

ACT Infrastructure Policy – Roading

Goals

- To achieve an efficient transport system for New Zealanders
- To have greater commercial decision making and private sector involvement in roads, particularly in easing congestion.
- The rapid introduction of sophisticated, user-friendly pricing systems that allow road users to signal their value-for-money preferences.
- A road construction programme is in place which reflects the country's true economic (price signalled) needs.
- To better protect road user interests, but not to the extent that they are subsidised by taxpayers or ratepayers.
- To address RMA issues related to road improvement approvals and their cost.

Background

An efficient roading infrastructure which can safely handle current and future traffic volumes is essential for growth, raising living standards, and external competitiveness. The costs to the country and individuals of an inadequate infrastructure and the resulting congestion, pollution, and travel time delay are immense. Plainly, motorists are not getting value for money from their roads. Some less-used roads are absurdly over-built, while others are totally inadequate.

Today's situation

- Legislation denies the prime need for an efficient transport system
- New Zealand's current 'planned economy' for roads will clearly not improve today's totally inadequate situation.
- Investment decisions are driven by political funding limits and arbitrary cost-benefit calculations, rather than market decisions (price responsive).
- New Zealand clearly needs a change in approach.
- Other countries are now well ahead, using sophisticated user-friendly pricing technologies.
- Value for money is required.
- Construction needs are falling well behind.
- The introduction of economic pricing to the use (including peak and off-peak pricing) required along with a commensurate reduction in fuel tax.
- Management of roading is inadequate and needs to be put on a commercial basis, including involving the private sector.
- A failure of leadership in roading is clearly apparent.
- Anti-motorist interests are impeding rational development at the local government level.
- Buses and trains cannot conceivably solve the problems in Auckland or Wellington.
- Government subsidies for buses and trains are creating a conflict of interest at local government area.
- Farmers and others from rural areas rightly resent paying for city buses.
- The only approach not considered is the only one with a chance of solving the problem, i.e. bring in congestion pricing and add to capacity.

Principles

- There must be an end to the long delays in alleviating critical bottlenecks with projects whose benefits manifestly exceed the cost.
- Roading projects that meet true commercial (including cost benefit) criteria under an economic pricing policy should be funded.
- The primary role of government should be to ensure that the road system is efficient whether publicly or privately provided. This encompasses safety and environmental aspects.
- Road users are entitled to value for money from the road network. They rightly resent discriminatory taxes. They should be served, not fleeced. However, they should pay for the system, through charges which are closely related to user costs.
- Road users will only get value for money when road operators are obliged to be responsive to their needs. This requires more commercially oriented structures.
- Users can best signal their needs when modern flexible pricing systems are employed.
- No major reform of the roads is tenable without road user support.

Policy Detail

- Restore the primacy of the goal of an efficient transport system
- Encourage the introduction of economic pricing for road usage, including removing existing government-related impediments to the introduction of congestion charges, while commensurately lowering fuel taxes.
- Encourage private sector investment in road construction, both through direct ownership and through partnerships with central and local government.
- Progress along the path offered in *Better Transport Better Roads* for making road providers more responsive to road users' requirements by putting them on a more commercial basis.
- Protect road user interests by encouraging competition between routes and by long-term contracts. Road users rightly do not trust monopolies, government-owned or otherwise.
- While accommodating valid environmental concerns, curtail public enemy number one when it comes to any road or other development project in New Zealand – the Resource Management Act 1991 (refer ACT RMA Policy).