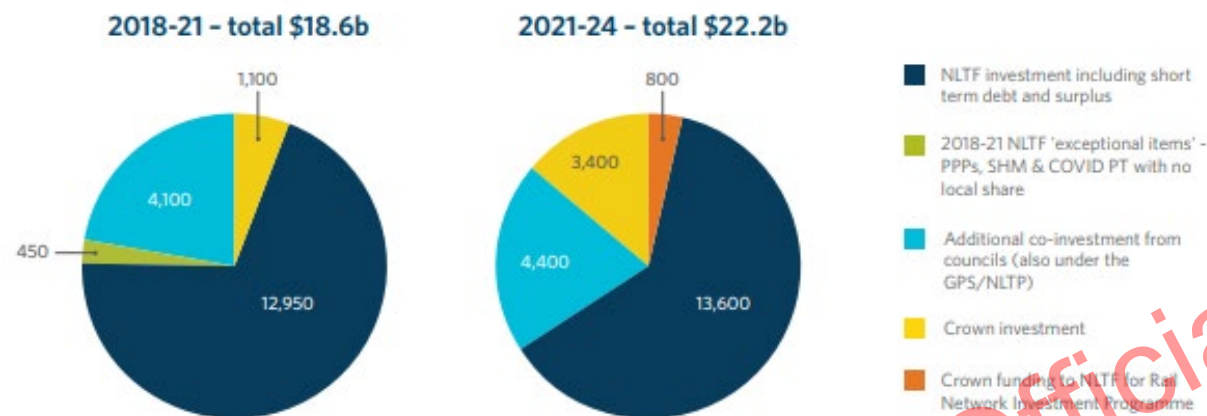


Total investment in land transport

Total investment in land transport (including Crown)



Investment managed under the NLTP



- The total amount of transport investment is increasing by almost 20% from 2018-21 to 2021-24
- The GPS guides how the NLTF is invested BUT we need to take a systems view across all revenue
- AOs need to find more local share
- Crown funding (NZUP, PGF, rail 'top-up') is playing an increasing role

The 10-year picture

Impacts on the four strategic priorities

Safety

- Improvements to highest risk corridors and intersections
- Investment in PT will support safety
- Ongoing decline in road condition and levels of service will offset gains (lost opportunity to avoid 40-50 DSIs)
- Increased investment required in Road to Zero over 2024-31 compared to 2021-24 to meet target contribution to 40% DSI reduction

Better Travel Options

- Rail improvements in Auckland and Wellington will support mode shift through increased capacity and reliability of services
- Committed activities (including NZUP, stimulus package) will result in improved transport choices in high growth urban areas
- Current mode shift plans must be strengthened to support emissions targets, and investment increased to match the pace and scale required to achieve targets

Improving Freight Connections

- Increased investment in rail infrastructure will lay the platform for increased share of freight task by rail
- Improvements to some strategic corridors and links to main urban centres will result in safer and more reliable connections
- Ongoing decline in road condition and levels of service will off-set gains (increased disruption, reduced safety, increased operating costs)

Climate Change

s 9(2)(f)(iv) and s9(2)(g)(i)

The 10-year picture

Impacts on the four Government Commitments

ATAP

LGWM

- Investment proposed for 2021-24 is about 75% of the RLTP's expectation due to affordability constraints
- The 2021-24 focus is on higher priority activities to the extent affordable
- 10 year NLTF revenue forecasts constrain future ability to fund 'catch-up' investment and meet future expectations

Road to Zero

- Funded at the bottom of the Road to Zero activity class range
- Funded also through other activity classes where possible
- Investment proposed for the speed and infrastructure programme over 2021-24 is about 80% of the average rate required over 2021-31 to contribute to the 40% reduction in DSI at the budgeted cost and impact
- Investment in programme development for 2024-27 will build and maintain scope & pace of implementation
- Significant safety impacts from investment in other activity classes

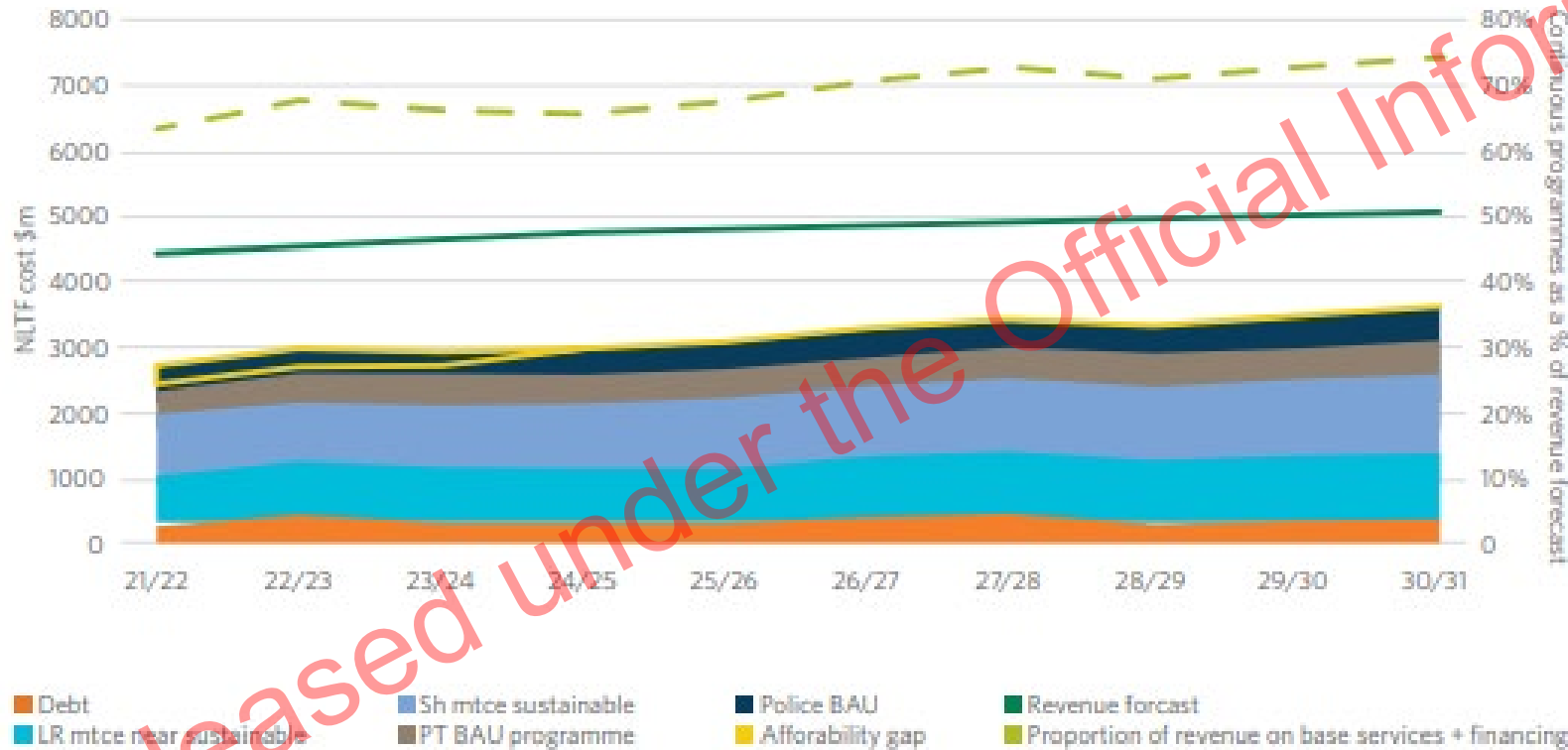
NZ Rail Plan

- RNIP funded in full through the Rail Network and PT Infrastructure activity classes
- Focus on restoring resilience and reliability of the rail network as a platform for future growth

The 10-year revenue outlook

- An increasing proportion of the NLTF will be invested in maintaining essential levels of service

Continuous programmes vs revenue



- Continuous programmes are forecast to grow from 65% to 75% of NLTF revenue over 10 years
- The available funding for improvement activities is already insufficient to support high priority activities
- Greater investment in expanded PT services will be required as mode shift occurs, potentially consuming all headroom when fuel excise revenue declines in response to mode shift and EV substitution of ICE vehicles.

The growing challenge of future investment

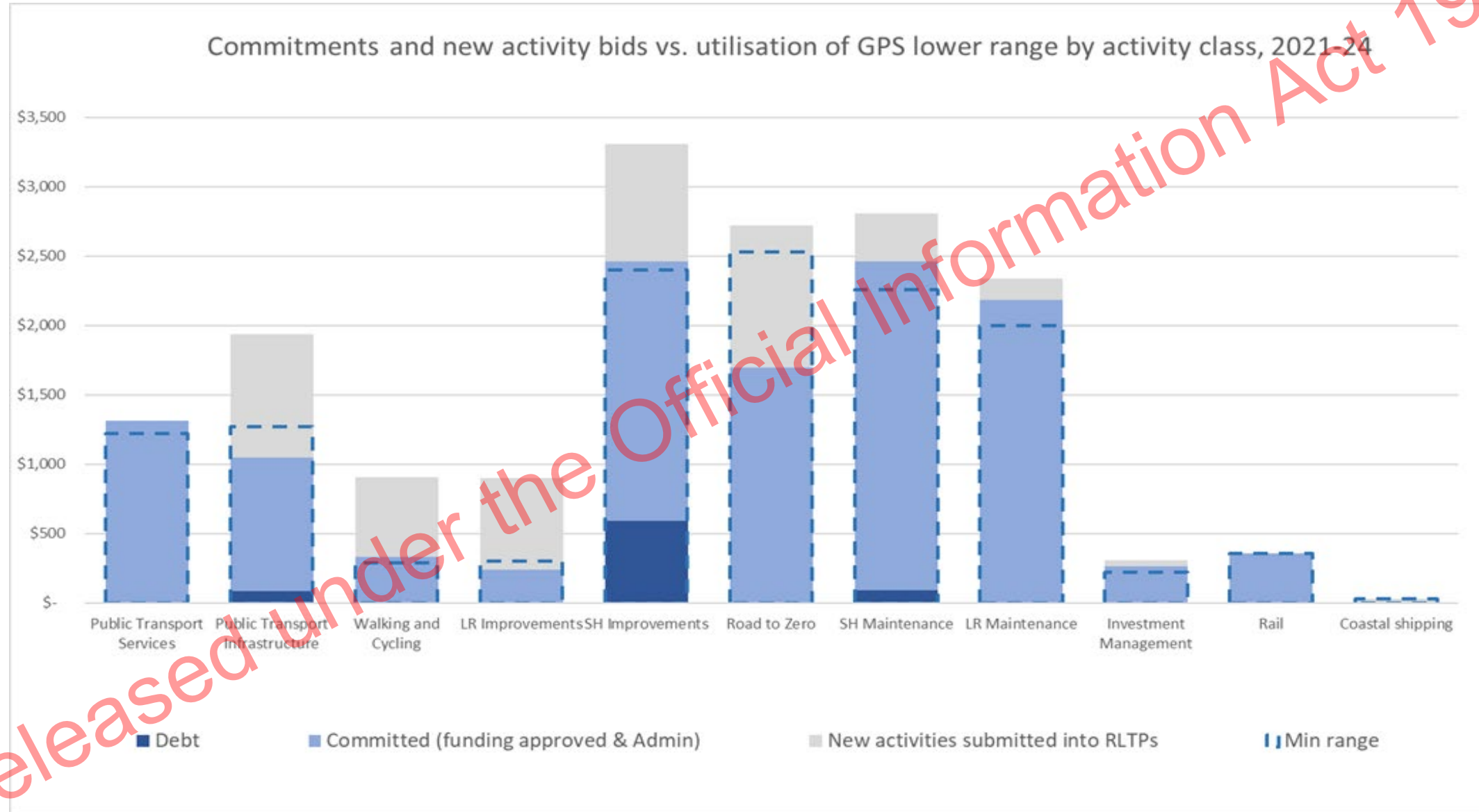
The current GPS sets demanding targets for transforming transport which will be amplified by the forthcoming Emissions Reduction Plan requiring increased investment in improvement projects

- A number of high priority improvement activities are unaffordable within the forecast NLTF 2021-24 revenue, and the increasing cost of continuing programmes will worsen the affordability challenge
- The emissions reduction plan is expected to require more rapid and extensive mode shift than supported by current plans, and will therefore add improvement activities into the 2024-27 NLTP – particularly in PT improvements, LR improvements and Walking & Cycling activity classes
- Further integration of rail planning and investment alongside other modes is needed to support a truly system-based approach for land transport.
- The ability of the NLTF to support transformation is expected to decline at the same time as the demand for significant new investment increases and becomes more urgent.
- A comprehensive approach (across all revenue sources, all modes) is urgently needed to source revenue and allocate funding for a future-fit land transport system.

Base Investment

Activity Class GPS 2021 (\$million)	GPS lower range	Investment target
Public Transport Services	1,220	1,313
Public Transport Infrastructure	1,270	1,270
Walking and Cycling	290	320
LR Improvements	300	300
SH Improvements	2,400	2,400
Road to Zero	2,530	2,530
SH Maintenance	2,260	2,464
LR Maintenance	2,000	2,181
Investment Management	220	262
Rail (excluding Crown top-up)	360	360
Coastal shipping	30	30
Sum of lower GPS ranges	12,880	13,430
Estimated regulatory "top-slice"	120	120
Base revenue	13,000	13,550

Activity Class Overview



Base Investment + circa \$2b

NLTF share (\$million)	Target investment (draft NLTP)	ATAP	LGWM	Other	Investment gap
PT Services	1,313	0	0	17	17
PT Infrastructure	1,270	122	93	214	429
Walking and Cycling	320	143	0	155	298
LR Improvements	300	144	0	227	371
SH Improvements	2,400	128	54	58	240
Road to Zero	2,530	13	0	130	143
SH Maintenance	2,464	0	0	341	341
LR Maintenance	2,181	38	0	120	158
Investment Management	262	0	0	0	0
Rail (excl. Crown top-up)	360	0	0	0	0
Coastal shipping	30	0	0	0	0
TOTAL	13,430	588	147	1262	1,997