



## NATIONAL COUNCIL OF WOMEN OF NEW ZEALAND

TE KAUNIHERA WAHINE O AOTEAROA

25 October 2012

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### **Submission to the Transport and Industrial Relations Committee on the Land Transport Management Amendment Bill 46 - 1**

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 47 organisations affiliated at national level and a further 41 organisations affiliated at branch level. It has 22 branches throughout the country attended by representatives of these organisations, as well as individual members. NCWNZ's function is to represent and promote the interests of New Zealand women, families and the community through research, discussion and action.

This submission has been prepared by the NCWNZ Economics Standing Committee and the Parliamentary Watch Committee after consultation with the membership of NCWNZ.

#### **Introduction**

NCWNZ has always supported an efficient and safe public transport system. With the arrival of Peak Oil and increasing evidence of climate change, a sharp rise in petrol prices is fully expected. Long term planning of land transport, therefore, should have a marked emphasis on public transport, as a way of reducing the use of carbon-producing private vehicles.

At a time in our economic history when debt of all kinds is a major issue, and moves to partially sell public assets are made ostensibly to reduce our national debt, it is surprising that this Bill intends to allow further borrowing to build roads. Some members acknowledge that the system for funding land transport needs review, but there is little support for the proposed borrowing option.

Similarly, moves by this Bill to streamline processes and decisions are viewed with concern and even suspicion by members. Increased efficiencies that may or may not eventuate seem to be at the expense of a public voice in the process, and possibly the public purse.

#### **Concerns**

##### **Planning and Funding**

Members generally accept that better co-ordination of transport planning is needed. Some worried that regional transport plans might be lost in the larger view. A strong regional input to the planning was felt to be essential, as each region has unique needs. A few respondents felt that for land transport planning, a 10 year plan was too short a term, and that a longer view was necessary.

Most respondents questioned the wisdom of removing the requirement to include non-voting interest groups on the Land Transport Planning Committees. Some reported that those groups had made valuable contributions to past planning. Although Clause 36 states that the needs of the 'transport disadvantaged' must be considered, members wanted to know what processes would be set in place to engage the public and stakeholder groups, who are after all road users and have valid needs and viewpoints. There was some suspicion that the move to smaller committees, labelled a cost saving measure, was rather intended to benefit private companies and their shareholders, by pushing through road construction plans quickly.

Many are concerned by the proposed changes to funding land transport. A few supported the collection of tolls, but it was pointed out by others that this revenue goes largely to private companies, after collection and other expenses are met. The majority of members preferred the retention of a regional fuel tax, with some revenue kept for use by the region for special purposes.

Several members called for a 'congestion tax' to be levied in the larger centres, and although this has been unpopular so far, it may be necessary in the long run, to encourage people to use public transport. Members recognise that public transport requires subsidy, especially in areas that are sparsely populated such as Southland. Most felt strongly that public transport services should not rely on the number of users, but should be funded from the public purse.

Although a small minority felt that future generations should help pay for Land Transport borrowing, as they will benefit from the asset, most members did not support further borrowing. The point was made that although drivers of private vehicles may not benefit directly from fuel taxes or road user charges, if the effect is to create more public transport options and encourage higher use, then road congestion will be relieved – to the benefit of remaining private road users.

Clause 68 (1) (b) and (c): A member organisation called for the designation of New Zealand roads as essential public infrastructure, and therefore eligible for capital funding. It was strongly suggested that this capital funding be sourced not from overseas lenders, but from the publicly owned Reserve Bank of New Zealand, at nil interest. This would reduce the length of debt servicing, reduce the long term cost of road building and maintenance, remove the need for toll roads and reduce the level of taxes and registration fees necessary. The organisation stated that private investors should not be profiting from a public utility such as roading, though that is obviously intended by this Bill.

### **Tolling and concession agreements**

Members expressed a range of responses to the issue of toll roads. Some accepted them, but felt the tolls collected should go into Land Transport coffers. Again, some expressed the suspicion that the streamlined processes for establishing new toll roads were designed to privilege private companies at the expense of the public.

Concern was also expressed about the proposal to uniformly collect an individual's private information along with the toll fee. Many respondents objected to this, not so much as a privacy issue, but because it would remove the option of a one-off convenient coin payment at toll booths. Anecdotal evidence suggests that the billing and internet payment options are a nuisance for some, not possible for others, and some respondents chose therefore to travel on alternative routes.

Privacy issues were also a concern for some, although most respondents had confidence in the Privacy Act as being adequate to protect their interests. However, the general opinion was that coin collection at toll booths should still be an option.

### **Public transport operating model**

NCWNZ has a strong policy history on preserving and protecting the environment. To this end, members are concerned about the probable rise in oil prices, New Zealand's carbon footprint, the lack of affordable and reliable public transport between towns, and the apparent reluctance of Government to address the problem.

There has been a uniform support for better, safer and more reliable public transport. Members were not sure that the operating model as set out in the Bill would deliver this outcome. Some were concerned that national interests would 'swallow up' regional needs, particularly where the population density is low. Others agreed that a system of registration would ensure that operators maintained safety and other standards.

According to a Ministry of Transport regulatory impact statement<sup>1</sup>, competition between providers operating in the same areas is short-lived, and the true competition public transport faces is the private car. Some respondents felt that rather than imposing a manufactured form of competition on public transport providers through registrations and exemptions, measures should be taken to increase a range of fees and charges that discourage the use of private cars, the 'congestion tax' being one example. This would provide an increase in subsidies for public transport, allow more affordable ticket prices, relieve road congestion and better serve areas that are isolated.

Respondents also called for a greater integration between different modes of transport, including ticketing integration. Careful planning of public transport of all kinds is needed to achieve a safe and reliable range of services accessible to all. Many members urged the Government to have a stronger focus on developing public transport services, rather than building more toll roads with the funding available.

Almost unanimous was the call for better funding of rail, for both passenger services where there is still infrastructure to support it, and goods transportation. Several respondents pointed to the damage to roads done by larger and larger trucks, which would be less costly if more goods were transported by rail.

### **Conclusion**

There has been a strong and thoughtful response from NCWNZ members to this Bill, an indication of their concern for the well being of New Zealand, its people and its environment. As well as suggestions already mentioned, respondents have urged the Land Transport Authority to investigate public transport systems that successfully operate in other countries. Good urban design requires clean, safe and reliable public transport that is affordable.

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<sup>1</sup> RIS – New Policy Framework for Bus and Ferry Public Transport Services, pg 6.

It might be argued that the economy would benefit if public transport was fully developed. One member pointed out, "Private enterprise does best when there is good public infrastructure."

Unfortunately it seems this Bill will not reflect the wishes of the public.<sup>2</sup> About 40% of all transport funding is currently spent on new state highways, in spite of the obvious economic and environmental costs. This Bill will increase that to 50% over the next ten years. Yet the benefits of a completed Auckland cycling network would create 20 times the benefit, in health, safety and lower driving costs, than the best performing Road of National Significance to date, for the same amount of funding.

Although road crashes cost the country \$4 billion annually, while the cost of congestion is estimated at less than \$2 billion, decreasing portions of funding will go to road safety and maintenance, public transport, walking or cycling. Saving a few seconds of traffic time seems to be more important than saving lives, improving health or even balancing the national budget.

Thank you for the opportunity to respond to this Bill.

Barbara Arnold  
National President

Katherine Ransom, Convener  
Economics Standing Committee

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<sup>2</sup> <http://www.scoop.co.nz/stories/HL1209/S00031/transport-its-the-economy-stupid.htm>