

MINISTERIAL BRIEFING NOTE

Subject	Road tolling recommendations: Ara Tūhono Pūhoi to Warkworth and Te Ahu a Turanga: Manawatū Tararua Highway
Date	1 April 2020
Briefing number	BRI-1912

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 st contact
Brett Gliddon	General Manager, Transport Services	s 9(2)(a)		✓

Action taken by Office of the Minister

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- ☐ Withdrawn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

1 April 2020

Minister of Transport, Hon Phil Twyford

ROAD TOLLING RECOMMENDATIONS: ARA TŪHONO PŪHOI TO WARKWORTH AND TE AHU A TURANGA: MANAWATŪ TARARUA HIGHWAY

Purpose

1. This briefing provides you with the recommendations from Waka Kotahi NZ Transport Agency Board (the Board) relating to tolling on Ara Tūhono Pūhoi to Warkworth and Te Ahu a Turanga Manawatū Tararua Highway.

Background and context

2. Tolling is provided for under section 46(1) of the Land Transport Management Act 2003 (LTMA) for the purposes of:
 - (a) *1 or more of the following activities, namely, the planning, design, supervision, construction, maintenance, or operation of a new road.*
3. Waka Kotahi is responsible for assessing new state highways for tolling suitability, and the Board holds the delegation to recommend any roads to you for tolling. As the Minister of Transport, it is at your discretion whether roads progress through the Order in Council process, including public consultation.
4. For tolling to be lawfully applied, the Order in Council process must be completed prior to the date of the road opening for use by the public (when the road is still considered 'new'). Should the Order in Council process not be completed by that time, the road will no longer meet the requirements of the LTMA and cannot be considered for tolling.

Ara Tūhono Pūhoi to Warkworth is recommended for tolling, and Waka Kotahi seeks permission to begin public consultation

5. The outcome and recommendation relating to the tolling assessment of Ara Tūhono Pūhoi to Warkworth was presented at the 19 March 2020 Board meeting.
6. Waka Kotahi's Board recommends Pūhoi to Warkworth to you for tolling over a 25-year period. The toll, and its lifetime, would be established to assist Waka Kotahi in meeting its ongoing contractual payments to the Public Private Partnership (PPP).
7. Waka Kotahi considers Pūhoi to Warkworth an excellent candidate for tolling due to its connection to the Northern Gateway Toll Road, as well as its performance during tolling assessment, which indicated high revenue collection balanced with low safety and network dis-benefits:
 - a. Net revenue of \$360.5 - \$547.2m (5th and 95th percentile) over 25-years, with an expected \$447m (net) reduction on NLTF contributions;
 - b. A high level of return on the investment of tolling infrastructure;
 - c. A 3% safety dis-benefit, which may result in the number of injury crashes increasing from 17 to 17.7 per annum (in 2038);

- d. Alignment with the priorities of the Government Policy Statement 2018 (GPS) of safety, access, value for money, and environment.
8. There are time constraints for progressing tolling Pūhoi to Warkworth. Waka Kotahi is also seeking your permission to begin public consultation (to inform and gain feedback from public on the proposal to toll).
9. Due to COVID-19, all public and stakeholder meetings, which would normally form part of the consultation process, have been removed from the consultation plan. The consultation will therefore be conducted online, and via submission. Although this is not the usual process, Waka Kotahi considers its consultation proposal will still satisfy Land Transport Management Act (LTMA) requirements. It should be noted, however, that public consultation at this time and in this manner, is not without risk.
10. While tolling was discussed with partners, stakeholders and the public at the inception of the project, this messaging has not been consistent throughout the life of the project and therefore poses a risk during consultation. The most significant risk would be to propose tolling as an option for public feedback and then to introduce tolling in the face of public opposition.
11. Therefore, it would be beneficial to position the consultation at an 'inform' level where technical evidence supports a certain outcome. Should you agree, public consultation will commence in April 2020 and run through to July 2020. The results of the public consultation will be provided to you in July 2020, with a request to advise whether you are satisfied the conditions of the LTMA have been met and wish to progress tolling.
12. Should you choose to progress tolling, Waka Kotahi will submit a tolling proposal to you in December 2020. If you accept the tolling proposal, the Order in Council process will commence with the Ministry of Transport, for an Order in Council to be in place no later than September 2021.

Te Ahu a Turanga is not recommended for tolling

13. The outcome and recommendation relating to the tolling assessment of Te Ahu a Turanga Manawatū Tararua Highway was presented at the 19 March 2020 Board meeting.
14. Waka Kotahi's Board does not consider Te Ahu a Turanga appropriate for tolling due to the low benefits associated with the anticipated revenue compared with negative impacts to safety, access, and the network.

Next steps – announcing the decisions relating to Pūhoi to Warkworth and Te Ahu a Turanga

15. There has been minimal public communication regarding the tolling assessments on both Pūhoi to Warkworth and Te Ahu a Turanga. Although standard messaging regarding the tolling assessments has been made available on both project websites, no specific details have been released.
16. Due to the outcome of Te Ahu a Turanga, Waka Kotahi will update its website reflecting the Board's decision, with no other announcement planned.
17. Should Pūhoi to Warkworth move into public consultation, an announcement will be required, either from your office, or from Waka Kotahi.

It is recommended that you:

1. **Note** the contents of this briefing
2. **Note** Te Ahu a Turanga is not suitable for tolling **Yes / No**
3. **Agree** to progress tolling on Pūhoi to Warkworth, noting the changes required to accommodate the COVID-19 response **Yes / No**
4. **Confirm** whether you will announce that Pūhoi to Warkworth will be progressed for tolling, including public consultation. If not, Waka Kotahi can make the announcement. **Yes / No**



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Brett Gliddon

General Manager Transport Services



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Hon Phil Twyford, Minister of Transport

Date: 6 April 2020