

**Briefing Paper
for
Minister of Transport
September 2005**

Transit New Zealand

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Introduction

Transit New Zealand (Transit) is the Crown Entity responsible for state highways. It was established by the Transit New Zealand Act 1989 and continued by the Land Transport Management Act 2003 (LTMA).

State highways at 10,894 kilometres are about 12% (by length) of all New Zealand's roads, but account for about half of the 36 billion vehicle kilometres travelled every year. Transit's annual budget is over \$1 billion, split mainly between maintenance and operations (about 40%) and capital improvements (larger projects being several hundred million dollars worth). The highway network is valued at approximately \$15 billion. Transit has around 350 staff and is in a strong period of growth. We have a relatively high profile with stakeholders.

The LTMA gave effect to the New Zealand Transport Strategy 2002. It changed Transit's statutory objective, which is now "to operate the state highway system in a way that contributes to an integrated, safe, responsive and sustainable land transport system". In this context, Transit must exhibit a sense of social and environmental responsibility. The LTMA also:

- Requires that the objectives of the NZ Transport Strategy be taken into account when land transport programmes are prepared – of which Transit's State Highway Programme (at around \$1 billion in annual value) is the largest.
- Enables road tolling schemes and concession agreements.

Vision, values and goals

Transit's vision is "a transport system that builds a better New Zealand" and its values are leadership, integrity, stewardship, responsiveness, excellence and innovation. Its five strategic goals are closely aligned to the principles and objectives of the NZ Transport Strategy. The goals are:

1. Ensure state highway corridors make the optimum contribution to an **integrated** multi-modal land transport system.
2. Provide **safe** state highway corridors for all users and affected communities.
3. State highways will enable improved and more reliable **access & mobility** for people and freight.
4. Improve the contribution of state highways to **economic** development.
5. Improve the contribution of state highways to the **environmental and social** well-being of NZ, including **energy efficiency** and **public health**.

Organisation structure

To support its strategy for delivering against the LTMA and NZ Transport Strategy, Transit adopted a new structure at the end of 2004 that has five divisions. Three of these – Transport Planning, Network Operations and Capital Projects – span our seven regional offices (in Auckland, Hamilton, Napier, Wanganui, Wellington, Christchurch and Dunedin). Strategic Support and Assurance and Compliance are a

smaller team in National Office, and the Corporate Services Division – also based in the National Office in Wellington – provides support to the organisation as a whole.

The general managers who lead the five divisional teams report to the chief executive who reports to a statutory board. Board members are:

- David Stubbs, chairperson
- Sir Tipene O'Regan, deputy chairperson
- Gary McIver
- Mike Williams
- Dr Janice Wright
- John Wright.

Contribution to sector-wide strategic planning

Transit is an active member of the Ministry of Transport-led Planning Task Force (PTF), which was formally launched by the then Minister of Transport in March 2005. The PTF is assisted by a Board Reference Group and is preparing the first *Transport Sector Strategic Direction* document, which will identify priority topics and actions that need joint, sector-wide work. The Strategic Direction will be an annual, rolling three-year strategy, which when adopted by the Minister and boards, will be a key input into individual agency accountability documents from 2006/07 onwards.

More information

Further detailed information on Transit and its operations is available, including:

- 10-year State Highway Forecast 2005/06-2014/15
- Statement of Intent
- Annual Report
- Strategic Plan 2004
- A range of documents on specific business areas, e.g.:
 - State Highway Safety Plan
 - Environmental Plan
 - Long Term Procurement Plan
 - State Highway Asset Management Manual

Key current issues

Key current issues for Transit are:

- Integrated land use and transport planning
- Growth in Transit's activities, especially in Auckland
- Congestion
- Tolling
- Road Safety 2010.

Integrated land use and transport planning

Land use and growth planning that relies on a “predict and provide” response from transport agencies risks reliance on unaffordable solutions. Equally, transport planning that takes inadequate account of land use and growth plans will not meet future needs. Imbalance in either direction puts at risk the effective operation of the existing transport system.

Increasing pressure on state highways is evident in Auckland, Hamilton, Tauranga/Western Bay of Plenty, Wellington, Nelson/Tasman, Christchurch and Queenstown due to one or more of rapid population growth, significant urban fringe development, commercial and/or residential development, and congestion. In some areas of Auckland, development is looking to move beyond the metropolitan urban limit (MUL) including Orewa and Warkworth (subdivisions to the west of the expressway), and Waitakere City at the end of the Northwestern Motorway.

Long-term, integrated planning is essential to protect state highway functionality. The Smart Growth initiative in Tauranga/Bay of Plenty is the best current example of effective collaboration between local authorities and Transit to ensure growth is well structured and its transport effects are provided for.

One of the current challenges facing Transit is helping local authorities understand that Transit protects the state highway network so that the network can support economic development now *and in the future*. By virtue of the Transit Act and the LTMA, Transit has a national, long-term focus. This is often in marked contrast to local authorities that tend to be focused towards regional and local needs and often on a shorter, political timescale.

Transit actions

- To promote appropriate land use development that sustains the capacity of the state highway network and develops an appropriate state highway/local roads hierarchy.
- Working with councils to incorporate the concept of the roading hierarchy in planning documents and, as appropriate, making best use of structure plans.
- Working with government officials on whole-of-government initiatives to ensure that transport systems to match growth strategies are practical and affordable.

Growth in Transit's activities, especially in Auckland

Transit's 2005/06 10-year State Highway Forecast signals record levels of investment in state highways. Planned expenditure in 2005/06 exceeds \$1 billion for the first time. Over \$1 million per day is being spent on maintenance nationwide.

Transit's capital works programme grew by 24% from 2003/04 (\$360.3M) to 2004/05 (\$445.4) and is targeted to grow a further 6% in 2005/06 (\$653.4). This will see record levels of construction activity, particularly in Auckland where:

- The total value of large state highway projects being built right now exceeds \$875 million
- Expenditure on state highway improvements is up from \$74 million in 2000 to \$330 million in 2005/06
- Progress will speed up by more than 40% this summer compared to last year.

This is a continuation of the momentum created in Auckland over the last five years on commissioning motorway construction projects to assist in relieving congestion.

In the context of this demand for project delivery, skilled labour shortages and competition amongst subcontractors and suppliers were identified early as matters requiring proactive attention. A whole-of-government approach has resulted in significant growth in industry capability and Transit's close attention to barriers to entry has ensured that there is now a trans-Tasman market.

Another issue Transit needs to actively manage is cost escalation. To date costs have increased by between 10% and 15% in response to both internationally-sourced inputs such as steel, fuel and bitumen as well as the recovery of the costs of increased industry capability.

In addition, to achieve the forecast rate of progress, unprecedented cooperation will be required with local authorities to:

- Develop and scope key projects.
- Accelerate the processing of planning applications.
- Encourage low impact modes of travel, such as rail, buses and ferries.
- Implement measures to actively manage travel demand.
- Integrate land use planning with transport planning.

Transit actions

Transit is increasing its planning and delivery capability and working more closely with local authorities than ever before. In addition, following industry consultation, Transit has managed a major works programme since mid 2004 that aims to maximise and make the best use of existing industry capacity and planned increases in it.

Congestion

The link between congestion and reduced productivity/economic growth is widely reported. From Transit's perspective, congestion impacts on the levels of service road users experience on the state highway network and has implications for the sustainability of those networks.

Since 2002, Transit has conducted Travel Time Surveys on key networks on a six-monthly basis. The main aim of the surveys is to monitor trends in travel time and congestion over a number of years. This information will inform planning and programming decisions into the future.

Results are now available for Auckland and Wellington for four consecutive years. For Auckland, these show that the highest level of congestion continues to occur in the AM peak, with the March 2005 measurement reaching a maximum of 0.78 minutes delay/km – the highest level of congestion since surveys began. The Wellington results also show an increase in the congestion indicator, to an AM high of 0.57 minutes delay/km in March 2005. The surveys were extended to Tauranga in 2003 and Christchurch in 2004 and show a similar trend in terms of increased congestion as measured by travel time delay.

Transit actions

In addition to the surveys Transit works to prevent worsening congestion by:

- Collaborating with local authorities on land use development and growth strategies; managing access to the state highway network.
- Promoting and contributing to integrated transport including travel demand management and passenger transport.
- Improving the capacity of road networks.

Local initiatives include:

- Auckland – completing significant motorway capacity improvements including the Western Ring Route (SHs 18, 16, 20) and Central Motorway improvements within the next 10-12 years; and promoting passenger transport by constructing the Northern Busway and a number of bus priority lanes.
- Tauranga – progressively addressing the key “hot points” on the Strategic Roding Network.
- Wellington – a study is under consultation on the Western Corridor to develop the most effective and affordable package.
- Christchurch – protecting existing and possible new routes including the northern links, SH1 beyond the airport, and the Southern Motorway.

Tolling

Transit's forward plans – including advancement of key Western Ring Route projects in Auckland – are dependent on stakeholder and public acceptance of tolling. Enabled by the LTMA, tolling is both a key revenue source that can bring projects forward and relieve pressure on the National Land Transport Fund, and a tool for implementing demand management within the state highway network. In Auckland – where forms of road pricing are being considered – alignment between pricing and tolling proposals will be essential.

Transit actions

- Two approved toll roads – ALPURT B2 and Harbour Link; Construction of ALPURT B2 is well advanced.
- A toll collection system is being developed to support these and other toll projects.
- Tolls are under investigation for planned new roads on the Auckland Western Ring Route, the Waikato Expressway and the Smart Transport corridors in Tauranga.
- Work closely with officials developing road-pricing proposals to ensure alignment with toll proposals.

10-year State Highway Forecast

The 10-year State Highway Forecast includes a firm one-year programme, a three-year plan of best estimates and a forecast of timing and costs for the balance of 10 years. In this way it meets the requirements of the Land Transport Management Act 2003 (LTMA) to develop a one-year land transport programme and a 10-year forecast.

For the 2005/06 Forecast, consultation on the draft plan was carried out under the LTMA for the first time. Groups and individuals made over 850 submissions, and hearings were held in 17 locations nationwide. The results of consultation are reflected in Transit's final 10-year Forecast. As well, we have implemented new project development processes to ensure compliance with Land Transport New Zealand's allocation process.

Funding

Transit receives most of its funding from Land Transport New Zealand, with supplementary funding coming from cost sharing arrangements with developers and territorial authorities. From 2006/07 onwards Transit will use debt financing, supported by tolling, to fund SH1 Northern Motorway Extension (ALPURT B2) in Auckland, and SH 2 Harbour Link in Tauranga. Other projects proposed to be funded in this way include: SH20 Avondale Extension and Manukau Harbour Crossing (Auckland), and the SH1 Te Rapa Bypass (Waikato). The debt financing is likely to exceed \$1 billion by 2014/15 and will be undertaken in agreement with Land Transport New Zealand, the Ministry of Transport and the Treasury.

Progress on Transit's work programmes and strategic goals is being accelerated by Government decisions to provide significant extra funding to the land transport sector. Equally, public expectations are extremely high. In Transit's view, a range of factors will change both the allocation of funds to Transit, and the rate of progress on large projects. Overall, future progress will depend on a number of factors, including:

- Further refinement of priorities after assessment of feedback from consultation.
- Changing scope of major projects – Transit focuses first on cost-effective transport solutions that respond to the New Zealand Transport Strategy and are robust under the LTMA. However, only public consultation, and the planning process under the Resource Management Act, deliver certainty about the balance of scope, cost and timing that communities want.
- Completion of investigation phases of projects to ensure a high level of confidence in project scoping and cost estimating.
- Cost escalation.
- Funding contributions from local authorities and developers.
- Use of tolling to accelerate major projects, and to supplement traditional NLTF revenue streams.
- Better integration of land use planning and transport planning to moderate demand for transport systems in the longer term.
- The balance between rail freight charges and Road User Charges (RUC).
- Consideration of longer-term application of wider road charging policies.

- New transport technologies, including the potential to differentiate road charges according to the time of day of travel and the routes selected.
- Further Government decisions on the level of revenue streams into the National Land Transport Fund e.g. petrol excise.

Property operations

Transit has responsibility for a significant property business including acquisition for projects, property and lease management, and disposal of surplus land.

Currently, Transit's acquisition programme is in the order of \$75-\$80M per annum for the next four years after which it reduces to a baseline programme of around \$50-\$60M per annum. This high level of activity over the next four years is attributable to the acceleration of some major projects mainly in the Auckland and Waikato regions which account for an additional property spend of about \$107M over this period.

The property portfolio comprises around 3,300 properties ranging from rural farms, orchards and lifestyle blocks, urban industrial, commercial and residential properties. The market value of the portfolio as at 30 June 2005 is circa \$637M. Annual rental income is approximately \$15M.

The property disposal programme for 2005/06 was in the order of \$17M. This will taper off over the next few years as new project construction activity ramps up and Transit reassesses its land requirements in the context of the LTMA.

Tolling

The Land Transport Management Act 2003 (LTMA) enabled both tolling of new road construction (providing there is an un-tolled alternative route) and concession agreements.

Transit sees tolling as:

- A revenue source that can bring projects forward and relieve pressure on the National Land Transport Fund.
- An effective management tool that can help ensure new road capacity is not outstripped by demand.

Transit has approval for two toll roads, namely the SH1 Northern Motorway Extension (ALPURT B2) project north of Auckland and the SH2 Harbour Link project in Tauranga. Both these routes will be public toll roads, which means Transit will be the toll collector/operator. Financing will be partly from the National Land Transport Fund with the balance from government debt to be repaid by toll revenue.

Transit proposes an electronic toll collection system for toll roads. This allows the collection of toll fees without slowing or stopping vehicles. The development of this system is currently in progress under the guidance of a steering group comprising the Ministry of Transport, Transit and Land Transport New Zealand.

Transit is now investigating the suitability of tolls on planned new roads on the Auckland Western Ring Route, the Waikato Expressway and the Smart Transport Corridors in Tauranga.

The potential application of road pricing is currently being examined in a study by Ministry of Transport officials and is expected to be reported early next year. In Auckland, Transit will work with officials to ensure that its tolling plans are future-proofed and sufficiently flexible to provide a suitable transition towards a wider pricing regime should such a policy decision be made in due course.

Transit has no current plans to initiate a project under a concession agreement but has indicated that this matter is being held under active review. We would welcome discussion on this topic.

Procurement

Since December 2000 Transit has produced a *Long Term Procurement Plan* to ensure best value is obtained from the forms of contract used for maintenance and capital projects.

Maintaining the asset

Asset management is outsourced to network managers and maintainers. Three procurement models are used, as follows:

Traditional

Both a contractor and consultant are engaged separately under the Traditional model. Programming and asset management are the responsibility of the consultant. The contractor does the physical maintenance of the network directed by the consultant.

Hybrid

Under the Hybrid model both the contractor and consultant are also engaged separately. Here the contractor provides the physical maintenance services on the network and also takes responsibility for short-term asset management and programming. The consultant retains responsibility for long-term programming and whole-of-life decisions.

Performance Specified Maintenance

Transit engages a contractor only, who has responsibility for the total asset management and maintenance of the network for 10 years. This is an outcome-based model, which encourages innovation and efficiencies in work practices.

Capital projects

For capital projects, the lead-up to the delivery phase is preceded by investigation and design, undertaken by professional services consultants, who also generally retained through delivery to act as Transit's agents. Three models are used for capital projects:

Alliancing

Alliancing is a sophisticated model that allows Transit to work in collaboration with its suppliers to deliver large, complex, difficult and critical projects. The method relies on an open-book approach with all risks shared and incentive structures that motivate better than business-as-usual outcomes.

Design Construct

This is Transit's preferred method for most large infrastructure projects. It is a competitive tender between contractors who work directly with a consultant to produce the best design and then build the project.

Construct only

This form is best for uncomplicated, smaller value works where there is limited opportunity to add value through more sophisticated procurement methodologies and in the regions where resources available match this method. In this case the project is fully designed by the consultant, the contractor having only to build it.

Land use and transport planning

The Land Transport Management Act 2003 (LTMA) has increased the focus on land use and transport planning within Transit. It takes two forms:

- Planning state highways to meet future demand.
- Protecting state highways from inappropriate development.

Planning state highways to meet future demand

Strategic planning of the state highway network is an integral part of Transit's business. Particular attention is paid to ensuring the network is integrated with local roading networks and other transport networks, such as air, rail and passenger transport services. Transit's principal focus in relation to integration is to ensure that there is a robust hierarchy of transport networks for roads in particular but also for other modes and services. Gaps in the hierarchy, while not of immediate consequence, create very costly long-term bottleneck liabilities.

Transit undertakes strategic studies of key state highway routes to ensure the network is well positioned to meet current and future demands in a safe and efficient manner. Factors taken into account include population and economic development trends, safety history, freight and tourism projections, land use development patterns and likely passenger transport demand. These strategic studies are often undertaken in collaboration with local authorities and provide input into regional land transport strategies and other local transportation initiatives.

Protecting state highways from inappropriate development

Activities and developments near state highways are also an important part of Transit's focus because those activities impact directly or indirectly on the state highway network. Transit's focus on securing a commitment from local government for appropriate hierarchies of local roads to support the strategic highway network is a paradigm consequent on the LTMA.

The strategic function of the state highway network makes it susceptible to degradation resulting from poor local planning. An example is where local authorities permit ribbon development along state highways or clustering around state highway intersections. The safety and through-traffic function of the network is compromised by unnecessary short vehicle trips on the state highway and egress/access from private driveways. The result is that capital improvements or a bypass become necessary to alleviate congestion or safety concerns, even though they may not be affordable solutions.

Finding appropriate alignment of interests with local government is challenging and Transit is often misconstrued as opposing development. However, we are confident that alignment on appropriate solutions is achievable and a number of very successful agreements on new planning structures and principles have been secured with local authorities and the long-term benefits of this new approach are expected to be very significant.

In the interests of ensuring that the planning decisions of local authorities are consistent with the need to protect the long-term functionality of the state highway network, Transit works closely with local authorities to help them understand the role of state highways in their communities and how their own local transport networks can complement the operation of state highways and vice versa.

Transit does this in several ways, including:

- Strategic transport planning.
- Encouraging access to state highways from safe, well-spaced intersections where local roads connect to integrated regional or local networks.
- Managing direct access to highways.
- Managing reverse sensitivity effects (i.e. requiring new sensitive activities that establish next to an existing state highway to share responsibility for mitigating the effects of that highway, such as noise).

To assist with our advocacy of the overall sustainability focus of the LTMA, Transit has issued a supplement to its Planning Policy Manual designed to keep stakeholders up to date. This is particularly important as we consult on and endeavour to influence growth strategies, regional land transport strategies, regional policy statements, district plans, structure plans and long-term council community plans

Safety management

Maximising the safety of those using the state highways has always been a fundamental tenet of Transit's operating procedures. We have progressively introduced a number of successful initiatives, which are now being replicated by other road controlling authorities in New Zealand. Other new ways of improving safety are progressing and are noted below.

The strategy for safety management is contained within the State Highway Safety Plan. This recognises that the broad safety goals are given by the Road Safety 2010 targets for reducing the number of fatal and serious injury crashes. The plan covers the options that are available to influence safety, and prioritises the areas over the next few years.

The way in which these initiatives are delivered, and the evaluation of how effective they are, is detailed in Transit's *Safety Management System Manual*. This describes each of the activities that ensure safe outcomes, and their inter-relationships. This format has now been adopted as the model promoted by Land Transport New Zealand for other road controlling authorities. Some of the key elements are:

- Annual survey of the complete network, to ensure (among other things) that a uniformly good skid resistance is provided that matches world best practice.
- Continuous collection and increased analysis of crash data on the network to identify existing and developing hot spots, investigation of low-cost remedial work using multi-organisation teams, and compilation of forward works programmes targeting improved network safety.
- An ongoing programme to provide passing lanes at 5km intervals on high-volume highways.
- Safety auditing of the existing network and of each stage of improvement projects as they are developed and constructed.
- Regular safety inspections (both day and night) of the network, targeting signs, delineation, vegetation control to give a consistent message to road users.
- Regular review of best overseas research and practice and incorporation of appropriate improvements in Transit's *State Highway Geometric Design Manual (GDM)*.
- Development of best practice guidelines for provision of temporary traffic management at road works sites using the *Code of Practice for Temporary Traffic Management*.
- An ongoing annual programme of some \$7M aimed at making the roadside more forgiving for errant vehicles by removing or protecting hazards. Further where feasible, existing highways with a serious head-on crash record are being retrofitted with median barriers.

More recent innovations include:

- Transit is a partner with the New Zealand Police in the Network Safety Coordination (NSC) initiative, championed by the Ministry of Transport. All of the seven regional teams are chaired by a Transit operations person.
- As part of the NSC initiative Transit has become aware of the lack of targeted safety education for state highways and is exploring whether Transit should

develop road safety coordination expertise in-house rather than rely on Land Transport New Zealand staff and local council staff.

- A \$2.5M block funded project using small-scale Speed Advisory Warning Signs (VMS) signs at around 40 locations that will deliver a range of safety messages related to particular hazards in the area.
- Road Safety Risk Manager (RSRM) is an Austroads software program that is intended to objectively rank options to improve safety on a network. Transit is currently proposing to trial the programme in 2006 and if successful this will lead to full implementation from 2007.

Managing environmental and social impacts

Transit is strongly committed to achieving quality environmental and community outcomes and is continuously developing new approaches to improve its performance. Transit has firmly grasped the requirement in the LTMA to “demonstrate social and environmental responsibility” and this has been a key influence in recent times. The release and implementation of Transit’s *Environmental Plan* confirms this.

Transit’s Environmental Plan

Many environmental and social expectations fall outside the Resource Management Act 1991 (RMA) regime. In this respect Transit develops and implements policies to ensure it contributes to broader government objectives. Transit’s *Environmental Plan* establishes an Environmental Policy for state highways as well as specific improvement actions, training and reporting requirements. Feedback from stakeholders on the *Plan* has been very encouraging and has identified additional matters to be addressed in the next version.

Recent examples of policy development include:

- Transit’s commitment to the Urban Design Protocol and the adoption of implementation principles to ensure the Protocol is applied to state highway projects in an appropriate manner.
- Transit’s Waste and Energy Management Policy that has been instrumental in dramatically reducing office waste and energy consumption, as well as encouraging the use of recycled materials in the construction and maintenance of the network. Transit’s efforts in this area were recognised recently by receipt of an award at the Govt³ Sustainability Awards.

New policies scheduled for completion in 2005/2006 include a policy to address cyclists and pedestrians on state highways, a low-grow vegetation policy to reduce the use of chemical sprays on roadsides and reduce the costs associated with frequent mowing of grass and a policy to mitigate the effects of sensitive land uses, such as new houses adjacent to major state highways.

A key environmental issue for Transit in 2005/2006 will be the development of a National Environmental Standard under the RMA for Land Transport Noise. The Ministries of Transport and Environment are jointly leading this work and Transit is closely involved. We are concerned to ensure the standard is affordable and practical.

Relevant legislative framework

Transit operates within the RMA framework and has two main roles under the Act. The first is that of a developer of urban and rural transport improvement projects and the proponent of routine maintenance activities. The second is that of an “affected party” because Transit is a manager of a strategic national asset that requires protection from incompatible land use and development in order to fulfil its primary function.

As a key player in the RMA regime, Transit takes an active interest in how the Act is working and participates frequently in dialogue with Ministry for the Environment and Ministry of Transport officers. Transit was actively involved in the recent review of the RMA and was instrumental in halting proposals to limit the role of the Environment Court on appeal.

Transit also takes an active interest in the workability of regimes under the Historic Places Act, the Local Government Act and the Conservation and National Parks Acts. We have Memoranda of Understanding with the New Zealand Historic Places Trust and the Department of Conservation to promote constructive working relationships.

Transit as a developer

Key issues that arise in the context of project development, and which are addressed by Transit in consultation with communities, iwi and local authorities include:

- Road traffic noise and vibration.
- Vehicle emissions to air.
- Contaminated water run-off and sedimentation.
- Landscaping and visual amenity, including urban design.
- Ecological protection, biodiversity and biosecurity.
- Maori values and historic heritage.
- Providing for alternative modes of transport such as cycling and walking.
- Community interaction issues such as isolation and accessibility.

A wide variety of techniques are used to avoid, remedy or mitigate adverse environmental and social effects, including examples of international best practice that are modified for New Zealand circumstances. Transit's environmental management techniques compare favourably with international best practice. This was confirmed recently when Transit was awarded, for the third time, the International Road Federation Global Road Achievement Award for Environmental Mitigation for its work on the SH16 Grafton Gully project in Auckland.

It is becoming increasingly difficult to find cost-effective solutions to complex issues such as road-traffic noise and air pollution in urban areas. Similar issues also arise in the course of routine maintenance, making it an increasingly complex task.

Transit as an affected party

The state highway network is often directly affected by activities around it including urban growth patterns and land use developments ranging from major retail centres to small-lot rural subdivisions, as previously outlined in the "land use and transport planning" section.

Transit works hard to maintain close working relationships with all local authorities to ensure it is recognised as an affected party in RMA proceedings, and thus can be involved early on in the development of planning options and mitigation measures.

Transit attempts to negotiate with developers and local authorities to find solutions to enable development that can be supported by appropriate, affordable infrastructure.

Consultation

Transit is committed to best practice consultation processes. Transit's Consultation Guidelines provide direction for staff and suppliers on when, with whom and how to consult on Transit projects and Transit runs staff training on effective consultation. The guidelines are currently being reviewed to ensure closer alignment with the Land Transport Management Act 2003 (LTMA) and to identify opportunities to further streamline consultation processes.

Consultation on the State Highway Forecast

Every year Transit must prepare a land transport programme that lists all activities for which it is seeking funding from the National Land Transport Fund in the next financial year. Consultation focuses on the funding priorities identified in the draft State Highway Forecast issued in January each year.

The LTMA requires a high degree of transparency and stakeholder involvement in land transport decision-making. The Act outlines complex processes requiring Transit to consult early and extensively on the draft Forecast with a very broad range of stakeholders and there are different consultation procedures for different groups of stakeholders. Transit is required to consider submissions, hold public hearings to hear submissions and inform individual submitters of the consultation outcomes (being Transit Board decisions and the reasons for them).

Project consultation

Consultation processes for projects vary depending on the size, complexity and potential impact of the project. Transit uses a range of consultation tools (open days, drop-in centres, public meetings, focus groups, hui, one-on-one discussions, newsletters and/or media reports) to consult a range of parties including Māori, residents and landowners, businesses, local authorities, community and interest groups and/or government agencies.

Large and complex projects, particularly in urban areas, generally have the potential for greater social and environmental impacts and require early and ongoing engagement with a wide range of parties because thorough consultation is essential for the successful outcome of capital projects.

Iwi consultation

Transit's iwi policy guides Transit's relationships with Māori. Transit has established informal and formal relationships with many iwi and hapū (some via signed memoranda of understanding) to facilitate consultation about Transit activities. To support that policy, Transit has guidelines for the management of consultation with iwi and hapū, which promote a set of nationally consistent principles for iwi consultation. This material is currently under review to align it with changes under the LTMA.

Working with others

Transit works closely with others in a number of key areas. Achieving our increased level of activity will require an extraordinary level of collaboration and coordination with our transport partners.

Land use and transport planning

To integrate growth, development and land use planning with multi-modal transport planning, Transit works with local authorities all over New Zealand, seeking integrated solutions in both land development and transport through interactive planning processes.

Auckland

To succeed in delivering on plans for Auckland, Transit must secure a high level of co-operation from key partners. In particular, the advancement of key projects through borrowing will require full co-operation and agreement by relevant Auckland local authorities to provide:

- Adequate resources for their input to the development of the projects.
- Early commitment to the scope for each project.
- Timely and active support for processing planning applications.

Safety

Transit is a major contributor to improving road safety, notably with the Ministry of Transport, New Zealand Police and Land Transport New Zealand, including the activities of the National Road Safety Committee.

Travel demand management

Travel demand management is a required component of the New Zealand Transport Strategy, the Local Government Act, and the Land Transport Management Act 2003 (LTMA). Transit recognises that delivery of this requires an integrated approach, which will be achieved through collaboration with Auckland Regional Transport Authority, regional councils and territorial authorities.

Tolling

Transit's second toll project, the Tauranga Harbour Link was developed in partnership with Tauranga City Council. Transit's Toll Systems Project – which will provide a national toll management and administration system – is being jointly managed with Land Transport New Zealand and Ministry of Transport.

Other examples of collaboration

- Our close relationship with Land Transport New Zealand recognises Transit's major impact on the National Land Transport Programme and the need for alignment in the way we assign priorities.
- Our close relationship with, and impact on, the contracting industry recognises the volume and size of state highway contracts and the consequent impact on the financial viability of the industry and local employment opportunities. We work closely with them to ensure projects are tendered in a way that gives the industry confidence to continue to increase capacity.
- Transit collaborates extensively with other transport sector agencies, including strategic planning across the transport sector as a whole.
- Transit works closely with the Road Controlling Authorities Forum (convened jointly by Transit and Local Government NZ) in sharing knowledge and making joint progress on road-related issues across the country.
- Our strategic alliances with local authorities achieve economies of scale in managing our respective road networks.
- Transit participates in a number of international transport organisations, which assists the development of our staff, brings worldwide knowledge to New Zealand, and showcases New Zealand achievements. We are an active member of Austroads, the Association of Australian and New Zealand Road Transport and Traffic Authorities.

Feedback from stakeholders and road users is regularly monitored through surveys and key aspects are included in Transit's performance measures – an example is road user satisfaction with state highways, where 78% rate state highways as good, very good or excellent.

Operating the state highway network

The capacity of the state highway network, particularly around major urban centres and on key inter-urban links, has not been increasing as fast as traffic growth. The latter has been running at around 5% growth per annum, while heavy vehicle (truck) traffic has been increasing at around 8% per annum over the last few years with the buoyant economy. The effect of this is that some parts of the network are now at capacity for significant periods of the day, and more of the network is running at or close to capacity at some time during the day. It is in this context that Transit has implemented a number of new initiatives, and enhanced existing practices to maximise available capacity and levels of service.

TDM and traffic management

The concept of travel demand management (TDM) involves measures to reduce road traffic growth and actively manage use of the road network so as to balance supply and demand and achieve sustainable levels of service. It involves a range of techniques now widely adopted worldwide, and is a key response to the realisation that it is not possible to build roads either fast enough or to an extent to remove congestion and accommodate unrestrained growth.

Since half of all road travel is carried on Transit's state highway network, the practical delivery of TDM is a key part of Transit's contribution to an "integrated, safe, responsive and sustainable transport system".

Management of travel demand involves exercising influence on individual trip-making patterns with the goal of enabling better and more sustainable use of the whole range of transport resources. It involves a combination of measures extending across all levels of the transportation resource, including:

- Measures to influence travel patterns.
- Measures to influence mode choice.
- Management of the network.
- Pricing.

A multi-layered approach is needed by a range of agencies. Active management of the network is vital so as to ensure appropriate priorities and consistent and predictable levels of service and journey times across all modes. To be effective, these measures must be accompanied by the provision of comprehensive information to travellers so that they have available choices.

At a high level and for the longer term, such management necessarily includes involvement in land use planning decisions.

Auckland citywide traffic management

To maximise the benefits to be gained from traffic management in Auckland, Transit led the initiative to form a citywide Traffic Management Unit, combining the resources of Transit, Auckland, Manukau, North Shore and Waitakere Cities, and

Rodney District Council. This initiative allows optimal management of traffic across both state highways and local road networks, and provides appropriate “critical mass” to enable improvements in co-ordination to be implemented.

The North Shore Traffic Management Centre has been upgraded over recent years to match best practice overseas in co-location of traffic management and enforcement and camera surveillance of the network. This upgrading work continues and will shortly also provide control of the North Shore Busway system. Transit is moving towards a similar control system in Wellington, although the local road network there presents somewhat less opportunity for improvement.

Road-user information

To further assist maximising the capacity of the existing road network, users need to have information that enables them to make sensible decisions about journey times and routes. Transit initiatives include:

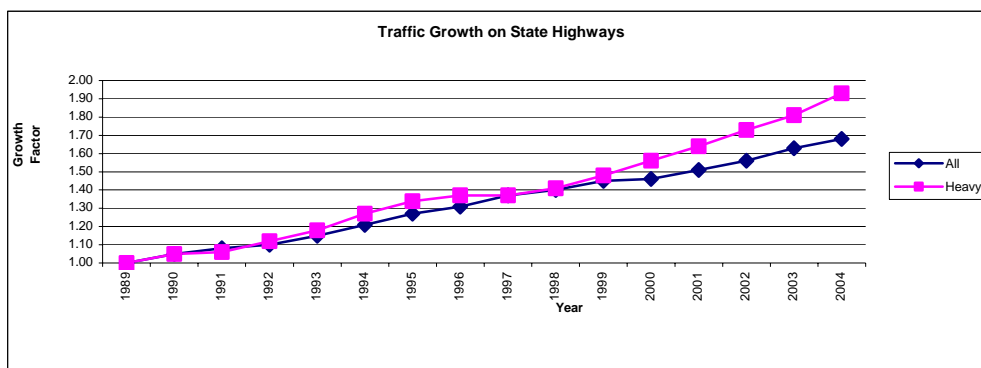
- An 0800 24x7 contact system (currently operational in the South Island) to both advise road users on conditions (or other aspects of Transit business) and receive feedback on conditions or hazards.
- Working in Auckland with local radio stations to improve traffic reporting by providing up-to-date and factual reports every 15 minutes in peak times.
- A web traffic information service for Auckland motorways – www.trafficinfo.nz.
- Continued expansion of its on-road information to road users both with traditional road condition signs, and increasingly, with electronic signs, which can be instantly altered or updated from a central location. These signs are used both on motorways and at remote locations of the network where hazards such as ice and snow or rock falls exist. Further advances in on-road information such as current journey times on the motorway or arterial route are planned.

Incident management

Integration of the work of all emergency services (Police, Fire and Ambulance) with Transit’s own contractors and consultants continues to evolve. In 2002, all parties signed an Incident Management Protocol designed to re-open roads as quickly as possible to minimise delays and maximise capacity. The policy was not immediately compatible with current procedures within the emergency services and the changes have evolved rather than occurring instantaneously. Cooperation is now working well in Auckland and changes are evident throughout the country. Further initiatives, such as quicker clearance of truck crashes remain to be tackled.

Heavy vehicle efficiency and growth

The following graph is from the *Transit Annual Report 2004*. It is based upon traffic monitoring data. It demonstrates that over the past five years there has been a growth in heavy vehicle road movements of at least 5% per annum. Transit is considering developing a set of priority freight routes that link primary produce and industrial areas with inter-modal facilities.



During the period 1999-2001 Transit New Zealand conducted research into the feasibility of heavy vehicles operating at higher mass and dimension limits. Initial indications were that this was both beneficial and feasible. Following a period of public consultation, the Ministry of Transport conducted a review of the research.

In February 2005 the Transit Board was briefed on the results of the Ministry review. The Board resolved that Transit should explore allowing higher mass limits up to 50 tonnes gross on existing vehicles on road transport routes that are neutral or complimentary to other transport modes. This would be implemented using overweight permits. Transit is currently working with the Ministry to prepare a joint briefing paper about heavy vehicle limits. This paper, which will be presented in October, will seek the Minister's guidance regarding the overall direction in which this work should be progressed.

At the same time Transit and Land Transport New Zealand have been implementing relatively minor changes within the current overall mass and dimension such as allowing longer tourist coaches.