historically, successive governments have underinvested in renewals and maintenance which has had a detrimental effect on the usability of our transport system.

We would like to see this approach, and the funding that supports it, to be deployed in a way which supports best practice and which builds resilience of the overall system. This is in line with the GPS' stated desire for a proactive approach to road maintenance. While there are current impacts from historic underinvestment in maintenance, a balance will need to be achieved between responsiveness to potholes and a return to appropriate planned maintenance such as rehabilitation/resurfacing of the network at the appropriate time to address the historic deficit in roading maintenance which is causing such high rates of potholes.

We would support a wider view of the impacts from other moves in this GPS, which may result in increased maintenance costs for roads, such as withdrawal of the cross subsidy for rail and decreased funding for public transport services. We support regionally significant transport projects where these bake-in public transport and active modes as part of those works.

We support the emphasis on increasing the resilience of our transport network. Recent extreme weather events have clearly demonstrated the toll the changing climate is having and will continue to have on the condition of our roads and impacts for communities disconnected from the rest of Aotearoa. Significant proactive investment and a joined-up approach to long-term planning are vital to increase the resilience of the transport networks that connect our communities and support their economic prosperity.

The impacts of road closures are often particularly acute in rural areas due to a lack of alternate routes and the travel distances to access markets and services. Most road closures over the past year have occurred on low-traffic rural roads. We therefore support focusing on improving the condition of our rural roads.

As a partner in the Road Efficiency Group we support a partnership approach to increasing efficiency and welcome engagement in the process to refocus this organisation and to define its scope and role.

### **We support a focus on value for money, and see localism as the way to achieve this**

LGNZ supports a focus on value for money. We are particularly supportive of this approach considering the whole-of-life costs of roads and a long-run value lens. As is touched on in more detail later, it would be good if the approaches in the GPS were underpinned by a commitment to

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localism and enabled greater flexibility to match investment with local needs and conditions. This could be in part achieved by addressing the level of prescription of this GPS on local government, and the approaches NZTA adopts in its work with local government.

### **We support a focus on safety and want to see greater emphasis on this**

We are supportive of the strategic priority of safety. We want to see this strengthened by addressing other aspects of the GPS which could facilitate an unsafe environment for many users. These elements will be addressed later in the submission in more detail, but include potential increases in heavy trucks on roads, decreased investment in and flexibility for the provision of walking and cycling infrastructure, and reduced funding for traffic calming measures. When improving roads, for example near schools, traffic calming measures are appropriate for safety purposes.

### **Climate change mitigation needs greater strategic focus**

Transport emissions are one of the five main sources of Aotearoa New Zealand's emissions and account for 17% of our total emissions, so decarbonising transport is one of the key levers for reaching our emissions reductions targets and mitigating the impacts of climate change. While some of the policies under the first Emissions Reduction Plan (ERP) have moved our transport emissions in the right direction, we still need a fundamental shift in the way we move people and goods to ensure we reduce the impacts of climate change on our communities.

We are concerned that the policies outlined in the draft GPS represent an inadequate response to the clear and urgent threat climate change poses. The approach indicated in the draft GPS is unlikely to meaningfully contribute to the three decarbonisation goals outlined in the ERP. Climate change mitigation should be retained in some way as a strategic priority for the transport system. We would also like to see greater investment in lower emissions approaches, such as in public and active transport and support for mode shift, and retaining the current flexibility to deliver multimodal projects. We are also interested in whether the sole focus on the Emissions Trading Scheme may have regressive impacts on the cost of fuel.

### **Freight**

We would like an integrated freight system introduced as a strategic priority. We need a freight network that enables transportation of goods across road, rail, and coastal shipping to support our regional economies. Diversifying our freight network will improve the resilience of the system and reduce the cost of maintenance and renewals, as the use of heavy vehicles has a significant impact on the condition of our roads. The National Freight Demand Study has confirmed that most of our freight is moved via our roads and in particular the local road network. Of all the \$68.4Bn exports produced, land-based exports and their first stage processed products account for over 60% of the value of New Zealand's exports. In today's terms \$42.4Bn of export value per annum is transported by local and regional networks.

With almost 93% of all freight transported by truck, New Zealand's roading network provides a crucial service in supporting our economy at both national and local levels.

However, to achieve resilience and efficiency of the network we need to improve and diversify our freight network. According to a review of NZTA's asset management by the Ministry of Transport



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(MoT), heavy vehicle use and volumes on the State Highway network has grown by 28% over the past 10 years, with a 7% increase in kilometres travelled by heavy vehicles experienced across State Highways during the 2018-21 funding period alone.

We would like to see MoT advance the New Zealand freight and supply chain strategy at pace and co-design the detailed actions with local government as our local roads play an important part in getting products to market.

## Investment in Land Transport

### We favour greater flexibility to better meet the needs and conditions of individual communities

This GPS is significantly more prescriptive for councils compared to all previous GPSs. This is seen in several layers of prescription: the structure of activity classes, the conditions which will apply to each, and their application. The level of prescription proposed will make it challenging to respond appropriately to the different conditions and requirements that different areas face. We would support greater flexibility to ensure that the right decisions are made in the right place – rather than the proposed one size fits all approach.

Examples of this prescription includes:

- Creating a specific activity class for local road pothole prevention
- Changes which make it more complex to fund multi modal improvements such as the installation of footpaths or cycleways
- Restrictions on funding for the use of safety measures such as raised pedestrian crossings, raised platforms, speed bumps, and in-lane bus stops
- Requiring the prioritisation of reliable travel times in all investment decisions in local road improvements
- The view that road controlling agencies act primarily as delivery agencies.

We are also concerned that the level of prescription on councils could result in increased bureaucracy which would add unnecessary cost and time pressures on councils. It may also add more staff cost for NZTA.

### We are concerned about the unintended consequences of funding changes for public transport services and rail

Quality public transport is an essential enabler of delivery of the government's objective for more houses and as we grow more urban as a nation. Efficient high service public transport systems are a hallmark of great cities around the world and underpin their productivity.

A key factor in the uptake of public transport is its frequency and reliability. The move towards increased farebox recovery for public transport and decreased funding from the NLTF will have detrimental impacts on public transport service levels and so make it challenging to grow patronage to a sustainable level. This will also likely contribute to increased congestion in urban areas. Public

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transport is an essential service for many isolated and rural communities and these changes to funding for public transport will also make it harder to serve those communities.

The stopping of the cross subsidy of rail prevents investment in the rail network where this provides benefits for road users. As mentioned earlier, the movement of freight is important for economic productivity and growth. Further heavy truck use on roads has impacts on other road users and communities. Its increased growth means that this will lead to increased congestion and negative impacts on communities. This move may also lead to increased Track User Charges which would impact on the provision of rail public transport.

### **We are concerned with proposed changes to walking and cycling investment**

We are concerned about the potential impacts of the restrictions around how walking and cycling funding is used. The draft GPS sets a higher threshold to invest in walking and cycling than for roading investment. Establishing requirements to identify existing need or safety issues means that the roads which would most benefit from this investment as they are hostile to pedestrian or cyclist use are less likely to receive it.

The other requirement for investments to have economic benefits means that other compelling reasons for investment in walking and cycling such as the social benefits they offer cannot be considered.

The increased complexity around multi modal infrastructure means that if new infrastructure is built that does not allow for vulnerable road users, we are potentially locking in this impact for generations. Retaining the current flexibility for walking and cycling investment will support greater value for money to be achieved across the lifetime of the asset.

### **Inter-regional public transport needs to be specifically provided for**

Both Te Huia (between Hamilton and Auckland) and the Capital Connection (between Palmerston North and Wellington) are important connections and it is challenging to see how they will be funded sustainably without an inter-regional public transport activity class. We would like to see clarity in the final GPS on how these will be funded, or reinstatement of a specific inter-regional public transport activity class.

## **Ministerial direction**

LGNZ generally supports the minister's directions, specifically the focus on delivery and value for money.

The explicit requirement that RCAs follow ministerial direction in order to have projects included in the NLTP is new and we are interested in the intention of this. We are concerned that the expectations that RCAs are to act primarily as delivery agencies and focus on core business could limit what councils legitimately decide to make investments on outside of the NLTP. This condition should only apply to RCAs for activity in the NLTP.



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## Conclusion

Councils want to work as a partner with the Government to shift towards a longer term, sustainably funded approach to land transport. We want these shifts to achieve a more a strategic and joined-up approach to decision making and delivery of transport services so that integrated transport and freight networks deliver outcomes for communities and the country as a whole. This could include the use of statutory spatial planning, as well as addressing wider funding and financing challenges for councils.

We are concerned with the prescription the GPS places on councils when local communities are better placed to make the right decisions for their communities. A one size fits all approach is less likely to deliver on desired outcomes and could see an expansion in bureaucratic approaches in the delivery of transport investments.