

Government Policy Statement on land transport

Fact sheet

Changes in activity class funding

Changes in funding levels - GPS 2018 compared to GPS 2015		
Public transport	This will support an expansion in public transport networks. This will support an increase in operating subsidies for public transport and some public transport capital improvements.	68%
Rapid Transit	New activity class – allowing \$4 billion over 10 years to establish rapid transit investment.	New category
Walking and cycling improvements	To support an expansion in walking and cycling infrastructure.	116%
Local road improvements	To support local road improvements and upgrades.	42%
Regional improvements	To support investment in regional projects that improve safety, resilience and access for people and goods. How the NLTF interacts with the Provincial Growth Fund will be a key determinant of the activity class funding expenditure levels.	96%
State highway improvements	This decrease rebalances investment across the transport portfolio. The proposed activity class level will allow for currently committed projects to be completed and will enable the delivery of more safety improvements.	-11%
Road policing	To enable the NZ Police to maintain an effective road policing service.	14%
Promotion of road safety and demand management	To continue road safety promotion, alcohol interlocks, and to include demand management measures that promote public transport and walking and cycling.	99%
State highway maintenance	This activity class was capped over the last GPS period. It is now proposed to allow for an increase in the level of renewals of state highway pavement surfaces given additional heavy vehicle traffic and severe weather.	18%
Local road maintenance	This activity class was capped over the last GPS period. It is proposed to allow an increase to cover the increased maintenance cost of additional heavy traffic and severe weather. However, it is also proposed to allow footpath maintenance to be funded from the NLTF. This is a scope change that reflects the Government's desire to support the use of active modes.	17%
Transitional rail	New activity class – this activity class will support rail priority transport options for users and benefit congestion in our urban centres until a wider review of rail funding is concluded.	New category

Petrol Excise Duty

There will be three increases in Petrol Excise Duty of 3.5 cents on 1 October 2018 litre (with an equivalent increases in Road User Charges from September 30), and further 3.5 cent increases in 2019 and 2020.

The increase to Petrol Excise Duty will raise \$5 billion over ten years for much needed infrastructure investment.

Cost to households of excise increase

These changes will cost the average family 83 cents a week this year, rising to \$2.50 a week by 2020.

Household income	Estimated average weekly increase, (including GST)		Estimated average weekly increase, Auckland (including RFT and GST)	
	2018	2020	2018	2020
Average	\$ 0.83	\$ 2.50	\$ 3.80	\$ 5.77
Decile 1	\$ 0.41	\$ 1.24	\$ 2.40	\$ 3.64
Decile 2	\$ 0.39	\$ 1.18	\$ 1.74	\$ 2.64
Decile 3	\$ 0.57	\$ 1.71	\$ 2.64	\$ 4.01
Decile 4	\$ 0.71	\$ 2.14	\$ 2.33	\$ 3.54
Decile 5	\$ 0.88	\$ 2.65	\$ 3.75	\$ 5.70
Decile 6	\$ 0.79	\$ 2.37	\$ 3.67	\$ 5.57
Decile 7	\$ 1.07	\$ 3.21	\$ 4.60	\$ 6.99
Decile 8	\$ 1.11	\$ 3.34	\$ 4.98	\$ 7.56
Decile 9	\$ 1.31	\$ 3.93	\$ 4.30	\$ 6.52
Decile 10	\$ 1.43	\$ 4.29	\$ 5.08	\$ 7.71

Source: Ministry of Transport

This change is consistent with past increases

	Date of change	Increase (cents per litre)	Percentage	Total Petrol Excise Duty (cents per litre)
Previous increases	1 January 2002	1.4	4.4%	33.4
	1 April 2002	2.8	8.4%	36.2
	1 April 2005	5	13.8%	41.2
	1 April 2006	0.71	1.7%	41.9
	1 April 2007	0.62	1.5%	42.5
	1 October 2009	3	7.1%	45.5
	1 October 2010	3	6.6%	48.5
	1 August 2012	2	4.1%	50.5
	1 July 2013	3	5.9%	53.5

	1 July 2014	3	5.6%	56.5
	1 July 2015	3	5.3%	59.5
Proposed increases	1 October 2018	3.5	5.9%	63.0
	TBC 2019	3.5	5.6%	66.5
	TBC 2020	3.5	5.3%	70.0

Restoring funding to Regional New Zealand

Regional and local roads are in need of serious investment. National Land Transport Fund (NLTF) Spending was reduced in some regions by as much as 30%. The amount of the NLTF spent in the West Coast, Taranaki, Southland, Otago, Northland, Hawkes Bay, Gisborne and the Bay of Plenty was significantly reduced between 2009 and 2018.

We've committed to rebuilding these regions. We're investing more money to fix the infrastructure deficit in our regions, towns and cities left by nine years of National starving local roads. We've doubled the funding for regional improvements and are putting 43% into local roads.

Region-specific information can be provided on request.

Safety

The government plans to investigate a Vision Zero approach to road safety in the development of a new road safety strategy.

A Vision Zero approach represents a deliberate shift from the traditional view that road deaths are inevitable and that individuals are primarily responsible for road safety.

Vision Zero assumes:

- that it is not ethically acceptable that people are killed within the road transport system
- that responsibility for road safety is shared between road designers, regulators and users
- that humans will make mistakes and that our road system should be designed to ensure mistakes aren't fatal
- that crashes are predictable and therefore preventable.

Vision Zero will look like:

- Ambitious short and long term targets to reduce deaths and serious injury
- Significant investment to make streets and roads safer in the event of a crash, e.g. median and side barriers, targeted road widening, rumble strips, intersection upgrades, pedestrian islands and separated cycleways.
- Targeted speed reductions to reduce the severity of crashes when they do happen.
- Enhanced enforcement (red light cameras, road police, alcohol busts) to target high risk drivers.

Financial Assistance Rates

The NZ Transport Agency (NZTA) has introduced new targeted enhanced funding assistance rates (FARs) to reduce 'local share' funding requirements for high-priority transport projects that give effect to GPS priorities of safety and access.

The new FAR is set halfway between a council's normal FAR rate and 100%, for all locally delivered improvements.

All new and existing projects within RLTPs will automatically be assessed through the IAF to determine whether they are eligible for an enhanced FAR.

For example:

- high priority projects led by Western Bay of Plenty District Council will be 75% funded by NZTA – an increase from 51%
- high priority projects led by Gisborne District Council will be 84% funded by NZTA – an increase from 68%.
- high priority projects led by Hawkes Bay Regional Council will be 75.5% funded by NZTA – an increase from 51%.
- high priority projects led by Manawatu District Council now be 76.5% funded by NZTA – an increase from 53%.

Further information about the criteria used to assess projects can be obtained from NZTA.

Funding process

Decisions to fund and build projects are made by the Board of the New Zealand Transport Agency (NZTA) based on each Regional Land Transport Plan (RLTP), other Regional Land Transport Plans, and ultimately the National Land Transport Programme. NZTA considers each project against all other projects submitted nationally. It then determines which projects are funded by reference to a number of criteria.

Regional Land Transport Plans are due to be submitted on 30 June 2018. The New Zealand Transport Agency will then assess those projects and publish the National Land Transport Programme on 31 August 2018.

The status of individual projects can be found at <https://www.nzta.govt.nz/projects/>