

BOARD PAPER

Investment and Operations Committee

Paper no:	15/05/147
Meeting date:	8 May 2015
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Recommended by:	Dave Brash, Group Manager, Planning and Investment
Board function:	Setting Sector and Organisational Direction
Subject:	Cycling – The Agency’s Role, Our Work Programme and Shaping up the Cycling Investment Programme for the 2015/18 NLTP



PURPOSE

1. This paper presents an overview of how the Agency's approach to planning and investing in cycling is shaping up. It canvasses and seeks your feedback on the Agency's role in planning and investing in cycle networks and in encouraging people to use them; the Agency's cycling work programme, including our proposed approach for delivering on our new Organisational Cycling Priority; and emerging investment issues with the 2015-18 NLTP and Urban Cycleway Fund.



SUMMARY

2. There has been significant, growing interest in cycling and cycle safety in New Zealand, and an expectation that the Agency takes a leading role in responding to this.
3. In April 2015, the Board endorsed cycling as a new priority for the Agency's 2015-2019 Statement of Intent (15/04/0912 refers). We are aiming to make cycling a safer and more attractive transport choice, and by 2019 we will increase the total annual cycling trips by 10 million to grow transport choices for urban customers.
4. If we are going to achieve this goal we need to encourage it to happen in ways beyond "building infrastructure and they will come". Our role leadership in encouraging uptake of cycling initiatives as well as planning, investing in and delivering cycling infrastructure.
5. Over the next three years, three key funding sources will be drawn on and optimised for investment in cycling across the country – the NLTP, Urban Cycleways Fund and local share. Each of these funding sources has slightly different objectives (transport, health, recreational and place making outcomes) and is 'owned' by different decision-makers (the Agency, Minister, and councils respectively). The role and challenge for the Agency here is in optimising and

brokering across all investment sources and ensuring value for money across the portfolio of investment.

6. The Minister is likely to announce an Urban Cycleways Programme on 25 June. Given this, we recommend that the Agency announces the full optimised cycling package (including projects using investments from the Urban Cycleways Fund, NLTF and local share) at the same time. This is a variation on the previous NLTP communication strategy endorsed by the Board, and will mean the cycling package will be announced ahead of the remainder of the NLTP programme.



RECOMMENDATIONS

7. That the Transport Agency Investment and Operations Committee:
 - recommends to the NZ Transport Agency Board that it **supports** the early communication of the 2015-18 National Land Transport Programme cycling investments, and
 - **notes** the direction of the Agency's role in cycling and emerging cycling investment scenarios and issues across the 2015-18 National Land Transport Programme, Urban Cycleways Fund, and local share.



BACKGROUND

8. Cycling is a key part of New Zealand's land transport system and plays an important role in optimising the overall land transport network. The benefits of increased cycling are well documented – ranging from making our towns and cities great places to live, to economic benefits, to contributing to healthier communities.

9. The context around cycling, and its role in the transport system, is changing significantly and developing as time progresses. There has been significant, growing interest in cycling and cycle safety from a range of stakeholders over the past few years. The driver for this is that cycling can, and should, play a greater role in realising an optimised land transport network. There is also a growing perspective that cycling contributes significantly to health, recreational and social outcomes.
10. In December 2014, the Government released the Government Policy Statement on Land Transport, which set some clear objectives for the Agency in investing in cycling from the National Land Transport Fund. Investment focus is on the completion of cycle routes on primary networks in main urban areas to provide convenient cycling journeys to work, education or shops; and on corridors and sites with a high safety risk.
11. Two other recent developments have increased the pace of the focus on investment in cycling: the recommendations of the Cycling Safety Panel; and the establishment of the Government's Urban Cycleways Fund.
12. In December 2014, the Cycling Safety Panel, established to investigate ways in which cycling on New Zealand roads could be made safer, released its recommendations. These provide direction to government on how central and local government can improve safety for on-road cycling.
13. In August 2014, the Prime Minister announced \$100 million additional funding from an Urban Cycleways Fund to accelerate the development of cycleways in *main urban areas* over the next four years. Investment of this fund is guided by an investment strategy that aims to leverage off local council investment and the National Land Transport Fund, to enable key, high-value cycling projects to get underway around the country, while improving cycle safety and supporting more connected cycle networks in our urban areas. This funding is also guided by a requirement for a regional spread of investment, with most of the funding earmarked for the three major urban centres and around a quarter for other main urban centres.

14. In December 2014, we updated the Board (14/12/0881 refers) on the work being done to develop the Agency's cycling programme. Noting this as work in progress at that time, we discussed how we were positioning the Agency, explored how our role in practice was shaping up, and identified the need to optimise funding across the NLTF, the Urban Cycleways Fund, and the local share contributions.
15. Also in December 2014, the Minister announced the first tranche of UCP projects, including the Nelson St off ramp.
16. In April 2015, the Board endorsed cycling as a new priority for the Agency's 2015-2019 Statement of Intent (15/04/0912 refers). This represented a considerable step change in our thinking around our role in cycling. We now have a firm objective to make cycling a safer and more attractive transport choice, and by 2019 to increase the total annual cycling trips by 10 million to grow transport choices for urban customers.
17. In June 2015, as part of the Board's consideration of the 2015-18 NLTP, the Board will be asked to consider and approve a three year package of cycling initiatives across the country that optimises the outcomes across the objectives of the National Land Transport Fund, the Urban Cycleways Fund and local authority share.



OUR ROLE IN CYCLING

18. With the establishment of the Agency's Strategic Priority for Cycling, and the direction provided by the GPS, our role in, and objective and target for our contribution to cycling in New Zealand is sharpened. We are aiming to make cycling a safer and more attractive transport choice, and by 2019 we will increase the total annual cycling trips by 10 million to grow transport choices for urban customers. This aligns to our medium term objectives to *"Incentivise and shape safe*

and efficient travel choices using a customer focused approach”, and “Integrate national and local transport networks to support strategic connections and travel choice”.

19. Of note is the development of our role to include leadership in encouraging uptake of cycling initiatives as well as planning, investing in and delivering cycling infrastructure. This recognises that if we are going to invest significant sums of money into cycling, and if we are going to achieve our goals of increasing annual cycling trips by 10 million, we need to encourage it to happen in ways beyond “building infrastructure and they will come”.
20. This is different from our previous approach where we have taken a planning and investment role only and not moved into initiatives that effectively encourage uptake. This will require us to expand our core roles of planning and providing transport solutions to also being actively involved with our partners to encourage people to cycle more regularly, and to ensure cyclists and all road users behave with respect for each other. Working out how to share this role with our investment partners is a work in progress.
21. In considering the Agency’s role, we also need to be clear about the benefits the Agency is chasing through cycling investment, and understand how these benefits sit alongside other benefits when it comes to allocating investment. Making cycling a safer and more attractive *transport* choice is the primary focus of our investment through the National Land Transport Fund. However, a range of other benefits are sought by our local government partners and the Government including societal (e.g. place making) and individual (e.g. health and recreational opportunities).
22. Our role in relation to the Urban Cycleways Fund is to develop and test investment options with the Investment Panel (who provide an overview and quality assurance role), provide advice to the Minister (who is the decision maker on the investment), then manage the delivery of the programme.

23. Through the development of the National Land Transport Programme and the Urban Cycleways Programme, the Agency takes on a leadership and brokerage role in optimising investment across the different funding sources to achieve the range of cycling outcomes sought by key investors and stakeholders. We also play a significant role in ensuring all the investments represent value for money and are successfully delivered.



OUR CYCLING WORK PROGRAMME AND OUTCOMES

24. The key outcomes for our work programme are set out in Appendix 1. These include our response to the recommendations of the Cycling Safety Panel. To deliver on these outcomes we need to:
- Take a proactive sector leadership and partnership approach
 - Broker investment across all sources to help to ensure optimisation, benefits and value for money
 - Support accelerated delivery of cycling networks in the main urban areas, particularly in Auckland, Wellington and Christchurch. This includes:
 - developing national design guidelines, and trials to test and embed these
 - pro-active management and capability development to ensure delivery of projects to time and quality
 - planning for and delivering high priority cycle routes on the State Highway network
 - Improve safety (and perceptions of safety) for cyclists. This includes rolling out safer networks in all main urban centres, helping people who cycle to be more aware and safe

in how they ride, and ensure cyclists and other road users behave with respect for each other

- Encourage more people to cycle through working with our partners to promote behaviour change
- Maximise the wider societal benefits of the investment by working with councils and other partners such as Health, Education, Cycling NZ, ACC, and NZ Cycle Trails
- Embed a cultural change in the Agency to ensure a consistent approach to supporting cycling across the organisation, as part of a wider 'one network', 'journey' approach
- Effectively resource and manage our work programme, recognising that it will take a number of years to deliver and realise the benefits.



OPTIMISING INVESTMENT ACROSS THE NLTF, URBAN CYCLEWAYS FUND AND LOCAL SHARE

25. Over the next three years, three key funding sources will be drawn on and optimised for investment in cycling across the country. Each of these funding sources has slightly different objectives, as outlined above. A fourth funding source is also relevant but hard to quantify – that of the private sector. The challenge for the Agency is in optimising and brokering across all investment sources and ensuring value for money across the portfolio of investment.
26. Below, we've outlined how an optimised cycling investment package for 2015-18 is shaping up across the country.
27. In relation to the Urban Cycleways Fund, we have sought to:

- clarify the benefits sought at national, regional, and project levels
- optimise leveraging from local funding (e.g. by requiring the same or a higher level of local funding into the local cycling programme),
- ensure a regional spread of investment, and
- maintain a strong focus on delivery.

28. The remainder of the investment, which is primarily through the NLTP, is in line with the Investment Assessment Framework and based on FAR rates. Given the range of outcomes sought from cycling projects, this will at times mean we will look to invest at a lower rate to reflect the transport benefits, or conversely seek higher local investment to reflect wider benefits being delivered.

Emerging cycling programme for Christchurch

29. Christchurch City Council's walking and cycling programme focuses on development of a new cycleway network that provides a high level of service to encourage significant numbers of new cyclists. It is centred on improved access into the CBD, and to and from education and employment centres. It is expected to cost \$170 million over six years. For 2015-18, investment is likely to be around \$60 million, including Urban Cycleway Fund investment of around \$19 million with the balance split between local share and the NLTP.

Emerging cycling programme for Wellington

30. In Wellington, the primary focus is on the Lower Hutt to Wellington Cycleway Project between Melling in Lower Hutt and Bunny St in Wellington. This includes the stretch commonly referred to as Ngauranga to Petone Cycleway, along the waterfront alongside the railway line. The benefits being sought here are improved cycle safety, corridor resilience and recreation. The total cost of this project is likely to be around \$50 million over 4 years., noting that cost reductions can be made is surplus spoil from the nearby Petone to Grenada Link Project can be used. The investment proposal shaping up over the next three years to deliver these benefits

looks like \$9m from the Urban Cycleway Fund, \$10m local share (from Greater Wellington, Hutt City and Wellington City Council reflecting utility resilience and recreational benefits), and the remaining balance of \$39m from the National Land Transport Fund, split across both the Walking and Cycling and State Highways Activity Classes. Construction is currently planned to be undertaken over a four year period starting in 2016, focusing on the Melling to Petone, and Bunny St to Ngauranga sections.

31. Also in the Wellington Region, investment will likely be focused on improving cycling networks in Wellington City, Kapiti, Porirua and the Hutt Valley areas to deliver improved connectivity and safety benefits. The investment proposal shaping up for these for the next three years is a total of around \$45m spread evenly between local share, NLTP and the Urban Cycleway Fund.

Emerging cycling programme for Auckland

32. In Auckland, the 2015-18 cycling programme is focusing on improving connections and safety in and to the CBD area. Most projects therefore focus on the CBD and key corridors connecting the CBD to the east and west.
33. We also propose further investigation works to support development of the SkyPath / SeaPath corridor. This corridor is unlikely to receive investment from the Urban Cycleways Fund due to other corridors having a better fit with the investment strategy, the delivery risks around SkyPath and availability of funding nationally. We are working with Auckland Council to explore how the next stage of investigation works, which are estimated to cost \$3.4 million, could be supported as part of the NLTP.
34. The Auckland cycling programme is estimated to cost around \$250-300 million to complete the highest priority sections over the next six years. Investment in 2015-18 is likely to be around \$120-\$130 million. This will include around \$30 million from the Urban Cycleway Fund, a similar local share, and the balance from the NLTP going into both local and state highway cycling projects.

Emerging cycling programmes for other main urban centres

35. In other main urban centres, cycling investment focuses on improving safety and network quality to increase numbers of cyclists. These centres are all likely to attract funding from the Urban Cycleways Fund. This is indicatively around \$27 million in 2015-2018, potentially meaning similar levels of funding from local investment and the NLTP. This means a total of around \$80 million.
36. This wide regional spread of projects aligns with the outcomes the Government is looking for from the Urban Cycleways Fund, and strong interest in cycling across most cities. It also reduces the risks of non-delivery that are more prevalent in the major urban areas.
37. An emerging funding issue is the degree to which we further invest in encouraging more people to cycle to get the benefits from infrastructure that is built. We are in early phases of investigating this, including how we can best work with partners and other funding sources such as Vote Health. We will test this with the Committee as investment options are further developed.
38. Attachment 2 shows the indicative Urban Cycleways Fund cycling investment scenario. Attachment 3 highlights key elements of the cycling investment programmes in Auckland, Wellington and Christchurch.



KEY RISKS AND OPPORTUNITIES

39. The most significant risks to the work programme are the capacity of the major urban areas to deliver cycling infrastructure within timelines that meet the Minister's and stakeholders' expectations. These risks centre around regional and local authorities' capability and capacity to manage consenting, procurement and delivery, although all three major centres have identified these risks and are working with us to review their procurement and delivery models.

40. We will also be managing these risks of delivery through taking a very proactive approach to working with our delivery partners, including through collaboration, supporting capability development, and removing barriers such as the current lack of agreed design guidelines.
41. There is a risk in relation to perceptions of lack of support for SkyPath given this is unlikely to attract funding from the Urban Cycleways Fund. We plan to work with Auckland Council and the SkyPath Trust to develop an agreed way forward, this may include seeking funding as part of the NLTP.
42. There is also a generalised risk that commitments to local share contributions are withdrawn when councils finalise their long-term plans, although we consider this risk to be mitigated by the attraction of receiving Urban Cycleway Funding through retaining local share commitments.
43. Finally there is a very high level of interest in the programme from the Minister and our partners. We therefore need to ensure that the work programme, and in particular Urban Cycleways Fund investment, is effectively managed, including our approach to communications and engagement.



COMMUNICATION AND ENGAGEMENT

44. The Minister of Transport has indicated his preference to announce the Urban Cycleways Programme on 25 June 2015. This is the Thursday following the Friday when the Board will consider and make its decision on the full NLTP 2015-18 programme. Given this, it is recommended that we announce the full optimised cycling package (including projects using investments from the Urban cycleways Fund, NLTF and local share) at the same time. This is a variation on the previous NLTP communication strategy endorsed by the Board, and will mean the cycling package will be announced ahead of the remainder of the NLTP programme.

45. We will support the Minister's communication requirements, and, subject to the Board's agreement, align the communication of the full NLTP cycling package.
46. Our communication will focus on ensuring good understanding of the total package of cycling initiatives across the country, but will also clearly identify and distinguish the investments being made from the three different funding sources. We will tailor messages for cyclist, key cyclist advocacy groups and stakeholders, and other network users, as well as for the key decision makers. We will also involve, where appropriate the Regional Transport Committee Chairpersons in this communication, as that is our intention for the remainder of the NLTP programme.










ATTACHMENTS

47. There are three attachments:
 - Attachment 1: Programme outcomes and priorities
 - Attachment 2: Likely Urban Cycleway Fund investment scenario.
 - Attachment 3: Key elements of the cycling investment programme in Auckland, Wellington and Christchurch



ATTACHMENT 1: PROGRAMME OUTCOMES & PRIORITIES

High-level outcomes	Priority steps to achieve outcome
 <p data-bbox="190 510 414 646">Well run NZ Transport Agency Cycling Programme</p>	<p data-bbox="712 399 1153 430">Well defined work programme</p> <p data-bbox="712 454 1265 486">Well defined communications strategy</p> <p data-bbox="712 510 1243 542">Good credibility / reputation / brand</p> <p data-bbox="712 566 2060 630">Monitoring, evaluation, review and feedback for improvement in the way the programme is run</p> <p data-bbox="712 654 1288 686">Sufficient resources for the programme</p>
 <p data-bbox="201 837 414 973">Sufficient knowledge and understanding of cycling</p>	<p data-bbox="712 726 1377 758">Cycling network design principles understood</p> <p data-bbox="712 782 1691 813">Procurement and possible delivery options and models understood</p> <p data-bbox="712 837 1668 869">Benefits of cycling to people who bike, or might bike, understood</p> <p data-bbox="712 893 1299 925">Benefits of cycling to others understood</p>
 <p data-bbox="190 1173 436 1340">Collaborative and effective delivery of cycling initiatives in NZ</p>	<p data-bbox="712 1061 1724 1093">Effective engagement, collaboration and sharing of ideas takes place</p> <p data-bbox="712 1117 1400 1149">Procurement processes that are fit-for-purpose</p> <p data-bbox="712 1173 1904 1236">Network planning and design processes that are fit-for-purpose regarding cycling investment</p> <p data-bbox="712 1260 1668 1292">Delivery processes that are fit-for-purpose for cycling investment</p> <p data-bbox="712 1316 1500 1348">Appropriate resources and tools developed for cycling</p> <p data-bbox="712 1372 1668 1404">Funding processes that are fit-for-purpose for cycling investment</p>

 <p>Policy, institutional and other barriers removed and cycling promoted</p>	<p>Policy, institutional and other action taken to reduce barriers and increase promotion of cycling (e.g. effective council processes)</p>
 <p>A safer more attractive network for cycling (e.g. infrastructure, vehicles and management)</p>	<p>Communities and individuals value and support cycling (e.g. positive attitudes)</p>
 <p>More people want to bike more often</p>	<p>Tailored case for cycling developed for relevant communities</p>
 <p>Cyclists and other road users behave with mutual respect to each other (e.g. considerate, safe and legal)</p>	<p>Appropriate channels used to communicate messages to get more people to bike more often</p>
	<p>Good implementation of infrastructure and network projects (both the networks themselves and end of journey facilities)</p>
	<p>Cycling-related infrastructure and network projects are delivered on time and deliver good value for money</p>
	<p>The current parts of the cycling network that exist are identified and promoted</p>
	<p>Good network and infrastructure planning for cycling</p>
	<p>Quality risk management around network project development and management</p>
	<p>People are able to improve skills</p>
	<p>People know where they can ride comfortably using existing routes that suit them</p>
	<p>People experience a quality network (others' behaviour, infrastructure, management)</p>
	<p>People experiment with more biking</p>
	<p>Other road users respect and understand that cyclists are legitimate road users</p>
	<p>Cyclists understand the importance of courtesy to others</p>
	<p>Other road users treat cyclists well in practice</p>
	<p>Cyclists treat other road users and pedestrians well (e.g. courtesy) in practice.</p>



ATTACHMENT 2: LIKELY UCF INVESTMENT SCENARIO

	Region	Local Share (\$M) relating to UCP projects	Proposed UCP funding	Major/other centres percentage
Major	Auckland	33 - 72*	30.3	72.9 million
	Wellington	Up to 29.3	21.7	
	Wellington City	15-20 TBC	15.0	
	Lower Hutt	3.5	2.8	
	Porirua	1.1	0.6	
	Upper Hutt	2.1	1.5	
	Kapiti	1.9	1.6	
	Christchurch	Up to 39.0	21.0	
	Christchurch City	20-37.7 TBC	20.1	
	Selwyn	0.4	0.3	
	Waimakiriri	1.3	0.5	
Other centres	Whangarei	2.1	2.0	27.0 million
	Hamilton	7.4	4.3	
	Tauranga/Western Bay	6.0	3.0	
	Rotorua	1.9	1.5	
	Gisborne	1.2	1.3	
	Hastings/Napier	2.8	3.0	
	New Plymouth	0.6	0.2	
	Palmerston North	5.7	3.6	
	Wanganui	1.6	1.1	
	Blenheim	0.9	0.7	
	Nelson	5.3	3.0	
	Dunedin	4.4	3.6	

* \$72 m figure Includes private funding for Skypath (\$39m), otherwise \$33m

Note: All figures highlighted green include funding agreed through first tranche of UCP



ATTACHMENT 3: KEY ELEMENTS OF THE CYCLING INVESTMENT PROGRAMME IN AUCKLAND, WELLINGTON AND CHRISTCHURCH FOR 2015-2018

Proposed Auckland programme

- Around \$120-\$130 million in total, including approximately \$30 million UCP and significant investment on the State Highway network such as Southern Corridor.
- Programme focused on CBD and connections to this and to public transport nodes. Four primary packages of investment:
 - City centre package – including Ian Mckinnon Drive, Karangahape Rd, Quay St, Western Waterfront and CBD safety improvements.
 - Eastern Corridor – including Glen Innes to Tamaki Drive, eastern rail cycleway and Parnell routes.
 - Western Corridor – includes Western Waterfront connections, Meola Rd/Pt Chev/West End Rd and Western Rail Cycleway.
 - Linking to key destinations - local access to key trips generators and first and last leg of public transport.
- Skypath/Seapath considered too uncertain so no funding currently proposed from UCP, but potential for support from NLTP and ongoing partnership from Transport Agency.
- Options for accelerated delivery are being explored by Auckland Transport.

Proposed Wellington urban area programme

- Around \$45 million in total on local network plus start of works on Melling to Petone section of Hutt to Wellington cycleway. This includes, including approximately \$21 million UCP reflecting that around \$9 million of this is for State Highway works.
- Of the UCP, Wellington City Council likely to receive around \$10m and the rest to NZTA projects (\$6 million) and other councils (\$5 million).

- Range of good projects in Porirua, Hutt City, Upper Hutt and Kapiti (\$5m from UCP, total value around \$15 million).
- Wellington City programme focuses on:
 - City Centre package – requires more detail on level of service and delivery.
 - Eastern Corridor – package still to be prioritised.
- Options for accelerated delivery are being explored by Wellington City.
- Wellington City UCP funding likely to be conditional on local share commitment, safer speeds in the CBD, on-street parking policy review, and high level delivery plan.

Proposed Christchurch programme + key issues

- Total programme around \$60 - \$70 million. Around \$19 million UCP in total focusing on highest priority sections of the Major Cycle Routes programme. Key elements of this include:
 - Southern Corridor – Little River and Quarryman's Trail.
 - Western Corridor – Uni-Cycle.
 - Northern Corridor – Papanui Parallel and Northern Line.
 - Eastern Corridor - Heathcote Expressway, Section 1 of Rapanui-Shag Rock.
- One potential project in Waimakariri.
- Christchurch currently reviewing delivery model.
- Considered lowest risk of the three major urban areas.
- UCP funding likely to be conditional on local share commitment.