

SUBMISSION TO: New Zealand Transport Agency

REGARDING: Draft Investment Assessment Framework for
the 2018-2021 National Land Transport
Programme

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ATTENTION: Investment Assessment Framework Submission
Team

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SUBMISSION FROM THE NZ AUTOMOBILE ASSOCIATION ON THE DRAFT INVESTMENT ASSESSMENT FRAMEWORK

1. Introduction

The NZ Automobile Association (NZAA) appreciates the opportunity to comment on the draft Investment Assessment Framework for the 2018-2021 National Land Transport Programme (the IAF).

The NZAA represents the interests of our 1.6 million Members who, through their contribution of fuel excise duty, road user charges, and registration fees to the National Land Transport Fund (NLTF), are key funders of New Zealand's transport system.

The IAF is important given it interprets the results set out in the GPS into criteria for investment. Consequently, the NZAA takes a strong interest in the IAF as it will guide the assessment and prioritisation of transport projects that our Members – and motorists more generally – will pay for.

We have focussed our submission on what we consider to be the issues of most interest to us and our Members, rather than attempt to comment on every aspect. We are very happy to meet with officials to discuss our feedback in more detail if that would be useful.

2. Feedback on key aspects of the draft IAF

2.1 Evaluation and cost benefit appraisal approaches

2.1.1 Assessment options to support improvements in safety outcomes

The NZAA understands that using the Transport Agency's current evaluation methodology, some projects that would have important safety outcomes are not seen as good candidates for funding because they would also result in sizeable disbenefits, such as having negative effects on travel times. We are aware this may be problematic in light of the Government's desire to dramatically improve road safety. We strongly support the Government's commitment to safety as a key priority under the GPS 2018. We have long advocated for more safety investment in infrastructure, tools and technology that have proven road safety benefits. It is good to see the Transport Agency investigating further ways to support this.

In response to the three BCR options set out on page 9, it is hard to comment specifically given there is a limited amount of detail for each option. We do make the following general comments in response to each option:

Option (as per page 9)	Comment
Application of a special safety cost-benefit appraisal rating for safety improvement projects. Safety improvements are defined as projects for which the overriding business case target benefit is safety. In specific project circumstances such improvements would have certain travel time disbenefits discounted in the context of the wider network for the calculation of an increased 'special safety' BCR i.e. the increase in travel times at the project level within the context of the wider network is ignored in the calculation of the BCR.	We are not yet convinced of the efficacy of discounting disbenefits (the example given is discounting any increase in travel time as part of a 'special safety' BCR). We believe this could create a precedent to discount disbenefits for other reasons, and would also have implications for value for money, one of the strategic priorities of the GPS. At the very least, such an approach needs to be carefully considered and analysed, as it would almost certainly result in unintended consequences.
Ensuring the 'do-minimum' and options include speeds that match the road environment for safe travel	We consider the One Network Road Classification system and Speed Management Guide are key reference documents and should be the starting point for any discussion about altering speeds as proposed in this option.
Assessment of safety packages in the context of networks to allow for an integrated, holistic approach across a range of measures	We support the idea of taking an integrated approach across a range of measures, but there is not enough information set out to support a specific proposal or option. For this to be meaningful the range of measures need to be well defined and evidence-based.

Road safety investment is a strong area of interest for the NZAA and we would appreciate being kept informed and involved in early consultation on options as these are further developed.

2.1.2 Other feedback on the evaluation approach described

The NZAA is supportive of evaluation approaches which ensure the full range of modal options are considered in a fair and consistent way, setting out the full costs and benefits. We consider that the current interpretation of a mode neutral approach as set out in the GPS, which states that some modes will be given priority over others, is not mode neutral and doesn't represent a neutral approach to funding.

We would like clarity on the meaning of the following key principle set out on page 5:

Efficient use of available resources requires cost-benefit appraisal which is tailored for the type of interventions required and the context of those interventions to achieve the GPS outcomes

It is not clear whether this means tailoring the cost-benefit appraisal process for specific interventions or projects, or how this is applied alongside results alignment (which is our understanding of how proposals are assessed against the outcomes sought in the GPS, as opposed to the cost-benefit appraisal).

It is not clear from the draft IAF whether transport projects funded through the Provincial Growth Fund (PGF) will be assessed against the same criteria as set out in the IAF. Transparent and robust evaluation approaches for the PGF is important given its potential scope to make a substantial investment in transport across the regions. For this reason we would like to see more information on the assessment processes for the PGF in relation to transport proposals published as soon as possible.

We are supportive of the Transport Agency reviewing its evaluation approaches to ensure these reflect best evidence and align with international best practice. We support a planning and evaluation approach that chooses the best mode (or mix of modes) for the task at hand, in a transparent and balanced way.

We are of the view that the review of evaluation approaches must be conducted (or at a minimum audited) by an independent party, treat all modes consistently and result in a transparent framework that funders are able to understand and that the public can have confidence in. We also ask that transport stakeholders are engaged in the review and consulted along the way, as this will help to ensure there is buy-in of the end result.

2.2 National levels of service

The NZAA is supportive of an increased and more consistent nation-wide application of the One Network Road Classification (ONRC), especially using this as a key input for results alignment. We are concerned that the ONRC is still not well understood or integrated into local government planning.

We are also supportive of the development of consistent national levels of service for public transport, walking and cycling. We consider there should be the same consistent approach as taken with roads (through application of the ONRC), as this will better support value for money and the concept of mode neutrality principles.

We would like to be kept informed and involved in consultation as these national levels of service classifications are developed.

2.3 Road safety promotion and demand management activity class

The NZAA is not clear on the scope of the demand management element of this activity class, or what it is targeted at. The commentary on page 17 notes that demand management contributes to safety, environmental and public health outcomes. However, it does not mention the potential for improved productivity or efficiency of the network (both of which are key benefits of demand management), nor does it mention possible disbenefits or how these might be managed (especially where these might be socially regressive).

We would like to see more clarity on what type of projects might be funded for demand management purposes in this activity class, including a clear interpretation of demand management.

We also have two specific comments in relation to the results alignment criteria on page 18:

Criterion	Comment
<p>High results alignment for ‘Access to opportunities, enables transport choice and access, and is resilient – thriving regions’:</p> <ul style="list-style-type: none"> • Targets mode shifting and ride sharing particularly from single occupancy vehicles to improve access to economic and social opportunities 	<p>We consider that this criterion is unrealistic across regional New Zealand. If this is targeted at demand management, any proposal should be targeted at a specific problem that has been identified (in some regions, this may be more about the number of heavy vehicles passing through as opposed to light vehicle congestion on the roads). We don’t think that mode shifting and ride sharing would necessarily address all demand management problems, or improve access to economic and social opportunities in regional New Zealand. We ask for the Transport Agency to take a more tailored and contextualised approach to these criteria for the regions.</p>
<p>Very high results alignment for ‘Safety – a safe transport system free of death and serious injury’:</p> <ul style="list-style-type: none"> • Promotes the implementation of an approved speed management approach focused on treating the top 10 percent of the network that will result in the greatest reduction in deaths and serious injuries • Promotes changes made to safety regulation that address one of the high priority safety areas 	<p>We consider that this criterion should refer specifically to the Speed Management Guide. We would like to see this used and implemented more consistently across the country, given it is in line with international best practice, was well consulted on during its development and has wide buy-in from the sector.</p> <p>We strongly support a risk-based approach to speed management, as outlined in the Speed Management Guide, and wish to see such an approach implemented nationally. We are concerned that if the Speed</p>

	<p>Management Guide is not better resourced, there is considerable risk of its misapplication. This could lead to a loss of public trust and support of speed management, evidenced by public calls and claims that speed enforcement is just for revenue gathering purposes.</p>
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