



THE NEW ZEALAND
AUTOMOBILE
ASSOCIATION
INCORPORATED

Level 16
99 Albert Street
Auckland 1010

T. +64 9 966 8608
E. birvine@aa.co.nz

15 June 2020

Waka Kotahi NZ Transport Agency
Level 5, AMP Tower, 29 Customs Street West
Auckland 1143
P2Wktolling@nzta.govt.nz

Submission by the NZ Automobile Association on the Ara Tūhono – Puhoi to Warkworth tolling proposal

Overview

The NZ Automobile Association (AA) appreciates the opportunity to comment on the proposal by Waka Kotahi NZ Transport Agency (NZTA) to toll the Puhoi to Warkworth highway.

The AA does not support this proposal. While we are comfortable with the principle of tolls on new roads (providing certain criteria are met), we cannot support this or any other proposal until there is greater clarity and understanding around the Government's approach to tolling nationally. Without a national strategy in place, individual projects cannot be properly understood or assessed, and will invariably struggle to secure stakeholder buy-in.

Further, while Puhoi to Warkworth has successfully passed through the "gates" of NZTA's tolling assessment framework, there are specific elements of this proposal that we consider unacceptable – namely, the late stage in the delivery of the project at which public consultation on tolling has taken place, and the cumulative impact of the multiple tolls that users of this corridor could face in the future.

This submission has been shaped by feedback from the AA's Auckland and Northland District Councils, which in turn reflect the views of the approximately 380,000 AA Members in the two regions, many of whom will be regular users of the new highway.

Strategic vacuum

The AA's chief concern is the strategic vacuum surrounding the Government's approach to tolling roads in New Zealand.

The Puhoi to Warkworth tolling proposal appears to be part of a reinvigorated approach to tolling on the part of the Government. It is the second tolling proposal to have been brought to the table in

the last two years (following Transmission Gully), after a hiatus of nearly a decade; the scope has been broadened when it comes to how and why tolls are applied (previously, tolling was used to raise funds needed to bring projects forward – now, the intention is also to use it to help repay projects that are already funded and under way); and NZTA has updated its tolling policy to accommodate different funding and procurement models.

Meanwhile, the approval of the New Zealand Upgrade programme, on top of the existing National Land Transport Programme, makes for a very large highway construction pipeline over the next decade. This will provide multiple opportunities for the Government to put forward toll roads should it so choose.

But these developments have not been accompanied by any sign of a clear strategy to guide the Government's approach. In particular, we have seen nothing in the way of:

- A vision for tolling in the future, outlining the Government's goals and showing what the tolling landscape could look like 10, 20 or 30 years from now
- A clear statement about the role that tolling plays in project funding and delivery, and why it might be seen as a fair and practical mechanism
- A sense of how critical issues like regional equity (which will be brought into focus when some parts of the country have their new highways tolled, but others do not) will be managed – including the transport, social and economic aspects
- Discussion of how tolling aligns, or could align, with future transport funding tools, in particular a shift to distance-based charging

In the AA's view, these strategic elements need to be discussed, considered and agreed before specific tolling initiatives are brought to the table. Stakeholders cannot properly assess the proposal without clarity about the wider context. It also represents 'cart-before-the-horse' transport planning – projects and initiatives must cascade down from an over-arching strategy, not vice-versa.

We believe NZTA will struggle to build all-important public support for tolling if it continues to 'sell' it on a project-by-project basis, rather than via a national strategy. Without a sense of the big picture, local communities are highly likely to react to any tolling proposal with personal interest foremost. Communities will struggle to understand that the same policies apply nationwide (we note that there is little awareness of NZTA's tolling criteria at a public level). The risk is that the whole programme gets tipped over every time there is push-back at a local level.

Public consultation

A further concern for the AA is the point in the project delivery process at which public consultation on this proposal is taking place. Rather than consulting the public in the early stages of the project (as was the approach with earlier tolling proposals like the Northern Gateway, Waterview Tunnel and Tauranga Eastern Link), this proposal is being put up for consultation with Puhoi to Warkworth several years into construction. The same approach applied with the proposal to toll Transmission Gully.

It is the AA's firm view that the tolling discussion must take place at the outset – the decision to toll (or not) must be woven into the decision to build (or not). We consider this to be vital for the

legitimacy of any tolling proposal. It builds stakeholder trust and shows transparency; it encourages a robust discussion about costs and benefits of infrastructure; and most importantly it sets public expectations for the project.

In the case of Puhoi to Warkworth, tolling was signalled as a possibility from the outset, but it was never discussed proactively or substantively, in a public-facing way. As a result, it will have remained 'out of sight, out of mind' for a wide cross-section of the public, with attention focusing exclusively on the benefits the project will deliver once complete. When unexpected costs resulting from the project (in the form of tolls) are suddenly revealed, many people will justifiably feel they have been misled, and accusations of government 'revenue-grabbing' will inevitably find their way into the discussion.

Seeking to build support for tolling in the latter stages of a project will always be fraught, given that many prospective users of the road will have little incentive to accept paying more when funding has already been confirmed.

In some cases, there may be a desire by NZTA to defer public consultation until the latter stages of the project, so that there is greater clarity around key variables (such as demand patterns). In our view, a lack of clarity in some areas should not be the justification for the timing of the consultation to be pushed back. Early consultation should proceed regardless and, if it demonstrates support for tolling, the proposal can easily be reassessed further ahead when more information is available. At that stage, if the proposal no longer meets criteria (in the light of new information), it can be withdrawn. Withdrawing a proposal to toll would be far more straightforward than belatedly attempting to introduce one.

In other cases, the lack of clarity may mean that public consultation in the initial stages is impossible. We believe this situation should be grounds for abandoning the whole tolling proposal.

Multiple tolls

Under the Puhoi to Warkworth tolling proposal, transport users will face multiple tolls within a single corridor. This is a first for New Zealand and, as far as the AA is concerned, presents a number of questions and concerns (particularly in the absence of a national strategy for tolling roads).

First, it is inconsistent with the concept of tolling that has framed the discussion in New Zealand so far. Many people who would be relatively comfortable with the idea of a toll on a stand-alone stretch of highway would be much less comfortable with the idea of paying multiple tolls on adjacent stretches of highway.

For this reason, significantly more emphasis should have been given to this issue in the communications material used for this consultation (the webpage in particular).

Second, it raises questions about equity – in particular, regional equity. Why should motorists in the north of Auckland and Northland face multiple tolls to use new roads to travel between regions, while those in Waikato and Wellington, for instance, do not? To what extent would the proposed toll turn freight and tourism opportunities away from Northland? The equity issue warrants far more attention than it received in the consultation material.

Third, it highlights the need for a much clearer signal from NZTA about its tolling intentions for the whole Puhoi to Whangarei corridor.

Given the number of new stretches of highway that could feasibly be built in this corridor over the next 25 years, the current proposal begs the question of what comes next in terms of tolling. The levels of willingness to accept a toll at Puhoi to Warkworth could decrease significantly if and when people learn that tolls are also possible on Whangarei to Port Marsden, Warkworth to Wellsford, and any other new highway projects in between. Conversely, support could increase if people knew that – looking ahead – this would be the only section of tolled roadway in the North. Either way, it is unreasonable to expect people to make decisions about Puhoi to Warkworth without providing this context.

If NZTA intends to toll the Whangarei to Port Marsden highway, the potential impacts should be explored (alongside those of Warkworth to Wellsford) in the tolling report that is included in the consultation documents. We note that, unlike with Warkworth to Wellsford, funding has been confirmed for Whangarei to Port Marsden and a construction timeframe has been set.

Conclusion

Our primary objection to this proposal is that it is presented in a strategic vacuum, where people are not shown and so cannot see the wider picture. The result is a piecemeal approach, which the AA does not support.

Strategic issues aside, this specific proposal is raised unacceptably late in the process, and there are major question marks around multiple tolling and its potential impacts.

Thank you for the opportunity to submit. We are very happy to meet with the team handling this proposal at any point to discuss our views in more detail.

Yours sincerely,

Barney Irvine
Principal Advisor – Infrastructure