

**QLDC Council**  
**24 March 2015**

**Report for Agenda Item: 15**

**Infrastructure and Assets**

**Economic Network Plan for Transport**

**Purpose**

- 1 The purpose of this report is to provide Councillors with an overview of the Council's economic network plan (ENP) for transport.

**Recommendation**

- 2 *That Council:*
  - a. **Note** the contents of this report.

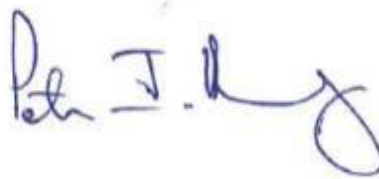
Prepared by:



Principal Planner infrastructure

1/03/2015

Reviewed and Authorised by:



General Manager Infrastructure

4/03/2015

**Background**

- 3 Over the past year a transport economic network plan for the Queenstown Lakes District has been developed. The completion of this work part of QLDC: 2014/15 Work Programme
- 4 The project was undertaken with a combination of internal and consultant resources and funded jointly by QLDC and NZTA. Its scope encompasses our local roads together with the district's state highways.
- 5 This report provides an overview of the ENP. The previous report to Council on this project was received by the Infrastructure Services Committee at its meeting on the 12th of March 2013.

## Comment

- 6 The NZTA is currently rolling out One Network Road Classification system across New Zealand. The classification system is seeking to achieve more uniformity in the road standards across the country and, as such, puts forward performance standards for 6 road categories (national, regional, arterials, primary collectors, secondary collectors, and access roads). The starting point for the classification of the road networks is their function, measured primarily by the amount of traffic carried. NZTA recognises that this is a necessarily blunt approach, and leaves room for road classifications to be 'moderated' up or down. The economic value of a road is one factor that can be used in this process.
- 7 As such, the Economic Network Plan (ENP) is a tool that will assist decision making on road classifications and help prioritise roading expenditure. The development of ENP's has been promoted to local authorities by the Planning & Investment Group<sup>1</sup> within the NZ Transport Agency.
- 8 The ENP approach is important for networks such as Queenstown Lakes District's that have relatively low traffic volumes but where the value of that traffic is high. For the NZTA this has been well illustrated by the assessment of State Highway 6 between Haast and Wanaka. This road has an average traffic count of around 800 vehicles per day, but is of very high tourist value. In this section of State Highway 6 the ENP project reinforces the importance of NZTA resilience programme in addressing issues such as the Dianna Falls slip.
- 9 The ENP methodology was first applied within Southland District. Southland has now also been followed by Environment Southland, Gore District Council, Clutha District Council, and Tasman District Council. Waitaki and Central Otago Councils have adopted a simplified approach consistent with the relative simplicity of their networks.
- 10 NZTA is now expanding the ENP approach to the wider South Island state highway network. Otago Regional Council staff have indicated that they will be looking into the development of the regional model over the coming year. These moves will help us (and others) understand how the economic value of our roads compares with roads elsewhere in the country.

### Model Development

- 11 The initial development of the ENP approach focused on the primary industry sector (principally pastoral farming, but also forestry) that dominates the Southland economy.
- 12 Application of the ENP approach to our district required development of a methodology to capture the economic values of international visitors. The focus on international visitors as opposed to domestic visitors relates back to Central

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<sup>1</sup> The Planning and Investment Group is that part of NZTA that oversees the funding of Council's transport projects.

Government's priorities for transport.<sup>2</sup> A scoping report for our project was completed in January 2014. This provided a methodology for the application of the ENP approach and, in particular, the use of information on tourism. This was peer reviewed and then followed by the project 'proper'.

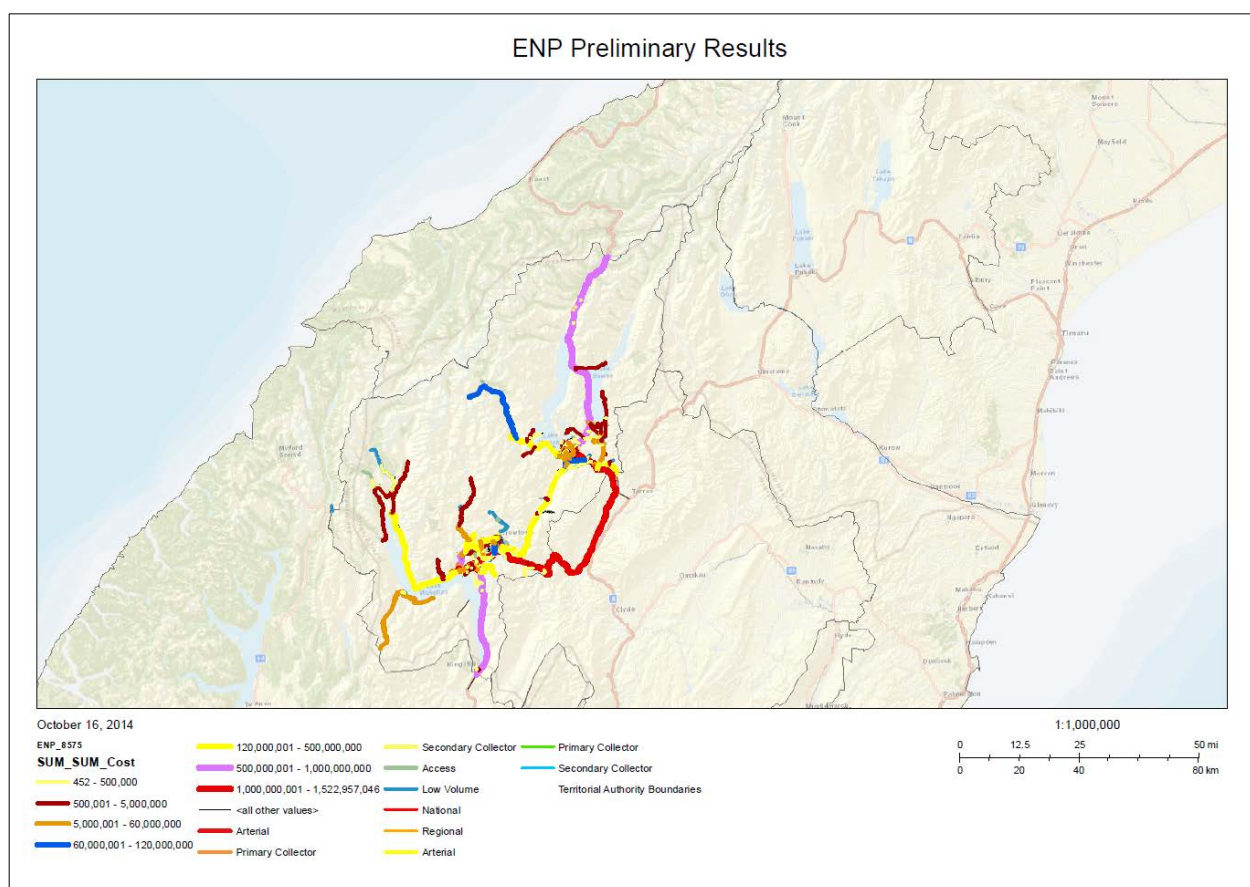
- 13 The project work was undertaken by a combination of in-house (principally the GIS team) and consultant resources. This has meant that the resultant model – which is built on a GIS platform - is well understood by the GIS team; meaning that we are not reliant on external resources for changes and updates to the model.

### Model Overview

- 14 In very simplistic terms the model builders have derived the visitor volumes on the different sections of the district's network and multiplied these numbers by the average spend per international visitor. This has used information from national visitor surveys as well as tourist information collected locally.

- 15 Attachment 1 sets out the steps followed for the collection of visitor data. A similar process has been followed to collect primary industry data

- 16 The diagram below shows the basic output of the model.



<sup>2</sup> Connecting New Zealand, the 2011 summary of the government's policy direction for transport, highlights economic growth, value for money and safety as the key benefits to be sought by transport investment.

- 17 As an indicator of value, this points to the relatively high value of the State highway network (red / purple), followed by the likes of the Crown Range Road and the Glenorchy Road. While these values are not surprising the ENP provides an “evidence base” for arguing the importance of these roads that can be accepted by those less familiar than us with our network.
- 18 As an analytical tool the model has layers that allow comparison of the economic value with factors such as
- a. The forward works programme
  - b. Traffic volumes
  - c. Past expenditure on the road.

#### Ongoing Management / Maintenance of the ENP

- 19 Going forward, the council’s ENP will be ‘owned’ by the Manager Asset Planning. Downloads of RAMM data – a straightforward process – would occur annually, while review of the economic value data would take place every 3-4 years.

#### **Financial Implications**

- 20 There are no cost implications resulting from the decision sought by this report.

#### **Local Government Act 2002 Purpose Provisions**

- 21 As stated earlier the ENP is a tool to improve decision making use of information on the economic value of the different segments of the road network (in particular those values that relate to tourism and export industry). As such the work on this model is consistent with the purposes of the Local Government Act 2002, in particular

#### **Council Policies**

- 22 The following Council Policy was considered:
- The significance and engagement policy. The matters addressed by this report and the decision sought are not significant within the terms of the policy. This is because of the low impacts of the decision.
- 23 No other policies are considered relevant to this report.

#### **Consultation**

- 24 No public consultation was undertaken prior to the preparation of this report.

#### **Publicity**

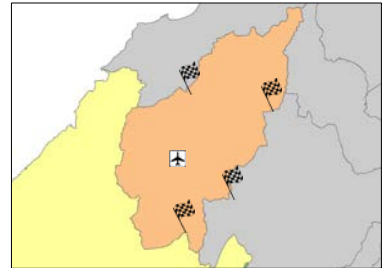
- 25 The ENP is unlikely to be of wide public interest. That said, the information presented by the ENP is not confidential and would be made available to members of the public if they requested it.

## Attachment 1

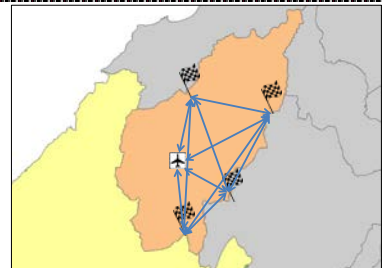
### A ENP Model development steps

#### Attachment A: ENP Model Development Steps

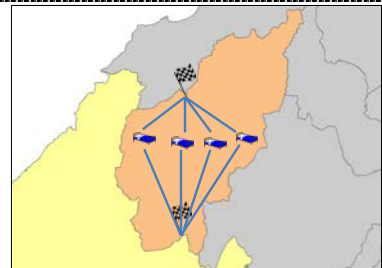
1. Identify district entry and exit points



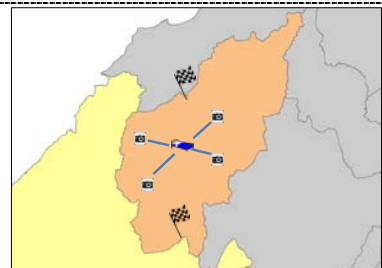
2. Work out trip numbers between each entry and exit pairing



3. For all trips between entry / exit pairs:
  - Allocate to accommodation facilities based on relative size of each hotel/motel, etc.
  - Determine 'logical route' for each trip



4. For each guest at each accommodation facility
  - Allocate trips to/from each visitor destination
  - Determine 'logical route' for each trip



5. Value each segment on basis of the number of tourist trips using each route segment

