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SUBMISSION FROM THE NZ AUTOMOBILE ASSOCIATION ON THE DRAFT GPS 2018

1. The NZ Automobile Association (NZAA) appreciates the opportunity to comment on the draft GPS 2018.
2. The NZAA represents the interests of our 1.5 million Members who, through their contribution of fuel excise, road user charges, and registration fees to the National Land Transport Fund, are key funders of New Zealand's transport system.
3. The NZAA takes a strong interest in the content of the GPS; the document which guides the development of the land transport system by setting the Government's priorities for the allocation of the National Land Transport Fund.

Summary of the NZAA's position

4. The NZAA congratulates the Government on the release of the draft GPS 2018.
5. Overall, we are pleased with where the document has landed. Consistent with our feedback on previous GPSs, we support transport investment being targeted towards initiatives that support economic growth and productivity, improve safety and deliver value for money.
6. We also support the emphasis the Government is signalling it intends to give to transport investments that support housing development in high growth urban areas, tourism, resilience and regional economic development.
7. In our view, the draft GPS provides a sound platform for worthwhile transport investment in the years ahead.
8. This submission provides our specific feedback on details set out in the draft GPS. It reflects not only the views of the AA's Motoring Affairs team, but of the AA's District Councils. We look forward to discussing the GPS, and our views on it, with you in the near future.

Specific feedback on the draft GPS

Strategic priorities

9. The NZAA is pleased to see that the draft GPS continues to focus on the strategic priorities identified in GPS 2012 and 2015; economic growth and productivity (signalled as the 'key priority'), road safety and value for money. We support New Zealand's transport investment being predominantly guided by these factors.
 - 9.1 *Economic growth and productivity* – the NZAA welcomes the use of transport investment to support regional and national economic growth, and we are pleased with the focus being given to transport investment to support resilience, tourism and high growth urban areas as a means of delivering on this strategic priority.
 - 9.2 *Road safety* – the NZAA shares the Government's disappointment that deaths and serious injuries on our roads are continuing to increase, despite continued efforts and increased investments to improve safety. We support the Government's continued focus on the implementation of the Safer Journey's Action Plan to improve safety on New Zealand's roads for all road users.
 - 9.3 *Value for money* – the NZAA is pleased to see the continued focus on value for money in the draft GPS, and in our view, getting the best use of existing assets is central to this. While the draft GPS highlights the scope for demand-side interventions to ensure best use of existing assets (e.g. increases in vehicle occupancy and the greater uptake of public transport), we consider it should do more to highlight supply-side interventions (e.g. as well as greater discipline of maintenance expenditure and increasing the efficiency of public transport investment, it should signal support for improvements to lane configuration and traffic light phasing).
10. We note that the draft GPS signals economic growth and productivity as the 'key priority'. We're interested to understand how the Government envisages the additional emphasis placed on this priority will play out in practice i.e. how will the trade-off between this goal and safety be realised?

Strategic objectives

11. We consider the six objectives put forward in the draft GPS (broadly; improving access, increasing resilience, reducing deaths and serious injuries, delivering the right infrastructure and services, providing appropriate choices and mitigating environmental effects) provide a good foundation for decision making.
12. We are pleased that the draft GPS goes some way to prioritising these objectives; by identifying four primary objectives and two secondary. However, even with this prioritisation, in practice there will continue to be trade-offs that will need to be worked through. For example, in the setting of speed limits there are trade-offs between improving access and improving safety. We consider the GPS should provide clearer guidance on how such trade-offs will be managed.
13. We question whether the objective referring to 'transport choices' should instead refer to 'appropriate transport options'. 'Choice' implies there should *always* be more than one option for people to choose from. However, given constrained funding and the need to increase efficiency of expenditure, it will not always be appropriate to ensure people have choices available to them at the expense of providing basic infrastructure elsewhere. We

consider use of term 'appropriate transport options' will go some way to addressing this while still achieving the intent of the objective.

Desired results

14. The draft GPS:

14.1 identifies the 'results' that the Government would like to achieve with regard to each of its strategic objectives; and

14.2 indicates that the NZ Transport Agency will be required to report on progress toward these results at least annually.

15. For a number of the result areas, it is not clear to us how progress will be measured and, more importantly, what success will look like.

16. We're interested to understand whether consideration has been given to the GPS setting out specific targets under result areas. While targets may not be appropriate for all result areas, in our view they would help to provide the NZ Transport Agency with a better signal of the Government's view on what success looks like and would provide a sound basis for measuring progress.

Mapping priorities, objectives and results

17. We think there would be value in the GPS including a diagram which maps the priorities, objectives and results, including the relative weightings placed on each of these.

Progressing projects that are expected to deliver low returns on investment

18. We have had feedback from our Districts both for and against the draft GPS's signal that some investments with low benefit cost returns will be advanced to deliver on the Government's priorities. Some Districts consider that delivering projects with low benefit cost ratios to be inconsistent with the Government's push for delivering greater value for money from transport investment.

19. Meanwhile, other Districts support this policy position on the basis that:

19.1 there will be certain investments – such as lead investments – that will not always be economically efficient at the time that it makes sense to deliver them; and

19.2 some projects may not be the best candidates for funding based purely on their expected return on investment, but will have significant benefits for their respective regions; and

20. We are also aware that there are shortcomings with benefit cost analysis as a project evaluation tool.

21. Should the Government chose to retain this policy position in the final GPS, we consider it essential that if a low value project is being considered for delivery there must be absolute transparency around why that project is being put forward, the benefits it is expected to deliver and the strategic case for the project (which we expect would be very strong).

22. With regard to the shortcomings of benefit cost analysis, we're interested to understand if any work has been done to identify a better tool for evaluating investments or if changes to the benefit cost analysis model are being considered.

Automated enforcement

23. We note that the draft GPS signals support for the use of automated enforcement to encourage road users to make safer choices.
24. In our view, further work is needed before the motoring public will widely accept the increased use of speed cameras as a road safety tool. We strongly encourage the Government to engage with the public with a view to increasing the understanding of automated enforcement – and speed management more widely – before making greater use of tools like speed cameras.

Regional focus

25. We are pleased to see the emphasis that the draft GPS places on investing in transport in regional New Zealand, as we consider such investment vital to support regional economic development, tourism and regional resilience. For this reason we strongly support the draft GPS signalling:
- 25.1 an increase in the funding available for ‘regional improvement projects’; and
 - 25.2 that the Government is considering reducing the ‘local share’ that must be contributed to deliver projects which support regional economic development (meaning a greater proportion of the cost of these projects will be covered by the NZ Transport Agency).

The Government’s role in encouraging innovations in technology

26. We strongly agree that there is huge scope for technology to influence the development and operation of the land transport sector in the coming years, in particular by influencing:
- 26.1 demand; for example through providing new ways of getting around or new pricing mechanisms; and
 - 26.2 productivity; for example by improving traffic flows through improvements in communication technology both in vehicles and on transport infrastructure; and
 - 26.3 safety; for example through safer vehicles.
27. The draft GPS indicates it will “support trials and pilots of new technologies that have a specific road safety purpose or that provide improved safety outcomes”. We would like to see the final GPS providing further information on the steps the Government plans to take over the period of GPS 2018 to encourage and facilitate the uptake of new technology in the land transport sector.
28. In our view, significant effort and investment is required on ‘under the radar’ initiatives such as GPS accuracy and transmission frequencies to enable New Zealand to take advantage of upcoming technologies. The final GPS should strongly signal the Government’s intentions in this space.

Dealing with uncertainty

29. We agree with the draft GPS’s assertion that there is uncertainty around how transport demand will change in the medium to long term, particularly given anticipated advances in technology.

30. While we agree it is prudent to make transport investment decisions with this in mind, we are keen to ensure that transport decisions makers don't:

30.1 forego investment that is needed now purely on the basis that the future is uncertain; or

30.2 over-invest in a project to ensure it is future-proofed for every possible future outcome.

31. The GPS should make clear that while uncertainty about the future is a challenge for transport decision makers, New Zealand simply cannot afford for it to be used to justify significant over- or under-investment.

The Roads of National Significance programme

32. We applaud the Government on the emphasis it has placed on delivering the Roads of National Significance programme, and are pleased to see that the draft GPS signals that sufficient funding is being made available in the State highway improvements activity class to enable the completion of these routes.

33. We're interested to understand whether the Government intends to formally identify additional Roads of National Significance (noting that at the recent opening of the Kapiti Expressway, the Minister of Transport indicated the route should be extended to Levin).

34. We see value in the Government signalling any potential future Roads of National Significance in the final GPS 2018, so that regions understand the Government's long term thinking on which routes may be priorities for investment.

Funding Auckland

35. With regard to the Auckland Transport Alignment Project (ATAP), we note that the draft GPS indicates that final GPS will reflect forthcoming funding decisions on the ATAP, and implies these may be in the form of additional Crown funding and/or adjustments to the GPS's funding ranges.

36. We absolutely recognise the importance of delivering the ATAP and support this initiative. However, we are aware that there is a significant funding shortfall associated with its delivery, and are keen to ensure that this doesn't unduly affect the delivery of transport infrastructure and services outside of Auckland.

37. We also note that the draft GPS indicates that funding decisions for the ATAP will be made as part of Budget 2018. We would like to signal our concern that this implies funding will not be made available to deliver the approach agreed in ATAP until at least July 2018 – almost two years after the Government and Auckland Council released the final ATAP report. We consider that clarity on funding for the positions reached in ATAP is needed sooner.

Kaikoura earthquake recovery

38. We note that the draft GPS indicates that the Kaikoura earthquake recovery will be largely funded outside the National Land Transport Fund.

39. While we consider this approach to be appropriate, in our view there would be value in rebuild decisions keeping GPS priorities front of mind. For example, with regards to the critical rebuild of State Highway 1, as well as ensuring the route is as resilient as possible,

decision makers should not overlook the importance of ensuring the route is designed with its tourism function in mind (for example, providing stopping bays, passing lanes etc.).

Research

40. We note that the draft GPS emphasises the importance of research, particularly in the road safety space. We strongly support this signal, as we consider a sound evidence base is critical to ensuring investment is targeted at the right areas.

Transparency and reporting

41. We congratulate the Government for the signals given in the draft GPS which indicate an expectation of greater transparency around investment decisions.

42. We think there would be value in taking reporting requirements further.

42.1 As part of the NZ Transport Agency's annual reporting, we consider there would be value in the Agency identifying the specific safety initiatives that have been delivered, by region. Such reporting could identify, for example, the number of kilometres of wire rope barriers, passing lanes, slow vehicles bays etc. that have been introduced on the network. This would provide people and organisations with an interest in the road safety programme better insight into how the GPS's road safety emphasis is translating into specific improvements on the network.

42.2 We also recommend that the final GPS include a provision that requires the NZ Transport Agency to report on how recently-completed, large-scale transport projects are contributing to the results set out in the GPS (recognising that in some cases it will make sense to report on a suite of projects, rather than an individual initiative). This reporting requirement would help to ensure alignment between the GPS's vision and the projects that are delivered on the ground.

Other matters

43. We are happy to meet with officials and discuss the content of our submission if that would be helpful.

Yours sincerely

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