



Local Government  
Commission

Mana Kāwanatanga ā Rohe



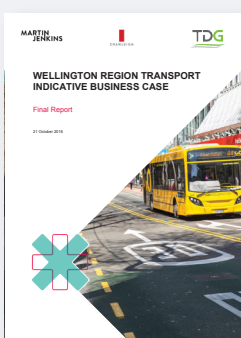
# Wellington's transport future

**Modern, integrated and  
moving forward**

- ▶ The Wellington region owns **\$7.5 billion** in council transport assets
- ▶ There are **1.15 million** daily vehicle trips per day on the road network across the region
- ▶ **35.8 million** trips were taken on public transport in the 12 months to June 2014
- ▶ Over **15,000** people arrive in Wellington CBD on the train during the morning peak – nearly half from outside Wellington City
- ▶ Over **11,000** people arrive in Wellington CBD by bus during the morning peak
- ▶ Over **24,000** cars, carrying 1.39 people on average, arrive in Wellington CBD during the morning peak

Over the next 25 years, growth, technological change and environmental challenges will dramatically increase demands on the Wellington region's transport network.

How well is Wellington positioned to meet such demands and what are the options for improving its transport future?



This booklet is a very short summary of an indicative business case report (left). Please refer to our website for the full report: [www.lgc.govt.nz](http://www.lgc.govt.nz)

## The background

The Local Government Commission has been working with councils and agencies to explore whether the region's transport system is governed and delivered in the best way to meet future challenges.

This work began following public opposition to a proposal to combine the region's councils. About 40 percent of submissions, however, suggested alternatives such as smaller mergers or more shared services.

Working initially through the Wellington Mayoral Forum, the Commission and councils committed to jointly explore options that could improve the effectiveness of councils and strengthen the Wellington region.

It was agreed that transport was a priority.

Together we have been testing whether different governance and delivery arrangements would strengthen the region's transport system. An indicative business case on different options was commissioned and is now available at [www.lgc.govt.nz](http://www.lgc.govt.nz). This is exploratory work – no decisions have been taken.

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**The Commission and councils are now considering the next steps for this work. If there is support for change from councils, we will commission a further detailed business case and carry out public consultation on the preferred option.**

## Unlocking the future

### What's the problem?

Wellington is almost unique in New Zealand in that the metropolitan area is divided up by council boundaries. Thousands of people work outside their home council district and commute to work, many into the Wellington CBD; services and freight often move in the opposite direction. Together their journeys criss-cross a patchwork of council boundaries – potential roadblocks to effective planning and the delivery of a modern, seamless and efficient transport network.

To put it another way, the challenges the region faces do not respect council boundaries. The 10 agencies which manage Wellington's roading and public transport system work hard together to keep it all on track. But, understandably, with so many moving parts, there are times when progress slows to a standstill: change can be gridlocked – simply because of the number of players involved.

There are two specific challenges we want to address with this work:

### *Improving the alignment and integration of transport decisions and activities*

Alignment and integration matters. Without it, investment can be less than ideal, take a long time to decide on and implement, or be done inefficiently. Changes in where people live and do business have implications across the transport network, not just in the district where the changes occur.

### *Retaining skills*

The complexity of transport's future will require increasingly sophisticated technical and specialist capacity. Some smaller councils are constrained in their ability to attract and retain the technical expertise they need to drive a best-practice transport system.



# Who manages Wellington's transport network?

District and city councils are responsible for local roads, footpaths and other walking and cycling facilities. The regional council is responsible for public transport and transport planning. NZTA is responsible for state highways.

The 10 agencies involved are:

Carterton District Council  
Greater Wellington Regional Council  
Hutt City Council  
Kāpiti Coast District Council  
Masterton District Council  
Porirua City Council  
South Wairarapa District Council  
Upper Hutt City Council  
Wellington City Council  
New Zealand Transport Agency (NZTA)

These agencies contract others to deliver public transport and road building and maintenance services.

The Regional Transport Committee is made up of elected representatives of each council. It develops a regional transport plan which prioritises projects from the region seeking government funding.

Councils and NZTA invest a huge amount in our transport network. The region's councils alone spent around \$286 million in 2015 and plan to spend \$3.2 billion operating the network over the ten years from 2015-2025. Given the scale of public spending, efficiency and effectiveness gains are crucial: even a one percent efficiency improvement could save the region \$32 million over the next ten years.

## Let's Get Welly Moving

Let's Get Wellington Moving is a joint initiative between Wellington City Council, Greater Wellington Regional Council and the NZ Transport Agency. The focus is the area from Ngauranga Gorge to the Airport, encompassing the Basin Reserve, the Wellington Urban Motorway and connections to Wellington Hospital and eastern and southern suburbs.

This joint approach could be a useful model for other transport 'hot spots' around the region. The key players enter into a memorandum of understanding to collaborate on decision-making and operations.






# Transport responsibilities in the Greater Wellington area

## Key

### Greater Wellington Regional Council responsibilities

- Public transport 
- Transport Planning

### City/District council responsibilities

- Urban roads, footpaths, cycle routes etc 
- Rural roads

### New Zealand Transport Agency responsibilities

- State highways 

### Other features

- KiwiRail 
- Hospitals 
- CentrePort 
- Main railway station 
- Wellington International Airport 

# Four options are being considered

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## **Wellington Transport**

- a new organisation owned by councils would take over all council responsibilities for roading and public transport
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## **Improving alignment**

- improvements to planning and coordination among councils and NZTA without changing council responsibilities or structures
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## **Wellington Roads, Paths and Cycleways**

- a new organisation owned by councils would take over all council responsibilities for roading but not public transport
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## **Pooled technical support**

- a single pool of skilled transport expertise would provide advice to all councils who contribute to the pool
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## ▶ Wellington Transport

*Wellington Transport would bring roading and public transport together into one organisation. It would be jointly owned by the participating councils and governed by an independent board of professional directors appointed by the shareholder councils. A joint committee of the owner councils would have voting rights on setting the direction for and monitoring Wellington Transport.*

This option would:

- improve alignment and integration between the region's roading, public transport and state highways
- provide one voice for influencing central government on transport issues
- improve capability to manage the planning and delivery of roading, cycleways and paths
- prioritise regionally important transport issues
- provide some economies of scale

This option would also involve the highest degree of change and greatest establishment costs of the four options.

The impacts on councils would be significant and include the transfer of public transport and roading staff roles to Wellington Transport, and changes to funding arrangements. Council staff would need to work with Wellington Transport rather than their own transport staff if they needed transport expertise to input into other council work.

The councils that control Wellington Transport would have to make sure it is responsive to localised concerns and accountable to residents. These are two of the lessons learnt from other similar organisations around the country.

The indicative transition cost is \$10.8 million. This is about 10 percent of Wellington Transport's capital expenditure and would be recovered within five to ten years through efficiencies.

### What would be different?

- Integrated regional decision-making across paths, cycleways, roads and public transport
- Easier and quicker to get regionally important projects agreed and implemented
- Could recruit and retain high-quality people who might not be available to a council
- Would be at arm's length from councils so local councillor input would be focused on governance and strategy - not operational decisions
- Significant change and disruption for councils

## ▶ Improving alignment

*Councils could investigate a number of 'non-structural' changes to planning and coordination, to help organisations work together better.*

This option could include:

- broadening the role of the Regional Transport Committee to include leading regional transport thinking and monitoring the implementation of regionally important projects
- a mechanism to ensure local and national transport planning would contribute to the objectives and policies of the Regional Land Transport Plan
- developing an integrated regional spatial plan to identify requirements for future transport infrastructure development

These sorts of changes may strengthen the influence of regional priorities in local planning, and would likely result in modest incremental improvements with a small increase in long-term value for money.

This option would not assist with capacity and capability issues within local councils. Because several of the changes proposed by this option require legislative change, they would need to align with the Government's policy objectives and priorities for legislation to be implemented.

This option would have only minor impacts on councils.

There would be no transition costs.

### What would be different?

- Better aligned transport decision-making

## ▶ Wellington Roads, Paths and Cycleways

*Wellington Roads, Paths and Cycleways would plan, manage and deliver roads, paths and cycleways. It would not include public transport. It would cover the councils to the west of the Rimutakas and not the Wairarapa.*

*Wellington Roads, Paths and Cycleways would be jointly owned by the participating councils and governed by an independent board of professional directors appointed by the shareholder councils. A joint committee of the councils would have voting rights on setting the direction for and monitoring Wellington Roads. Councils would contract Wellington Roads to deliver councils' roading services. This contracting services model is similar to the arrangements already in place for Wellington Water.*

This option would:

- create a larger organisation that would be an attractive employer, addressing capacity and capability (specialisation) issues
- provide commercial benefits and economies of scale in contracting for services
- create better capability to engage with NZTA and the GWRC, which may improve alignment between local roads, state highways and public transport
- provide better provision of regionally important roading projects

Councillors would continue to set the direction and strategy for transport after consultation with the public. The role of the board of Wellington Roads, Paths and Cycleways would be to make decisions to achieve the outcomes set by councils.

As Wellington Roads, Paths and Cycleways would take over council functions, some staff roles would transfer to it. There would be no change to funding arrangements or councils' ability to approve transport-related plans or budgets.

The indicative transition cost is \$9.8 million. This is about 10 percent of Wellington Roads' capital expenditure and would be recovered within five to ten years.

### What would be different?

- Could recruit and retain high-quality people who might not be available to a council
- Would be at arm's length from councils so local councillor input would be focused on governance and strategy - not operational decisions
- Significant change and disruption for councils

## ▶ Pooled technical support

*Pooled technical support for transport planning and traffic management functions and capabilities*

Technical council specialists across a range of areas could be brought together to support better transport planning and delivery.

This option could include:

- traffic modelling functions
- standard setting
- procurement standards and processes

This could be set up as a shared-service arrangement hosted by one of the councils in the region, a small Council Controlled Organisation, or a contract-for-services arrangement.

It is likely it would be owned and funded jointly by the region's councils, and governed by a technical oversight committee appointed by them. Service delivery would stay with individual councils. There would be no change to current roading and public transport integration.

There would be some impact on current councils because some staff would transfer to the new service, and councils would have relatively minor obligations to fund the operation of the shared service.

### What would be different?

- Easier for councils to access consistent traffic modelling and data analysis

**The Commission and councils are now considering the next steps for this work. If there is support for change from councils, we will commission a further detailed business case and carry out public consultation on the preferred option.**

**For further information, please email [info@lgc.govt.nz](mailto:info@lgc.govt.nz) or go to [www.lgc.govt.nz](http://www.lgc.govt.nz)**