



Will be considered to be released with redactions

MINISTERIAL BRIEFING NOTE

Subject	Update on Thames-Coromandel Roads Impacted by Upper North Island Flooding Events
Date	9 February 2023
Briefing number	BRI-2704

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 st contact
David Spiers	Director Regional Relationships (Waikato/Bay of Plenty)	Section 9(2)(a)	Section 9(2)(a)	✓
Jo Wilton	Regional Manager Waikato and Bay of Plenty	Section 9(2)(a)	Section 9(2)(a)	

Action taken by Office of the Associate Minister

- ☐ Noted
- ☐ Seen by Minister
- ☐ Agreed
- ☐ Feedback provided
- ☐ Forwarded to
- ☐ Needs change [please specify]
- ☐ Withdrawn
- ☐ Overtaken by events

9 February 2023

Hon Kiritapu Allan – Associate Minister of Transport

Update on Thames-Coromandel Roads Impacted by Upper North Island Flooding Events

Purpose

1. This briefing provides you with an update on the Thames-Coromandel Roads impacted by upper North Island flooding events ahead of your visit to the region on Friday 10 February 2023.

Background and context section

2. The three main state highways between western and eastern Coromandel Peninsula were compromised due to significant weather.
3. On Friday, 3 February 2023, Thames Coromandel District Council Mayor, Len Salt, declared a state of emergency in the district due to vulnerable communities and people, and the potential for land slips and further erosion.
4. State Highway 25A – Kopu to Hikuai is closed for an indefinite period due to a major collapse of the road. Cracks in the road first appeared following ex-Cyclone Hale with the road fully closed on Friday, 27 January 2023. The cracks widened and worsened during the storm event of Sunday, 29 January 2023 and a significant segment of the road collapsed and remains active. Major work is required before the road can be reopened.
5. State Highway 25 – Thames to Coromandel is damaged. Stop/go traffic management is in place at various locations with 30km/h temporary speed restrictions. Other parts of the road on the east coast are also vulnerable.
6. State Highway 26 to State Highway 2 – Thames to Paeroa – was affected by flooding although was open over Waitangi weekend (4 to 6 February 2023).
7. Waka Kotahi NZ Transport Agency is moving into Recovery phase so information regarding timeframes or cost will be investigated. We will provide the information once the detailed assessment has taken place.
8. The effect of this closure on the wider network and communities is potentially significant.

Update

9. Waka Kotahi recognises the impact the closure of State Highway 25A is having on people. We are taking the situation very seriously and working to address the issues.

10. The site is still active, with road material, earth, and debris continuing to fall into the gully.
11. Waka Kotahi is working through solutions for the long-term fix. As the weather allows, the teams continue geotechnical assessments to determine the best way of rebuilding the road.
12. The site is complicated due to the geography and amount of road surface and earth lost in the collapse.
13. This will be a significant piece of work, and all solutions have relatively long construction periods. The ability to provide a temporary road during this period is unlikely but we continue to assess options.
14. Our priority is safety, the safety of our people, and getting highways open as quickly as possible.

Current state of Coromandel local roads

15. Thames Coromandel District Council contractors continue to make repairs and to monitor and assess storm damage on a daily basis.
16. Tapu Coroglen Road (located 10km from Tapu) is CLOSED and impassable for the foreseeable future.
17. The following local roads are open to one lane:
 - Old Coach Road – slip
 - Colville Road – Multiple slips
 - Te Kouma Road - Multiple slips
 - Kennedy Bay Road – Multiple slips
 - Tuatawa Road - Multiple slips
 - Port Charles Road - Multiple slips
 - Blackjack Road - Multiple slips
 - Port Jackson Road – Multiple slips
 - The 309 Road – Multiple slips - The road is open to all traffic but multiple 1 lane sections due to under slips make it unsuitable for long vehicles or vehicles with trailers.
 - Neavesville Road – one lane section at the 4km mark.

Facts and Figures – Coromandel State Highways

18. Coromandel Peninsula estimated population: 27,600.
19. Length of state highways: Total: 281.2km (approximately 562.4 lane kilometres of road).
 - SH25 – 231km (from SH2/SH25 intersection) – approximately 208km from Kopu around to Waihi
 - SH25A – 28.2km
 - SH26 Paeroa to Kopu – approx. 25km
 - SH2 Paeroa to Waihi – approx. 20km.
20. The majority of the 2022/23 Summer Renewal Programme is complete, especially chipseal. Some asphalt sites are to be completed late February/early March 2023. The 2023/24 Summer Renewal Programme looks to be a similar size programme.

Additional Information

21. While a solution is being investigated for State Highway 25A, a plan is being developed for work on the rest of the network, it includes:
 - Assessing how traffic and truck volumes will change around the Peninsula.
 - Prioritising the clearing of drains and culverts in readiness for the next weather event.
 - Destination signage changes to help visitors find the best way to their destination.
 - Assessment of safety and capacity of one-lane bridges and critical intersections.
 - Prioritised vegetation clearance to maintain a clear space for heavy vehicles.
 - Careful planning of the timing and type of maintenance work, such as chip sealing and resurfacing, to minimise impacts on road users and adjacent landowners and communities.
 - Monitoring travel times around the Peninsula to ensure that any causes of significant delay are identified and quickly acted on.

Meeting with Thames Coromandel District Council and the Hauraki Māori Trust Board

22. The short-term economic impact on the district is significant due to the reliance of many businesses on the summer season for much of their income. Consideration for some form of medium-term economic relief will be sought.
23. The medium to long-term economic and social development of the district relies heavily on a reliable transport network. The Council will be seeking assurances that investment in a resilient state highway and local road network is a priority for Waka Kotahi. Please note, they are likely to seek an increase in the Funding Assistance Rates (FARs) for the key local roads including sealing at least one of them (309 or Tapu Coroglen) to make them more passable in future events. The Council understands the process to do this and are aware it is not a Ministerial decision.
24. Hauraki Māori Trust Board will raise issues regarding the social and health challenges for the small communities on the peninsula. Isolation in these events is a significant challenge and they have done a fantastic job of responding during this event. They are also a leading provider of health and social services on the peninsula as well as the majority owner of the mussel farm industry. It is likely they will also want to highlight the economic development potential on the peninsula, again noting that future investment relies heavily on a stable and reliable transport network.
25. Waka Kotahi is looking at options to increase capacity/capability in Thames Coromandel District Council through a secondment or some form of shared resource. Unfortunately, the expertise sought is in short supply throughout the transport sector at the moment.
26. We are certainly open to working very closely with the Council on recovery planning and response and will discuss the appropriate governance requirements with the Council directly.
27. Waka Kotahi is currently initiating an assessment of the State Highway 2, State Highway 25 and State Highway 25A network for areas where short to medium-term investment is required to ensure there are fit for purpose routes available for private and commercial transport. Key staff from both Thames Coromandel District Council and Hauraki District Council are involved in this work as the local road network is critical to ensuring accessibility.
28. With respect to changes in FAR rate funding, there is a formal process that Waka Kotahi can advise Council on to request increased FAR.

Funding Assistance Rates

29. FARs are the contribution (in percentage terms) that Waka Kotahi makes from the National Land Transport Fund (NLTF) to approved organisations (mostly local councils) for the delivery of an activity or combination of activities. FARs are not subsidies but part of a co-investment system which recognises there are both national and local benefits

from investing in the land transport network. FARs are set for each National Land Transport Programme (NLTP) period.

30. Under section 20C of the Land Transport Management Act 2003, Waka Kotahi is required to set the rate of funding assistance from the NLTF.

31. The FAR system enables:

- approved organisations and Waka Kotahi to co-invest to achieve:
 - optimal national land transport outcomes within their combined financial resources
 - an integrated and appropriately consistent land transport system throughout the country.
- appropriate sharing of the costs of the land transport network and transport services between land transport system users and local communities, recognising that both national and local benefits are derived from investment in the network and services.

Types of FAR

32. The types of FAR are:

- The 'normal FAR' is set for each approved organisation for each NLTP, following a consistent methodology. Refer Appendix 1 for normal FAR rates for each approved organisation for the 2021-2024 NLTP.
- Waka Kotahi may approve variations to normal FARs for specific purposes or specific approved organisations (for example Emergency Works or Special Purpose Roads).
- Normal FARs can be temporarily adjusted or front-loaded in exceptional circumstances that fit specified criteria (for cash-flow purposes, for example).
- Targeted enhanced FARs (TEFARs) can be considered in exceptional circumstances and where there would be a clear benefit (for example where an activity is important but is unlikely to proceed without additional funding assistance).

FARs applied across financial years

33. Our funding approvals for the activities of approved organisations are based on the application of the approved normal FAR for each year of the activity. Where an approved activity phase (e.g. construction) extends over more than one financial year, the approved normal FAR for the subsequent year(s) shall be applied to the costs

incurred/claimed in the subsequent year(s). This also applies where an approved activity phase extends beyond the NLTP period.

FAR principles

34. The principles that underlie the FAR framework are that it should:

- support optimal national land transport outcomes to be achieved in the right way, at the right time and for the right cost,
- provide users with an integrated and appropriately consistent network throughout the country,
- appropriately share the costs of the land transport network between system users and local communities, recognising that each of these groups affects the network and gains benefits from it,
- provide approved organisations and us with as much investment certainty as practicable,
- be efficient to apply,
- be based on readily accessible and reliable evidence and data,
- ensure that any variations are identified and applied transparently.

Setting normal FARs

35. The Waka Kotahi methodology for determining normal FARs was developed in consultation with approved organisations and the transport sector. It takes into account factors that could affect delivery, and is robust, repeatable, stable and objective.

36. A year before the start of each NLTP, we recalculate the normal FAR for each approved organisation by inputting the latest available information. The changes in FARs, if any, will reflect movements in centreline kilometres, capital values, rating units and the index of deprivation (refer inputs section below).

Parameters for normal FARs

37. The parameters for normal FARs are:

- The overall rate at which we will co-invest is set at 53 percent. This means that across the whole programme, the NLTF will fund an average of 53 percent of local transport programmes.
- The maximum normal FAR is set at 75 percent for approved organisations on mainland New Zealand, and at 88 percent for the Chatham Islands Council to reflect the Council's higher costs associated with delivering land transport

activities. The rate also reflects the co-investment nature of land transport funding and the sharing of costs and risks in the investment.

- The minimum normal FAR is set at 51 percent.
- The difference between the minimum normal FAR (51 percent) and the overall co-investment rate (53 percent) allows for funds to be distributed to those approved organisations that would have difficulty raising their local share.

Inputs

38. Inputs for each approved organisation are:

- centreline kilometres, which provide a measure of the length of the road network to be maintained and services to be available to all transport users.
- capital value, which is used by most local authorities to set rates and provides a measure of the asset base from which local authorities raise their local share.
- inverse of rating units, which identifies local authorities that have the smallest number of ratepayers from which to source their local share.
- index of deprivation, a demographic index published by the University of Otago and used by the Ministry of Health, which provides a measure of the relative wealth of communities.
- total cost of all activities for a recent period, which is the actual total costs incurred by approved organisations for the last three to five years.

Steps for setting FAR rates

39. The Waka Kotahi methodology for setting the FAR rates for each approved organisation is:

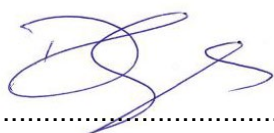
- Gather, collate and calculate inputs using the latest available data.
- Standardise each of the inputs to a comparable scale based on the mean and standard deviation.
- Add the standardised inputs together to establish a score for each approved organisation.
- Multiply each approved organisation's score by a common factor (the multiplying factor) to determine an interim FAR.
- Starting from the highest interim FAR, allocate the NLTF contribution to approved organisations' NLTP programmes and progress down, taking into account the maximum and minimum normal FARs.

- Iteratively fine-tune the multiplying factor until the overall total is balanced to a weighted average of 53 percent overall co-investment rate.

40. The resulting FARs are the normal FARs for approved organisations.

It is recommended that you:

1. **Note** the contents of this briefing



David Spiers

Director Regional Relationships (Waikato/Bay of Plenty)

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Hon Kiritapu Allan, Associate Minister of Transport

Date: 2023

Appendix 1: Normal FARs 2021 - 24 NLTP

North Island

Approved organisation	2021/22	2022/23	2023/24	End transition normal FAR
Far North District Council	69%	69%	69%	69%
Kaipara District Council	62%	62%	62%	62%
Northland Regional Council	54%	54%	54%	54%
Waitangi Trust Board	100%	100%	100%	100%
Whangarei District Council	53%	53%	53%	53%
Auckland Council	51%	51%	51%	51%
Auckland Transport	51%	51%	51%	51%
Hamilton City Council	51%	51%	51%	51%
Hauraki District Council	61%	60%	60%	60%
Matamata-Piako District Council	51%	51%	51%	51%
Otorohanga District Council	61%	61%	61%	61%
South Waikato District Council	64%	64%	64%	64%
Taupo District Council	51%	51%	51%	51%
Thames-Coromandel District Council	51%	51%	51%	51%
Waikato District Council	52%	51%	51%	51%
Waikato Regional Council	51%	51%	51%	51%
Waipa District Council	51%	51%	51%	51%

Waitomo District Council	75%	75%	75%	75%
Bay of Plenty Regional Council	51%	51%	51%	51%
Kawerau District Council	75%	75%	75%	75%
Opotiki District Council	75%	75%	75%	75%
Rotorua Lakes Council	56%	56%	56%	56%
Tauranga City Council	51%	51%	51%	51%
Western Bay of Plenty District Council	51%	51%	51%	51%
Whakatane District Council	64%	63%	63%	63%
Gisborne District Council	68%	67%	66%	66%
Central Hawkes Bay District Council	61%	60%	59%	59%
Hastings District Council	54%	53%	53%	53%
Hawkes Bay Regional Council	51%	51%	51%	51%
Napier City Council	51%	51%	51%	51%
Wairoa District Council	75%	75%	75%	75%
New Plymouth District Council	51%	51%	51%	51%
South Taranaki District Council	63%	63%	63%	63%
Stratford District Council	61%	61%	61%	61%
Taranaki Regional Council	51%	51%	51%	51%
Horizons Manawatu	51%	51%	51%	51%

Horowhenua District Council	62%	61%	60%	60%
Manawatu District Council	53%	52%	51%	51%
Palmerston North City Council	51%	51%	51%	51%
Rangitikei District Council	65%	64%	63%	63%
Ruapehu District Council	75%	74%	74%	74%
Tararua District Council	70%	69%	69%	69%
Whanganui District Council	61%	60%	60%	60%
Carterton District Council	53%	52%	51%	51%
Greater Wellington	51%	51%	51%	51%
Kapiti Coast District Council	51%	51%	51%	51%
Hutt City Council	51%	51%	51%	51%
Masterton District Council	58%	57%	56%	56%
Porirua City Council	55%	54%	52%	52%
South Wairarapa District Council	53%	52%	51%	51%
Upper Hutt City Council	51%	51%	51%	51%
Wellington City Council	51%	51%	51%	51%
Department of Conservation	51%	51%	51%	51%

South Island

Approved organisation	2021/22	2022/23	2023/24	End transition normal FAR
Nelson City Council	51%	51%	51%	51%
Marlborough District Council	51%	51%	51%	51%
Tasman District Council	51%	51%	51%	51%
Ashburton District Council	51%	51%	51%	51%
Christchurch City Council	51%	51%	51%	51%
Environment Canterbury	51%	51%	51%	51%
Hurunui District Council	52%	52%	52%	52%
Kaikoura District Council	52%	51%	51%	51%
Mackenzie District Council	51%	51%	51%	51%
Selwyn District Council	51%	51%	51%	51%
Timaru District Council	51%	51%	51%	51%
Waimakariri District Council	51%	51%	51%	51%
Waimate District Council	64%	64%	64%	64%
Buller District Council	72%	72%	72%	72%
Grey District Council	63%	63%	63%	63%
West Coast Regional Council	64%	64%	64%	64%

Westland District Council	62%	62%	62%	62%
Central Otago District Council	51%	51%	51%	51%
Clutha District Council	65%	65%	65%	65%
Dunedin City Council	53%	52%	51%	51%
Otago Regional Council	51%	51%	51%	51%
Queenstown-Lakes District Council	51%	51%	51%	51%
Waitaki District Council	57%	57%	57%	57%
Environment Southland	55%	54%	52%	52%
Gore District Council	59%	59%	59%	59%
Invercargill City Council	53%	52%	51%	51%
Southland District Council	52%	52%	52%	52%
Chatham Islands Council	88%	88%	88%	88%
Department of Conservation	51%	51%	51%	51%