

LVR: Funding Heavy Vehicle Impacts Works Group-Teleconference summary

9:00 Friday March 13th 2015

Present; Henri Van Zyl -Kaipara DC, Jamie Cox -Wairoa DC, Steve Murrin -Malborough Roads, Wayne Newman -RCAF,

Apologies : Martin Taylor -Whakatane DC, Gary McGraw -Far North DC, Murray Gimblett -NZTA P&I Warren Furner -Ruapehu DC, Rui Leitao -Wanganui DC, Wayne Furlong -Waikato DC, Jamie McPherson -Tasman DC ,

Teleconference summary

Noted that members are facing challenges around this issue already and there is some urgency attached to beginning to pull together the information collected to date and begin to draft the outline for guidelines.

Progress on ToR

The Group was established to:

1. Provide a robust and transparent process to identify the cost impact of forestry and other intensive heavy vehicle activities on low volume roads
 - a. Research and review processes currently used to identify cost impacts of forest harvesting, dairy conversions, quarrying and other intensive heavy vehicle activity on LVR.
 - b. Identify models for best practice.
 - c. Develop a process that is robust and transparent for national use to identify the life cycle cost impacts of heavy vehicle activities on LVR.
2. Determine an equitable mechanism to reflect the cost impacts of heavy vehicle activities on LVR.
 - a. Research and review planning and funding mechanisms currently used to respond to pavement consumption and plan investment for anticipated pavement consumption.
 - b. Identify models for best practice.
 - c. Determine a mechanism agreed to be equitable to all parties and applicable nationally.
3. Develop national guidelines on the best practice response to the future impacts of heavy vehicle activities on LVR that allow appropriate planning of investment by both road controlling authorities and primary sector investors, and provide all parties with greater certainty and consistency.
 - a. Develop draft guidelines.
 - b. Consult all affected and interested parties.
 - c. Deliver draft guidelines for ratification as national guidelines.

Good progress has been made on 1(a) and the exercise has shown that adequate data on the full cost of providing a road for forestry harvest is often hard to assemble. It is nevertheless critical for a road controlling authority to be able to distinguish the maintenance and capital costs of each asset, so as to be able to present a robust cost calculation of the price for providing a road.

Similarly, robust models for differential rates for locally derived forestry harvesting are available as models for 2(a), and the RUC funding model is the most attractive approach for funding the impact of forestry sourced outside the district.

It is time to begin work on 3(a) and pull together the strands of research into the first draft of guidelines.

Local updates

Henri reported that the Kaipara Consultation for the LTP proposes a targetted rate for exotic forestry for the first six years of the LTP to raise the 39% local share of \$6.6 million to be spent upgrading 55 roads at risk of being severely degraded by forestry harvest.

The Forestry roading rate on exotic forestry at 0.008015 of land value will affect 118 properties and raise \$390,000 pa for six years. As an example an exotic forestry block with a land value of \$462,000 that paid \$2,733 in 2014/15 would pay \$6,419 in 2015/16, an increase of 135%.

This approach can deal only with the impact of forestry harvest on local roads from local harvesting. Kaipara, Far North and Whangarei have also been working collectively with NZTA Northern Office on an approach to funding the impact of logging exports from Kaipara and Far North moving on local roads in Whangarei district to reach the port.

Steve reported that Marlborough was experiencing similar challenges to other districts and had a case possibly going to the Environment Court over conditions imposed on a forest at planting that required the harvesting to be transported by barge, rather than by road, which are now being challenged by the forest owner.

It was agreed that the group members would provide whatever information or support they could to Steve where their experience might be helpful.

This can also be discussed when several of the group meet in Auckland at 5.30 on Wednesday 25 March during the RIMS Conference.