NZ TRANSPORT AGENCY
WAKA KOTAHI

AGENDA NO.

2.2

Investment and Operations Committee

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Recommended by:	Dave Brash, Group Manager, Planning and Investment
Board function:	Setting Sector and Organisational Direction
Subject:	**Emerging cycling investment and delivery programme scenarios**

PURPOSE

1. This paper supports a conversation on emerging investment scenarios for cycling over the next three-year period, including from the National Land Transport Fund, Urban Cycleways Fund, local government, and other partners. We seek your feedback on our approach to the development of the programme and the approach we are taking to managing risks.

SUMMARY

2. A significant part of our cycling programme will focus on investment in cycling facilities. This includes smart leveraging of investment from across the National Land Transport Fund, Urban Cycleways Fund and local funding.
3. This is likely to result in a very significant increase in the amount of investment going into cycling relative to any other time. This has significant implications in terms of the capability of our partners to deliver, and may trigger investment trade-offs across the National Land Transport Programme.
4. There is considerable interest in cycling investment from many of our partners. There is a wide range of investment scenarios and other risks that we will be managing closely over the next few months.
5. We propose to focus investment on the main urban areas, in particular the three metros – Auckland, Wellington, Christchurch, where there are significant transport issues and high potential demand. This is also where the greatest risks are – particularly around the availability of local investment share, and councils' capability to deliver.

6. We will need to work closely with our partners to develop this programme and support its successful delivery.

RECOMMENDATION

7. That the Investment and Operations Committee **notes** the emerging investment scenarios for cycling over the next three-year period.

BACKGROUND

8. On 12 December 2014, you endorsed our new approach to cycling, noting the reputational, resourcing and financial implications of this approach (refer paper 14/12/0881). In short, we aim to make cycling a safe and attractive transport choice. Our increased activity will make cycling safer, support optimisation of the transport network, and increase the effectiveness and efficiency of cycling investment.

9. Since this time, we have been further developing our programme of work on cycling. This is an emerging cross-Agency approach that will include working with our partners to respond to the report from the Cycling Safety Panel and support innovation and more effective delivery. We will bring this back to the Board for further discussion and testing in due course.

10. A major focus of this programme is investment in fit-for-purpose cycleways focusing on the main urban areas, where there are significant transport issues and high potential demand. These will need to be integrated with other transport investment and supported by 'soft' measures to ensure uptake of these cycling networks.

11. We have been developing investment and delivery scenarios for cycling investment over the next 3 year period, including from the National Land Transport Fund (NLTP), Urban Cycleways Fund, local government and other partners.

12. The addition of the Urban Cycleways Fund, and smart leveraging across the various funding sources, is likely to result in a very significant increase in the amount of investment in cycling relative to any other time. This has significant implications in terms of the capability of our partners (particularly councils) to deliver, and may also trigger investment trade-offs across the National Land Transport Programme.

13. We are working through an iterative investment process for the 2015-18 cycling programme which is linked into the NLTP process and informed by ongoing discussions with the Urban Cycleways Investment Panel.

14. This also involves ongoing discussion with councils as many are looking to change their planned investment over the next three years to take advantage of the investment window offered by the Urban Cycleways Fund.

15. This process is being informed by the inputs and criteria for the development of the NLTP to ensure alignment and optimisation.

16. Investment will focus on the three main metro areas, as this is where we will get the most benefit from cycling investment – both from more efficient transport networks and increased safety. We will also target investment to other main urban areas (cities with more than 30,000 people), cycling safety across all of the transport network, and linkages to the New Zealand Cycle Trails. In part this responds to direction from the Minister that he is keen to see a degree of regional spread from the Urban Cycleways Fund.

EMERGING SCENARIOS

17. The table in Appendix 1 summarises potential investment scenarios in each of the main urban areas. Summaries of emerging cycling programmes for each main urban area, along with network maps, are also available from the Board Resource Centre.

18. There are likely to be lower levels of investment and risk in the smaller to medium-sized centres such as Dunedin, Napier / Hastings, Whangarei, Palmerston North. Most of these centres are looking to significantly accelerate their existing cycling programmes. With a total investment of around $2 million to $8 million in most of these centres over 2015-18, this would make a real difference to the quality of the network. This is commensurate with the level of investment into the Model Communities over the past three years.

19. The focus of the likely programme, along with the most significant variation in potential programme size and greatest risks, is in the three main metros. The emerging programmes in each of these areas are described below.

Auckland

20. Auckland has developed a $300 million cycling implementation programme over the next ten years. The level of local share commitment is the biggest risk to delivery of this.

21. Between 2015-18, realistic local investment is between $15 million to $30 million. Combined with investment from the NLTF (including Transport Agency cycling projects), the Urban Cycleways Fund, and other sources (including for Skypath), this could result in a total programme size of $50 million to $150 million between 2015-18.

22. A robust prioritisation process has been undertaken, with around 160 projects having been scoped and ranked by importance and ability to deliver. These include several projects over $20m such as:

   a. Glen Innes to Tamaki Drive – a joint Transport Agency / Auckland Transport Project now underway, partly funded by the Urban Cycleways Fund

   b. SkyPath/SeaPath corridor (refer to the companion Board paper on 'Walking and cycling provision across the Auckland Harbour Bridge' xxxxxx); and

   c. Southern Corridor cycling facilities (Transport Agency project).

Wellington

23. Wellington urban area is split into three distinct areas: Wellington City, the Hutt Valley, and Porirua/Kapiti Coast. Each is in a different position regarding cycling and presents different challenges, opportunities and risks. There is poor cooperation across the region and it is likely to require additional assistance and leadership from us over the coming three year period to ensure investment in cycling is coordinated and strategic.

24. Wellington City is where the greatest opportunities and risks are. The Government's Safer Journeys Strategy identifies Wellington City as an area of high concern for cycle safety. There has been significant growth in demand for cycling in Wellington City, including a 73% increase in cycle commuting between 2006 and 2013.

25. Wellington City doesn't have an agreed direction for cycling, and has had difficulty delivering projects despite an increase in budget. It has committed to the urgent development of a cycling plan to address this. The removal of car parking along key cycle routes and in the CBD will present a major challenge for Wellington City and risks delaying projects.

26. The Hutt to Wellington corridor is the largest cycling project in the region, and probably one of the two highest profile cycling connections in the country (alongside SkyPath / SeaPath). The cycling aspects of this project are interlinked with opportunities to address long term transport resilience and capacity issues on the corridor. As this corridor primarily follows State Highway 2, it needs strong Transport Agency leadership and regional partnership with commitment and financial support from Hutt City, Wellington City, Greater Wellington and potentially KiwiRail.

Christchurch

27. Christchurch has developed a large cycling programme based around 13 Major Cycleway Routes (MCRs), the Coastal Pathway (Ferrymead to Sumner) and road safety and promotion activities. Christchurch City Council has so far shown commitment to the programme and has developed a cycling strategic case, design guidelines, and a robust prioritisation ranking matrix. The main MCR cycling network has a BCR of 8.

28. Local investment levels for 2015-18 are still being worked through and will need to compete with other Council priorities in a constrained budget.

29. Investment is likely to be best targeted on the higher priorities of the 13 MCR routes, to accelerate their delivery and complete some of the higher profile projects within three years.

30. Of the three main metros, Christchurch appears best positioned to deliver. However, given the size of the proposed programme, and a history of slow delivery of transport projects there are capability risks associated with this large increase in project delivery.

RISKS AND CHALLENGES

31. We are working to manage a range of major risks and challenges in developing this investment programme. These include:

- *Capability of councils to deliver and local investment*: Auckland – local share and delivery; Wellington – local share, capability and political alignment; Christchurch – agreement on level of service and capability. The risks in other main urban areas are much lower and relate more to meeting increased expectations for funding as a result of the Urban Cycleways Fund. We are managing these risks through close ongoing conversations with key councils. We will also continue to work closely with councils to support delivery, as there has been systemic under-delivery of walking and cycling activities – particularly when they deal with complex issues of road space reallocation.
- *Minister's expectations:* The Minister has a close interest in the Urban Cycleways Fund. He is keen to see leveraging of investment into projects, visible delivery, and a regional spread of investment. We intend to manage this through ongoing discussions with the Minister as the Urban Cycleways Programme is developed.
- *NLTP funding and council expectations:* To date we have anticipated a 'mid to higher' range from the Walking and Cycling Activity Class (the range is $46 million to $103 million). This is partly based on prior experience where there has been regular underperformance of delivery of walking and cycling activities. If Auckland and Wellington are able to commit to significant local investment (and they then deliver these programmes) there may be pressure to move toward the higher end of the Activity Class range. There will also be pressure to fund some cycling facilities from other Activity Classes, such as State Highways. At this time we think this is a manageable risk with investment likely to be around the mid to higher range anticipated to date.

- *Visibility of NLTP funding:* There is a risk that the NLTP funding is not properly recognised despite providing significant share into the cycling programme. There is also a risk that councils perceive that Urban Cycleways Funding is easier to secure than funding from the NLTP, or that they can lower their own investment levels. We intend to manage these risks through clear branding of investment and through ensuring that Urban Cycleways Funding leverages local and NLTP investment.
- *Focus of investment and the potential to spread investment too thinly:* The programme must be focused on key issues and delivering the benefits, while also meeting the expectations of stakeholders, particularly the regional spread of Urban Cycleways Funding sought by the Minister.

POTENTIAL IMPLICATIONS AND APPROACH

32. The wide range in the potential level of investment means we need to be carefully managing this programme and proactively working with our partners. To optimise investment, we will stay focused on the key transport outcomes, and on ensuring that the cycling programme is fully integrated with other transport networks.
33. We also make provision for cycling facilities as part of State Highway projects (such as Auckland's Southern Corridor), which may put cost pressure on the State Highways activity class.
34. As an investment approach across the programme, we intend to:

- Ensure alignment with the criteria of the Investment Assessment Framework and the Urban Cycleways Fund to help optimise funding. The criteria of both are well aligned and focus on completing primary corridors in the main urban areas
- Target investment in programmes that can demonstrate:
  - How the Urban Cycleways Funding will help to accelerate delivery and optimise all funding
  - A one network journey corridor approach – level of service important
  - Integration – with other modes, including both hard and soft elements (infrastructure and behaviour)
  - The capability to deliver
- Inform the targeting of investment through use of evidence and an outcomes focus
- Target other 'good' projects at some level of investment relative to the transport benefits of these (recognising that these may not fully align with criteria as they will also deliver on wider outcomes such as recreation, tourism and health)
- Target Urban Cycleways Funding toward higher profile projects, rather than spreading funds too thinly eg. 25-35 projects in total around the country
- Focus on and reward those putting in a significant proportion of local share through the Urban Cycleways Fund.

35. The investment will focus on Improved safety for cycling (roughly 1/3 of focus), and more efficient transport network (roughly 2/3 of focus).
36. By location the main investment opportunities are likely to be:

- 75% on the main metros (c. 75%): Auckland, Wellington (incl. Hutt Valley), Christchurch

- Second level focus (10-15%): Dunedin, Tauranga, Hamilton (we currently have little detail of their emerging programme), Palmerston North
- Third level of investment (10%): Nelson, Whangarei, Rotorua, Gisborne, Hawke's Bay, New Plymouth, Whanganui, Invercargill
- Significant Transport Agency programme in Auckland, Wellington, Dunedin (in addition to existing commitments). Plus minor safety improvement works and connections to NZ Cycle Trails – around 20-25% of the total programme spread nationally.

NEXT STEPS

37. We will continue to develop the cycling programme, interlinked with the development of the National Land Transport Programme, and bring you updates on this, as well as our wider cycling programme, over the next few months.

ATTACHMENTS

38. There is one attachment: overview of current potential cycling programmes in main urban areas.

Appendix 1: Overview of current potential cycling programmes in Main Urban Areas*

Main Urban Area	Potential programme investment ($m)	Size	Risks	Potential UCF Investment ($m)
Whangarei	5-8	M	Local share	1-3
Auckland	50-150	L	Local share Technical/consenting	25-60
Hamilton	15-40	M	Hamilton City Council local share	2-5
Tauranga / WBOP	15-20	M	Tauranga District Council local share	3-4
Gisborne	5	S	Local share	1
Rotorua	7	S	Local share	2
Napier-Hastings	8-10	M	Local share	2-3

New Plymouth	2-3	S	Local share	0-1
Wanganui	4-5	S	Local share	1
Palmerston North	15-20	M	Local share, quality of infrastructure	3-5
Wellington	25-75	L	Wellington City Council local share, political alignment, strategic direction	15-30
Nelson / Tasman	15-20	M	Local share	2-4
Christchurch	50-100	L	Local share, capability	15-30
Dunedin	23-27	M	Capability, technical/consenting	4-6
Invercargill	0-1	S	Local share	0-0.5
Total	**239-491**			**76-155.5**

* NB. These are estimates only at this time and are subject to significant further refinement.