



National Road Carriers Association (NRC) & New Zealand Trucking Association submission on

Draft Government Policy Statement on land transport 2024-2034



About National Road Carriers Association

National Road Carriers is New Zealand's leading nationwide organisation representing 1500 supply chain company members, who collectively operate over 16,000 trucks throughout New Zealand. National Road Carriers advocates on behalf of members and works with Central and Local Government on road transport infrastructure and regulations.

National Road Carriers' members are committed to providing an efficient, productive, resilient, safe and value for money service that supports the wider economy. To achieve this, trucking operators need a safe, efficient and sustainable operating environment that enables the efficient and safe movement of goods. Our members primarily operate road freight however a number also operate air, sea and rail freight services.

About New Zealand Trucking Association

Established in 1988, the New Zealand Trucking Association serves as a collective voice for transport operators throughout the country. Our primary mission is to support our members by providing them with valuable information, guidance on compliance matters, and assistance in navigating the intricacies of their businesses. Through close collaboration with government, local councils, government agencies, and other key stakeholders in the industry, we actively address issues that directly impact our members. Building strong relationships within New Zealand and Australia allows us to forge alliances and facilitate the sharing of resources, ultimately benefiting New Zealand operators. We have a proud history

of delivering initiatives that lead to better safety outcomes for our workforce. Our membership is diverse and encompasses a wide range of organisations associated with the road freight sector.

Objectives and Priorities

National Road Carriers (NRC) and New Zealand Trucking (NTA) Associations supports the Draft Government Policy Statement on land transport 2024-2034 (GPS 2024) focus on boosting economic growth and productivity, resilience, reliability, and safety of New Zealand's transport network.

The strategic priorities of Economic Growth and Productivity, Increased Maintenance and Resilience, Safety, and Value for Money provide a clear signal of the expectations of an outcomes driven Government.

We welcome the much-needed investment of around \$7 billion from the National Land Transport Fund (NLTF) and around \$1.5 billion from local government each year, balanced between new projects and existing infrastructure maintenance. The reintroduction of the Roads of National Significance programme provides a clear pipeline of work that will enable contractors to gear up and staff up over the long term and, thereby, do this work more economically than if they are faced with uncertainty around major contracts or peaks and troughs.

Focus on Economic Growth

We support the renewed focus on economic growth and productivity as the Government's top strategic priority for land transport investment. Enhancing key transport corridors that are vital for freight movement will boost overall productivity of our sector supporting economic growth.

This priority directly impacts freight efficiency and connectivity through the reintroduction of the Roads of National Significance that will improve the quick and safe movement of freight, namely from Whangarei to Auckland, Tauranga to Auckland, around Auckland (Mill Road, East West Link), around Tauranga, Hawke's Bay, Wellington, Nelson-Marlborough and Canterbury.

In particular we welcome the inclusion of the alternative to Brynderwyns and ask for prioritisation of these works reflecting the asset life of 5-7 years of the remedial works underway.

Maintenance and Road Safety

We welcome the increased focus on road maintenance.

The focus on increasing maintenance levels and improving the resilience of state highways, local, and rural roads is particularly important to our members. A well-maintained road network is essential for the smooth and efficient movement of goods.

The focus on achieving 2% renewal of the state highway network, and 9% resealing is the right target. Addressing issues like potholes and deteriorating road conditions directly contributes to reducing delays and maintenance costs for freight carriers.

The ring-fencing of the local road pothole prevention activity class is essential to ensuring this work gets done by the Road Controlling Authorities, and not spent on other transport initiatives.

Increasing the resilience of the network will also support increased productivity and adoption of zero emission trucks with higher axle weights.

Improved road safety is a clear outcome sought by the GPS. Industry-led initiatives, with the support of government, are important to driving improved safety outcomes. We support the review of the vehicle regulatory system to better manage the safety performance of the vehicle fleet.

NRC & NTA are playing our part to support this, in partnership with the NZ Trucking Association, through developing a TruckSafe transport operator accreditation scheme, already successful in Australia.

Road safety through policing and enforcement is also emphasised.

NRC & NTA supports increased enforcement to discourage unsafe driving. We would encourage more use of technology.

Public Transport Investment

We support the investment in public transport that includes up to \$2.3 billion for services and \$2.1 billion for infrastructure over the next three years. The aim of reducing congestion and supporting urban development is worthwhile and we would encourage the expansion of park n ride and innovation that encourages increased use of the existing public transport infrastructure.

Reform in System and Funding

We agree there is a need for reform in the transport sector, including a shift from fuel excise duty to road user charges and exploring private funding options for major projects.

NRC & NTA have called for a 50-year roading infrastructure plan, so we welcome the move to a longer-term focus with the 30-

year plan for transport infrastructure, and the 10 year project pipeline. These will increase New Zealand's attractiveness for both roading contractors, and investors for alternative funding options including international Public Private Partnerships (PPPs).

We encourage the move towards electronic road user charges as a fully digital system can provide both a rich source of industry-level data and a platform for alternative funding options that drive efficiency and encourage increased productivity.

Future of Land Transport Revenue

Not increasing Fuel Excise Duty (FED) or Road User Charges (RUC) rates during this Government's term is welcomed by NRC & NTA as our members work through the economic slowdown and rising costs in their businesses. We are supportive of the intention signalled in this GPS to explore alternative funding mechanisms to replace FED and the need for Grants or Loans from the Crown.

Climate Change and Emissions

NRC & NTA supports the reassessment of the Emissions Trading Scheme (ETS) as the Government's key tool for carbon emissions reduction to mitigate climate change emissions. Whilst GPS 2024 is not aligned with the previously anticipated emissions reduction plans there is a need to ensure emissions reduction initiatives do not undermine the Strategic Priorities of:

- Economic Growth and Productivity
- Increased maintenance and resilience
- Safety
- Value for money

As indicated in the recent heavy vehicle operators research conducted by IPSOS on behalf of Ministry for Transport, our members recognise the need to decarbonise but are concerned about the impact on productivity and availability of commercially viable alternatives to diesel.

Many NRC & NTA members are early adopters of zero emission vehicles, and we are confident that with the Government's focus on enabling the development of the necessary supporting infrastructure for EV charging and alternative fuels, emission reduction targets can be achieved.

Infrastructure and Housing Development

The inclusion in the plan for investment in infrastructure projects that are crucial for housing development and addressing New Zealand's housing crisis is welcomed and we would like to see these plans include provision for the freight needs of these developments and robust connections to public transport to reduce the impacts of new developments to congestion of the existing network.

Rail and Public Transport

We support the focus on investing in the most productive parts of the rail network and improving public transport infrastructure in major cities. NRC & NTA members are users of the rail freight network and we support investment that meets the needs of these businesses. There is and will continue to be a role for rail to shift freight. Therefore, investing in the busiest and most productive parts of the existing rail network, particularly between major cities like Auckland, Hamilton, and Tauranga makes sense. There is opportunity for increased multi-modal integration however it should be commercially viable

and not be cross subsidised by road users. NRC & NTA would encourage the Government to set clear direction to KiwiRail to increase reliability and capacity of the existing network.

Optimisation of Existing Infrastructure

NRC & NTA agree with the importance of optimising the use of existing transport networks. Improving the underlying digital infrastructure and information systems is a key enabler for this and achieving the broad GPS goals.

NRC & NTA encourages this investment in a road freight data capability as it will payback many times over by providing data that allows better targeted spend on roading, infrastructure and emissions reduction. We look forward to our continued work with the government on this.

We would also like to see an emphasis on moving NZTA and other Road Controlling Authorities systems to a modern digital platform that provides a total network view allowing transport operators to increase productivity, learning from what Transport Certification Australia (TCA) have done in Tasmania.

We encourage the Government to support local Road Controlling Authorities to review their networks' ability to support greater productivity.

Expectations of NZTA

The focus the Minister expects from NZTA on delivery, with a tight control on project scope and cost, emphasising efficiency and effectiveness in project execution, is welcomed by NRC & NTA.

The importance of Auckland

NRC & NTA also points to the importance of improving transport efficiency in Auckland. With one third of the population and slightly more in economic contribution, investment in getting Auckland roading right delivers an outsized return.

Auckland's strategic freight network carries more vehicle movements per day than 90% of the wider state highway network. Targeted efficiency gains on this network will deliver wins for the whole economy.

We therefore support bringing forward time of use charging to reduce congestion, and the city deal that is being developed between central government and Auckland Council.

Conclusion

In conclusion the GPS, represents a significant shift in focus towards economic growth, productivity, and infrastructure development in New Zealand's transport policy, balancing these goals with maintenance, safety, and value for money.

We applaud this clear direction and return to an outcome focus. Long term plans, clear targets with tight controls will ensure New Zealand achieves maximum value for every dollar spent. NRC & NTA looks forward to working with the Ministry of Transport to help achieve these goals.

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