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Via: LTIBconsultation@transport.govt.nz

Tēnā koutou,

Submission from the Manawatū District Council on Travel Demand in New Zealand 2050

Manawatū District Council (MDC) thanks the Ministry of Transport for the opportunity to provide feedback on the proposed topic for the next Long-term Insights Briefing (LTIB). MDC considers that the proposed topic focusing on the influence on demand for land-based transport over the next 25 years is vital for effective planning and ensuring that transport systems meet the needs of New Zealand's growing and evolving population.

MDC welcomes the opportunity to contribute to this topic as it impacts almost every aspect of society and requires careful consideration to enable the Government to make informed and strategic decisions into the future.

Background

The Manawatū District currently has a population of around 33,900 and is projected to grow by an average of 1.5% per annum from 2023 to 2030, by 1.06% per annum over the period from 2030 to 2040 and by 1.04% over the period from 2040 to 2054 (Infometrics High Scenario). Most residents rely on personal vehicles for transportation within and beyond the region, as public transport options are limited. For interregional travel, people typically use personal vehicles or air travel.

The district's road network spans 1,373 kilometers, with 1,002 kilometers (73%) sealed and 371 kilometers (27%) unsealed. The majority of the roads—90%—are classified as Low Volume, Access, and Secondary Collector roads, which manage 39% of the district's traffic. 90% of the total road length is rural, while 10% is urban.

Between the start of 2018 and 2024, the district's overall traffic volume is estimated to have increased by 22.2%, with rural road traffic rising by 28.8% and urban road traffic by 19.5%. Traffic related to forestry activities is expected to remain at peak levels until 2029. Additionally, the development of the Central New Zealand Distribution Hub - Te Utanganui and the expansion of Manawatū as a multi-modal freight hub are projected to increase freight movements.

Addressing the Impact of Technology on Demand

The integration of technology into transportation systems has significantly influenced transport demand in several ways which have reshaped the ways people and goods move.

Technological advancements in electric vehicles (EVs), for example, contribute significantly to changing transport demand patterns by promoting environmentally friendly alternatives to traditional combustion engines.

Access to real time information with the advent of GPS and mobile technology has helped users plan their journeys more efficiently and enhanced overall travel experience. As a result of the transparency and accessibility to real time information, individuals are more inclined to utilise public transport or shared mobility services to plan their day-to-day activities.

MDC notes that the proposed scope of the topic does not consider hydrogen powered transport options. Innovations in hydrogen production (for example, green hydrogen from renewable sources) and fuel cell technologies have the potential of influence travel demand and supply dynamics. Like electric vehicles, it is anticipated that as hydrogen-powered vehicles become more efficient and cost effective, it may lead to increased adoption rates among customers and businesses alike.

MDC also notes that the government released a draft hydrogen roadmap for consultation in 2023 that we submitted on. MDC noted, for example, the potential benefits of utilising hydrogen fuel cell garbage trucks to transport waste. MDC recognises that there are environmental, economic, and operational advantages to using hydrogen-powered garbage trucks for waste disposal. Additionally, to support hydrogen powered waste transport, hydrogen refuelling infrastructure is also crucial. MDC notes that a hydrogen fuelling station has been opened in Palmerston North and would like to see increased government funding support and co-investment in on-site hydrogen production and refuelling stations across the motu, to ensure a continuous supply of hydrogen for vehicles.

As these technologies evolve, they offer new opportunities for more sustainable and efficient transport solutions, underscoring the need for continued investment in infrastructure to support their widespread adoption.

Consultation Questions

Question 1: Do you agree that 'travel demand in New Zealand in 2050' is a worthwhile topic for the Ministry's LTIB?

MDC considers the above topic useful for a number of reasons. First, it allows for a deep-dive into long-term trends that will shape transportation needs into the future. A careful analysis of demographic changes, urbanisation patterns and economic growth projections can enable the Ministry to anticipate how these factors will influence travel behaviour across the motu. The topic is essential for effective planning and investment. It is imperative that the Ministry of Transport ensures that transportation systems are not only adequate for current needs but also scalable to accommodate future growth. Forecasting travel demand up to 2050 can enable the Ministry prioritise projects that will yield the highest return on investment and enhance connectivity across regions.

Equally important is the need to align transportation planning with New Zealand's environmental sustainability goals. Understanding future travel demand enables policy makers to design transportation systems that minimise environmental impacts- for example, increased funding options for public transportation and developing infrastructure that supports low emissions travel modes.

Exploring future travel demands would enable policymakers to address social equity issues within New Zealand's diverse population. To a considerable extent, geographic location and or socio-economic status dictate the varying access to transportation resources; therefore, engaging with stakeholders from various backgrounds on this topic can ensure that all voices are heard and that equitable access to transportation services is prioritised in future planning efforts.

Finally, engaging with this topic can enable a framework for policy development that is responsive rather than reactive and can potentially guide sustainable development while adapting flexibly to unforeseen challenges.

Question 2: Do you agree that a time horizon of 25 years is appropriate?

MDC agrees that 25 years is an appropriate time horizon when planning for travel demand in New Zealand. This can allow planners better anticipate changes in demographic shifts to enable infrastructure design that can accommodate future needs. A longer time horizon allows for better alignment with national transport strategies that span multiple decades, for example, the Government Policy Statement on Land Transport.

MDC considers an added advantage where a 25-year period enables planning for large scale infrastructure projects that require long term investment and development. MDC however notes that there is an inherent cost burden in terms of extensive data collection and analysis to ensure accurate predictions. Further, there could be anticipated difficulties in adjusting long-term plans and strategies as conditions change.

MDC would want to see long-term planning over this time horizon that considers changes in government administration and varying priorities that could impact continuity and support for designed plans spanning the 25-year period.

Question 3: Do you agree that the scope should be limited to demand for land-based transport?

MDC agrees in part that when planning for travel demand in New Zealand up to 2050, the scope should be limited to land transport as most of the travel within New Zealand occurs via road networks with personal vehicles, buses and freight trucks being the primary modes of transportation.

MDC recognizes that this consultation focuses on technological solutions to enhance transport outcomes. However, it is crucial to consider the specific context of New Zealand when developing transport solutions. Given New Zealand's sparse population and the presence of numerous rural and provincial areas, public transport options may pose challenges in these areas. Consequently, private cars often become essential for daily activities.

In considering the foregoing, MDC emphasizes the need for improvements in rural road networks throughout the Manawatū District. Upgrading these rural roads is vital for boosting the district's economic performance by facilitating the ease of movement of stock and milk trucks, farm input trucks etcetera. Additionally, better road infrastructure supports community well-being by ensuring residents have easier access to essential services.

MDC recommends that the Ministry continues to incorporate the development of rural roads as a key factor in planning for travel demand through to 2050.

MDC also notes that technological innovations considerably center around land-based solutions such as electric vehicles, autonomous vehicles, smart traffic management systems etcetera. MDC, however, recognises that there is also significant reliance on air travel for domestic and international connections. Marine transport, and the connection of road and rail networks to port infrastructure is also important, particularly for transportation of freight. Limiting the scope to land-based transport may overlook the importance of integrating air travel and marine transport into the overall thinking and planning for travel demand up to 2050.

MDC notes that while there are valid reasons to focus on land-based transport for this topic, we encourage the Ministry of Transport to consider an integrated approach that includes alternative modes of transport when planning for future travel demand in New Zealand.

Question 4: Which drivers and trends are likely to have the most direct influence on demand for land-based transport over the next 25 years? What data and information about those drivers and trends should we draw on to create a baseline scenario for 2050?

There are several drivers and trends that are likely to directly influence demand for land-based transport up to 2050. The consultation document has highlighted some drivers which include demographic and spatial profile of the population, economic drivers such as income levels and employment rates, technological advancements, environmental and other policies, and consumer preferences.

Within the Manawatū district, there are significant increases forecasted for the 80-84 years and 85+ year age groups, with both increasing by over 100%, between 2024 and 2054. The proportion of residents aged 80+ is forecast to increase from 5% of the total population in 2024 to 9% of the total population in 2054. With people living longer, and easing fertility and birth rates, the proportion of residents aged over 65 years is expected to continue to increase to 2054. For these groups of people, a key consideration would be the availability of public transport to access services and utilities. It is less likely that residents currently aged 65 years and above would adopt technological advancements in transport such as electric vehicles due to the costs associated with purchasing EV's as well as the newly introduced road user charges for EV's.

MDC considers that investment in infrastructure is critical for meeting future demands effectively. Investing in infrastructure is key to managing future transport needs. Expanding road networks, upgrading rail services, and improving public transit are crucial for supporting increasing populations and economic growth in different areas.

Additionally, government policies and strategies will influence the demand for land-based transport up to 2050, for example, the Ministry of Transport's proposal to increase the fare-box recovery for public transport contained in the Draft Government Policy Statement (GPS) on Land Transport 2024-34. MDC has submitted in response to the consultation that the proposal to increase the fare-box recovery will discourage the use of public transport in the Manawatū district, particularly the transport disadvantaged thereby exacerbating societal inequities.

MDC requests that Government remove the current financial inequity that exists in relation to public transport fares for those living rurally compared to living in urban areas. Those living rurally do not have equitable access to public transport options and are also not able to access the same fare subsidies as urban residents.

MDC has previously expressed concern about the inequity in public transport provision between urban/metropolitan and rural/provincial communities. MDC supports any legislative changes and central government investment that support the establishment of on-demand rural transport services. MDC has also been working with Horizons Regional Council to establish a Manawatū Rural Community Transport Service to support the transport disadvantaged in the rural villages of the Manawatū District.

Question 5: Given uncertainty around the pace, scale, and type of technological advancement, how should our analysis of future scenarios factor in technology?

Analysis of future scenarios in terms of technological advancements would benefit from a comprehensive and systematic approach. It is important for the Ministry to understand the current landscape and trends of technology which includes but is not limited to electric vehicles, autonomous vehicles, Mobility as a Service (MaaS), smart traffic management systems, data analytics and artificial intelligence (AI). The Ministry should engage with industry experts, academic researchers, and technology developers to stay across these trends.

Scenario analysis and planning should involve developing multiple scenarios that reflect distinct levels of technological advancement for example, rapid adoption versus slow integration. For each scenario, it is important to evaluate the potential impacts on various aspects of transportation systems. This involves looking at impacts on traffic congestion, emissions reduction, public health, economic factors (such as job creation or loss), and social equity (like accessibility for different demographics).

The analysis will need to incorporate the establishment of a framework that continuously monitors technological developments and their impact over time. This will allow for adaptive management strategies that can respond dynamically as new information emerges.

Question 6: If we model alternative scenarios for 2050, which key assumptions do you think we should alter from a baseline scenario? (For example, assumptions about overall population growth, assumptions about geographic population distribution etc.)

MDC considers the necessity to model for different population growth scenarios, including higher and lower rates of growth. This should also factor in regional distribution. MDC notes that modelling for higher growth scenario is particularly important, given the current discourse on the state of New Zealand's infrastructure and the need for long-term thinking in this space. Transportation, land use and growth decision making will benefit from this longer-term modelling.

Additional feedback

In addition to the points raised above, MDC would like the Ministry for Transport to consider the following:

- The usefulness of modelling how housing and business development increasingly spread beyond traditional urban centres affects the broader land transport network. For instance, instead of just analyzing travel between two towns, consider a wider catchment area.
- Examine whether it is possible to model changes in transport behaviour based on different tolling and road-user charge strategies.
- Ensure that the modelling accounts for both district and regional boundaries, while also recognizing that population centers are interconnected. For example, in the Manawatū region, there are significant transport links between Manawatū District and Palmerston North City.
- Ensure that modelling for future travel demand in New Zealand up to 2050 includes adequate investigation and future trends forecasting in hydrogen technology adoption.

MDC thanks the Ministry of Transport for the opportunity to submit on this proposal.

Yours sincerely,

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Mayor