



Crombie Lockwood Tower  
Level 16, 191 Queen Street  
PO Box 7244  
Victoria Street West  
Auckland 1142  
New Zealand

Phone: +64 9 377 5570  
Email: [info@infrastructure.org.nz](mailto:info@infrastructure.org.nz)

15 June 2020

Waka Kotahi NZ Transport Agency  
50 Victoria Street  
Wellington

Infrastructure New Zealand is the peak industry body for the infrastructure sector and promotes best practice in national infrastructure development through research, advocacy and public and private sector collaboration. Infrastructure New Zealand members come from diverse sectors across New Zealand and include infrastructure service providers, investors, and owners.

This submission represents the views of Infrastructure New Zealand as a collective whole and may not necessarily represent the views of individual member organisations.

## **Infrastructure New Zealand submission on the Ara Tūhono – Pūhoi to Warkworth tolling proposal**

Infrastructure New Zealand supports users and other beneficiaries paying for services from which they benefit.

A direct link between beneficiaries and funding for services means not only that revenue is available to pay for services which meet needs, but that future demand can be anticipated and investment may occur in a timely and efficient manner.

The absence of efficient and effective linkages between the beneficiaries and funders of transport investment is what stresses networks, leading to excessive demand for services which are too cheap, lower demand for services which are priced too high and problems with the timely application of capital.

To the extent that tolling will strengthen the link between users and funders of the new Ara Tūhono – Pūhoi to Warkworth motorway (P2W), we support tolling.

However, we observe that the proposed P2W toll does not appear to strengthen the relationship between beneficiaries and funders of P2W and is instead focused on general revenue improvement.

We consider materially superior transport outcomes could be achieved with an expanded, but more targeted, toll solution focused on a minimum level of service provision for the whole Auckland northern motorway corridor.



We consider NZTA should investigate dynamically charged express lanes between Warkworth and Auckland in place of incremental tolls along select new sections of Auckland’s northern motorway.

## **Introduction**

Infrastructure New Zealand supports users and other beneficiaries paying for services from which they benefit.

However, it is not clear in the information provided that the purpose for establishing a toll on P2W is to strengthen the link between beneficiaries and funders of P2W, thereby providing a sustainable revenue stream from which to operate, maintain and, in time, invest in transport services along the route.

We accept that there will be significant costs to operate and maintain P2W over its lifetime, but there is no evidence to suggest that ongoing toll revenue will be ringfenced for this purpose and used to support services along the P2W corridor.

On the contrary, our impression is that the operation, maintenance and future development of the P2W corridor will occur independent of tolling revenue.

Without a direct link between beneficiaries and funders of P2W, the reason to implement tolling might otherwise be for demand management purposes. However, as noted in the tolling report included with discussion documents, demand management benefits are “modest”, and the proposal excludes dynamic charging which could otherwise be effective during high demand periods.

The absence of strategic reasons for implementing a tolling regime on P2W leaves the question of tolling as less one of achieving transport outcomes and more one of general revenue gain.

It is our strong view that transport has been severely underfunded across New Zealand for many years and, to the extent that tolling of P2W increases and broadens transport revenues, we support the addition of a new revenue stream.

Our strong preference, however, is that NZTA takes this opportunity to not just increase revenue, but to improve transport outcomes.

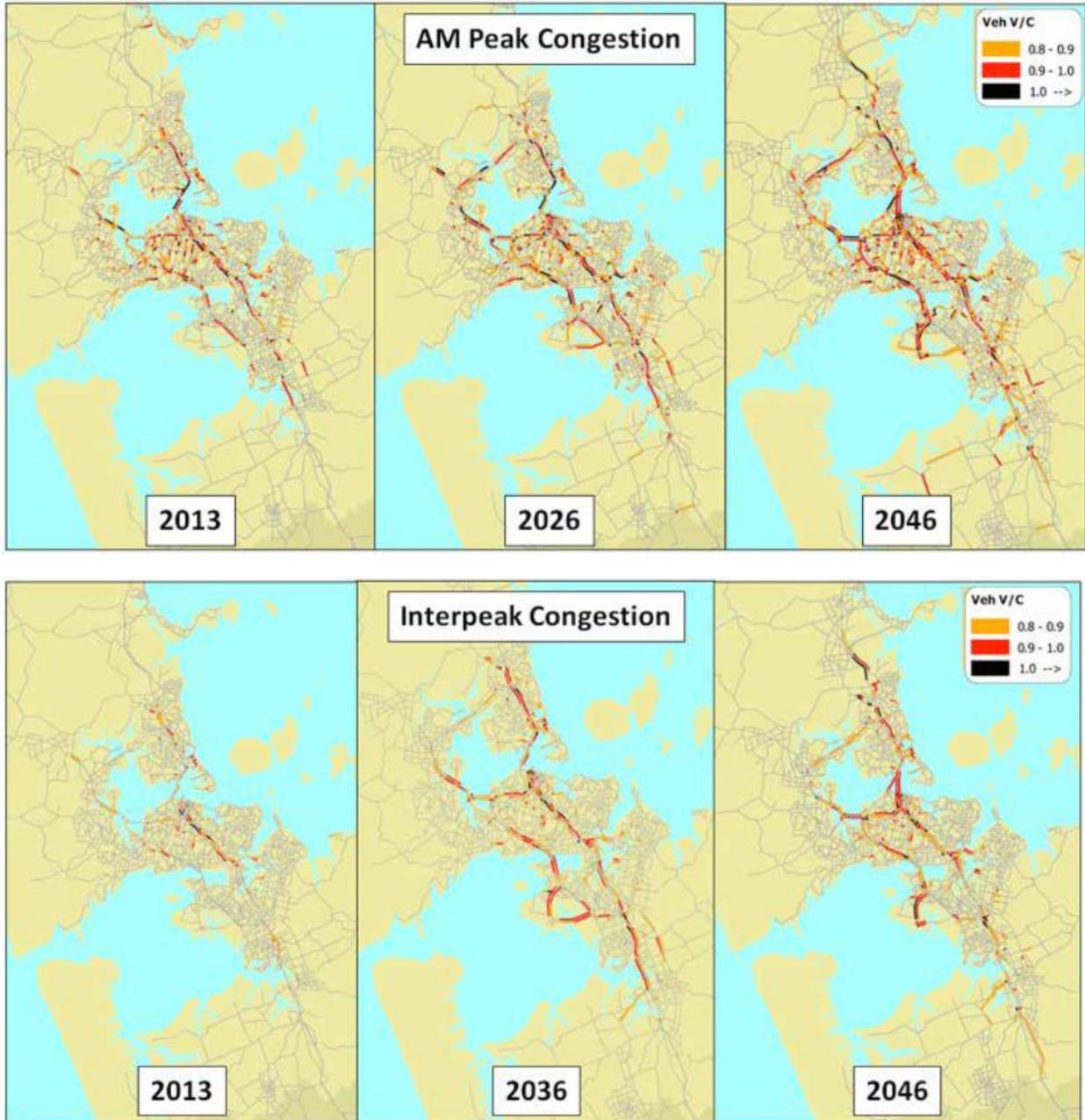
A new approach to transport funding and service provision which does link beneficiaries and funders and which supports a resilient, efficient, effective and safe transport corridor north of Auckland is possible and should be promoted in place of tolling for revenue purposes.

## **Auckland’s Northern Motorway is congested**

Although the P2W section of Auckland’s northern motorway is not expected to reach its capacity on a regular basis in the foreseeable future, the situation further south is quite different.

Travel demand for sections of SH1 between Albany and Takapuna has exceeded the capacity of the corridor through much of the day since the early 2010s, has intensified over the last decade and is projected to worsen into the future (Figure 1).

Figure 1: Vehicle volume to capacity ratios through the morning peak and interpeak<sup>1</sup>

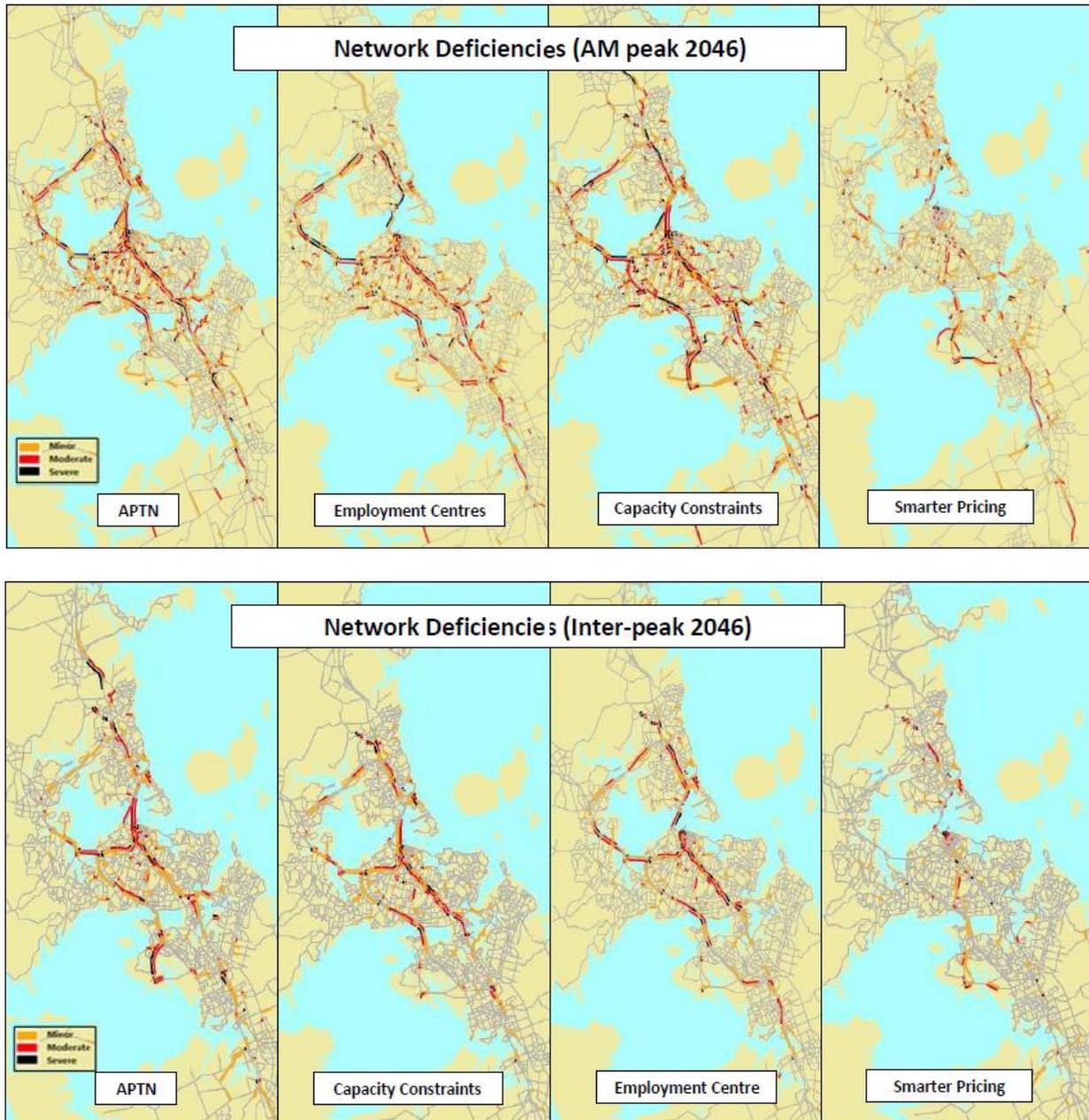


This is a vital corridor linking Northland to Auckland and supports tourism, exports, imports and people movements. Severe ongoing congestion is undermining productivity, competitiveness and opportunity.

<sup>1</sup> ATAP, Foundation Report, 2016.

Misaligned planning and investment over many years has reduced options to address congestion along this vital corridor. Available evidence suggests that road pricing is now essential to decongesting Auckland’s northern motorway (and elsewhere) into the future (Figure 2).

**Figure 2: Vehicle volume to capacity ratios in 2046 under different policy scenarios<sup>2</sup>**



<sup>2</sup> ATAP, Evaluation report, 2016.

### **There is a lack of clear rationale for corridor planning in the north**

It is notable that congestion along the northern motorway is expected to worsen in spite of planned new investment, including the upgrade of the intersection of SH18 and SH1, Penlink, expansion of the northern busway and sections of motorway widening.

Also notable is that none of these initiatives has been signalled for tolling except Penlink.

Auckland's northern corridor is therefore confronted with a scenario where some new projects are paid for largely by beneficiaries, but others largely by taxpayers, and none will result in levels of service which sustain even the unacceptable conditions of 2016.

In addition, it appears that projects serving communities closer to Auckland are not being considered for tolling, meaning these projects will receive higher levels of subsidy than those serving more distant communities.

Such an approach is highly likely to be regressive, penalising those who cannot afford costly urban land closer to Auckland CBD.

What is transport planning and investment trying to achieve along the northern corridor and does tolling P2W support this objective? We are unclear.

### **What we would like to see**

We would like NZTA to prioritise a corridor approach to SH1 between Auckland and Whangarei.

P2W is part of this corridor. It is an individual project for the purposes of design, construction and, due to the form of contract, long term maintenance, but should otherwise not be considered independent of the remaining route.

Thus, we would like to see P2W, and any consideration of it tolling, advance the strategic priorities for the wider corridor.

The route north of a completed P2W will continue to be challenged by safety and resilience issues, the route south by congestion.

Can tolling P2W be used to address these strategic challenges?

We consider that it can.

The completion of P2W presents an early opportunity to trial dynamic road pricing on a congested corridor, which already has tolling in place, and use that revenue to link beneficiaries and funders, helping to balance supply of road capacity with demand.



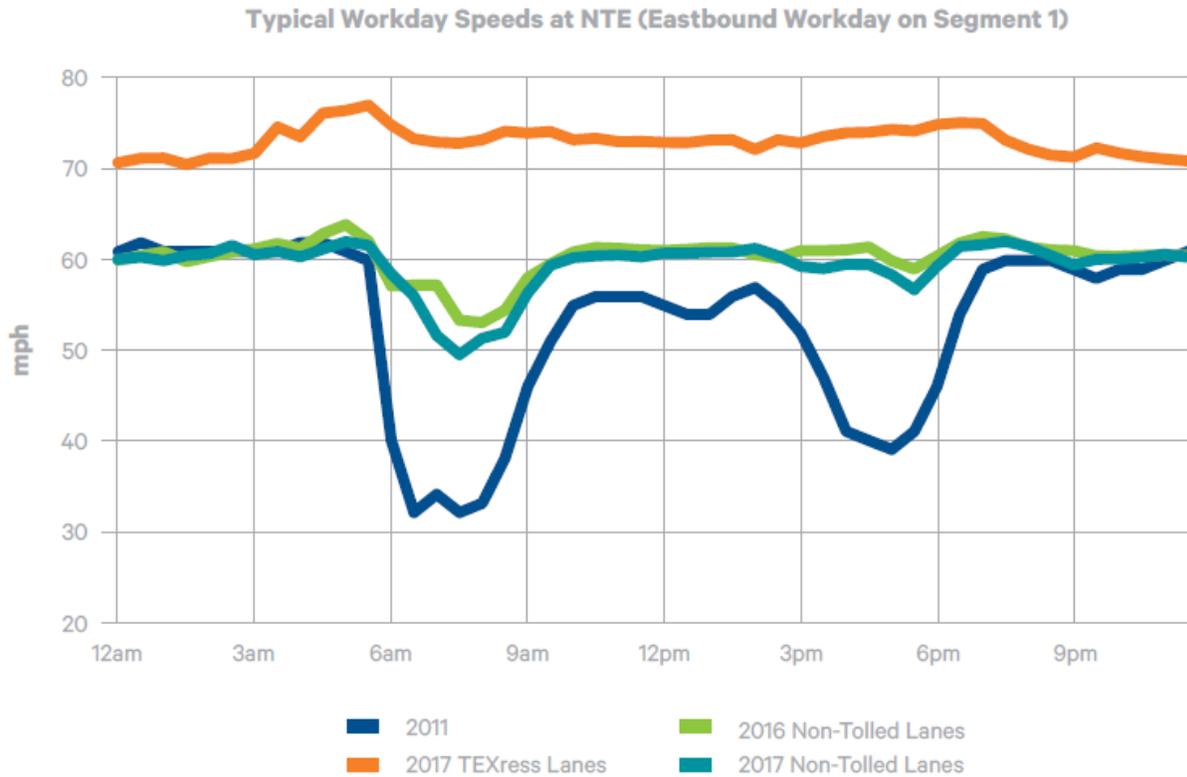
### Dynamic express lanes for the Auckland northern motorway

With the completion of P2W, we would like to see at least one priced express lane in each direction between Warkworth and the Auckland CBD.

Based on similar successful projects overseas, including the LBJ ‘Texpress’ in Dallas, dynamic time-of-day pricing could be applied to one or more lanes to ensure a minimum agreed level of service.

Experience of the LBJ Texpress, is that such a solution will enhance mobility for not just users of the express lanes, but for general traffic as well.

**Figure 3: Typical workday speeds along the LBJ Corridor<sup>3</sup>**



Importantly, if pricing can be successfully applied to ensure flows, the northern busway can be repurposed as express lanes (with buses travelling free). This could allow either for one or two express lanes to operate in conjunction with at least two general traffic lanes, providing the same level of free service as today for both public transport and private vehicles plus the additional expressway option.

<sup>3</sup> North Tarrant Expressway consortium.



Repurposing the busway to a dynamically priced expressway will increase capacity of the northern motorway, helping to address known constraints without unlocking latent demand (and thus undermining benefits) or impeding public transport flows.

If the revenue from the express lanes was ring-fenced, it could be used to finance and fund works needed to repurpose the busway as well as support ongoing expansion of the corridor to meet demand.

Alternatively, a concession for tolling the expressway could be sold to private investor and the proceeds used to invest in transport services in the north (where this concession did not compromise future implementation of a national road pricing system).

Such technology is available, proven and can be rapidly implemented.

It will achieve transport outcomes by strengthening the relationship between the funders and beneficiaries of corridor improvements at the same time as broadening revenue streams.

And it will provide a bridge between conventional tolling and the eventual roll out of a comprehensive national road pricing system to replace fuel excise and better manage the network.

We thank NZTA for the opportunity to comment.

If you have any questions regarding this submission, please contact Infrastructure New Zealand's Policy Director, Hamish Glenn, at [hamish.glenn@infrastructure.org.nz](mailto:hamish.glenn@infrastructure.org.nz).