

Development of 2021-24 National Land Transport Programme

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Contents

Topics I will cover today

- Overview of the requirements of the National Land Transport Programme (NLTP)
- Government Policy on Land Transport (GPS) - funding
- Update on NLTP development
 - Process
 - Affordability
 - Uncertainties
- Summary




National Land Transport programme (NLTP)

Core requirements are set out in the LTMA Section 19B

- Waka Kotahi must adopt an NLTP every three years by 1 September
- Give effect to the Government Policy on Land Transport (GPS)
- Take into account Regional Land Transport Plans
- Key decisions include
 - Target funding for each activity class
 - Activities approved or anticipated to be funded from RLTPs

Reprint
as at 18 October 2016



Land Transport Management Act 2003
Public Act 2003 No 118
Date of assent 12 November 2003
Commencement see section 2

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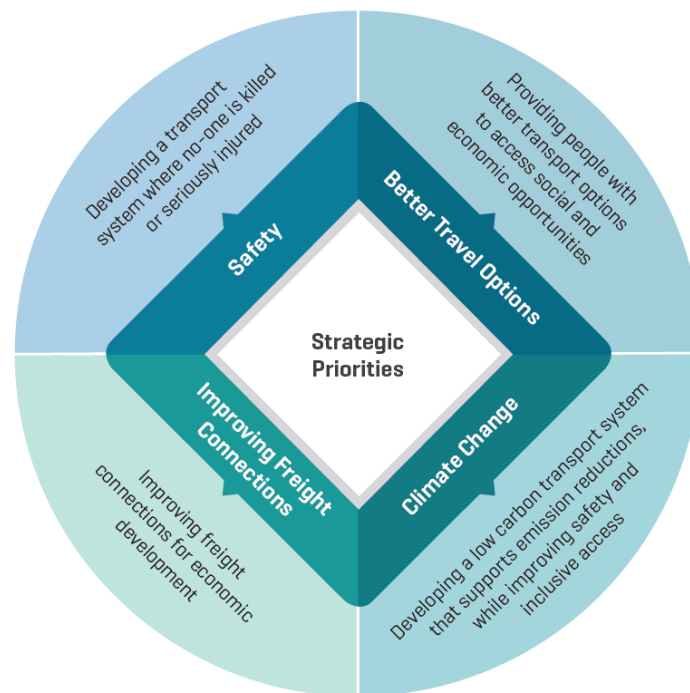
Note
Changes authorised by subpart 3 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.
This Act is administered by the Ministry of Transport.

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Government Policy Statement on Land Transport

GPS requirements are many and detailed

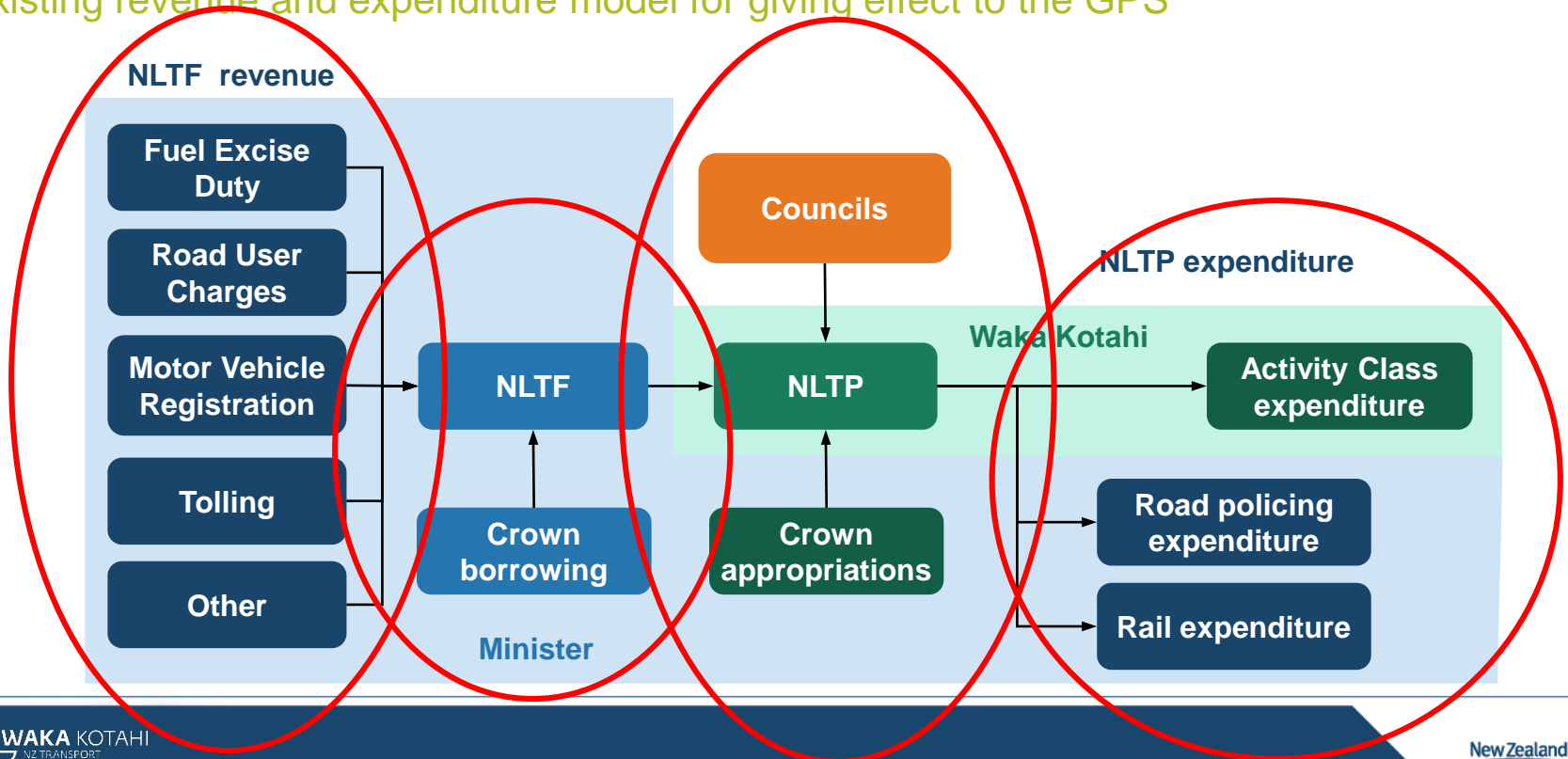
- Four strategic priorities
- Revised activity classes, notably:
 - Road to Zero
 - Rail Network
 - Public Transport Services and Infrastructure
 - Coastal Shipping
- Four Government commitments with long-term investment expectations:
 - Auckland Transport Alignment Project (ATAP)
 - Let's Get Wellington Moving (LGWM)
 - Road to Zero (RtZ)
 - New Zealand Rail Plan (RNIP)
- A complex matrix of requirements



GPS Strategic direction
(Source: GPS 2021, Figure 1)

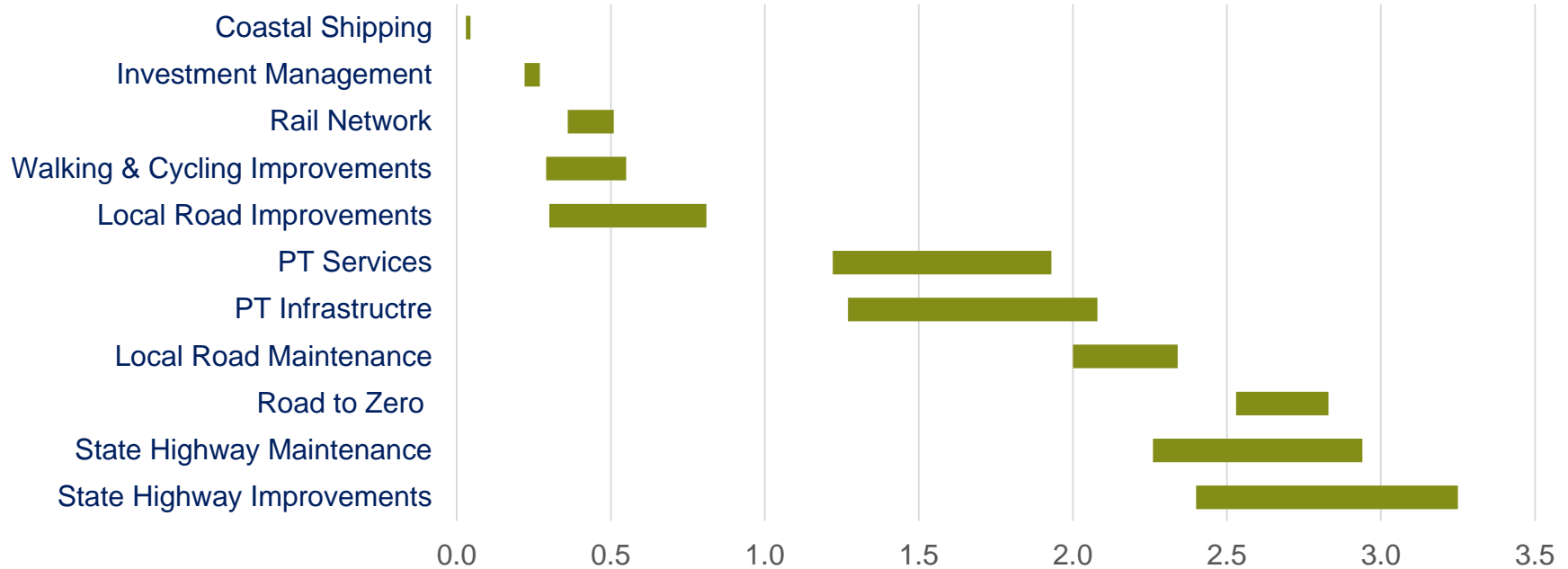
NLTF revenue and NLTP expenditure

Existing revenue and expenditure model for giving effect to the GPS



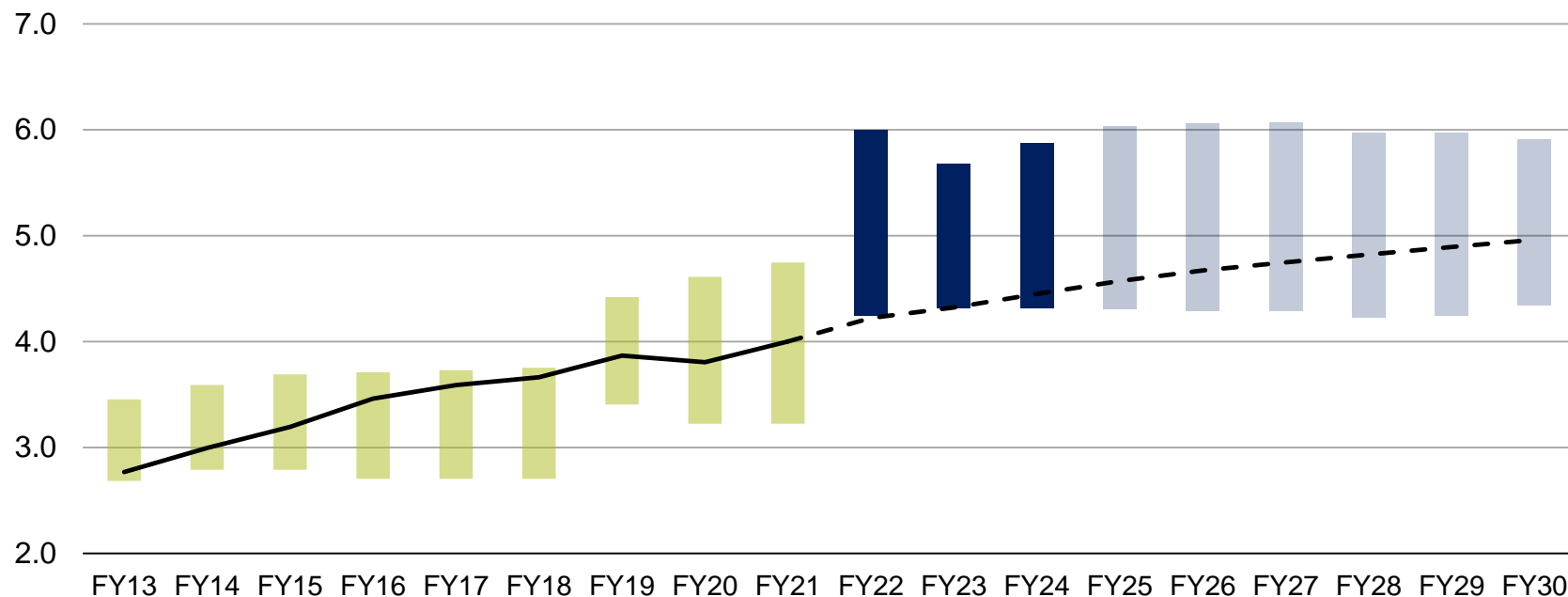
GPS activity class ranges 2021-24

GPS sets lower and upper funding ranges for each activity class



Activity class ranges vs. revenue

Sum of activity class ranges for successive NLTP periods (\$ billion per annum)



Affordability challenges for NLTP 21-24

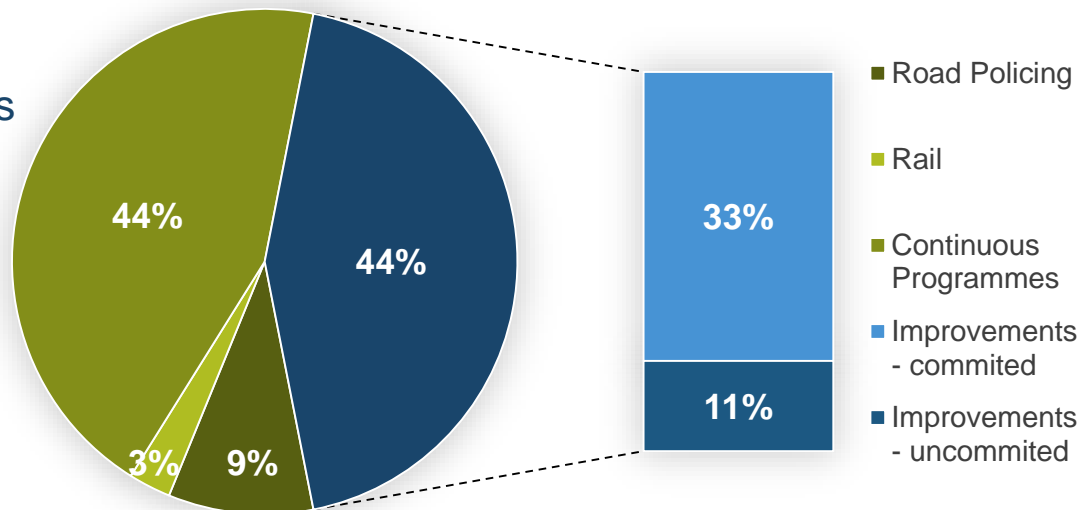
Low level of discretionary spend

- No increase to FED and RUC in this NLTP period
- Rail added to the scope of land transport
- Heightened expectations to fund government commitments
- Budget bids for road maintenance not supported
- Competing financial pressures for local authorities
- High level of existing commitments
- No cash surplus to carry forward
- Asset base growing in scale and complexity
- Revenue impact of the new clean car scheme
- Cost inflation

Update on development process

Allocation of more than half of NLTP funding has already been made

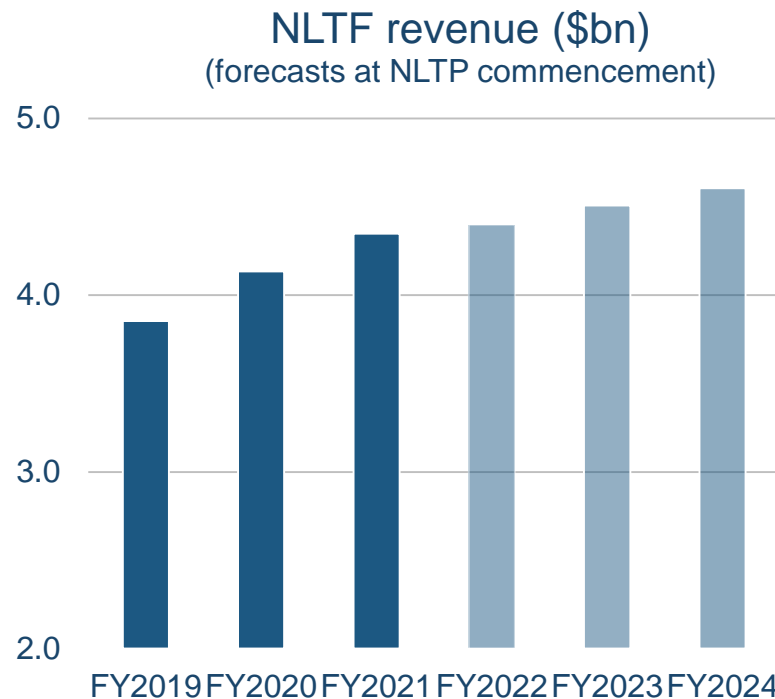
- Indicative allocations for continuous programmes advised this week
- Prioritisation of improvement activities (vs. GPS priorities) underway
- Seek Board approval in June for interim funding
- Final NLTP adoption by the Board in August
- Publication and associated communications programme by 1 Sept



Uncertainties

Outlook is more uncertain than for prior NLTPs

- Current forecasts project ca. 9% revenue growth excluding any future impacts of
 - COVID-19
 - Clean car scheme
- Relative priority of climate change activities
- Potential for financing (and maybe additional funding) to supplement NLTF
- Competing financial pressures



Summary

Key points

- NLTP 21-24 adoption by Waka Kotahi Board in August
- Unprecedentedly constrained financial outlook – both 3 year and beyond
- Waka Kotahi Board will seek to balance competing demands not all of which will be met
- Wide range of uncertainties



QUESTIONS ?

For further information:

- Web: <https://www.nzta.govt.nz/planning-and-investment/contact-and-support/>
- Email: nltf@enews.nzta.govt.nz