

## **Draft Government Policy Statement on Land Transport 2018/2019 – 2027/2028**

Submission to the Ministry of Transport by the New Zealand Centre for Sustainable Cities.

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### **Summary points**

- The strategic priorities and actions of the GPS do not take account of the urgent need to decarbonise the transport sector, potentially committing New Zealand to projects that will encourage long term carbon emission growth.
- The current strategic aims emphasise economic growth/productivity, safety and value for money while giving too little attention to the environment, public health and social wellbeing.
- An enhanced focus on active transport and public transport would be consistent with the strategic aims and objectives of the GPS, contribute to other policy outcomes, such as improved air quality, greater physical activity and health, and establish infrastructure which will curb carbon emissions in a medium to long term time frame.

### **About NZ CSC**

The New Zealand Centre for Sustainable Cities is an inter-disciplinary research centre dedicated to providing the research base for innovative solutions to the economic, social, environmental and cultural challenges facing our urban centres. As well as undertaking research, we make submissions from time to time to central government and councils on a range of issues relevant to cities, from climate change policy to compact development.

### **Strategic priorities**

GPS 2018 espouses systems thinking through considering the 'one transport system' (para. 38, 70 and 74) and encouraging a 'whole of system' approach that considers transport and non-transport systems together (para. 89). However, there seems to be little evidence in this document to show that land transport has really been thought about in terms of the systems that it influences and the

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systems that it operates within, especially the impact that transport has on, and the impact on transport from, the environment, society and population health. One area where this is very relevant is climate change.

The New Zealand Government committed in 2011 to reducing carbon emissions by 50% from 1990 levels by 2050.<sup>1</sup> The 2015 Paris agreement subsequently committed New Zealand to a more stringent path consistent with holding global temperatures ‘well below’ a warming of 2 degrees Celsius, and this implies reductions of emissions by developed countries such as New Zealand to around (net) zero by mid-century.<sup>2</sup> The Marrakesh Proclamation of November 2016 also reinforced that New Zealand, like other nations, is committed to ‘urgently raising ambition... to close the gap between current emissions trajectories and the pathway needed to meet the long-term temperature goals of the Paris Agreement.’<sup>3</sup>

The transport sector is an important contributor to emissions, representing around 35% of carbon dioxide emissions (16% of gross greenhouse gas emissions), and is the fastest growing sector, growing 72% between 1990 and 2014.<sup>4,5</sup> In 2015, carbon emissions from transport sector were projected by the government to be 60 percent above 1990 levels by 2030, slightly above 2020 levels.<sup>5</sup> This trajectory is not consistent with our Paris agreement or Marrakesh pledges.

Transport is a sector that has multiple interventions currently available to reduce emissions.<sup>6</sup> Relying on the emissions trading scheme to deliver the substantive reductions in transport carbon emissions required to meet NZ targets has led to ‘negligible’ impacts on emissions.<sup>7</sup> Modest increases in NZ’s carbon price are unlikely to have any substantive impact due to the inelastic relationship between fuel price and demand<sup>8</sup>-- direct transport sector policy is needed.

The draft GPS 2018 currently does not include climate change in its strategic goals (p.8), and has weak references to reducing carbon emissions, noting (p.12) that mitigation of effects on the environment has ‘less focus’. Reducing emissions is implicitly seen as unconnected to the investment strategy (p.19) and not presented as a priority in the short term (page 21), or indeed at any point in the next decade judging by the allocation of funding in the GPS. The scale of the effort needed to support the process of decarbonising requires this to be a priority within this GPS. The lack of any goal to reduce emissions and accompanying meaningful actions means that many of the investment decisions within the GPS, as it stands, will lead to carbon lock-in for decades to come.

Encouraging greenfield growth (para. 84) is an action where systemic impacts do not appear to have been adequately considered. Enabling urban sprawl leads to increased carbon emissions and other pollutants, congestion, and increased infrastructure and health costs, and results in poor community formation and cohesion.<sup>9-12</sup> Without proper consideration greenfield growth will not achieve the strategic priorities of economic growth and productivity or value for money and make it very difficult for the Government to meet its international commitments.

It is concerning to see that the two objectives that will contribute to all three of the key strategic priorities (not just economic growth and productivity) are not a focus in GPS 2018 (para. 68). Providing appropriate transport choices and mitigating the environmental effects of land transport will clearly benefit New Zealand in terms of mental and physical health improvements from increased physical activity and better connections with friends, family and neighbours; increased social capital from stronger, more connected communities; increased safety from having less private motor vehicles on the road; and will help sustain the natural environment that we all depend on.<sup>10,11,13,14</sup> The fact that many of these benefits of active and public transport and environmental protection are not mentioned suggests a lack of appreciation of the wider system that land transport operates within.

Another concern is the promotion of high productivity motor vehicles for the transport of freight around the country (para. 24 and 27). This does not seem to fit with the objective of having 'a land transport system that is a Safe System, increasingly free of death and serious injury' (para. 67).<sup>15</sup> Although rail is not directly covered by the GPS there is an important opportunity under this objective for the New Zealand Transport Agency and Kiwirail to work together to assess the full impact of transporting large freight volumes on the road network alongside cars, cyclists and other vulnerable road-users, and evaluate whether the full costs and benefits of this strategy really outweigh those of rail freight.

### **Alignment of current priorities and funding**

The current priorities of GPS 2018 are economic growth and productivity, value for money and road safety. However, the distribution of funding in the activity classes of the GPS means the majority of money is going into the state highway improvement funding to improve capacity. Many of these projects have had low benefit:cost ratios in the recent past.<sup>16</sup> In contrast the funding cap on the activity classes supporting walking and cycling improvements means that some projects in these classes with significantly higher impacts on the priorities outlined above will not be funded. For

example urban cycling infrastructure is likely to deliver benefit to cost ratios of up to 25 in New Zealand.<sup>13</sup> We note the implicit criticism voiced recently by the OECD in its environmental performance review of New Zealand (at p.32), that ‘Investment in land transport infrastructure is significant but heavily tilted towards roads’ and that ‘[p]ublic transport, cycling and walking infrastructure received only 10% of the Fund [NLTF].’<sup>17</sup> More generally, the OECD recommends that New Zealand ‘[e]nsure the consistency of investment priorities for land transport infrastructure.... with long-term climate and environmental objectives.’ (p.35).<sup>17</sup>

### **Recommendations for repositioning the GPS**

- We recommend that the priorities of the GPS be altered to include an explicit target of reducing transport sector carbon emissions in line with the pledges the Government has made in the context of the Paris Agreement, and the recommendations of the OECD
- Policies, funding and projects should all be reviewed for their impact on achieving this target, taking into account the way in which road infrastructure investment is likely to influence the shape of urban areas, their long-term development, and associated carbon and other emissions
- Within the current framing of the GPS, which as outlined above is inadequate, we recommend that policies that focus on active transport (walking and cycling) and public transport be prioritised in terms of funding. That is, funding should be shifted into these activity classes, and out of state highway improvements. We also recommend full consideration of the use of pricing to manage transport demand in congested cities, rather than purely as a funding source.
- In addition, the GPS should explicitly recognise that there are substantial population health and environmental benefits from the additional physical activity and reduced emissions from increased investment on infrastructure supporting active modes and public transport.

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