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NZ Automobile Association submission on:

Government Policy Statement on Land Transport 2021/22-30/31

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Executive Summary

The New Zealand Automobile Association (AA) welcomes the opportunity to provide comment on the Government Policy Statement on Land Transport 2021/22-30/31 (GPS 2021).

We have focussed our submission on what we consider to be critical strategic issues, rather than attempt to comment on every aspect of GPS 2021, including:

- Clarity about what the Government is committing to deliver, as allocations exceed revenue by over $1B in 21-24, which has not been the case previously. As a consequence, GPS 2021 creates some major questions about how trade-offs will be made and/or what other funding may be required. These are questions we expect a GPS to answer, not pose. In the case of the new Road to Zero activity class the changes from the previous approach to road safety (i.e. mix and level of road safety activities) are not readily apparent.

- The addition of major non-road capital expenditure into the National Land Transport Programme has diluted the focus on value for money and transparency, led to multiple funding sources and decision making processes for land transport, and ongoing uncertainty about transport investments. It makes it more difficult to follow how much road users are paying and what services are being delivered.

- The focus on road safety in GPS 2021 risks becoming misleading in some regards, omitting discussion of some major road safety determinants (road infrastructure, and surface maintenance) while presenting other investments as road safety investments (for example subsidies to fund the national rail network), without due context or caveat.

- We are opposed to motorists subsidising the national rail network, as the opportunity cost is direct road safety investment. There also has not been a clear case presented that this investment delivers value for money. This investment should be subject to a full assessment through the budget process.

- We support investments aimed at mode shift where these provide demonstrable transport benefits, made through a transparent and balanced assessment process that chooses the best mode for the task.

We support no further increases to Fuel Excise Duty (FED) and Road User Charges (RUC) for 2021-24, given the 18% increase to these taxes in GPS 2018. In Auckland there is a regional fuel tax on top of these increases.

Given the uncertainty about what might result from the recently established Infrastructure Industry Reference Group, we have commented on the GPS as it is, without second guessing what investment might arise from their work.

We note there is likely to be change to GPS 2021 because of the impacts of COVID-19, and expect reasonable efforts at further consultation.

We are very happy to meet with officials to discuss our feedback in more detail.

Part 1: Key Issues

1a. Link between what is announced in the GPS, what is planned, and information about what is delivered.

Total allocations exceed the expenditure target for 2021-24

Total revenue is up by $1.1B to $13.7B for 2021-24, as FED and RUC increases in GPS 2018 come fully on stream. However, allocations (based on the sum of the midpoints for each activity class) in GPS 2021 for 2021-24 exceed the expenditure target by around $1.3B, which has not been the case in previous GPS[1].

GPS 2021 therefore announces midpoint allocations for activity classes (most increased) that National Land Transport Fund revenue is not expected to be able to fund, without acknowledging this discrepancy. Subsequent versions need to clarify how shortfalls will be addressed, including how trade-offs will be made between investments in different activities, and whether other funding options will be used. Absent this information, it is unclear what GPS 2021 is announcing and what will actually be delivered.

Signalling differences from one GPS to the next

The AA would like to take this opportunity to stress the importance that the GPS signals changes from one document to the next. The Ministry of Transport transitions guide was helpful to some degree. However, GPS 2021 does not clearly present some basic information, for example:

- the change to overall allocations for road and for non-road activities
- what activities received more or less allocated funding (including the approximate change)
- how the additional FED and RUC revenue (hereafter referred to as road user revenue) is allocated
- funding for safety activities, and how much is additional compared to 2018-21.

This sort of information would help the public to understand the implications of the proposals and priorities in GPS 2021 and engage in the consultation process.

1 In GPS 2018 for 2018-21 the expenditure target was $12.6B and allocations (based on the midpoint for activity classes) was $12.7B.

New Road to Zero activity class and strategy

We support the establishment of the Road to Zero activity class to co-ordinate planning and delivery of road safety interventions. As part of the transition to this new activity class, we call for greatly improved transparency and accountability surrounding safety spending. In our experience, delivery of safety work and reporting of progress under the Safe Network Programme (SNP) has not always been clear, and delivery is currently significantly below expectations. For example, the SNP planned 198km of median barriers but only 18km have been completed to date. The latest quarterly update from NZTA states that "the speed management and infrastructure programmes (projects worth more than $1m) are well behind the delivery rate required."

We support the Road to Zero target of a 40% reduction in deaths and serious injuries by 2030. We are unable to tell with confidence whether the signalled actions and funding allocations (assuming investments are made at the allocated level) will be delivered, or be sufficient to achieve the target. Detail on the additional interventions, and increased levels of interventions, necessary to decrease deaths and serious injuries to achieve the target have not been provided in the Road to Zero strategy or GPS 2021. Official modelling about the interventions required to meet the target has not been released publicly. The increase in spending (over the next three years and over the full ten year period) seems modest in comparison to the target[2]. Additionally, GPS 2021 quotes large figures without context, which further confuses the picture. For example, a "$1.2 billion additional investment in local roads" as part of Road to Zero appears to be largely redirected funding from local road improvements, and the disestablished regional improvements activity class, already earmarked for safety. This is unclear and the use of the term "additional" may be inaccurate.

What we're hearing

AA Whanganui District – "given the GPS is a 'policy' statement we would suggest it should have more 'policy' related targets to support its funding. After all it does set levels of permitted spending. Therefore, it would be good to see some slightly lower level statements such as for example it might relate to maintenance renewals, rehabilitation etc at say minimum % of the (neglected) network per annum. Such a statement would allow a dollar amount to fall out. It seems to be back to front in too many areas. By setting levels of direction, the policy becomes more performance (outcome) based."

1b. State of the land transport funding system

More uses of road user revenue, and mixed funding streams and decision making processes, have created uncertainty and leave the land transport system collectively without a clear long term strategy.

2 Nominal total increase in allocated safety spending (road police, safety treatments, advertising and education, equipment such as red light cameras and roadside drug testing) appears to be about 17%.

Taxing Kiwi motorists

Set up in 2008, the hypothecated approach to land transport funding (and the justification for taxing motorists) is based on the principles that[3]:

- the level of road use generates funding proportionate to demand: when there is more use of the roads there is more money to develop, maintain and manage them
- revenue is spent as it comes in: there is a pipeline of projects that benefit motorists, and resources can be moved between different investments if there is a delay in one area.

Part of this system from the beginning was that road user revenue would subsidise public transport fares to a reasonable level, as public transport benefited motorists if it reduced congestion, and this funding could be planned for and delivered without compromising the principles above – referred to by the Ministry of Transport as "the social contract".

Road user revenue for major non-road capital projects

GPS 2018 introduced the use of road user revenue to fund rail capital and rapid transit infrastructure but implementing this change has proven more challenging than was envisaged. GPS 2021 proposes even more funding for these purposes, including incorporating the Rail Plan into the National Land Transport Programme.

In 2018/19 actual National Land Transport Fund spending was substantially under budget (by 7%). Most of the under-spend was in activity classes relating to rapid transit, rail and public transport infrastructure. This meant the increases to FED and RUC provided additional revenue that was not spent. Fuel taxes should not be increased as a means of raising and saving money to deliver projects in the longer term – raising transport taxes in advance of needing the revenue is inconsistent with the pay-as-you-go principle of the land transport funding system.

In addition, GPS 2018 reduced funding for state highway improvements by $5B over 10 years to fund these new uses, meaning projects Waka Kotahi NZ Transport Agency (the Agency) previously assessed of high value for communities and New Zealanders all around the country stopped[4]. The NZ Upgrade Programme (NZUP) has largely replaced this funding with $5.3B for road projects, which we support. However, this approach has:

- delayed shovel ready projects
- decreased infrastructure capacity - we compete in a global market for capital and when improvements allocations were dialled down, capital and skills moved offshore, and are not immediately available again, which further delays these shovel ready projects.

The impacts include increased costs for projects. This experience demonstrates the complexities of combining the planning, management and delivery of different types of (large scale) investments within a

3 Based on findings of Ministry of Transport's Future Funding Project: https://www.transport.govt.nz/multi-modal/keystrategiesandplans/strategic-policy-programme/future-funding/

4 Calculated based on the average midpoint allocation for 17/18 and 18/19.

funding stream established to accommodate one type of investment, as well as the difficulties effectively moving funding between these investments.

The current situation and an ongoing issue

The NZUP rebalanced funding in the short term. Now GPS 2021 further decreases state highway funding (by $1.25B over ten years compared to GPS 2018) and local road funding (down $1.7B), falling away by greater amounts in later years.

As the NZUP drops off in four to five years so does GPS funding. In the last five years of GPS 2021 funding allocated to improvements (state highways and local roads combined) averages $593m p.a. To provide context, in 2018/19 $1.6B was allocated to improvements. Road user revenue in each of the last five years of GPS 2021 is projected to be over $1B higher than it was in 18/19.

This situation contributes to uncertainty in the transport sector – including the construction sector who build transport infrastructure – and impacts capacity to deliver transport investments. It also potentially disrupts the Regional Land Transport Planning process. Value for money is reduced, and some communities are left without clear plans.

There are better ways to do this

We support capital investment in metro rail and rapid transit, as important parts of the transport system, and these investments need to be planned and co-ordinated with road investments. However, these investments need separate funding sources and delivery processes[5].

Given the Government is clear that the benefits (including “making streets more inviting places”, recreation and community connectedness, land use) of these capital investments will accrue to the nation’s health, economy, society and environment, the funding required to achieve this should come from come from the Crown, as well as those using these services.

Furthermore, investment in high density corridors will increase the value of properties close to these services. We support targeted funding whereby those who directly and significantly benefit from a project meet more of the cost (a levy on developers, or targeted rates on home owners), alongside local government funding and financing. We would like to see significant policy emerge on these other funding sources.

Given delays to Auckland light rail, and with Let’s Get Wellington Moving (LGWM) in its early stages, we have an opportunity to repair “the social contract”. In the case of the LGWM programme, we note over 80% of investments are non-road investments.

1c. State of the network and its effect on safety

GPS 2021 does not address the base condition of the road network and how this innately influences safety.

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5 Multi-year budget appropriations are well suited; and the impact of planning uncertainties would be mitigated with funding allocated from a much bigger pool.

Road safety is, and always has been, the cornerstone of the AA's advocacy work. While we have strongly supported the Government's road safety work, we have repeatedly raised concerns about the availability of funding.

Nearly 40% of New Zealand's state highway network has a 2-star KiwiRAP[6] safety rating. 2 star roads have deficiencies such as roadside hazards, poorly designed intersections, a lack of safe passing opportunities and narrow lanes. According to KiwiRAP, a third of all the driving on state highways takes place on 2-star roads. Upgrading these roads from 2-star to 3-star quality (where the deficiencies in the features of the road are far fewer), would effectively halve the trauma from crashes, but requires an upgrade programme at the necessary scale. The SNP, based on current levels of funding and delivery, has made little progress upgrading them. GPS 2021 presents no major plan to address this, initially increasing safety treatments spending as part of Road to Zero by around 17% (by $65m p.a. in 2021-24), but this is not proportionate to the current condition of the network and the scale and types of work required. The moderate increase in Road to Zero over the full 10 years is eclipsed by the significant reductions in state highway and local roads improvements which are a major determinant of the network's safety.

Road maintenance and road building are road safety issues

The AA is concerned that the fundamental influence investments in new roads and road maintenance have on the road toll is not covered in GPS 2021:

- New roads are safe roads - how safe a road is, depends to an extent on whether built-in safety features have been incorporated into the roads design (straight, divided, good line-markings, wide lanes and sealed shoulders, few roadside hazards and intersections). For this reason, there are much lower crash rates on the completed new highways around New Zealand.

- Maintained roads are safe roads - road surface quality determines the grip a vehicle has with the road and its risk of skidding. Poor quality roads increase crash rates, especially loss of control crashes where vehicles cross the centre line or run off the road.

Retrofitting existing highways with engineering treatments will produce safety gains. However, new roads built to modern engineering and safety standards will achieve greater safety gains in both preventing crashes and also decreasing their severity. Good quality road surfaces can play a big role in reducing crashes across the entire network.

6 The New Zealand Road Assessment Programme KiwiRAP is a partnership between the AA, the Agency, NZ Police, Ministry of Transport and Accident Compensation Corporation.

What we're hearing

We have been approached by Members, including people working in the transport industry, asking why these investments are not included. An example of a recent question:

"The document [Road to Zero] has 5 focus areas with the first being Infrastructure. It talks about investing more in safety infrastructure and other items however I cannot see where it looks to improve the pavement surface."

Maintenance allocation and the backlog

We support the 17.5% increase in maintenance funding allocation in GPS 2021, but it is insufficient given that over most of the last decade nominal maintenance funding 'flat lined' while:

- **Costs** - labour, plant, materials - rose 17% between 2009/10 and 2018/19
- **Use** - vehicle kilometres travelled - increased 22% and freight volumes grew by 32% (road surfaces are consumed by use).

During this time the Agency has been unable to meet the targets it sets for the level of work required to maintain a safe network. The Agency's state highway maintenance targets are 9% resurfacing and 2% foundation replacements for the network p.a.

From 14/15 to 18/19 the level of resurfacing was below target every year, and total work over the period 33% below target. At a select committee in December 2019, The Agency advised:

> "We've got our biggest maintenance renewal program for the last 10 years happening this summer,
>
> "So it's about a 9 percent investment across the network. We've been running at about 4 or 5 [percent]."

This was a projection that the Agency planned to do approximately enough work to meet its target in 2019/20.

For foundation renewals, in 9 out of the 10 years between 08/09 and 18/19 the level of work completed was below the target, and the total work completed 50% below target. In 18/19, a quarter of the targeted level of foundation work was completed (even after GPS 2018 had increased funding).

The level of maintenance work is consistently below target, and we have an unprecedented backlog of maintenance work that is vital to road safety.

On the state highway network, therefore, the AA is calling for a national maintenance programme that results in 12% of the network's road surfaces being renewed each year and 3% of foundations redone. For the first three years of GPS 2021 we need to increase state highway maintenance funding $240m p.a.

For local roads we need to double the increase in maintenance funding proposed in GPS 2021 for the first three years from $70m p.a. to $140m p.a.

What we're hearing

In the AA Members Concerns Surveys, the top concern (out of 46 polled) for the last three years has been 'road surface quality' (a concern for 67% of Members in Feb. 2020).

AA Hawkes Bay / Gisborne District - "it is apparent that the condition of highways and local roads in our region has deteriorated and is not being maintained to a standard that provides a safe driving environment."

AA Manawatu District – "the increased focus on maintenance [in GPS 2021] is supported but the increase should be even larger as there is a mountain of deferred maintenance to catch up on to restore the network..."

Reductions to state highway and local road funding for improvements

Our road network is a critical part of our overall transport system.

83.5% of trips are taken in private vehicles, and total vehicle kilometres travelled is projected to continue to increase (as reflected in the growth in road user revenue projected in GPS 2021).

The national freight demand study found total freight moved in 2017 was about 260 million tonnes, and forecast to grow to 354 million tonnes by 2037. About 7% of freight is currently moved by rail. Hypothetically, if rail tripled its share of freight by 2037 there would still be 20 million more tonnes handled by trucks; 8% more than moved by trucks currently.

Reductions in allocations to state highway and local road improvements, if not redressed, will negatively impact safety, prosperity, and wellbeing across communities. As covered in section 1b. of this submission, the NZUP replaces reductions made in GPS 2018, but GPS 2021 makes significant further cuts.

Our view is that at a minimum investment in state highway and local road improvements should be restored to the level in GPS 2018, which would see the majority of the additional road user revenue invested in activities with direct road safety benefits. FED will be over 70c per litre of petrol (and RUC an equivalent amount) when GPS 2021 comes into effect.

What we're hearing

'Better road maintenance and improvement' and 'Safer road engineering' are the two top issues that our Members wanted more Government investment in when surveyed in early 2020.

AA Northland District – "SH 1 is our main artery to the rest of the country and is the key to regional development. It needs upgrading." And "Both SHs and LRs in Northland are needing funding increases."

AA Hawkes Bay / Gisborne District – "There are a number of projects identified that have been on the regional transport programs for years but not progressed."

Regional and rural New Zealand

We are concerned about the lack of dedicated funding for rural and regional areas, given:

- reductions to state highways and regional improvements which disproportionately impact rural and regional communities, and regional economic development
- the Agency's pavement tracking data shows rural areas appear to have been disproportionately impacted by the prolonged and ongoing maintenance funding shortfall
- an increasing percentage of road user revenue is spent in the biggest cities: over 90% of public transport spending goes to three cities; and in the first three years of GPS 2021 40% of new revenue goes to public transport related activities
- the disestablishment of the 'regional improvements' activity class (funding dedicated for non-metropolitan areas).

NZ has 83,000km of local roads. We are calling for more allocation to local roads, and the re-establishment of the regional improvements activity class and allocation. As well as guiding allocations to rural roads, the regional improvements activity class provides for more transparency for rural and regional communities.

What we're hearing

AA Wairarapa District - We have our perennial projects that we have been promoting for ages which seem to get side lined with each new approach - but we must, and we will, continue to keep pushing for them.

AA Southland District – "Funding of walking and cycling is fine but with the nature of our district, based around spread out rural communities, we need to accept that walking and cycling will not replace private vehicles as the main mode of travel for most people, so should not be placing an 'over emphasis' on spending on walking and cycling which are largely 'recreational' in our area."

AA South Canterbury District – "Potentially could bring forward some of the smaller capital projects during the recession when less trucks on the road..."

We also suggest the Agency reviews the Funding Assistance Rate (FAR), specifically focusing on whether the FAR can reasonably be increased in some circumstances (that it is not currently) for local road improvements and local road maintenance to address potential underinvestment outside the main centres.

Comment on ‘Safety’ indicators:

- Need to monitor road safety outcomes and adjust investments (levels and activities) early in the decade, if we are not on track to meet the Road to Zero target. A major review of the plan, involving stakeholders, should be completed before 2023
- The proposed indicator relating to speed management is ambiguous about the balance between decreasing speed limits and engineering solutions
- Add an indicator for road surface quality (must be suitable and meaningful)
- Review ‘key performance indicators’ approach in Network Outcomes Contracts to get value for money from maintenance spending
- Add indicator based on KiwiRap ratings and driver exposure to risk.

1d. National rail network

Shifting freight to rail

Coastal shipping, rail and road transport all have roles to play in freight movement. However, the nature of freight movements around New Zealand heavily determine mode share.

Heavy trucks provide specialised services. For example, it is not viable for trains to replace concrete agitator trucks. In the case of forestry, dispersed plantations limit the use of rail. While livestock trucks, fertiliser trucks, fuel tankers, milk tankers and many other trucks operate away from railway lines. Additionally, there are trucks that take supplies to rural centres away from railway lines.

Only 19% of freight is general freight and when distance is taken into account, 8% of the annual tonne/km moved is general freight. General freight refers to cargo that does not require the use of specialised equipment to transport it (e.g. pallets of construction materials, or non-perishable food), which could potentially be moved by rail. Rail becomes economic over longer distances, and is generally best suited for freight that is not time critical. As the ‘first and/or last leg’ for most freight is by truck, it is often not viable to “double handle” it and put it on rail given the short distances freight travels over land in New Zealand. The biggest proportion of freight, 29%, is manufactured and retail goods, and this is followed closely be logs and dairy[7].

The potential for significant mode shift is constrained. We are highly unlikely to double the rail share of the freight task. Robust information about the realistic potential to shift road freight to rail, and the likely magnitude of associated benefits, needs to be provided.

Appropriate use of road user revenue

In GPS 2021 the positioning of investment in the national rail network as a road safety investment is, in our view, misleading, without adequate context provided. Modelling for Road to Zero shows that to decrease deaths and serious injuries by 50% (rather than 40%) requires additional investment of $2B over the next 10

7 John Addison, NZ Herald, 2018.

years. GPS 2021 proposes a $1.1B investment in the national rail network (an activity motorists have not previously funded). If this road user revenue proposed for the national rail network was used to fund Road to Zero, the safety benefit would be significant. The $1.1B subsidy to KiwiRail would likely have a net negative impact on safety, if it comes at the expense of more direct road safety investments. We are also concerned that some of the other benefits associated with this proposed allocation are similarly being considered out of context.

Given the opportunity cost to motorists, the national rail network should be funded by the Crown, as well as those using these services. We strongly oppose this use of road user revenue and its opportunity cost. This proposed investment should be subject to full and robust scrutiny through the Budget process.

What we're hearing

AA Wellington District – "Definitely not. We do not think funds from motorists and truck companies should be used to subsidise rail freight or coastal shipping. KiwiRail is already subsidised from the consolidated fund i.e. general taxation."

AA Nelson District – "Generally, no. As there is no rail network in our region, there is no benefit to Nelson/Tasman, however there may be some national benefit if more freight could be diverted from roads, however as pointed out in the circular, the economics must stack up, rather than ploughing money into subsidising unviable alternatives."

AA Waikato District – "We do not agree with Road User Revenue being used for these two activities, Rail is being and always has been subsidised by the Government. Rail should start being more efficient and be made to operate without more help and subsidies."

Comment on 'improving freight connections' indicators:

- 'Mode share for freight' indicator does not allow choice of best mode or capture value for money. This gives rise to concerns about the rigour of analysis up to this point, and the criteria and magnitude of the benefits upon which this investment is proposed
- Expected and measured efficiency of movement of people and goods should be added
- We support travel time predictability and network availability as indicators.

1e. 'Better travel options' and 'Climate change' strategic priorities

Overlapping priorities

The 'climate change' and 'better travel option' priorities appear to overlap, essentially the former specifying the problem and the latter prescribing the solution. We suggest this creates a risk of double counting in the Agency's investment assessment framework.

Mode shift

The principle of ‘mode neutrality’ has receded in GPS 2021 with a stronger focus on achieving mode shift, moving people to public transport and active modes for environmental, congestion, public health, and safety benefits.

While we support investments aimed at mode shift where these provide demonstrable transport benefits, investments into public transport and active modes cannot be an end in themselves, as these modes will not always “improve people’s ability to get places” and be “fit for purpose transport for the future”. We support an approach that chooses the best mode for the task at hand. That needs to be achieved through a transparent and balanced assessment process.

Mode shift plans must be realistic about the potential for change, transparent, and deliver value for money. Plans need to be based on actual level of desire (not just the stated level of desire) to change modes, and an understanding of why people choose to live and travel the way they do.

One important consideration not well captured in GPS 2021 is people’s different circumstances, and what they need from the transport system. For example, private vehicles are indispensable for many people due to health reasons or family commitments.

What we're hearing:
Our Members support increasing road user subsidies for public transport and 55% rate improving public transport as extremely important. Members are pleased by promises to improve public transport, but qualify their support is conditional on new public transport investment not being at the expense of roading.

For 90% of AA Members not being able to use a car would be a problem. Members use a car to carry more (93%), they are quicker (80%), more convenient (78%), more reliable (68%), and cheaper (27%). Members say they use a car a lot of the time to – run errands (66%), for work (50%), carry things (48%), and carry other people (34%).

AA Taranaki District – "In regional centres like New Plymouth a paradigm shift away from reliance on cars will require convenient frequency of services and routes plus incentives like free or low-cost trips for low patronage routes."

AA Wellington District – "Generally the funding [in Wellington] is put to good use but note that some new routes hardly have any passengers currently and GWRC propose to wait up to 2 years to assess if the route is viable. Also, small feeder buses in hill suburbs are cheaper and quicker than large buses currently used. Further investment in PT is a key component of the Let's Get Welly Moving programme and significant funding is needed for this programme."

AA Waikato District – "spending on PT in Hamilton and wider Waikato District is deemed a good use of funding..."

Allow for innovation

GPS 2021 is too prescriptive regarding transport solutions, and we suggest reinstating 'value for money' (a strategic priority in GPS 2018) as a strategic priority to counterbalance this. Our transport system is constantly changing. Transport policies need to plan for and accept some uncertainty when considering the future of travel. This will enhance our ability to adopt and benefit from rapid advances in transport technology.

Our transport system has seen many exciting developments in the last ten years:

- ridesharing services providing us with new options for getting around
- the increased uptake of electric vehicles and the roll-out of new charging infrastructure
- the rise of semi-autonomous vehicles
- a growing nationwide cycle network with expanding usage.

GPS 2021 needs a stronger focus on technology and innovation to deliver an efficient, affordable and safe transport system with less environmental externalities. For this reason, we call for more investment in alternative fuels (e.g. biofuel), demand management, shared mobility, mobility as a service, low or no emissions vehicles, and research and innovation generally.

Buses, private vehicles, walking, trains and bicycles, are all part of our collective past and our collective future. We must improve the services they provide and reduced the harms they cause. We may also come up with entirely new ways of moving. This is a work in progress. GPS 2021 must be an enabler for this journey.

Comment on 'better travel options' and 'climate change' indicators:

- 'Better travel options' Indicators do not cover value for money which is concerning given there are limited resources with which to address problems and achieve objectives. For example, NZ has a small tax payer base for its geographic area, which places limits on where effective public transport services can be provided at a manageable cost.
- We support the 'climate change' priority indicators.

Part Two: Comments on Road to Zero and Climate change investments

2a. Road to Zero safety investments

The AA strongly supports the Government's commitment to safety as a priority.

What we're hearing:

When we asked AA Members to rate five safety issues as little, moderate or big problems: 71% rated drivers on phones to be a big problem, compared to 61% for drunk drivers, 58% for drugged drivers, 52% for speeding drivers and 38% for tired drivers.

Surveys of our Members show 95% support introducing roadside drug testing; over 90% support alcohol addicts only being allowed to drive vehicles with an alcohol interlock; and over 80% support more red light cameras.

AA Marlborough District – **"**We support more road policing - have noticed over the last 2+ years that there has been a drop in road policing. There are no booze bus stops and there's a general lack of police presence on our highway network."

Infrastructure safety treatments

The focus on infrastructure safety treatments on high risk roads is vitally important. We have long advocated for proven road safety treatments like median and roadside barriers to reduce deaths and serious injuries. To get the best possible safety return, safety retro-fits like barriers must be accompanied by physical works to provide passing lanes, wider shoulders, and a greater number of safe turning opportunities as this helps overcome community opposition to installation.

Road police

GPS 2021 proposes "maintaining current levels of road policing" for 2021-24. An increased level of road policing is likely to assist toward achieving road safety targets, especially if targeted to times, locations and drivers identified to be at risk. We support the additional funding for roadside drug testing, and testing equipment.

Alcohol interlocks

We consider alcohol interlocks an underused sentencing option. We support the use of road user revenue to cover interlock costs for offenders that cannot otherwise afford one.

Speed management

We support the investments focused on speed management but these must be based around both reducing speed limits and engineering improvements. To date, the vast majority of speed management projects have been speed limit reductions. We are not aware of any significant project where Mega Maps recommends "engineering up" that has been implemented. Engineering work can make roads inherently safer: where there are speed-related risks but also a need to maintain the current speed limit (such as on high-volume roads designed for throughput); and so that road environments signal the safe speed. Funding constraints mean much needed engineering work (identified by the Agency's Mega Maps tool) has fallen out of the National Land Transport Programme.

The AA has strongly endorsed the Government's recent announcement to reduce speed limits around schools. To support this initiative, we propose: electronic speed signs outside all schools; and a programme to construct new drop-off points for buses and cars – located off the main road – at rural schools. Rural schools are where the risks associated with speed are greatest.

We support the deployment of red light cameras under the Tackling Unsafe Speeds initiative as an affordable and effective way of reducing injuries and deaths associated with red light running. Outside Auckland, only one red light camera is in operation – in Wellington.

2b. Climate change

The AA supports the objective of a transition to a low carbon transport system. We are concerned about the environment, and our Members are too.

What we're hearing:

Two-thirds of AA Members tell us they have made changes to their travel in recent years for environmental reasons; when asked to place a monetary value on the level of expense they are able to incur to curb emissions the average amount is $30 per month.

In our Elections Issues Survey Members identified replacing some trips with public transport as the most popular way they intend to reduce their carbon footprint.

AA Hawkes Bay / Gisborne District – "we have noticed a few more improvements to walking and cycling in our districts, however the improvements have encouraged and attracted more recreational cyclists than commuter cyclists."

AA Wellington District – "With the introduction of e-bikes there has been a significant increase in both bikes and e-bikes in Wellington."

We most strongly support policy initiatives aimed at encouraging people to make better travel choices. For example, providing New Zealanders with greater transparency about all the costs of different modes (e.g. economic, environment, safety, and other externalities) in order for them to make fully-informed decisions.

Under the Emissions Trading Scheme a levy of 8 cents per litre (plus GST) is charged on every litre of petrol sold in New Zealand.

Uptake of low emissions vehicles and fuel efficiency information

The AA supports encouraging the uptake of lower emission vehicles, including electric vehicles, as a means of reducing the environmental footprint of the land transport system.

Should the uptake of low-emission vehicles increase substantially, we note that there will inevitably be a shortfall in road user revenue going into the National Land Transport Fund which will need to be addressed, due to declining fuel excise and the (currently temporary) road user charge exemption for electric vehicles.

We also support the ongoing provision of information on vehicle fuel efficiency (through EECA's fuel economy labelling programme), and educating consumers on the operating costs of different vehicles, to help them make informed choices.

Alternative fuels

Biodiesel offers a significant opportunity to reduce internal combustion engine emissions. However, the current regulatory regime incentivises bioethanol over biodiesel through an exemption on fuel excise, which should be addressed. Biofuels are one potential solution to the emissions of our relatively small heavy-vehicle fleet which currently consume significant quantities of fuel, as well as for light-passenger vehicles.

Additionally, there is scope to explore synthetic fuels for both petrol and diesel engines. There is a need for New Zealand to invest in more research and development to transition to a low-emissions economy, including a broader look at enabling alternative low-emission fuels.

Conclusion

We are very happy to meet with officials to discuss our feedback in more detail.

Given the uncertainty about what might result from the recently established Infrastructure Industry Reference Group, we have commented on the GPS as it is, without guessing what investment might arise from their work.

We note there is likely to be change to GPS 2021, and expect reasonable efforts at further consultation.

About the New Zealand Automobile Association

The NZAA is an incorporated society with over 1.7 million Members, representing a large proportion of New Zealand road users. The AA was founded in 1903 as an automobile users' advocacy group, but today our work reflects the wide range of interests of our large membership, many of whom are cyclists and public transport users as well as private motorists.

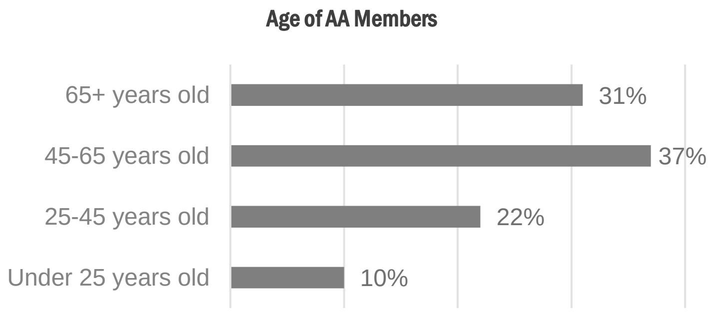
Across New Zealand, the motoring public regularly come into contact with the AA through our breakdown officers, 37 AA Centres and other AA businesses. Seventeen volunteer AA District Councils around New Zealand meet each month to discuss local transport issues. Based in Wellington and Auckland our professional policy and research team regularly surveys our Members on transport issues and Members frequently contact us unsolicited to share their views. Via the AA Research Foundation, we commission original research into current issues in transport and mobility. Collectively, these networks, combined with our professional resource, help to guide our advocacy work and enable the NZAA to develop a comprehensive view on mobility issues.

Motorists pay over $4 billion in taxes each year through fuel excise, road user charges, registration fees, ACC levies, and GST. Much of this money is reinvested by the Government in our transport system, funding road building and maintenance, public transport services, road safety work including advertising, and Police enforcement activity. On behalf of AA Members, we advocate for sound and transparent use of this money in ways that improve transport networks, enhance safety and keep costs fair and reasonable.

Our advocacy takes the form of meetings with local and central government politicians and officials, publication of research and policy papers, contributing to media on topical issues, and submissions to select committees and local government hearings.

Total Membership	1.7+ million members Just over 1 million are personal members 0.7 million are business-based memberships
% of licenced drivers	Half of licenced drivers are AA Members
Gender split	54% Female 46% Male

Age range & Membership retention



Half of AA Members have been with us for 10 years or more.