



**Ministry for Cities, Environment,
Regions & Transport**

TTM – ISG – Clearway Conference

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MCERT – functions and transition



MCERT's role

New Zealand's biggest challenges cut across portfolios

MCERT brings together the issues facing cities, the environment, regions and transport

It will unlock opportunities for:

- Long-term planning
- Smarter investment
- Better regulation
- Stronger funding decisions

Over time, there will be stronger linkages to the other parts of MCERT

Cities

Housing affordability
Congestion charging

Regions

Simplifying local government
Housing growth

Environment

Adapting to climate change

Transport

Transport funding
Transition to Road User Charges



Reform



A Constrained Funding Environment

Current planned investment in land transport outstrips expected revenue

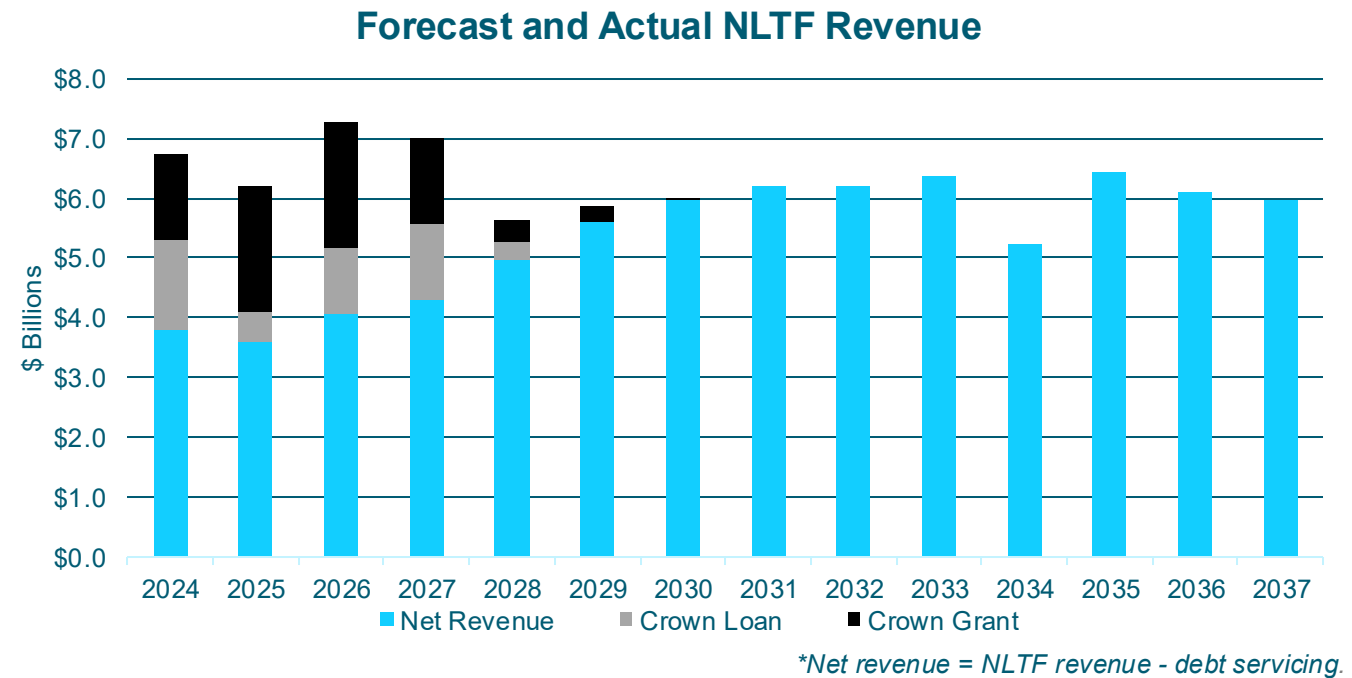
The National Land Transport Fund (NLTF) is expected to face significant pressure over the coming decade

This will require trade offs, and even then, NLTF revenue over 2027/28-2036/37 will likely only cover continuous programmes:

- maintenance, operations and renewals
- debt repayments
- projects already underway

New improvements would require:

- savings
- reprioritisation
- higher user charges
- Crown funding



Growing Demand and Rising Costs

The land transport network is under increasing strain and is not meeting the full needs of New Zealanders, factors include:

The cost of major transport projects in New Zealand exceeds the OECD average

Major transport projects cost more than in previous years

The land transport system has drifted from its user pays principle

Necessary infrastructure cannot be built in the time needed



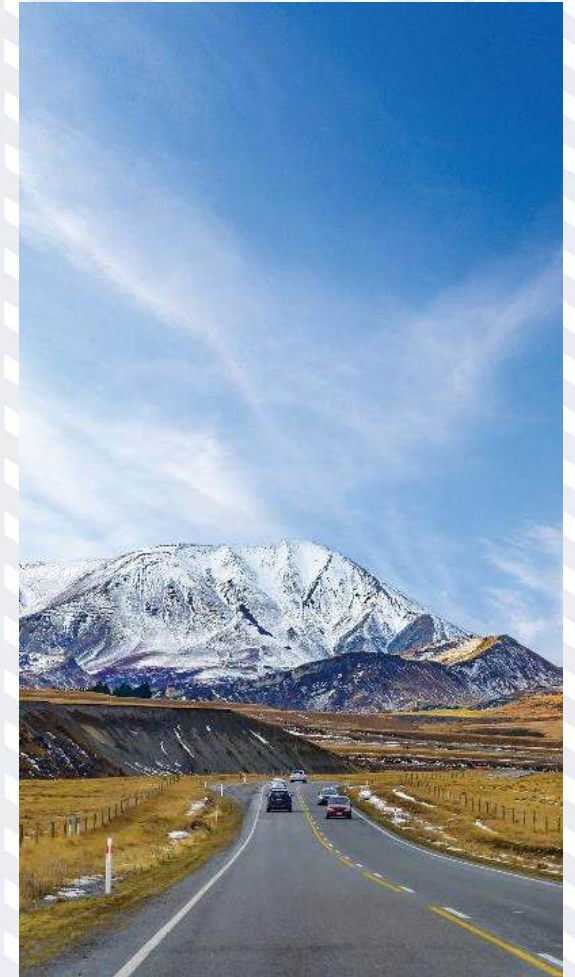
Transport Reforms

The Government's Land Transport Revenue Action Plan aims to respond to these increasing pressures

This includes reforms to:

- Time of use charging
- Tolling
- The fleetwide transition to road user charges

These changes will strengthen the user pays principle and ensure infrastructure is built and maintained cost effectively



Planning System Reforms

MCERT is also supporting work to improve the planning system

This includes changes to better integrate land-use and infrastructure planning over a longer term, for example:

- Replacing the Resource Management Act (RMA) 1991
- Establishing 30-year regional spatial planning

These changes will ensure there is greater coordination in system planning, that key infrastructure corridors are protected early, and that infrastructure sectors have greater certainty of future growth



Local Government Reforms

Reforms underway for local government, include:

- Simplifying local government – **Head Start pathway**
- Introducing a **rates cap** on councils
- Signing **City and Regional Deals** - Auckland and Western Bay of Plenty signed

These reforms will enable:

- greater regional collaboration and coordination
- easier planning, investment, and delivery, and
- improved quality and affordability of New Zealand's infrastructure



Infrastructure Commission

The Infrastructure Commission and the Treasury are leading on several reforms to address these pressures:

- The new investment assurance programme
- Preparing a report on the cost drivers of major transport projects in New Zealand
- Continuing to progress the National Infrastructure Plan's recommendations

These will support the shift to a more efficient and effective land transport system that delivers meaningful outcomes for New Zealanders





Government priorities for transport delivery



GPS 2027

The Minister has recently released his indicative strategic priorities for the land transport system

The Government Policy Statement (GPS) on Land Transport 2027 will likely maintain a focus on:

Value for Money, and investment and cost discipline (overarching)

**Maintenance,
operations and
renewals**

Resilience

**Economic
growth and
productivity**

**Transit-
oriented
development**

Safety



The Major Transport Projects Pipeline

NZTA have released their Major Transport Projects Pipeline (MTPP)

It includes project stages and delivery timelines across three stages for:

- Roads of National Significance (RoNS)
- Roads of Regional Significance (RoRS)
- Council-led projects

Phase 1 can be progressed within available funding, but phases 2 and 3 are subject to funding availability

Phase 1

Projects under construction
and procurement

Phase 2

Projects that are preparing for
construction and route
protection

Phase 3

Projects that are continuing
more slowly





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Ngā mihi