

Submission on the Draft Government Policy Statement (Land Transport) 2024-34

2 April 2024

About the Transportation Group

The Transportation Group is a part of Engineering New Zealand and represents over 1,200 transportation engineers and others working in transportation. With strong roots in the ethics and rigour of engineering, the group is the leading industry body for transportation professionals across all sectors and transport-related disciplines.

Our mission is advancing the knowledge, planning and management of transport in New Zealand. We have subgroups in safety, modelling, and traffic signals. We are associated with the Chartered Institute of Highways and Transportation UK. <https://www.transportationgroup.nz/>

This submission is made in collaboration with the Institute of Transportation Engineers (ITE) Australia & New Zealand Branch. With more than 18,000 members globally, ITE has a strong presence in our engineering schools and represents global best practice for our profession. <https://www.ite.org/>

Introduction

We thank you for the invitation to submit on the draft 2024 Government Policy Statement for Land Transport (GPS), and hope that our expert opinion helps refine and improve the Government's ambitions to improve transportation in New Zealand.

The draft GPS represents a significant shift in approach to the many transport-related challenges New Zealand faces. Deteriorating infrastructure, poor safety outcomes for people, increasing traffic volumes and congestion, and increasing costs are all significant challenges which need to be addressed.

We are pleased to see that transport is a priority for the Government, and support the key strategic priorities identified in the draft GPS – all four are critical to achieving the overarching goal of a transport system, which is to move goods and people efficiently and safely within and between our towns and cities. We are also glad to see a recognition that the transport system is deeply intertwined with housing, with housing affordability being influenced by transport outcomes.

We undertook a survey of our members, which revealed several key themes that form the basis of this submission. Whilst we discuss below some key areas we think need more consideration, there was broad support from members for the proposed national infrastructure agency, longer term planning, the application of RUCs for all vehicles, all the public transport projects, the Mount Victoria tunnel, the alternative route past the Brynderwyns and improvements to South Island bridges.

Submission key points

Activity classes and rules should be “mode-neutral” and enable integrated project delivery

Proposed rules are too limiting and don’t provide RCAs with enough flexibility. To achieve the best value-for-money in transport projects, a ‘dig once’ approach should be taken for all aspects of a project. Good examples of multi-modal projects that would become more complex to deliver include Te Ara Tupua (rail and highway resilience + active modes) and the Christchurch Northern Corridor (access and safety for motorists + active modes). The proposed GPS makes this challenging, with a high level of ring-fencing and restriction on funding for different modes – at best, this will result in complex funding arrangements; at worst, expensive and slow retrofits and rebuilds. In addition, added restrictions on the usage of specific interventions reduces our ability to achieve the safety and economic efficiency goals set out.

A special fund is proposed in the GPS to address surface quality for motorists, but maintenance of footpaths is combined with capital budgets for walking – effectively reducing the level of service for people who walk despite an increasing and ageing population. Disallowing walking and cycling improvements from road projects is contrary to international trends such as the US Complete Streets legislation¹ and Transport for London Healthy Street programme².

As with Government's focus on locally-led solutions to Three Waters, we believe that RCAs need to have more flexibility than the proposed rules on funding will allow.

Plan for the transport outcomes you want, not what you have

Enable mode shift to realise substantial economic benefits. New Zealand research has found 3,300 people die each year because of air pollution (PM2.5 and NO2), 70 percent because of cars.³ That is approximately 7 percent of deaths in New Zealand each year. Exposure to air pollution is also sending more than 13,000 people to hospital for respiratory and cardiac illnesses and giving the same number of children asthma. The social cost of these health impacts was estimated to be \$15.6 billion. Vehicle noise is also an issue in our communities affecting sleep and long-term health.⁴ Travel occupies, on average, one hour per person per day. If healthy transport choices are promoted through safe and accessible infrastructure, the benefits will include reduced public health spending. Evidence shows that mode shift is only effective if both “carrots” (improved transport choices) and “sticks” (road pricing, parking management, land use policy incentives) are implemented.

Activity class funding should be balanced and consider previous under-investment. For example, walking and cycling projects can present excellent value-for-money as a transport intervention, yet existing infrastructure is often so poor or non-existent that people do not attempt the trip on foot or by bike at all. Using existing demand as a requirement reinforces that situation, whereas modelling and testing can show the induced users, whose trips would otherwise be suppressed or made by car. We recommend the requirement to consider existing use be changed to potential use, and the focus be on planning for the desired transport outcomes, not reinforcing existing ones.

After nine decades of building roads primarily for motorists, the establishment of new activity classes and support of the 2008 National Government we began to tilt the funding balance in a way that was

¹ <https://www.congress.gov/bill/117th-congress/house-bill/1289/text>

² <https://content.tfl.gov.uk/healthy-streets-for-london.pdf>

³ <https://environment.govt.nz/publications/health-and-air-pollution-in-new-zealand-2016-findings-and-implications/>

⁴ <https://www.nzta.govt.nz/resources/research/reports/656/>

allowing some catchup to develop active mode and public transport networks that provide realistic and time-competitive options for travel. This benefits motorists and freight by diminishing some level of vehicle growth that would otherwise occur on roads.⁵

With the funding balance across the Activity Classes as per the draft GPS, there may not be any funding to develop/construct/implement active mode projects⁶, and PT projects outside of those listed in North Island centres. We think this will ultimately worsen existing transport problems and exacerbate funding challenges, so recommend this be reconsidered.

Transport and land use are strongly linked; intensification is more efficient

The GPS correctly notes that housing and transport are strongly linked. However, unlocking greenfield housing with highways will reduce transport options as it is more difficult to provide competitive public transport. Greenfield development increases the long-term costs of providing access, total travel time, and congestion resulting in lost productivity to the economy. Expanding roads often leads to increased driving in the long run, negating any initial benefits in terms of congestion and safety.⁷ RoNS should not provide better access to farmland for housing subdivision, because then the freight vehicles of the future will be trapped in more congestion again. Investing in urban intensification enables strong economic growth in our cities whilst also providing more affordable housing options, reducing travel distances, reducing vehicle traffic volumes, and limiting increases in traffic congestion.

Enforcement and safety improvements on major highways is not enough to reduce deaths and serious injuries

Deaths and serious injuries are not a “toll” we must pay, and unfortunately we are not succeeding in reducing them in the past decade.⁸ Members agree with the Government’s retention of safety as a key priority and generally agree with the proposed methods of reducing harm from road crashes. However, the GPS could support a broader range of tools to achieve this.

The national Road to Zero Strategy and Action Plan have attracted attention primarily around speed limit changes but contain many worthwhile action items, based on Safe System practices from top-performing countries elsewhere. Targeted speed limit reductions have substantial human and economic benefits⁹ and do not result in significant travel time impacts (especially in congested urban networks).¹⁰ There is also a need to continue investing in road safety infrastructure improvements on high-risk rural roads – not just the new RoNS (which are a small fraction of New Zealand’s traffic

⁵ The empirical evidence for decongestion benefits of active and public modes of transport is strong and self-evident; when trains and buses are disrupted congestion worsens; recent data from Wellington shows up to 84% growth in cycling on the new cycleways – many trips that otherwise would have been made by car

⁶ Walking and cycling maintenance are to be lumped in with capital works, and maintenance is likely to absorb most or all of the W&C activity class allocation (source: [March 2024 NLTP bulletin](#))

⁷ See <https://www.vtpi.org/gentraf.pdf> for a summary of the evidence. Also see MRCagney’s induced demand calculator see the effect of induced demand on New Zealand cities: <https://induced.mrcagney.works/calculator>

⁸ Source: <https://www.transport.govt.nz/statistics-and-insights/safety-road-deaths/>

⁹ Numerous examples of significant reductions in road casualties from reduced urban and rural speed limits can be found in <https://viastrada.nz/pub/2023/lower-speeds>

¹⁰ Auckland Transport High Level Economic Assessment of their recent speed limit changes found minimal travel time increases, which were outweighed by the savings in road casualties, vehicle operating costs, and emissions - <https://at.govt.nz/media/1990950/auckland-transport-speed-management-plan-high-level-economic-assessment.pdf>.

network and road casualty problem). This includes measures such as roadside and median barriers, roundabouts, and activated intersection warning signs. Similarly, best-practice urban road safety measures target all travel modes, including protected walking and cycling facilities and crossings, raised intersections, and roundabouts.

Transport greenhouse gas emissions must be addressed

Members are concerned that the GPS may not allow New Zealand to meet its legal obligations to reduce GHG emissions. Increased emissions will have significant cost for NZ when we have to start paying for carbon credits to meet our international climate target for 2030. This cost could be \$24 billion as estimated by Treasury's Climate Economic and Fiscal Assessment 2023.

New Zealand cannot meet its international legal obligations for reaching Net Zero emissions by 2050 with vehicle electrification alone. Autonomous vehicles are still decades away from becoming prevalent enough to make a substantial difference to road safety. The Transportation Group supports GHG emissions reduction through efficient and value for money integration of transport and land use planning. In a low carbon transport system, people in urban areas are free to choose to travel in healthy and sustainable ways that meet our climate commitments.

Benefit cost analysis is a useful tool, but should be applied consistently

We agree with the Government that economic appraisal is a useful component of sound decision-making. Benefit Cost Ratios (BCRs) are important, including to support Arataki, NZTA's 30-year infrastructure strategy and the Ministry of Transport's long term Transport Outcomes Framework. It is critical that projects of all types continue to be progressed consistently. It should also be recognised that BCRs are not the sole metric for investment decision-making and have limitations¹¹

We note some commentary in the GPS that some modes are to be subject to additional assessment hurdles whilst some far larger projects (e.g. RoNS) could be fast-tracked, despite unknown or potentially low BCRs. We are not opposing the concept of RoNS (as noted earlier, several are well supported by our members) but as transport professionals we believe it is critical that economic assessments of transport investment should be applied consistently

Road maintenance needs a more comprehensive approach than fixing potholes

The pothole fund addresses outcomes but not the root causes, including increased storm damage, heavier¹² and more trucks, poor design and poor construction methods. These causes must be addressed in order to reduce future liabilities to the Crown and local Government.

Rail is crucial to minimising total transport system costs

We are also concerned to see a major shift in the way that rail is regarded, the role it plays in assisting other networks¹³ and a significant reduction in the funding available to it. In addition to

¹¹ Predicted travel time savings for motorists evaporate with induced travel and/or are not significant at the individual traveller level; BCRs only incorporate monetised values and Wider Economic Benefits (WEBs) for alternatives to highways are inconsistently (or not at all) included.

¹² LTNZ Research Report 279 indicated that the heaviest trucks (60 kn/axle) cause twice as much pavement wear as 40 kn/axle trucks on high strength roads, and this is likely to be much worse on weaker pavements and/or saturated subgrades to be expected with increasing rainfall

¹³ Without rail there would be an additional \$1.7 - \$2.1 billion cost each year to New Zealand, through increased congestion, transport emissions, etc (source: <https://www.transport.govt.nz/assets/Uploads/Report/EY-Report-Externality-value-of-rail-2020.pdf>)

being an efficient and critical link for transporting freight across the country, rail takes thousands of tonnes of freight off our roads, reducing the number of heavy vehicles, and thus the road maintenance required.

The levels of funding for rail (as well as for Public Transport Infrastructure which funds urban rail infrastructure) proposed in the draft GPS is likely to mean that large sections of the rail network will be unsustainable and in time lead to service decline, loss of competitiveness and eventual closure. The quality of our roads in places where rail freight is reduced is likely to worsen significantly, beyond what could be repaired and maintained even with the increased budgets proposed. Rail needs to be developed and funded as a core part of the transport system, alongside the road network, in order to give New Zealanders the most efficient and robust transport system.

New funding approaches are needed

We are strongly supportive of the Government's approach to new funding mechanisms, such as time of use charging and tolling. These are useful as ways to pay for infrastructure; however their most powerful role is in managing demand (traffic volumes and congestion) – we recommend that this is the priority for these mechanisms, and the Government empowers local councils to be able to use this as part of a demand management approach on their existing networks.

Using public-private partnerships for road tolling needs to be considered alongside the appropriate responsibility for risk.¹⁴ For example, some PPPs require Governments to avoid reducing Vehicle Kilometres Travelled, which is a key Net Zero target, as that would reduce the revenue to the private operator of the new infrastructure, hamstringing future choices on land use and transport.

The shift away from fuel excise is also something we support – this move will see rates and charges on vehicles become more commensurate with the impact they have on the transport system, both in terms of their external safety impacts and their wear and tear on the roads.

Summary

We are pleased to see that the Government regards transport as a priority. We do have some concerns on the direction of the GPS, as noted above, but we look forward to supporting the ambitious goals set out in the draft document. As professionals, we have much the same vision as you do for New Zealand's transportation system – an efficient and safe system that gets people and goods where they need to go - but also believe we must address the environmental and social outcomes in pursuing this shared vision. We hope to work with you towards achieving that.

Thank you for your consideration. For more information please contact:

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¹⁴ See: <https://ppp-risk.gihub.org/risk-allocation-matrix/transport/road/> and the World Bank's guide to PPPs specifically identifying risks: <https://ppp.worldbank.org/public-private-partnership/identifying-risks>