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Speech

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Quality**

Introduction

Good morning ladies and gentlemen, my colleague, Pete Hodgson, has asked me to pass on his apologies for being unable to be with you today, and his best wishes to you for a productive conference.

His unavailability, however, gives me the opportunity to share with you some of my concerns and thoughts about the effects of transport on the New Zealand environment.

Environmental impacts of transport

Environment is a word that often means different things to different people. Within the transport sector, it may refer to issues as diverse as smoke from vehicle emissions to the “clean, green” image New Zealand is keen to present to tourists. As an integral part of New Zealand’s economy and society, the whole transport sector has the potential to make an important contribution to the quality of the New Zealand environment.

Environmental issues associated with transport have become more clearly focussed over the past decade. In part, this has been driven by high profile global issues, such as climate change, and, in part, by local needs, such as air and water quality.

Today I want to look at the nature of those problems, and to identify what this government is doing to tackle them so that we have a transport system that meets our social, economic and environmental needs.

The most prevalent and obvious effects of transport are those created by our use of transport, rather than those associated with the construction of transport infrastructure, such as ports, airports, railways and road construction. These latter effects, such as localised noise, dust or runoff, tend to be relatively short-lived and are normally well managed and regulated by local authorities.

The government's focus is on the effects generated by our use of transport and in particular, road transport. Foremost among these effects are noise, greenhouse gas

emissions affecting climate change, contamination of aquatic environments through lowered water quality, and air pollution resulting from vehicle emissions.

Noise pollution is one of the most obvious effects of road transport. Anyone trying to get a good night's sleep near a major transport route, or trying to have a conversation with traffic nearby knows that road noise can become annoying at a level far lower than that which directly affects a person's health.

Because of the absence of New Zealand information, the government requested the Ministry of Transport to research the impacts of road noise on local communities, so that we can address the nature and extent of any significant noise problems. As the results are published over the next year or so, the government will be sharing these with the widest possible range of interested parties, including local government, the road transport industry, and the public. This information will feed into the development of policy to address any specific problems associated with transport noise.

Stormwater runoff from roads is also suspected of causing significant environmental effects in local aquatic ecosystems. Certainly new roading projects are expected to collect and manage the runoff from road surfaces in order to meet the standards imposed by regional councils. The Ministry of Transport is undertaking research to better understand the type and amounts of pollutants that are generated by road transport. This work neatly dovetails with the National Institute of Water and Atmospheric field research on the impacts of road runoff. Other agencies are investigating the many ways to reduce water pollution through a range of cost-effective interception systems.

Greenhouse gases are strongly linked with climate change. The one most commonly associated with road transport is carbon dioxide with current estimates suggesting the road transport sector produces nearly 40% of all the New Zealand CO₂ – and this is growing at a rate faster than both the general population growth or car sales. New Zealanders are simply driving more often and driving further each year.

The other major environmental impact of road transport is the reason you and I are here at this conference – air quality. Over the past five years the government has undertaken a significant amount of innovative research in this area. Estimates of the social cost to NZ of urban air pollution in the mid 1990s put the figure at somewhere around three-quarters of a billion dollars. I don't intend to comment on the general effects and costs of air pollution, as I am sure other speakers will cover this in great detail.

That road transport has impacts and costs has been well documented both here and overseas for some years, but the real challenge for the country and the government lays in finding sustainable solutions. This government recognises that the key to improving transport in the longer-term is to make transport sustainable.

What is Sustainability?

I would like to take a little time to give you an overview of what I think sustainability means for transport in this country. However, in order to set the scene, first, let me describe some of the government's thinking on the wider issue of sustainability. Then I would like to put that into a transport context.

Sustainability is an often misused term. Some people think of it only in terms of environmental issues or use it interchangeably with environmental protection. It is much wider than that.

Within central government sustainability is based on the premise that development must meet the needs of the present generation without compromising the ability of future generations to meet their own needs.

In practice, this means that development that over the long-term degrades the quality of the environment, or that denies people opportunities to work or participate in society, or creates or maintains an economic recession, is not sustainable.

In particular, it involves a number of process issues – many of which we already recognise, but rarely are they put together in a comprehensive way. These include:

- Thinking broadly about issues and policy objectives and considering costs and benefits in the widest sense.
- Looking for mutually reinforcing policies and objectives to improve the overall quality of life, rather than having short term economic, environmental or social goals. A good example of this is the new approach to public transport funding based on patronage, which can also result in improvements in both personal mobility and environmental quality.
- Considering, wherever possible, the long-term effects, as well as short-term ones.
- Assessing indirect as well as direct effects. For example, the environmental impact of the car is more than those effects associated with driving. Any overall assessment should also take into account the effects associated with the car's construction and eventual disposal.
- Taking extra care when changes due to development might be uncertain or irreversible.

This means that government needs to have a “whole of government” approach to developing policy that clearly integrates social, environmental and economic issues.

This government is committed to tackling this challenge. Transport sector policy will reflect this commitment.

What does the government mean by sustainability in transport?

When trying to envisage a sustainable transport system, I believe there are a number of essential elements it should contain. These are:

- A sustainable transport system is one in which passengers, workers and those coming into contact with transport operations can expect a high level of personal safety.
- A sustainable transport system is one that meets the needs of its customers, in a timely and cost effective manner.
- A sustainable transport system is one in which investors and shareholders can expect a reasonable return on their investments, through providing innovative services and infrastructure in the right place at the right time at the right price, while providing rewarding employment for their employees.
- A sustainable transport system is one that provides both mobility and accessibility opportunities to all those who live in society. That must include pedestrians and cyclists. Too often we have a transport environment that is totally hostile to anything other than motor vehicles.
- And lastly, a sustainable transport system is one that carefully manages its effects on our air, water and land resources.

None of these goals can exist in isolation.

A transport business that makes money through cutting corners on safety or through devastating the environment is not sustainable.

A transport business that minimises its impact on the environment but cannot earn sufficient returns to support future investment in infrastructure is not sustainable.

To reach the goal of a sustainable transport system, we must carefully balance the interests of safety, customer needs, investment, the environment and social equity.

This government is committed to building a sustainable transport system.

A New Zealand Transport Strategy

To help achieve this, I believe we need to take a strategic approach to addressing transport policy. The government intends to do this through the New Zealand Transport Strategy. We expect this to set out key goals and targets which recognise environmental, social, safety and economic objectives, and link these to the way in which public funding is spent.

In other words a strategy based on sustainability.

Consequently it will be multi-modal – not just focussed on the road or even land transport sectors.

Now let me turn my comments to a range of specific issues related to land transport that I expect the strategy will include eventually.

Although speaking to a national audience today, I would like to use the examples I am most familiar with to illustrate my key points, and no where have they become more focussed than in New Zealand's cities and urban areas, and especially Auckland.

The problems of urban transport today

The transport system in our largest city has become a major brake on economic growth – and it is economic growth as much as anything else that will help us to tackle the major social and environmental issues that we are all concerned about.

There are many aspects to the Auckland transport problem:

- The steady increase in journey times on our motorway and main road system due to congestion is a growing source of deep frustration for many people.
- Despite substantial improvements in recent years there is wide public concern about our road safety record. There is more that we can do.
- The run down state of much of our public transport system is a concern, especially when many people – including me - see it as a key to improving accessibility to jobs and social opportunity in the Auckland region.
- Many of our roads do not cater adequately for pedestrians or cyclists. And yet walking and cycling are two modes of transport that could improve the transport system as well as having social, environmental and health benefits.
- The impacts of land transport on the environment are significant and must also be addressed.

I expect any changes we introduce will be pragmatic and incremental and will carry within them sufficient flexibility to allow for the needs of different communities and regions.

They will not be based on the assumption that what is good for Invercargill is necessarily good for Auckland or vice versa, or that all communities' issues have to be dealt with in exactly the same way.

Funding Transport Infrastructure

The current system for funding land transport raises a number of concerns. Investment is not keeping pace with all our infrastructure needs. Congestion in Auckland is nearly a billion-dollar a year problem and that is before you take into account the effects of increased air pollution from idling engines.

Significant changes in patterns of economic activity, like Southland's shift from sheep to dairy, increased forestry in Marlborough, and increasing tourism in a number of regions, put pressures on roads that local communities struggle to meet.

Concern has been voiced that the current system does not support long-term, forward-looking investment. The current year on year pay-as-you-go system does not spread the cost of new infrastructure between present and future users or encourage sensible trade-offs between capital and maintenance.

The government has been working on policies that could generate additional funding, or spread the funding load over time. This includes, for example, looking at funding arrangements such as Build, Own, Operate and Transfer which could draw in private sector money.

Encouraging Alternatives to the Car

Let me now move to the way the funds are distributed. Alternatives to roading – and alternatives to cars and trucks – are constrained by the current legislation. The current transport funding system does not allow the government, or some local authorities, to achieve the outcomes that they consider necessary for passenger transport. Many feel that pedestrians and cyclists do not have proper provision for their needs either.

I am pleased to report that patronage funding for passenger transport is already proving successful. This has been a big step in the right direction.

Government is also considering the case for putting passenger transport capital and operational funding on a clearer long-term basis within the National Roads Fund. This could involve separate outputs for cycling, pedestrians and passenger transport that would let Transfund use different criteria to assess their requests. We would then be able to make more rational decisions on projects within a strategic framework. This would end the present approach which tries to directly compare, for example, a new motorway to increased funding for transport services for the disabled.

Charging for Road Use

The current way we charge for our roads is problematic. Cars are becoming more and more fuel efficient so petrol taxes are less effective. The new generations of hybrid cars, for example, almost literally travel on the smell of an oily rag.

Beyond the questions of how people pay for their roads, there is of course the question of how much they pay. Most road users quite clearly do not meet the true cost of their road use - especially when you include their environmental and social costs. As you know, the advocates of passenger transport, rail and coastal shipping argue that road use is not fully priced, and that their modes suffer as a consequence.

We need to keep these pricing questions in our minds, even if some of the solutions are likely to be more long term. I know it is a vexed issue for some, but I believe Cabinet may consider the question of congestion pricing. I can't myself see congestion pricing, even in Auckland, in the very near future, partly because public transport services aren't yet sufficiently developed.

Improving Safety

Making sure our roads are safe is a concern for all New Zealanders. We are now investing more on road safety education than ever before, nearly doubling the amount spent after nearly six years of no increase at all.

The question of what more needs to be done will be influenced by the very extensive consultation carried out to set New Zealand's road safety targets for the next decade through the Road Safety Strategy to 2010 process.

A proposal to help achieve this is the introduction of a more comprehensive safety management regime which would clarify and formalise the responsibility of road controlling authorities for building and maintaining their networks at an agreed standard.

Managing Environmental Impacts

It is quite clear that environmental issues can't be considered in isolation from questions of funding and charging arrangements.

Through the Vehicle Fleet Emissions Control Strategy the government has taken a number of positive steps to address the underlying causes of traffic-related air pollution:

- Regulations have been introduced which are designed to pressure owners of smoky vehicles to have them repaired or fixed.
- The government has plans for a new law requiring that all vehicles arriving in New Zealand (both new and imported) will have been constructed to meet a relevant internationally recognised emissions control standard.
- We are moving to improve public passenger transport in our major cities by paying more for improved patronage.
- Traffic engineers and managers are expected to take account of traffic impacts (to air, noise and water) when designing new roads and networks, or when considering reconstruction. Lack of information is now no longer a valid excuse.
- The government's Ambient Air Quality Guidelines are currently under review and will be updated to reflect local needs and international best practice.

- New Zealand's fuel specifications are also being reviewed to ensure that the fuel available to motorists and other transport operators works properly in their vehicles and is as environmentally friendly as possible.

As well as the more obvious economic and social effects, traffic congestion has environmental impacts also. Congested traffic produces air emissions many times that of free-flowing traffic, and can add significantly to local air pollution. A number of government agencies have been working closely with local authorities in Auckland and Christchurch to develop systems for air emissions evaluation and monitoring. The research and policy tools that have resulted from that co-operative work are now available from the Ministry of Transport to all roading, traffic and air quality managers. As I said earlier, lack of information is no longer a valid excuse for putting the environmental effects of transport to one side.

Other work the government has requested which has implications for air quality includes:

- Investigating the linkages between transport and urban form. The relationship between the development of cities and transport use patterns has implications for a wide range of issues, including: fuel efficiency; public transport; car parking; and congestion; and
- Investigating the ways other countries have improved the average efficiency of their vehicle fleets as one way for the transport to address energy efficiency and greenhouse gas emissions.

Where to from here?

Over the next two months the government will be considering its transport policies. These measures will require a mix of legislation and administrative action.

I understand legislation could be introduced into the House within the latter half of the year.

The outcome the government is looking for is a safe, efficient, effective and environmentally sustainable transport system in New Zealand, with central and local government, the transport industry, the average New Zealand motorist, and other groups involved in the transport sector, all working together in a practical and effective way.

At a personal level, I would like to think that the adverse environmental impact of our land transport sector will be reduced, and that all parts of the community will continue to work together to make our transport system as safe, as sustainable and as secure as possible.

I regret that I do not have the time to be with you for the rest of the conference. I know, however, that my colleague Pete Hodgson will be very interested to hear the outcomes of your deliberations. Thank you once again for the opportunity to speak with you today.