

**AA Submission: Update of the New Zealand
Transport Strategy (29 Feb 2008)**

29 February 2008

Sustainable Transport
Ministry of Transport
PO Box 3179
WELLINGTON

Dear Sir/Madam

AA Submission on Sustainable Transport Discussion Document

Introduction

The New Zealand Automobile Association (NZAA) welcomes the opportunity to submit comments on the Sustainable Transport Discussion Document (Update of the New Zealand Transport Strategy).

As an incorporated society with a membership exceeding 1.2 million vehicle owners and drivers in New Zealand, we give close attention to any proposals that affect road users. We represent the interests of road users who collectively pay over \$2 billion in taxes each year through fuels excise, road user charges and GST.

Road transport accounts for 93% of all Government's programmed expenditure on transport and 3.6% of all Government expenditure. The efficiency of Government investment in transport is a key concern of all taxpayers.

Attachments

Attached to this covering submission, we have provided a number of documents:

1. Answers to the specific discussion points that were raised in the consultation document
2. The New Zealand Transport Strategy Development Process
3. Impact of Proposed Targets on Urban Land Transport Programmes
4. A Comparative Assessment of Five National Transport Strategies/Plans
5. High level issues

Process

The New Zealand Land Transport Strategy will set the agenda for all other transport policies and plans, and as such is a very important document for the future of transport in New Zealand. With a timeframe looking out to 2040, it is not to be taken lightly. The revised strategy will supersede and guide the Government Policy Statement, the National Land Transport Programme and the

Regional Land Transport Programmes. This strategy will set the goals and targets for Regional Land Transport Committees and the strategies they will develop, and the Long Term Council Community Plans.

Because of the importance of this document, the NZAA has a number of serious concerns regarding the process being used for its development.

The discussion document was released as a discussion document for consultation on 11 December 2007, with a deadline for submissions of 15 February 2008. Given the annual New Zealand summer close-down, this, in effect, allowed a minimum of time for submitters to consider this very important document. The NZAA was unable to follow our full policy development process with our 17 Districts due to the time constraints. The NZAA was advised on the 5th of February that the deadline for submissions had been extended to 29 February but also that the document was not an update but was now classified as a full rewrite of the New Zealand Transport Strategy. Even with an extension of the submission deadline until 29 February 2008, it has taken an enormous amount of our available time to develop a considered and thorough response. It has also proved to be an extremely difficult task to respond to the discussion document, this is largely due to the quality of the discussion document itself – and the need for submissions to provide the substantive content that is required to have a final strategy that is robust, strategic and well accepted by the industry.

We are particularly concerned that the Draft does not meet the NZTS criteria of being Collaborative, Accountable and Evidence-based. We are even more concerned that the requirement to develop policy which is Collaborative, Accountable and Evidence-based has not been included in the Strategy update. This leads to a less rigorous and contestable strategy that in the NZAA's view does not include the analysis and completeness required. In our view, the draft discussion document does not constitute a near-finished product. Submitters will be finding it very difficult to comment on targets for which we have not been provided with the background information as to why they are appropriate and achievable. In the absence of this information, submitters have to do their own analysis, which would take more time and resources than many have, and also within the timeframe given. Together, these two issues give rise to the distinct possibility that the final strategy will be significantly different than that released on 11 December. This seriously compromises the purpose of the consultation.

Due to these concerns that the NZAA has regarding the process used for developing a revised NZTS we believe that the correct course of action is for the submissions received to be analysed by the Ministry of Transport, and further work and analysis undertaken to ensure completeness. A new draft strategy should then be issued for a second round of consultation. This, of course, means that the target date for adoption of the strategy currently set for April 2008 will need to be deferred.

Purpose of the revised strategy

One of the purposes of a revised NZTS was to provide a better definition of the strategies objectives and the trade-offs required between them. These criticisms of the current NZTS were made in the Next Steps review. This revised draft does not make the trade-offs between objectives transparent.

A NZTS should also be integrated with the rest of the Government's strategies in order to provide a whole of government context. A transport strategy should be working towards providing a transport system that will meet the wider goals and needs of the country overall.

This current draft does not provide any confidence that the wider goals of New Zealand have been considered. The strategy reads as if transport is its own sector with its own product. In fact, transport only stands to service the other sectors: whether it be sport, employment, tourism, social activity, forestry or agriculture. These are the primary outputs for which transport is merely the enabler. A transport strategy without reference to the needs it serves is not a strategy that will support the country's best interests. This strategy is unlike the strategies of other similar nations in that it does not provide a whole-of-government perspective. A comparison of the New Zealand draft strategy with the strategies of other nations has been undertaken by the NZAA.

Subordination of non-environmental objectives

The draft revised NZTS has a measurable bias towards the *ensuring environmental sustainability* objective at the expense of the other four objectives. Indeed, the only real effort in the targets is aimed at the one objective alone; *ensuring environmental sustainability* and the implication is that the other four objectives are subservient to the last. The focus on environmental sustainability at the expense of other objectives is likely to achieve negative unintended consequences, however the trade-offs that are being made in order to have *ensuring environmental sustainability* as the main objective, are not transparent in the document. This causes us unease as to whether these trade-offs have been considered and whether the strategy is balanced.

If this strategy went ahead as is, with its current focus on environmental sustainability, what would New Zealand look like in 2040? Would we have more or less mobility? What are the likely consequences if all of the targets are met?

One of the biggest omissions in the document concerns cost. No information is provided on funding, other than to say that the users will face the full costs. No evidence is provided as to the future fiscal cost to the Government of pursuing

the policy objectives contained in this document. No scenario planning and cost benefit analysis is provided to validate the levels at which targets have been set.

The greatest environmental protection is achieved by economies that are wealthiest – and yet there is no real focus within the strategy to address the *assisting economic development* objective.

This is exacerbated by the strategy's failure to value personal mobility. Personal mobility is highly sought after by individual members of society, and not considering the value society places on personal mobility makes it difficult to see how the targets of collective or reduced mobility, and the trade-offs required, will be addressed without compromising other objectives.

International Comparison

This New Zealand focus on environmental sustainability is in distinct contrast to transport strategies of other countries. We have undertaken a comparative assessment of five national transport strategies/plans, Australia (Victoria), Ireland, Japan, Norway and the United Kingdom. For further detail on how the comparison compares with international ones please see, *A Comparative Assessment of Five National Transport Strategies/Plans*.

This assessment has identified some key components are missing from the draft revised NZTS. The most obvious omissions by comparison to the strategies of the five other nations evaluated are:

- No economic strategy context
- No spatial strategy context
- Unclear return-on-taxation benefits
- Unclear linkage to real-world projects plans and programmes.
- No consideration of planning efficiency
- Scant consideration of social equity

All of the foreign transport strategies are fundamentally about economic competitiveness. They are about improving access for freight and people so that living standards can be improved. No strategy subordinates any other objective to this primary goal. The Allen Report (2003) showed that transport is a significant bottleneck on economic growth and fiscal return. There is no analysis of this in the revised strategy and no acknowledgement that transport is an enabler of almost all productive activity. An inward looking transport strategy impacts on the wellbeing of all New Zealanders, not only by reducing opportunities for productive effort, but more insidiously, by reducing funding for wider government activity such as Health and education.

Victoria, Ireland, Japan, and to a lesser extent Britain and Norway have very clear spatial strategies. The objective of a special strategy is to examine how planning on a national (inter-regional) level should proceed. While the

Sustainable Transport discussion paper is strongly linked into the New Zealand Energy Strategy and National Energy Efficiency and Conservation Strategy, there is no New Zealand spatial strategy. The absence of such a strategy takes the achievement of the discussion targets out of a crucial geographic dimension.

International transport policy is largely concerned about Government delivering unequivocal return on taxation benefits to citizens. This is expressed in terms such as 'competitiveness' 'equity', 'safety' and 'quality of life'. This is based on the assumption is the fundamental objective of public policy is to directly serve the public and provide a democratically supportable use of taxpayers funds.

Consistency with Existing Transport Strategies.

While the purpose of the updated New Zealand Transport Strategy is to provide direction to the development of subordinate strategies any suggestion that current strategies can be completely disregarded introduces considerable uncertainty for capital investment which has currently been allocated or planned for. As currently stated the NZAA estimates that up to \$6 billion of major road construction projects could be placed at risk through delay, cost increase (project scope creep) or cessation by the goals and targets contained in the draft document.

There is a fundamental disconnect between policy and planned expenditure at a very high level of the strategy. While this is meant to be resolved by the Government Policy Statement the gap between a target to increase the mode share of urban trips to 30% by 2040 and the objective of completing major projects such as the Waterview Connection may be legally unbridgeable. As evidenced by the findings in the Next Steps Review even the threat of contesting this in the environment court could lead to significant delays and cost-escalation to such projects. There is therefore a need to reconcile the significant planned developments of the here-and-now with the aspirational targets.

At present the Regional Land Transport Strategies contain a good deal of evidenced based policy formulation regarding targets for public transport and active mode transport share. The development of binding policy directly affecting Regional Governments without reference to existing strategies does not meet the collaboration principle contained in the existing NZTS, nor given the lack of evidence supporting the 'aspirational' targets in the UNZTS draft document does it seem sensible.

The lack of reference to existing social norms and demographic trends in the UNZTS suggests that many of the targets may simply not be achievable. An aging population is unlikely to see a significant increase in active mode share.

Targets

It is of great concern to the NZAA that while some of the updated New Zealand Transport Strategy is supported by statistics, data and analysis; the key targets which will bind subordinate policy are not. In some cases the evidence in the UNZTS document seems to conflict with the targets as stated. This lack of coherence makes the draft document difficult to assess.

The submission questions/discussion points frequently ask submitters if the targets are achievable given the necessary investment and behaviour change needed to reach them. (See Attachment 1 for our detailed response to the submission questions/discussion points). It is very difficult to comment on the achievability of the various targets without the supporting analysis showing how these targets were calculated and costed.

It would be helpful to know the methodology used to determine that the targets:

- a) would in fact achieve the desired objectives if they were met;
- b) were based on overseas best practice and New Zealand experience to date;
- c) were cost effective and affordable
- d) were at worst fiscally neutral
- e) would not economically disadvantage New Zealand in the short, medium and long term

Robustness and long-term viability of the Updated New Zealand Transport Strategy

The New Zealand Automobile Association supports the development of a long-term New Zealand Transport Strategy which has the broad support of all transport users. In order to achieve a superior return on taxpayer funds the Strategy must provide services which the public want. To achieve this, the NZAA believes the Strategy development process must be:

Forward-looking
 Collaborative
 Accountable
 Evidence-based.

We commend to the Ministry the processes used in other nations for the formation of transport strategies and plans as examples of best practice.

The New Zealand Automobile Association is also concerned that the targets proposed in the draft strategy, if implemented, would negatively affect New Zealand's economic development and social equity, reducing not only New Zealanders quality of life, but also the future GDP growth of the nation with consequential fiscal impacts for the Government. We therefore believe it is

extremely important the Treasury also fully contributes to the development of the strategy to ensure New Zealand's economic development outcomes are maximised.

RECOMMENDATIONS

Next Steps for the The Strategy development process

1. That the Ministry of Transport undertake a full analysis of the submissions received from the first consultation
2. That the Ministry of Transport undertakes further work to ensure that the draft strategy meets the objectives including rigorous analysis to support the chosen targets
3. That Treasury oversight is included for economic analysis purposes
4. That the revised strategy draft be released for a further round of consultation before a final strategy is adopted

Conclusion

It is not often that the NZAA feels that a submission this forceful is required. We advise we have very serious concerns that, as drafted, the rewrite of the New Zealand Transport Strategy will not serve New Zealand well or be enduring.

The strategy is the keystone document upon which all transport planning, expenditure and provision will be based and we believed it was imperative that we provided as complete and free and frank submission as we could within the available time.

The strength of our concerns does not in any way indicate any desire on our part to be unconstructive, quite the contrary is true and I wish to advise that the NZAA will make every effort to be available to assist and work with Ministry of Transport in the development the next draft of the strategy.

Yours sincerely

Mike Noon
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New Zealand Automobile Association