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NZ Transport Agency Waka Kotahi – Tolling consultation
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AA SUBMISSION ON PROPOSED TOLLING SCHEMES

1. The NZ Automobile Association (AA) appreciates the opportunity to submit on the proposals to toll Takitimu North Link, Te Ahu a Turanga: Manawatū Tararua Highway and Ōtaki to north of Levin.
2. The AA recognises that tolling new roads can assist with their delivery, and is therefore open to tolling new roads in principle. When it comes to consideration of tolling proposals, the AA's views include that:
 - the decision on whether to toll a road should be linked to the decision on whether – and when – to construct the road, and consultation on tolling proposals should therefore be undertaken ahead of construction getting underway
 - tolling should be seriously considered if it means a road can be built earlier than would be possible using National Land Transport Funds (or, as is sometimes the case, taxpayer funds) alone
 - tolling makes sense when it will achieve a positive overall network outcome across both the new and alternative route(s)
 - tolling should not be undertaken solely for the purposes of covering maintenance and operational costs of a road, as these activities should be the first call on funding from the National Land Transport Fund (NLTF).

Projects that are already funded

3. We are opposed to the proposals to toll Takitimu North Link Stage 1, Te Ahu a Turanga: Manawatū Tararua Highway and Ōtaki to north of Levin on the basis that the above principles have not been met.
 - Takitimu North Link Stage 1: Construction of this project is well underway. Toll revenue is not needed to enable the project to be delivered, nor would it bring forward construction. We do not support tolling solely for maintenance and operations, as these activities should be the first call on funding from the NLTF. We also do not support varying tolls by time of day. We cannot see the rationale for this proposal based on the tolling assessment summary because the peak and off peak travel times, with and without a toll, only differ by a matter of seconds. It is therefore difficult to escape the conclusion that variable tolls have been included in the proposal solely for the purposes of revenue generation.

- Te Ahu a Turanga: Manawatū Tararua Highway: This project is in the final stages of construction; toll revenue is not needed to enable the project to be delivered, nor would it bring forward construction. We do not support tolling solely for maintenance and operations, as these activities should be the first call on funding from the NLTF. We also consider the Manawatū Tararua Highway to be unique case, as it is reinstating a critical link between two regions, and this alone should mean it isn't tolled.
- Ōtaki to north of Levin: Construction on this project is signalled to begin within the next three years, and is being funded by the Crown. Toll revenue is therefore not needed to enable it to be constructed. We do not support tolling solely for maintenance and operations, as these activities should be the first call on funding from the NLTF.

Takitimu North Link Stage 2

4. With regards to Takitimu North Link Stage 2, Tauranga residents are familiar with tolling and appreciate that it enables roading projects to be delivered sooner than may otherwise be the case. However, this latest proposal raises serious questions around equity – with Tauranga being home to two out of three of New Zealand's current toll roads.
5. Affordability will also be a major issue for Bay of Plenty motorists. As the proposal stands, many motorists would be facing multiple tolls to move around the city. A motorist travelling from Omokoroa to The Lakes and back daily, would face over \$12 in tolls each day once Takitimu North Link is complete. This is clearly unacceptable, and we consider it calls into question the appropriateness of moving forward with this tolling scheme.

Affordability

6. If NZTA decides to recommend to the Government that a toll is placed on any of the above routes, it is critical that it gives further consideration to the toll charges – some of which are significantly out of proportion with toll roads elsewhere in the country.
7. More emphasis needs to be placed on affordability to minimise trip diversion. Doing so will not only make use of the roads more affordable, particularly for regular users, but will also deliver much greater overall economic and safety benefits in return for the significant public investment in these roads.

Approach to tolling going forward

8. In terms of the bigger picture, we recognise that the Government has an expectation that NZTA will consider tolling to support the construction and maintenance of all new roads, to assist with their delivery, which clearly signals a desire to rely much more heavily on tolling than has been the case in the past.
9. While the AA is not opposed to tolling being considered to assist with the delivery of new roads, the new emphasis on tolling reflects a very significant change in approach to funding the development of New Zealand's land transport system. Tolling has historically been used to bring specific projects forward, whereas now we're seeing a shift to it being used to help bridge the revenue gap in the broader programme. This raises a range of policy questions which the AA is working through, and is considering our positions on tolling in light on the new approach.

10. In the meantime, we are calling on NZTA to:

- consider tolling at the outset, as part of the development of projects' business cases
- seek feedback from the public on the possibility of tolling as part of project development, well before construction is underway or funding has been confirmed for project delivery
- inform the public when the project will be delivered with and without the toll to encourage robust discussion around willingness to pay to experience a project's benefits earlier
- proactively make full tolling assessments available to drive informed debate about the benefits and costs of proposals
- look beyond individual projects and consider the impacts of tolling on a corridor basis, where multi-stage highway upgrades are planned and/or tolling schemes are already in place.

11. Thanks again for the opportunity to submit on these proposals. We would appreciate NZTA confirming receipt of this submission, noting that it covers all three tolling proposals on which feedback is being sought.

Yours sincerely

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