

Funding unplanned pavement consumption of low volume roads

Engagement Forum 29 April 2016

Present:

Jamie Cox	Wairoa DC,
Warren Furner	Ruapehu DC,
David Rhodes	NZ Forest Owners Assoc.,
Glen Mackie	NZ Forest Owners Assoc.,
Grant Rutlege	NZ Forest Owners Assoc.,
Kerry Arnold	Road Transport Forum,
Mike Chiltern	Aggregates and Quarry Owners Assoc.
Jonathan Bhana-Thomson	NZ Heavy Haulage Assoc.
Philippa Fourie	Fonterra (DCANZ)
Tom Simonson	Local Government NZ
Wayne Newman	RCA Forum Research & Guidelines Group

Apologies:

Martin Taylor	Whakatane DC
Peter Scott	Auckland Transport
Ken Shirley	Road Transport Forum,
Roger Parton	Aggregates and Quarry Owners Assoc.

Meeting summary

- The scale of the problem needs to be quantified, with the authorities affected and the estimated funding shortfall identified.
- Long-term projections for dairying and aggregates need to be included and tonnes per km need to be used in discussing the impact on roads.
- Key terms need to be defined in the document.
- AQA will join the Pavement work stream.
- RTF won't join a work stream, but will be interested in the progress of the project.
- HHA will join the new Funding work stream.
- DCANZ (Fonterra) will join the Funding and Land Use work streams.
- FOA confirmed its participation in the Land Use and Pavement work streams.

Introduction

Jamie Cox explained the purpose of the meeting. The meeting saw the benefit of a collective response to the need for investment and accepted that local authorities recognised the need for this investment. It was agreed that there was a risk of authorities not investing or of responding simply by imposing a targetted rate on local landowners. It was recognised that, while local authorities have an extensive range of tools for raising funds for investment, this left the cost still falling entirely on the local community.

Presentation of Issue

Warren Furner explained the implications in the discrepancies between the LTP 2018-28, Business Growth Agenda and National Freight Demand Study 2014. There has been a failure to recognise

primary industry growth and freight demand, and to direct national investment towards providing the infrastructure needed for that growth and future demand.

Discussion

The meeting agreed that the scale of the problem needs to be quantified. Which authorities are affected and what is the estimated funding shortfall across all affected authorities? This potentially requires more rigorous forecasts of demand than are currently being used.

Allowing the cost to authorities to be passed to the beneficiaries of the BGA is likely to require a strong business case for use of the enhanced targeted rate under FAR. Making the fullest use of the available funding tools would invariably produce cross-subsidies for these roads.

One potential response is to transfer the provision of roads to a CCO. This could offer economies of scale and wider investment.

There is potential for changes to the RUC to remove contrary incentives that encourage use and over-loading of 2 and 7 axle trucks, which are relatively more damaging to the pavement.

Draft Document

It was agreed that long-term projections for other land uses besides forestry were needed, in particular dairying and aggregates. It was noted that dairy production is very responsive to seasonal variations in both weather and international market prices.

Although tonnes per hectare have been used in relation to the impact of land use on freight demand, tonnes per km need to be used in discussing the impact on roads.

Low volume road needs to be defined, as do several other key terms within the document. The statistics and assumptions used in the Land Use section need to be tested; both the dairy and forestry figures appeared too high in places.

Engagement

AQA wish to be involved. They recognise that their members put the heaviest tonnages onto roads and need to do more work to quantify this. They also recognise that these trucks can cause damage to pavements just from stones stuck in the treads of the tyres of heavily laden vehicles. AQA will join the Pavement work stream.

RTF is interested in avoiding an excessive cost on transporters from increased RUC. Changes in technology might offer a smarter alternative for pricing use of these roads. Operators are well aware of the higher maintenance costs and lower fuel efficiency of trucks on the secondary network. RTF won't join a work stream, but will be interested in the progress of the project.

HHA believes its members impose less damage and is interested in the strategic issues. HHA will join the new Funding work stream.

DCANZ (Fonterra) has an obvious interest in the relationship of activity to freight load, and in the potential affect on the tanker fleet of any possible increase in RUC, so it will join the Funding and Land Use work streams.

FOA confirmed its interest and participation in the Land Use and Pavement work streams, but noted that all parties will be interested in the options being considered by the Funding work stream.