

Recent Government Initiatives – National Infrastructure Plan and Proposed Changes to the Land Transport Management Act

Purpose

This report outlines the recently released National Infrastructure Plan and proposed changes to the Land Transport Management Act and discusses the implications of these Government initiatives for Auckland Transport.

National Infrastructure Plan

The National Infrastructure Plan 2011 (NIP) was released by the Minister for Infrastructure on 4 July 2011. The NIP is a strategic, future focussed document that places infrastructure in the context of economic and population growth. It seeks to provide common direction for how all economic and social infrastructure is planned, funded, built and used. It covers the transport, telecommunications, energy, water and social infrastructure sectors.

The NIP states the Government's five priorities for the next three years. Particularly relevant are:

- Providing a comprehensive approach to investment in Auckland that helps implement the Government's responsibilities through the Auckland spatial plan
- Focusing transport investment on supporting exports through projects like the Roads of National Significance and better rail links to ports
- Improving the Government's ability to monitor performance.

The NIP establishes six guiding principles for infrastructure development:

- Investment Analysis
- Resilience
- Funding Mechanisms
- Accountability and Performance
- Regulation
- Coordination

The principles are explained in the attached Executive Summary.

The NIP concludes that these principles occur effectively in the transport sector with the exception of Investment Analysis and Coordination. With respect to Investment Analysis, the NIP concludes that given the long lead times and life spans for major projects, more consideration needs to be given to future changes in demand and to designing infrastructure with the flexibility to enable future options, acknowledging that this may result in some over investment. The NIP also concludes that wider economic benefits need to be considered, including those created by more efficient land use and resource allocation. With respect to coordination, the NIP concludes that decisions about land use need to be well integrated

with transport decisions, and that central and local Government could coordinate their respective decisions better.

The NIP contains a three year action plan consisting of eight points as outlined in the attached Executive Summary. Of particular note are Action 1, a commitment to develop a ten year capital Intentions Plan; Action 2, to encourage debate on the use of demand management and pricing in infrastructure sectors; and Action 3, to explore alternative sources of funding. In implementing the NIP the Government plans to focus on Auckland and Christchurch. Auckland Transport will actively participate in these debates given the need to expand our transport funding base to meet future growth requirements.

Proposed changes to the Land Transport Management Act

The Land Transport Management Act 2003 (LTMA) is the legislation which contains the planning and funding framework for transport in New Zealand. The LTMA is one of the key pieces of legislation governing Auckland Transport activities.

On 29 June 2011 the Minister of Transport issued a press release advising proposed changes to the LTMA, to be introduced to Parliament later this year or early in 2012. The intention of changes is to “make the transport planning process simpler, more streamlined and less prescriptive”.

The main changes proposed are as follows:

The purpose of the LTMA is to be changed

It is proposed that the purpose will read:

“To contribute to an effective, efficient and safe land transport system to support New Zealand’s economic, social, cultural and environmental wellbeing”.

This will replace the five current elements of the purpose (affordable, integrated, safe, responsive and sustainable) and the five current LTMA objectives (assist economic development, assist safety and personal security, improve access and mobility, promote and protect public health, and ensure environmental sustainability).

The planning regime is to be changed

The Government Policy Statement on Land Transport (GPS) is to set out central Government’s outcomes and objectives for the land transport sector for at least ten years and will set out the impacts central Government wishes to achieve from the NLTF for a ten year period. The GPS will be issued at least every six years with a review of the investment strategy every three years.

Regional Land Transport Strategies and Regional Land Transport Programmes (RLTPs) will be replaced with a modified RLTP which will identify the outcomes, objectives and interventions proposed for at least ten years. The RLTP will be issued every six years, and reviewed every three years. The Board of Auckland Transport is to prepare the RLTP for Auckland. Requirements for consultation on the RLTP are to be less prescriptive.

The Auckland (Spatial) Plan is expected to provide the high level transport outcomes covering a 30 year period. Auckland Council will also be able to use its Long Term Plan to influence Auckland Transport’s priorities.

Requirements for new toll roads, particularly around consultation, will be simplified. The requirement for a feasible, untolled alternative route to be available will remain.

Implications for Auckland Transport

The NIP signals a need for better investment analysis and coordination in transport, including consideration of demand management, pricing and alternate sources of funding. The Auckland (spatial) Plan is seen as providing an important opportunity to agree on land use and infrastructure requirements.

The new “effective, efficient and safe land transport system” elements in the purpose of the LTMA will become the criteria for funding and prioritising projects and activities. Auckland Transport will need to determine what an “effective” transport system means for Auckland. Consultation on the RLTP will be less frequent (every six years rather than every three years) and less prescriptive. The outcome of the changes is likely to be more cohesive, straightforward and therefore faster planning and programming processes.

The requirements for new toll roads will be simpler and more straightforward (for example the Minister of Transport will need to be satisfied with the level of support and that consultation is adequate rather than the current list of requirements). With the removal of the Regional Land Transport Strategy and changes to the RLTP, Auckland Transport will have a more legislative responsibility for longer term planning of transport as well as programming.

Next Steps

The changes to the LTMA will be introduced to parliament later this year or in early 2012, to be followed by consideration by a parliamentary select committee.

Recommendation

That this report be received.

Attachments

Attachment 1 – National Infrastructure Plan Executive Summary

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Executive Summary

The National Infrastructure Plan is a strategic, future focused document that places infrastructure in the context of economic and population growth. It seeks to provide common direction for how we plan, fund, build and use all economic and social infrastructure. It covers the transport, telecommunications, energy, water and social infrastructure sectors.

Vision

By 2030 New Zealand's infrastructure is resilient and coordinated and contributes to economic growth and increased quality of life.

Principles

The following guiding principles provide a platform for infrastructure development and signal how the country should move forward and make better decisions in the future.

Investment Analysis

Investment is well analysed and takes sufficient account of potential changes in demand.

Transport

Telco

Energy

Water

Social

Resilience

National infrastructure networks are able to deal with significant disruption and changing circumstances.

Transport

Telco

Energy

Water

Social

Funding Mechanisms

Maintain a consistent and long term commitment to infrastructure funding and utilise a broad range of funding tools.

Transport

Telco

Energy

Water

Social

Accountability and Performance

It is clear who is making decisions, and on what basis, and what outcomes are being sought.

Transport

Telco

Energy

Water

Social

Regulation

Regulation enables investment in infrastructure that is consistent with other principles, and reduces lead times and uncertainty.

Transport

Telco

Energy

Water

Social

Coordination

Infrastructure decisions are well coordinated across different providers and are sufficiently integrated with decisions about land use.

Transport

Telco

Energy

Water

Social

 occurs effectively

 occurs but could be further developed

 does not occur or is ineffective

Strategic Opportunities

The following is a snapshot of the strategic opportunities that will help achieve vision and goals that have been identified in each sector.

Transport

Ensuring a stable regulatory environment.

Supporting growth in Auckland.

Improving the overall effectiveness and efficiency of the network.

Telecommunications

Public and private sector take up UFB infrastructure.

Greater efficiency in telecommunications networks.

Energy

Further develop and improve the electricity regulatory regime.

Improve the information base available to support further investments in petroleum and minerals sectors.

Water

Better demand management practices and consistent performance criteria for water infrastructure.

Promote partnerships and activities within the sector.

Ensure that management of water assets contributes to improved social, economic, environmental and cultural well-being of communities.

Social

Alternative approaches to the funding delivery and management of assets and associated services.

Improved spatial consideration of social infrastructure to support growing communities.

Greater use of shared services by local government.

Three-Year Action Plan

Government is committing to the following actions to give effect to the vision and principles and to move towards the next edition of the Plan in 2014.

- 1 Central government will commit to developing and publishing a ten year Capital Intentions Plan for infrastructure development to match the planning timeframe required of local government.
- 2 Increase understanding of and encourage debate on the use of demand management and pricing in infrastructure sectors.
- 3 Improve access to information on current infrastructure performance to create certainty about when, where and how infrastructure development is occurring, including consideration of whole of life costs.
- 4 Develop performance indicators for each sector on the stock, state and performance of central and local government infrastructure assets as well as those managed by the private sector.
- 5 Work with regions to develop more strategic infrastructure planning at a macro-regional level. Consider where adoption of spatial planning would produce optimum outcomes, particularly in metropolitan areas.
- 6 Improve scenario modelling to more accurately project likely infrastructure investment requirements from the short to very long term.
- 7 Use lessons from Christchurch to significantly enhance the resilience of our infrastructure network. This may include developing improved seismic design standards, reviewing organisation culture to improve performance in emergencies and identifying ways to quickly return services to full operational capacity.
- 8 Explore alternative sources of funding, and implement funding tools that can be used to manage the current portfolio more effectively.

In addition to these actions, the National Infrastructure Unit will work with other government agencies and private sector groups to ensure there are:

- » Improved partnerships and greater communication on infrastructure issues.
- » A broader research programme to provide a stronger evidence base for decisions.
- » An annual state of infrastructure report that updates the progress being made against the action plan.