

## Attachment One: Rapid Transit Framework Summary

### 1. The current situation

Rapid transit corridors form the backbone of the public transport network, and are critical to achieving the desired social, economic and environmental outcomes outlined in the Government Policy Statement for Land Transport (GPS), as well as the Government's broader Wellbeing outcomes. They drive local and national economic prosperity, enable much needed additional housing, accelerate mode shift and reduce carbon emissions.

Because of this, rapid transit corridors will have a nationally significant role in meeting the future travel needs of metropolitan and growth regions to manage road congestion and enable efficient flows of people, as well as supporting and shaping regional urban form.

### 2. The purpose of developing a rapid transit framework

Rapid transit has an increasingly important role to play in meeting the travel needs of metropolitan centres and fast-growing regions, shaping growth and urban form, and promoting a low carbon transport system. Rapid transit investments to date (e.g. Northern Busway, Auckland rail electrification, Wellington rail network upgrades, City Rail Link etc.) have delivered (or are expected to deliver) significant benefits.

Significant investment in New Zealand's rapid transit network is required over the coming decades, which will need to be well-planned and integrated with the wider public transport network and urban planning. Several major rapid transit investments have been completed in New Zealand over the past 10-20 years or are currently under construction. Where completed, these projects have delivered transformational change.

However, projects like the Northern Busway, the AMETI, Eastern Busway and City Rail Link have taken many decades to plan and deliver, have required complex bespoke funding and delivery arrangements, and have missed opportunities to fully unlock their value. Existing frameworks, used for State highway construction or small-scale public transport improvements have struggled to accommodate rapid transit, making it challenging to efficiently plan, fund and delivery these large, complex projects.

An effective rapid transit framework needs to address the key challenges that have inhibited the planning and delivery of rapid transit. Specifically:

- clarify the definition and role of rapid transit in wider transport and planning frameworks;
- clarify roles and responsibilities for rapid transit across different organisations; and
- clarify funding arrangements for rapid transit.

We have undertaken some initial thinking to support consultation with key stakeholders across the sector. It is the first step in developing an enduring policy framework for rapid transit. The positions presented are for discussion and will require further refinement following consultation with the sector, including the Ministry of Transport and KiwiRail.

### 3. The challenges

By delivering a fast, reliable, high-capacity travel option, rapid transit can play a transformational role in delivering key transport and urban development outcomes. However, the current framework for planning, funding and delivering rapid transit is unclear, inconsistent and fragmented. This has resulted in projects being progressed by different parties, key decisions made on a project-by-project basis, and different associated funding arrangements needing to be worked through for each project over a long period of time. The key challenges that have inhibited the planning and delivery of Rapid Transit are outlined below and form the core issues to address.

- 1) ambiguity as to what constitutes rapid transit;
- 2) insufficient network and urban integration;

- 3) roles and responsibilities not clearly defined; and
- 4) inconsistent funding arrangements.

#### 4. Defining rapid transit

The GPS and the National Policy Statement for Urban Development (NPS-UD) both define rapid transit as:

*A frequent, quick, reliable and high-capacity public transport service that operates on a permanent route (road or rail) that is largely separated from other traffic*

The definition of rapid transit reflects its strategic role in forming the most important connections in the public transport network and playing an important role in shaping urban form. To ensure consistency and avoid confusion, Rapid Transit should replace other terms such as “Mass Rapid Transit” and “Mass Transit”.

The definition of rapid transit outlined in the GPS and NPS-UD is fairly high level and needs to be fleshed out in more detail to make definitive decisions around which networks (and therefore future investments) do, and do not, meet the definition of rapid transit. Our work suggests that it is the combination of key attributes to deliver a service competitive with travel by private vehicle along an urban area’s most important corridors that is the defining characteristic of rapid transit.

These key attributes are:

- **Corridor:** does the service have a dedicated and/or very-high priority in shared corridor that enables services to consistently meet critical performance criteria and act as the backbone to the wider public transport network along an urban area’s most important corridors?
- **Speed:** does the service offer competitive travel times to private cars along key corridors at peak times?
- **Frequency:** does the service have a ‘turn up and go’ frequency of 10 minutes or less at peak times, and at least every 15 minutes at most other times?
- **Reliability:** does the services consistently achieve on-time performance of at least 95%? Can the service still operate reliably if there are major issues on other parts of the transport network?
- **Capacity:** does the services have the capacity to capture and sustain a material share of corridor trips that would otherwise be made by private car?

A project would not need to meet all criteria on day 1, as long as the corridor was designated as rapid transit, and there was an intention for the project to eventually meet the definition (e.g. increasing the frequency of the associated services over time).

#### 5. Planning rapid transit

Rapid transit is critical to forming the most important connections in the wider network, enabling communities to access employment, education and public amenities. Rapid transit is about more than just faster, high capacity services and higher design specifications. It is the backbone of the public transport network, critical to shaping urban form and delivering the desired economic, development, social and environmental outcomes.

Developing rapid transit networks takes decades, due to the scale and complexity of different investments. Furthermore, maximising the benefits from rapid transit requires strong integration between different corridors, with the wider public transport network, and also with broader transport and land-use planning. This means a deliberate, long-term, approach to planning is needed.

Currently, rapid transit is largely planned on a ‘project by project’ basis through business cases, with some very high-level strategic planning undertaken through documents like the Auckland Plan and other spatial plans being developed around the country. The large gap between high-level

spatial plans and project business cases makes it challenging to make robust network-wide decisions about sequencing (which corridors to progress first), mode (bus, light-rail, heavy rail etc.) and network integration (how different corridors connect with each other and the wider network). These decisions become highly politicised, increasing the risk that investment is not optimally targeted.

A greater focus on spatial planning and rapid transit network planning would 'bridge the gap' between very high-level conceptual plans and individual project business cases.

- More consistent approaches to spatial planning (as per the RMA reforms) provides an opportunity to identify future rapid transit corridors and align them with growth and development opportunities across major and fast-growing cities.
- A greater focus on rapid transit network planning (similar state highway activity management planning). would help clarify the sequencing, mode choice, key interfaces and more detailed urban development opportunities across the rapid transit network, providing strong guidance to individual business cases that can then focus on detailed project development. Rapid transit network planning is already underway in Auckland.

Rapid transit planning needs to be undertaken in partnership between central and local government. Spatial plans are likely to remain led by regional councils, with significant input from Waka Kotahi and other government agencies. Network planning should be jointly led by Waka Kotahi, KiwiRail and the regional authority (or unitary authority, where appropriate), with significant input from local councils and other relevant agencies (e.g. Kainga Ora).

## 6. Clarifying roles and responsibilities

The core roles and responsibilities that facilitate the development of rapid transit are unclear, which is impacting both progress and delivery. A coordinated and consistent approach to network planning, project design and project delivery is required to ensure rapid transit achieves a broad set of outcomes.

Rapid transit creates an interface at an all of government level and requires a partnership approach. An integrated and cohesive partnership between key central and local government stakeholders is critical to successfully deliver and achieve the transport, social, economic and environmental outcomes sought from rapid transit.

Creating certainty about which organisation leads the planning and delivery of rapid transit would enable the creation of a dedicated and centralised resource, allow projects to be progressed more efficiently and with certainty, and ensure greater consistency across New Zealand on issues like design and mode choice. Waka Kotahi's wide role in the land transport system means it should be the government's lead agency for rapid transit network planning. Support from the MoT will be vital in leading the necessary policy settings to enable this.

It will be critical to work in partnership with local government stakeholders throughout all phases of planning, delivery and operations, in order to ensure seamless integration with the wider public transport network.

## 7. Funding rapid transit

The high cost of rapid transit means that existing transport funding arrangements are not facilitating the progress of rapid transit, compounded by inconsistency with how rapid transit is funded. This has led many projects to be funded on a bespoke basis, often including Crown grants, which has led to significant variability between projects. A clearly defined funding model that provides certainty to stakeholders will be critical to achieving a sustainable and consistent approach to rapid transit.

Funding arrangements for rapid transit are complex, involving a number of stakeholders, funding sources and different types of projects. Therefore, stakeholder input, and analysis of the financial impact of funding settings will be required to develop a new funding model. Key funding principles

that Waka Kotahi considers core to developing the funding model, as well as next steps considerations, for engagement with stakeholders, are:

- beneficiaries should equitably contribute;
- a range of funding sources will be needed including the Crown, local authorities, direct beneficiaries and user contributions;
- value capture must be considered;
- the Crown contribution will need to increase;
- an appropriate allocation from the Crown will need to be determined (e.g. direct Crown grants, NLTF funding or another mechanism);
- financing may be needed to smooth the funding burden on the Crown;
- certainty over funding arrangements is required to progress efficiently;
- funding arrangements should incentivise project buy-in, cost recovery, and whole of life asset management; and
- funding arrangements should promote a mode neutral approach to transport planning.

Some of these principles will need to be balanced against others in the development of an effective funding framework.

## 8. Implementation and next steps

Over the coming decades, population growth and land use development in regional centres will fuel growth in patronage across New Zealand's public transport networks. Modernising and strengthening thinking and delivery around urban policy and transport policy is vital in order to power prosperous cities of scale and combat the twin threats of aging infrastructure and saturation of traditional networks.

As per the Minister's letter of expectation, we will partner with the Ministry and KiwiRail to flesh out the rapid transit framework and finalise the details of what specific policy changes are required (and confirm the decision-makers) to address the key gaps identified through our work to date.