



# **AT Funding Improvement Advocacy Plan**

August 2023

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# Background

## Context

- AT and the wider transport system is severely impacted by funding and financing challenges
- Without more funding, transport service levels and performance will deteriorate, strategic priorities will not be achieved and customer experience will decline
- Government policy, regulation and legislation presents barriers to accessing funding

## Purpose of this document

- In May 2023, the AT board endorsed 5 AT priorities for funding and financing reform at a national level
- This document sets out the actions and initiatives AT staff will undertake over the next 12 months to influence government decision making across the five priorities
- This is an internal document to guide AT engagement with central government and activities which may influence national decision making



# **AT's 2023 priorities for national funding and financing reform**

1. Time of use pricing
2. Reducing complexity and enhancing AT funding in a multiple source funding system
3. Parking infringements and charges
4. Funding the costs of growth
5. Review of the transport funding system



# 1. Time of use pricing

## Objective: reform of legislation to enable time of use pricing for road use

**What is the problem** – legislation currently prevents direct charging for accessing existing roads by time of day. Scarcity of road space is therefore not priced into user decisions contributing to over-demand (congestion).

**What is the opportunity** – time of use pricing will provide a signal to road users that road space is scarce, improving network performance, while revenue obtained can be used to reinvest back into the network.

**Who needs to be influenced** – Prime Minister, Minister of Transport, Ministry of Transport, Treasury, general public.

**What are the key concerns** – equity for communities with no alternatives, public opinion, double charging of road users.

**Who is aligned** – Waka Kotahi, business groups, Infrastructure Commission, Tauranga City Council, Wellington region, many officials and decision makers agree a direct charging solution is required but are waiting for leadership and political opportunity.

**Status** – after deprioritising time of use pricing for a number of months, government has now developed draft legislation to enable charging on existing roads. The National opposition has announced support for time of use pricing, though is indicating that it will need to replace rather than supplement the regional fuel tax. Staff are working with council to hold a workshop in August with councillors to bring them up to speed and understand political priorities. Potential partner organisations, including Tauranga City Council, Hamilton City Council and Let's Get Wellington Moving have been approached.

### Actions:

- AT engages other potential partners to build consensus, including Hamilton and Wellington
- AT works with Waka Kotahi and council officers to brief and update council Governing Board
- AT and council align messaging and develop joint engagement strategy
- AT SMEs continue to work with Ministry and council on development of new legislation
- AT leaders engage Ministry at different levels to emphasise importance
- Submission on any draft legislation



# 2. Reducing complexity and enhancing AT funding in a multiple source funding system

**Objective:** ensuring the National Land Transport Fund (NLTF) provides adequate funding for the transport system, and consolidating multiple transport funding sources

**What is the problem** – the NLTF is not keeping up with funding requirements. There has been an increase in the number of funding “pots” available for transport investment, fragmenting sources and adding time, complexity, and distorting prioritisation.

**What is the opportunity** – ensure adequate funding of New Zealand’s transport system, reduce staff time, accelerate investment decisions and reduce process costs, improve certainty to support long term planning and investment.

**Who needs to be influenced** – Minister of Finance, Minister of Transport, Ministry of Transport, Treasury.

**What are the key concerns** – economic and social impacts of higher FED and RUC to resource the NLTF, appropriateness of topping up NLTF with public money, loss of political control over project decision making.

**Who is aligned** – Waka Kotahi.

**Status** – it does not appear that consultation will proceed on the GPS, removing a key formal opportunity to highlight current issues. The chair has written to the Minister and mayor highlighting funding challenges. There is general understanding within government of the level of complexity, but no clear agreement around how to transition away from the current model.

## **Actions:**

- Outline issues and options in feedback to government on the draft GPS, if submissions open
- Engage Waka Kotahi and Auckland Council on aligned messaging and advocacy
- Investigate research into the costs of administering the current approach
- Engage central government officials on costs and impacts of the current approach



# 3. Parking infringements and charges

**Objective:** review of the schedule which sets parking infringement fine maximums

**What is the problem** – Government has not reviewed the schedule in over two decades, resulting in parking fine maximums which no longer discourage overstaying.

**What is the opportunity** – increased compliance improves parking space utilisation and efficiency while revenue obtained from higher parking penalties can be reinvested into transport.

**Who needs to be influenced** – Prime Minister, Minister of Transport, Minister of Justice, Minister of Local Government, general public.

**What are the key concerns** – public opinion, consistency of higher penalties with cost of living concerns, national consistency of penalties for the same infringement.

**Who is aligned** – Mayor of Auckland, government recognises issues.

**Status** – the Ministry of Transport has drafted consultation documents but the review of statute is on hold until after the election. The Mayor has written to the Minister and Auckland MPs have been advised on the need for legislative reform.

**Actions:**

- AT SMEs continue to work closely with Ministry of Transport on reforms
- Submission on review documents when available
- Targeted engagement with Ministry of Transport officials to influence the Briefing to Incoming Minister



# 4. Funding the costs of growth

## Objective: reform of legislation which enables AT and council to fund investments in infrastructure which support new development

**What is the problem** – current tools to fund infrastructure which enable growth and development do not generate sufficient revenue to support investment.

**What is the opportunity** – new tools and legislation enable growth to pay for growth, freeing up AT funding and council debt headroom to focus on network investment. Strengthened price signals to developers encourage development in locations where transport costs are lower. Improved certainty of transport investment supports faster and more responsive development aligned with transport services.

**Who needs to be influenced** – Minister of Finance, Minister of Transport, Minister of Housing and Urban Development, Ministry of Transport, Treasury, Kainga Ora.

**What are the key concerns** – higher infrastructure costs flow through to higher house prices and slower supply, higher charges diverting development to lower cost locations regionally and nationally which may not be as suitable for growth, how to ensure central government investments in development are appropriately funded.

**Who is aligned** – officials involved in housing (and who understand growth challenges), interest groups, major councils.

**Status** – council is currently determining internally what type of tool they can support and what information they can share with government. Government officials are awaiting a council position, with time running out before Briefings to Incoming Ministers are prepared.

### Actions:

- Draft discussion paper on growth infrastructure funding challenges for engagement with central government
- Engage central government officials to expand knowledge and influence briefing documents for the new government
- Support government workstreams investigating new or different mechanisms



# 5. Review of the transport funding system

**Objective:** acceleration and publication of Ministry of Transport's system review of transport funding

**What is the problem** – the transport funding system is inadequate to fund objectives and expectations of customers, the government and council.

**What is the opportunity** – an appropriately funded, financed and incentivised transport system will accelerate investment, moderate spending demands and facilitate better user decisions.

**Who needs to be influenced** – Prime Minister, Minister of Finance, Minister of Transport, Ministry of Transport, Treasury.

**What are the key concerns** – public perception of higher charges pushing up the cost of living, disruption to existing transport programmes and processes, the overall difficulty of implementing system change.

**Who is aligned** – Waka Kotahi, interest groups.

**Status** – Ministry of Transport officials have for over a year been investigating the future of the revenue system, but there has not yet been strong political support to formally consult on issues and options. There remains some debate as to when substantive reforms are needed.

**Actions:**

- Engagement with Ministry of Transport at all levels to discuss funding challenges and ensure Briefings to Incoming Ministers reflect issues
- Submission to any subsequent consultation process on the funding review
- Media engagement on funding priorities for the new government







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