

Better roads – not just an Auckland problem

Simon Carlaw

Parliament is considering legislation that spells bad news for roads.

The Land Transport Management Bill, now before a select committee, is supposed to be about 'integrated' transport. But it seems to be aimed at giving money to other forms of transport by taking it away from roads.

This will have serious ramifications for freight movement and the business community, and therefore for our economic growth prospects.

Business NZ and a number of other business and road user groups are deeply concerned. That's why we have joined together with the Automobile Association, Federated Farmers, the Road Transport Forum, the Meat Industry Association and others to let central and local government know that significant changes are necessary.

Our roads are already in trouble. New Zealand's roads have been historically underfunded and there is a pressing need for more money for congested Auckland roads and for other parts of the country where the roads are becoming increasingly unsafe.

In Australia for example, current traffic levels on parts of our national highways would automatically result in median barriers and four lanes. Transit, by contrast, struggles to build occasional passing lanes.

But instead of addressing our roads deficit, this Bill will result in non-riding activities – cycleways, walkways, rail subsidies and the like - getting a larger share of the money available for land transport.

That is the simple explanation of what's wrong with the Land Transport Management Bill. But there are other fishhooks too.

The Bill has removed 'efficiency' as a purpose of the legislation, replacing it with several objectives including bolstered provisions on social and environmental responsibility.

Losing the efficiency test is a retrograde step. Economic efficiency is critical for ensuring that projects are selected for funding on an objective basis according to national benefit. Without it the selection process could become very subjective indeed. It could, for example, lead to the diversion of already scarce funding to Auckland and no funding for important capital projects in the South Island. Without objective national benefit criteria, Auckland's political importance will ensure funding for Auckland's roads at everyone's cost.

This potential for subjective decision-making is made worse by the fact that the Bill would increase Ministerial powers over road funding. Worryingly, those increased powers are not accompanied by a commensurate increase in accountability. Ministerial directives would not have to be Gazetted, or even be in writing.

The Bill would also mean road users' money being allocated less efficiently. It takes away the 'competitive pricing' requirement for local authorities to tender out road maintenance - this would increase maintenance costs by up to \$40 million a year.

The Bill requires extraordinarily lavish consultation. In addition to comprehensive RMA consultation, the Bill would also require consultation with representatives of land transport users, representatives of affected communities, 'people in the district', health boards, approved public organisations, affected Maori, EECA, ACC, Transfund, Transit, LTSA, Police, regional councils, territorial authorities and so on... This amount of consultation could tie up new roading projects indefinitely.

The Bill seeks to enable private investment and concession agreements, but the rigid, onerous conditions would nip most private-public partnerships (PPPs) in the bud - potential private sector partners would balk at the high level of risk. The Bill should be amended to allow greater flexibility and a fairer apportionment of risk between the private and public sectors.

The Minister of Transport has called for 'constructive solutions.' It doesn't need rocket science to identify the key ones:

Economic efficiency should be in the Bill as a key purpose. There should be a logical cost allocation system. Petrol taxes and road user charges should be spent on roads, not on other forms of transport. Existing 'competitive pricing' rules should be restored. Ministerial directives should have to be in writing and Gazetted. Consultation rules should be streamlined, not expanded. Provisions for private sector involvement should be made more realistic.

As well as ensuring that existing funding is spent effectively, future funding must be addressed urgently. Our current road 'spend' is less than 1% of GDP, well behind the OECD average of 1.3%.

The Land Transport Management Bill shows the influence of the Green Party on the current Government. It's a classic Greens device – an anti-growth restraint on road transport. But our roads' future should not be subject to the pressure of a minor political party. Anyone wanting to lend their support to the task of improving this Bill is asked to email *Get Real on Roads*: GRR@paradise.net.nz.

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