



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

COUNCIL

I hereby give notice that a Meeting of the Council will be held on:-

DATE: **Monday, 27 November 2006** **TIME:** **9.30 am**

VENUE: **Waitakere Central, 6 Henderson Valley Road, Henderson, Waitakere**

to consider the business as set out herein and to take any necessary action connected therewith.

21 November 2006

Audrey Chan
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8603

MEMBERSHIP:

Mayor	RA	Harvey, QSO, JP
Deputy Mayor	CA	Stone
Councillors	DQ	Battersby, JP
	MFP	Chan, JP
	JM	Clews, QSO, JP
	RI	Clow
	LA	Cooper
	AK	Corban, OBE, JP
	RP	Dallow, QPM, JP
	WW	Flaunty, QSM, JP
	DE	Gilmour
	C	Harding, JP
	PA	Hulse
	JP	Lawley
	VS	Neeson, JP

(Quorum 8 members)

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(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR A MEETING OF THE COUNCIL TO BE HELD AT WAITAKERE
CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON, WAITAKERE,
ON MONDAY, 27 NOVEMBER 2006
COMMENCING AT 9.30 AM**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Council by resolution so decides; and
- (ii) the Chairman has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Council may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 WESTERN RING ROUTE TOLLING

PURPOSE OF THE REPORT

The purpose of this report is to brief Councillors on Transit New Zealand's proposal to toll the Western Ring Route (including proposed toll lanes on the North-Western Motorway) and to propose a position for the Council to take in its submission to Transit New Zealand on this matter.

BACKGROUND

Transit New Zealand's ten year forecast provides for completion of the Western Ring Route, subject to the ability to borrow and toll to raise sufficient funds over 35 years to cover a \$800 million deficit, plus the toll infrastructure setup costs (\$140 million), plus operational costs (\$800 million) plus interest costs (reported as \$1 billion although not confirmed by Transit New Zealand). The funding deficit relates to the approximately \$1 billion cost of the cut and cover option of the Waterview Connection project between Maioro Street and Waterview interchange.

On 12 October 2006, Transit New Zealand released its proposal to advance the completion of the Western Ring Route by tolling parts of the 48 kilometre route. Key elements of this proposal include:

- Tolling across all lanes of sections of the South-western Motorway (SH20) and the Upper Harbour Motorway (SH18) and linking these two tolled motorways with fully-segregated toll lanes on the North-Western Motorway;
- These toll lanes will only be accessible from the Hobsonville section of the future Upper Harbour Motorway and only provide access to the South-western Motorway Waterview section. There will be no access from these toll lanes towards the Auckland Central Business District nor from western Rodney District;
- Toll collection points provide a free alternative route, diverting some traffic onto territorial authority roads to avoid the toll;
- No toll collection points on either the Manukau Harbour Crossing or Upper Harbour Crossing (because there are no practical free alternative routes to these two key bridges);
- A maximum toll of \$2 per toll point and a maximum toll of \$10 for the entire route. These prices are in 2006 dollars, subject to annual cost of living + 2% increases;
- Toll charges will be progressively introduced as new lengths of the route are opened, starting with the Greenhithe section of the Upper Harbour Motorway next year;
- An electronic toll collection system, most likely including number plate recognition technology;
- The final Waterview Connection section of this route is proposed to open by 2015, subject to resolution of environmental mitigation, designations, resource consents and extensive property acquisition with the Waterview Connection project. The project has already been delayed by a further six months as additional investigations take place into options for more extensive (and expensive) bored tunnels. It is highly probable that this project will be appealed to the Environment Court with the consequent risk of delay. There is very significant risk around the 2015 date.

Council officers have analysed the benefits and impacts of the planned tolling of the Western Ring Route on Waitakere. Officers have attended a technical briefing provided by Transit New Zealand. Analysis of the proposal has been hampered by the delayed release of traffic modelling information and a failure to release detailed financial information. Transit New Zealand has provided limited information about alternative toll arrangements and has not provided any alternative schemes for public consideration. Transit New Zealand has advised that it has not assessed land use impacts of the toll proposal.

Transit New Zealand made a presentation to the City Development Committee on 2 November 2006 and to the Community Boards on 20 November 2006 as well as open days with the community.

At its meeting on 8 November 2006 Auckland City Council's Transport Committee resolved to reject Transit New Zealand's toll proposal. The full Auckland City Council was scheduled to consider the proposal at its meeting on 23 November 2006.

A1-A11

The Regional Land Transport Committee was to consider the proposal at its meeting on 21 November 2006. The Council may wish to support the recommendations of the Regional Land Transport Committee if these are aligned with the Council's position. Attached at pages A1 to A11 is the proposed report from the Regional Transport Executive Group to the Regional Land Transport Committee.

The due date for a submission to Transit New Zealand on the toll proposal is 5 December 2006. Transit New Zealand may request the Minister to pass an Order in Council approving a toll scheme, starting with the Greenhithe section of State Highway 18, followed by the Hobsonville Deviation section of State Highway 18, and parts of State Highway 20, as they are completed. The Land Transport Management Act 2002 requires amongst other things, that the Minister is satisfied that there is a “high degree of support from affected communities”.

STRATEGIC CONTEXT

Regionally the completion of the Western Ring Route is regarded as a high priority, particularly because of access to the airport and the need for an alternative strategic route to State Highway 1. The toll proposal may allow the Western Ring Route to be completed earlier than if funded from traditional sources. The toll proposal needs to be considered in light of other regional initiatives including:

- potential toll arrangements for new roads such as the Auckland Manukau Eastern Transport Initiative project (formerly the Eastern Corridor), Victoria Park tunnel, Whau crossing;
- potential options for a regional congestion charge scheme;
- seeking alternative funding tools such as a regional fuel tax, a shadow toll¹, vehicle licence fees;
- seeking central government funding contribution to the funding gap;
- the funding gap for passenger transport in the Auckland Region.

Waitakere’s recently adopted Transport Strategy has a vision of “a sustainable, multi-modal transport system that is integrated with land use and contributes to Waitakere as an eco city.”

The key strategic platforms related to the Western Ring Route tolling proposal are:

Urban and rural villages: Centres are thriving places, providing exciting options for people to live, work and play.

Integrated transport and communication: Public transport and communications systems provide fast, effective services to the whole city. Transport systems are integrated, innovative and environmentally responsible.

Strong innovative economy: Waitakere is a place of innovative economic activities, providing local, quality work and development options for its people.

The tolling proposal impacts on many of Council’s community outcomes including:

- Sustainable integrated transport;
- Sustainable environments;
- Urban and rural villages;
- Strong communities;
- Strong environment.

¹ A measure of the benefits of tolling to a particular area funded through territorial local authority rates.

ISSUES

Council's existing policy on tolls

The Council's existing policy on the broad concepts of road pricing and tolls is set out in the recently adopted Waitakere City Transport Strategy. The Council would seek to ensure that tolls:

1. Are equitable across Auckland and New Zealand.
2. Are equitable across all social groups and not discriminating against those with least choice.
3. Manage travel behaviour (to reduce congestion) as well as provide revenue.
4. Are able to favour or discriminate in favour of genuine goods and business traffic.
5. Do not overload local roads (or if they do, use revenue to fund improvements to local roads).
6. Reduce overall road traffic.
7. Are offset by a reduction in petrol tax or road user charges over time.
8. Support Waitakere's economic and land use strategies.

Equity issues

The toll proposal raises substantial national and regional equity issues in terms of allocation of sufficient national funds to the Auckland Region, and who pays and who benefits within the Region.

If Land Transport New Zealand does not contribute to the \$800 million deficit at some point over the 35 years of the toll, the effects are that the Region pays and the \$800 million saving could be applied to national projects. This would be an inequitable result. The Region should be entitled to the \$800 million as these funds become available in order to repay debt. This would mean the toll revenue would not need to be so high and the extent of the toll and adverse impacts could be reduced (for example, no toll lane on the North-Western Motorway).

A key equity issue for Waitakere is that the toll proposal has been designed in such a way that the fast tolled route largely bypasses Waitakere, with no access to Henderson, Lincoln Road or Westgate. This is a peculiar effect which does not contribute to the goals of supporting local employment and improving access. A toll scheme should not disadvantage Waitakere in relation to other cities in the Region.

A key equity issue for the Region is that the Western Ring Route runs predominantly through lower socio-economic areas compared to State Highway One. It seems highly inequitable that less well-off areas should bear a much more significant cost of the completion of the Western Ring Route, rather than having this spread across the Region or the nation. In particular, it seems unfair that the Auckland International Airport, which will be an enormous beneficiary of the early completion of the Western Ring Route, is not being asked to contribute to the cost of the project while businesses and residents are being asked to contribute heavily.

Impacts on businesses

The proposed toll lanes on the North-Western Motorway would provide no access to or from key business areas at Henderson, Lincoln Road and Westgate. These businesses will not have the ability to have fast access to the south and the airport. The lack of entry and exit points on the North-Western Motorway toll lane also means that goods vehicles whose value of time is generally much higher than any toll charged would not even have the option to use the toll lane. It is well recognised that improving business access and deliveries delivers significant economic benefits and the North-Western Motorway toll lane completely negates any of those potential benefits.

The lanes are modelled to carry a maximum of 3,500 vehicles per day per direction by 2021 with most usage at the peak and the lanes virtually empty at other times. The cost of toll lanes is more than \$100 million funded out of the National Land Transport Fund, rather than out of the toll scheme. Council officers cannot identify a situation where such an amount has been spent on building road capacity that would be so heavily under-utilised, adjacent to free traffic lanes that are so heavily utilised. By way of comparison, one lane of the North-Western Motorway between Te Atatu Road and Patiki Road carries nearly 16,000 vehicles per day.

One obvious reason that the toll lanes are so ineffective is that Transit New Zealand has made no provision for any access to these ramps from key interchanges in Waitakere at Hobsonville Road, Royal Road, Lincoln Road and Te Atatu Road. This puts Waitakere City's residents and businesses in an unprecedented and indefensible position of not being able to compete on a level playing field for business and employment. Waitakere already suffers a locational disadvantage from being distant from both the port and airport of Auckland (but not from any future airport at Whenuapai).

Transit New Zealand officers have indicated a willingness to consider investigating access to the toll lane at Westgate. Access to a toll lane along the North-Western Motorway is complex and expensive as it may require upgrade of interchanges and special ramps to and from the toll lane.

Officers believe that the proposed North-Western Motorway toll lanes are completely unacceptable to Waitakere. A more cost-effective solution would be to exclude the toll lane from the toll proposal. Other mechanisms could be used to make the North-Western Motorway part of the route less congested - mechanisms include ramp signalling, interchange upgrades, high occupancy vehicle lanes, continuous bus lanes to support Auckland Regional Transport Authority's (ARTA) quality transit network and/or congestion charging.

The toll proposal imposes a toll rate on goods vehicles which would be double the rate for other vehicles. This reduces the benefit of the time savings achieved on the Western Ring Route. This reflects the primary purpose of the toll proposal to raise revenue for completion of the Western Ring Route rather than to create a toll regime which is able to favour genuine goods and business traffic.

Business location at New Lynn may be favoured because of its close access to State Highway 20, in comparison with the restricted access by businesses elsewhere in Waitakere. However, the amount of through traffic generated by diversion from the toll route could be an impediment to the achievement of this business growth.

One of the major impacts of the North-Western Motorway toll lanes and the tolling point on the Waterview Connection is that it is likely to generate significant traffic volumes through New Lynn via the Tiverton / Wolverton / Clark Street route. This is likely to start with the opening of the Mt Roskill extension, set down for 2009. Initially Waitakere had considered that this would largely be a temporary phenomenon until such time as the Waterview Connection was completed.

However, there are three factors that, working together, would divert additional traffic along the Tiverton / Wolverton / Clark Street route beyond 2015 under the toll proposal:

1. The toll point on the Waterview Connection would encourage access at Maioro Street interchange from Waitakere.
2. The lack of egress from the toll lane within Waitakere City would mean that westbound vehicles are more likely to choose the Tiverton / Wolverton / Clark Street route, the shortest surface street route, rather than deal with congested traffic conditions in the free lanes on the North-Western Motorway.

3. The omission of a Great North Road interchange from the Waterview Connection under the toll proposal. The deletion of the interchange at Great North Road would mean that the current strong Rata Street / Ash Street route (New Lynn and Avondale bypass) would not be able to be used as access to the Western Ring Route. This would put increasing and ongoing traffic pressure on Clark Street and may require Clark Street Extension to be built earlier than maybe otherwise required. If for whatever reason, an at-grade rail duplication in New Lynn were to take place, traffic conditions in New Lynn would likely be intolerable and congestion would be at such levels to make it an unattractive location at many times of the day.

Diversion on to local roads

While Transit New Zealand has tried to downplay the impact on diversion on to local roads through tolling the Western Ring Route, this is based on coarse high-level Regional modelling without the level of refinement to be able to accurately analyse the likely impacts at a local level.

Waitakere is affected by the impacts on Hobsonville Road, the free lanes on the North-Western Motorway, Clark Street and Great North Road (in Auckland City).

Council staff have been working for the last year-and-a-quarter on a transport audit process for the Northern Strategic Growth Area. This has involved working closely with key stakeholder agencies such as ARTA, Land Transport New Zealand, Auckland Regional Council and Transit to address any agency concerns about the proposed Metropolitan Urban Limit extension. To this end, extensive modelling work has taken place to identify potential hot-spots and come up with effective solutions to address them. This work has reached an extent where Transit's Chief Executive Officer has written to Council expressing broad satisfaction with the Council's work and its results in this area.

However, this work was based on a non-tolled Upper Harbour Motorway and showed traffic volumes in the order of 10,000 vehicles on Hobsonville Road. A tolled Upper Harbour Motorway has been modelled by Transit New Zealand, and validated by Council officers, to have over 20,000 vehicles a day remaining on Hobsonville Road principally due to diversion because of the toll, only a modest reduction from today's congested levels of 30,000 vehicles per day.

The results of this would mean that the Council's vision for the development of parts of the Hobsonville Road corridor may be compromised through having to cater for large volumes of diverted through traffic. It may be difficult to convince Transit New Zealand to transfer control of Hobsonville Road to Waitakere or to achieve Waitakere's desired level of pedestrian and urban amenity, noise levels, connections; bus priority measures, provision for cyclists and safety measures. Higher traffic volumes would mean ARTA's planned quality transit network route on Hobsonville Road, a critical stronger connection between Waitakere and North Shore Cities, would be much slower and therefore much less able to perform its function as a rapid bus route.

Similar impacts can be expected on other routes in the Region receiving large quantities of diverted traffic, in particular Great North Road in Waterview; Mt Albert Road between Dominion Road and the Royal Oak Roundabout; Manukau Road between the Royal Oak Roundabout and Trafalgar Street; the Onehunga Town Centre and Wiri Station Road adjacent to Manukau City Centre. Particularly disturbing is the likely highly prejudicial impact on Auckland Regional Transport Authority's planned quality transit network in these areas, a cornerstone of regional efforts to significantly boost passenger transport patronage. In particular, increased traffic on Great North Road between Waterview and Blockhouse Bay Road may impede Auckland City's plans for bus priority measures, which impacts on New Lynn bus services.

Travel Demand Management impacts

Transit New Zealand has advised that travel demand management is not the primary objective of the toll proposal and that any travel demand management effects are incidental. Council officers consider that a toll proposal should include a travel demand management plan which identifies travel demand management goals and targets for bus use in particular.

Council officers consider that the toll proposal does have potential travel demand management effects: those with the ability to pay the toll (larger businesses and higher socio-economic individuals) would use it to get a faster trip for travel across the Region; those who don't have the ability or desire to pay the toll would either take the more congested free route or may be discouraged from taking a trip across the Region. This may influence workers to work in Waitakere, North Shore or the Auckland Central Business District rather than in the south.

The toll proposal provides no incentive to encourage use of more sustainable transport modes of travel. For example, while buses are permitted to use the North-Western Motorway toll lanes at no charge, there are no bus links to Henderson or Westgate which could use the toll lanes. There are no bus routes current, planned or even vaguely possible in the future that would make use of the full length of the toll lane. The tolling proposal also provides no discounts or exemptions from tolls for high occupancy vehicles, which would seem to be an easy way to provide a real incentive to car-pooling.

The space required for toll lanes (and shoulder pullover) on the North-Western Motorway would severely limit the space left for a continuous bus shoulder lane (or bus way in the future) and cycle way. There may be insufficient space for an extra lane on the causeway should congestion require an additional traffic lane. The space required for toll lanes is roughly equivalent to the space that would be needed for a bus way along the North-Western Motorway.

Compatibility with Congestion Charging

Transit New Zealand has indicated that the toll proposal would be inconsistent with the double cordon scheme - where a charge is levied to cross two cordon boundaries at congested times. No information has been provided regarding how the toll proposal fits with congestion charging.

Transit New Zealand's toll proposal sets toll rates on the Western Ring Route at such a level that it would be extremely difficult to introduce a regional congestion charge on top of the toll. A regional congestion charge is a better mechanism than a toll to address congestion by managing demand in an equitable way across the Region and ensuring good travel times on congested routes.

Congestion charging schemes, currently being investigated by the Ministry of Transport, are demonstrably much more efficient at changing travel behaviours. The study by the Ministry took an in-depth analysis of land use, urban form, social deprivation and travel patterns. It also looked at what sort of additional public transport services would need to be put in place to mitigate the impacts on people who could not afford the congestion charge and planned that mitigation would be funded as part of the introduction of congestion charging.

Transit New Zealand's toll proposal does not address social and equity issues nor provide for any mitigation of adverse effects arising from tolling the Western Ring Route.

Any scheme to toll the Western Ring Route would have to be fully compatible with the double-cordon charging scheme advanced during the discussion of congestion charging. Waitakere should expect Transit New Zealand to provide a similar level of mitigation to address issues caused by the tolling of the Western Ring Route as has been proposed by the congestion charging proposal.

Financial impacts

While \$800 million has been mentioned as the funding deficit for completion of the Western Ring Route, this relates solely to the Waterview connection project. The funding deficit is based on existing plans for the Waterview Connection, involving only quite limited sections of cut and cover tunnelling. Transit New Zealand is in the process of investigating full bored tunnel options over a considerable length of the Waterview Connection route. This is likely to cause a considerable increase in the funding gap for this project which has not been taken into account in Transit New Zealand's toll proposal. If there is significant cost escalation in the Waterview Connection project, this increases the amount of toll revenue needed to pay for this. As Transit New Zealand is limited by the Land Transport Management Act to tolling a route for a maximum of 35 years, this means that the toll charged would have to be higher than that proposed in Transit New Zealand's communications material to date. This turn is likely to increase the rate of diversion onto local roads.

The City Development Committee resolved at its meeting on 9 February 2006 to provide conditional support for the Waterview option for the State Highway 20 connection. Key parts of the resolution are highlighted below in italics:

- “(a) *That the Council reaffirms its support for option 5 in the 2005 Auckland Regional Land Strategy.*
- (b) *While the Rosebank option may provide greater local benefits to Waitakere City, it is necessary to take into account the risk that the project would not proceed within the next ten years under the Rosebank option and the significant impacts of each option on Auckland City and the Region. Waitakere City Council could support the Waterview option on the basis that the following steps are taken to mitigate adverse impacts on Waitakere City:*
 - i) *Transit NZ and Auckland City commit to a joint study with Waitakere City Council in 2006/2007 of a Whau Crossing Bridge connection from Waitakere City to Rosebank Peninsula and how traffic would connect with State Highway 16 & 20.*
 - ii) *Transit NZ commits to appropriate mitigation and enhancement measures as outlined by Auckland City (including undergrounding of the highway east of New North Road's Pak n Save, appropriate rail crossing configurations, provision for future rail line as proposed, bus shoulder lanes on State Highway 20, continuous cycleway from Waterview to Maioro Street, access to the Oakley Creek area, mitigation and enhancement of the Oakley Creek area) and as set out below:*
 - a. *Effective interchanges at Maioro Street and Great North Road/Blockhouse Bay Road that accommodate Waitakere City's needs.*
 - b. *Effective interchange at Waterview which provides a direct connection of traffic from State Highway northwest to State Highway (rather than an on/off ramp connection).*
 - c. *Eight-laning of State Highway 16 at the causeway from Waterview to Patiki Road, bus shoulder lanes and cycleway - the State Highway 16 upgrade project needs to include the upgrade of interchanges at Te Atatu and Lincoln.*
 - d. *Unbroken dedicated cycleway connection from the causeway on State Highway 16 to State Highway 20.*

- iii) *Transit NZ's further development of the Waterview option continues to have regard to the strategic goals of Waitakere City, particularly the growth of its three main town centres (New Lynn, Henderson and Westgate), the proposed Whau Crossing Bridge, the proposed Whenuapai airport and the focus on economic development.*
- iv) *Transit NZ and Auckland City formally support the amelioration of the traffic impacts on New Lynn through undergrounding the rail line at New Lynn.*
- v) *Transit NZ, in conjunction with Waitakere City Council, undertakes a modelling exercise that tests the traffic impacts of a Whenuapai airport which operates commercially by 2016."*

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Transit New Zealand appears not to have taken sufficient regard of these conditions and should be reminded of the Council's conditional support for the Waterview option.

Transit New Zealand has advised Council officers that the toll revenue in the early years would be insufficient to meet setup costs and interest. Accordingly, interest would be capitalised and the total debt would increase to about \$1 billion by 2015. Transit New Zealand has advised Council officers that the debt is expected to further increase until about 2034, after which time the increase in traffic volumes and toll rates would result in a reduction of the debt. This raises serious concerns about the cost efficiency of the project. There is a significant financial risk that the toll proposal will not generate the required revenue after 35 years, particularly if there is an escalation in costs of any of the projects comprising the Western Ring Route or if collection costs exceed the estimated 25 cents per transaction.

In the absence of detailed financial modelling data, Council officers have done an indicative calculation of the toll revenue from the North-Western Motorway, which Transit officers have advised represents approximately 2% of total toll revenue. Officers estimate that the 35 years of revenue generated by the toll lanes on the North-Western Motorway would generate net revenue of approximately \$45 million (in 2006 dollars) which would pay for less than one year's interest on the Western Ring Route debt of \$1 billion.

Officers believe the toll lane on the North-Western Motorway is a very inefficient way to raise money and does not justify the huge set-up costs of a gantry and the cost of new toll lanes. Transit New Zealand has provided indicative costs of widening the North-Western Motorway to enable new toll lanes at more than \$125 million. Transit New Zealand has included this cost in the ten year forecast to be paid out of the National Land Transport Fund, rather than out of toll revenue. This raises further concerns about the ability of toll revenue to meet toll related costs and any necessary mitigation costs.

There are much more efficient ways to raise revenue using modifications to existing processes that should be explored in detail first. An example of this would be a Regional petrol tax that would be easy to administer and impossible to avoid.

Alternative funding options

Council officers are very disappointed that Transit New Zealand has not kept the Council informed about the options for funding the Western Ring Route and has not sought input into the development of the toll option.

Alternative funding options for completion of the Western Ring Route have yet to be investigated but could include:

1. Central government provides additional funding to the Auckland Region, from the government surplus or other sources.

2. Funds from the National Land Transport Fund are applied to the Waterview Connection project as they become available in the future, which would significantly reduce the toll revenue requirement. This would enable an amended toll proposal which focuses on the Waterview connection.
3. Funds are borrowed to enable completion of the Western Ring Route by 2015, and repaid out of new funding sources such as a regional petrol tax, vehicle licence fees, a regional congestion charge, a shadow toll collected out of rates, an Auckland City Council rate contribution for amenity improvements in relation to the Waterview Connection, a levy on airport users, etc.

The funding mechanism used to fund completion of the Western Ring Route should aim to be cost efficient in terms of collection costs, equitable in terms of who benefits and deliver the best outcomes in terms of the Regional Land Transport Strategy. In achieving this, the Auckland Region should ideally receive equitable treatment in relation to how large state highway projects are funded elsewhere in New Zealand.

Transit New Zealand's toll proposal does not consider alternative funding options except funding out of the National Land Transport Fund by 2030.

Possible implications of the toll proposal not proceeding

The Council will need to take into account possible implications if the toll proposal doesn't proceed. This assessment is speculative in nature and political judgement is required in considering the following:

1. An alternative toll proposal may be developed or agreed with the Minister, or developed under a change in legislation.
2. Alternative funding options may be developed, as noted above.
3. The Waterview connection is delayed until sufficient funding from the National Land Transport Fund is available - Transit New Zealand has indicated this may not be until 2030. The cost of the project may be considerably higher by then.
4. The priority of other parts of the Western Ring Route may be reassessed (assuming a delay in the Waterview connection) and may result in a delay in a project such as the Hobsonville Deviation section of State Highway 18. Transit New Zealand has advised that this is a possibility, although this would be contrary to a joint understanding between Transit New Zealand and the Council to proceed with that project without delay.

Transit New Zealand officers indicated that the timing of the Hobsonville section of the Upper Harbour Motorway could be deferred depending on the outcome of the consultation on tolling the Western Ring Route. It is difficult to evaluate how serious this implied threat is, given that the Hobsonville Deviation project is funded in the 10-year State Highway Forecast and the fact that the construction industry is geared up to manage the level of work signalled in the State Highway forecast, including this project. Transit New Zealand has not provided any analysis of the relative priority of the Hobsonville Deviation project on the basis that the Waterview connection is not completed by 2015 and there is uncertainty whether or not the Metropolitan Urban Limit in the north-west will be approved. The Council needs to be aware of this and consider it as a risk in evaluating Council's preferred position.

Decision Making

The following matrix provides an indicative assessment of the quadruple bottom line impacts on Waitakere of the Western Ring Route tolling proposal in comparison with a delay in completing the Western Ring Route to 2030 and completing the Western Ring Route by 2015 using alternative funding sources.

	Option 1 - Transit's toll proposal	Option 2 - Delay Western Ring Route to 2030	Option 3 - Complete Western Ring Route by 2015 using alternative funding
Economic	Lack of access to fast toll route puts Waitakere businesses at a disadvantage. Businesses using toll get a fast route to south, but not to the Auckland CBD. Businesses bear a large burden of toll costs. More traffic through New Lynn.	Businesses don't have a fast route to south. Businesses are affected by constraint on growth by congestion on SH1. Cost of Western Ring Route is shared across the Region. Route could become congested in future without a regional congestion charge. Incentive for local airport. Incentive to include rail line in project in 2030.	All businesses have access to a fast route to the south. Cost of funding deficit is shared across the Region. Route could become congested in future without a Regional congestion charge.
Social & Cultural	Greater severance due to toll costs or congested free route. Diversion of traffic onto local roads may hinder plans for safety, bus priority, walking and cycling. Lower socio-economic areas bear the brunt of tolling.	Reduced employment opportunities in the Region due to constraint on business growth. Cost of Waterview Connection is collected up to 2030 for benefit after 2030.	Least cost for completion of Western Ring Route. Greatest access and benefits from completion of Western Ring Route.
Environmental	Diversion of traffic onto free route increases congestion and travel distance - increases fuel consumption and harmful emissions.	Reduced number of long trips across the Region. Continued adverse effects from congestion in the Region.	Greatest traffic volumes likely on Western Ring Route. Greatest potential for sustainable modes of travel - bus, HOV, cycle. Closest fit with potential regional congestion charge.

Officers believe that Option Three - Complete the Western Ring Route by 2015 using alternative funding is the best option. Although there is uncertainty regarding funding sources, this option addresses all of the issues raised in this report; and still achieves completion of the Western Ring Route by 2015 using fairer, less cumbersome and more regionally-equitable funding mechanisms. It would be necessary to consider a range of travel demand management measures, such as a regional congestion charge, to address congestion issues on the Western Ring Route.

RESOURCES

Resources available in relation to the toll proposal include staff time and budget to assist in the Council's communications with residents and businesses in relation to the Council's position on the toll proposal.

CONCLUSION

In the absence of detailed supporting information from Transit and with numerous significant issues raised in this report unaddressed, the Council is no position to support Transit New Zealand's toll proposal for the Western Ring Route. Transit's Western Ring Route tolling proposal is a significant threat to the economic competitiveness of Waitakere and does not produce optimal outcomes in comparison to other funding options.

RECOMMENDATIONS

1. That the Western Ring Route Tolling report be received.
2. That the Council does not support Transit New Zealand's toll proposal for the Western Ring Route.
3. That a toll proposal for the Western Ring Route would need to address the concerns set out in the Western Ring Route Tolling report, including the following key concerns:
 - Lack of equity;
 - Lack of access;
 - Low cost efficiency and cost effectiveness of the toll proposal;
 - Lack of robust analysis of the proposal;
 - Lack of fit with potential congestion charging in the Region;
 - Lack of mitigation of adverse effects.
4. That alternative funding options need to be investigated in order to optimise the outcomes of the Western Ring Route in terms of the Regional Land Transport Strategy.
5. That the Council support the investigation by central government and the Auckland Region into alternative sources of funding for transport projects to ensure that high priority projects are funded and proceed in accordance with the Region's priorities.
6. That the timing of completion of the Upper Harbour Corridor is not delayed in any way as a result of any decision regarding tolling the Western Ring Route.
7. That any toll proposal for the Western Ring Route should exclude a toll lane along the North-Western Motorway because of issues relating to equity, access and costs.
8. That any toll proposal for the Western Ring Route should where practicable mitigate adverse effects caused by the toll.
9. That Transit New Zealand again be advised of the pressing need to address congestion issues on the North-Western Motorway, including the upgrade of interchanges at Lincoln, Te Atatu and Royal Roads, rather than to propose a scheme which adds to that congestion.
10. That the Mayor and the Chief Executive be delegated authority to finalise a submission to Transit New Zealand outlining the Council's position and concerns as set out in the Western Ring Route Tolling report and arrange for a presentation of the submission to Transit New Zealand.

Report prepared by: Darren Davis, Strategic Advisor: Transport.

