

**To: Proposed Western Corridor Plan  
Greater Wellington Regional Council  
P O Box 11646  
Wellington**

## **Submissions**

**On**

## **Wellington's Western Corridor Transportation Study**

NZCID wishes to be heard in support of this submission

**November 2005**

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## 1. Introduction

- 1.1. The New Zealand Council for Infrastructure Development is a non profit organisation.
- 1.2. Members comprise a diverse range of private and public organisations that seek world class infrastructure developed and provided in New Zealand to help all New Zealanders achieve the standard of living to which we aspire.<sup>1</sup>
- 1.3. NZCID's vision is to promote the provision of world class infrastructure by both the public and private sectors for the benefit of New Zealanders.
- 1.4. NZCID is concerned at the long standing underinvestment in New Zealand's infrastructure including its national transport infrastructure.
- 1.5. It shares community and industry concern that there is an urgent need to upgrade access to and from the Wellington region via the western transport corridor.
- 1.6. The Council seeks to work with the Wellington Region to ensure a balanced and sustainable transport system for the region and it is with that collective vision that NZCID presents this submission on options for the western corridor.

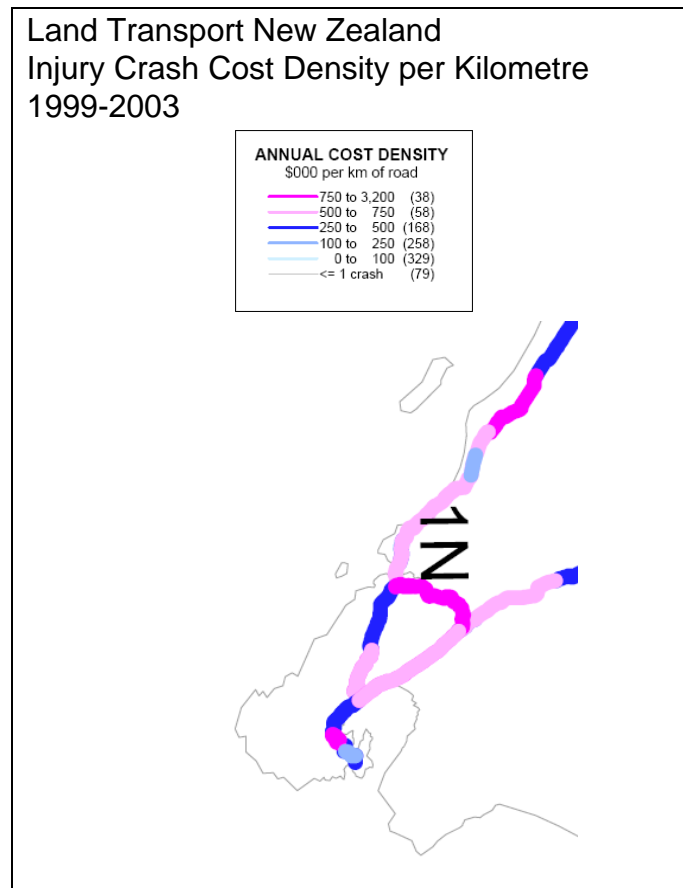
## 2. Corridor Should be Developed within Ten Years, Not Twenty Years

- 2.1. As the principal north-south transportation route, the Western Corridor is the major route into the capital and a key component of the primary north-south link through New Zealand.
- 2.2. In its current form, the standard of the corridor is well below that which one would normally expect of a national state highway into and out of the nation's Capital city.
- 2.3. The strategic risk imposed by dependence on this one substandard corridor is concerning.
- 2.4. Currently corridor journey times have a high degree of unreliability. The route is prone to closure following crashes, provides limited access for emergency vehicles and is prone to landslip and flooding. There are limited alternative routes, particularly for freight movement in and out of the region.

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<sup>1</sup> A list of members of NZCID is attached to this submission.

- 2.5. The inconsistent lane configuration along the highway provides widely different levels of service and travel speeds.
- 2.6. The corridor has an unacceptably high incidence of fatal and serious injury crashes. Land Transport New Zealand records the social cost of crashes per kilometre of highway to be among the highest in New Zealand with costs in excess of \$1 million per kilometre per annum in key sections of the route:

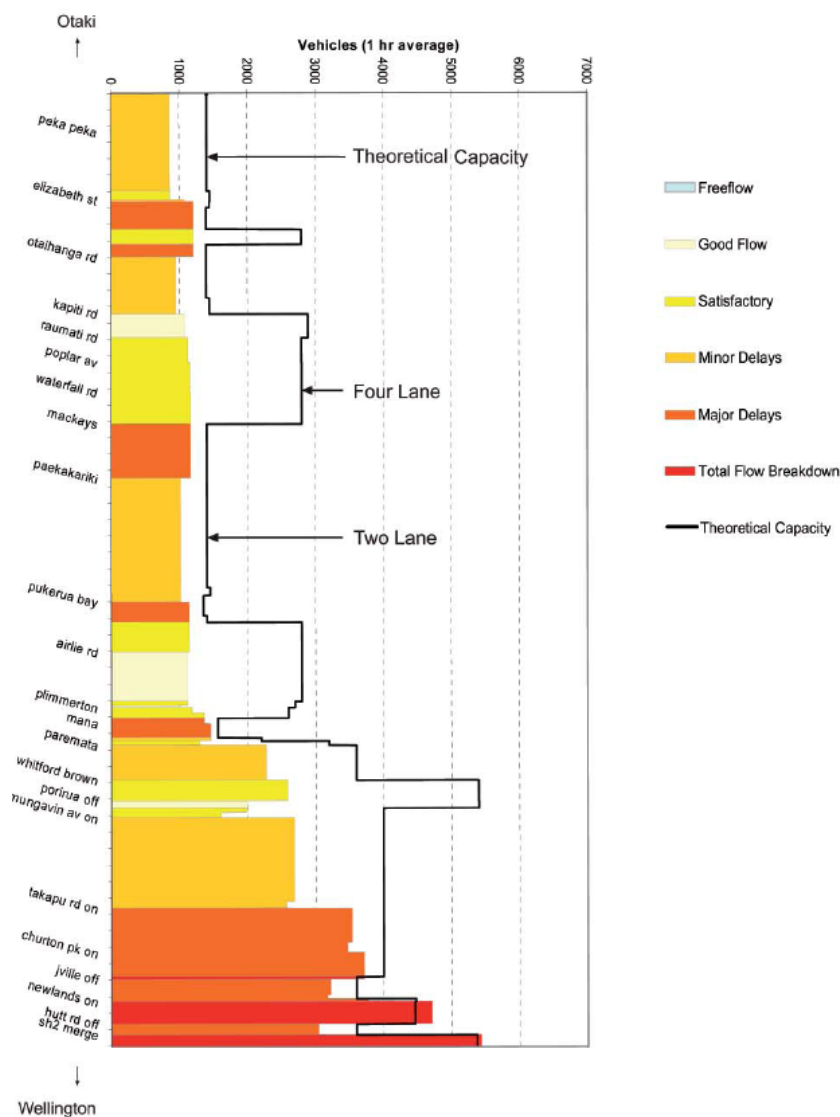


- 2.7. There is concern about the region's economic prospects and the role of transportation in providing the region with a competitive advantage. Particular issues include freight access to the Port of Wellington and the rail terminals, and access to major employment centres.
- 2.8. Although overall regional population growth is comparatively low, most of that growth is expected to occur predominantly in Wellington and Kapiti underlining the importance of the Western Corridor as the strategic link between the two centres located at either end of the corridor.

- 2.9. While the western corridor is already impacted by significant congestion, projections of traffic growth show that by 2016 without improvement the corridor will experience significant bottlenecks at key points as illustrated below:<sup>2</sup>

#### Theoretical Highway Congestion 2016:

Performance against location (Southbound), medium growth projections, morning peak period (7am-9am)



- 2.10. There will be major delays from Elizabeth St to Otaihanga Road, Mackeys to Paekakariki, Pukerua Bay, and Mana, leading to total flow breakdown at Haywards and SH2 on.
- 2.11. Despite these projections the proposed plan fails to provide for improvements to the sections of the corridor that have the greatest impact on safety and congestion within the current 10 year horizon:

<sup>2</sup> Western Corridor Transportation Study Draft Technical Report Stage 1 p2

## Proposed Completion

• Coastal Expressway excluding Paekakariki Interchange	2016
• Paekakariki Interchange Stage 2	2016
• Pukerua Bay Bypass (4 lane)	2016
• Mana bypass	2021
• Gray Road upgrade	2019
• Paraparumu bypass	2023
• Waikanae upgrade	2019
• Otaihanga Interchange Stage 1	2017
• Otaihanga Interchange Stage 2	2021
• Northern Expressway – remainder	2025
• Tawa Interchange	2025

- 2.12. Modelling shows that travel demand management and public transport improvement will have a beneficial affect on reducing commuter traffic volumes, but that these measures are insufficient in themselves to address congestion and do very little to address strategic concerns, commercial, freight or holiday traffic volumes.
- 2.13. NZCID considers the current incremental approach proposed in the Western Corridor Plan with hold back the social and economic growth potential of the region has unacceptable adverse safety impacts and strategic risks.
- 2.14. The costs of these benefits foregone should be assessed against the alternative cost of providing additional funding now and enabling construction of the complete corridor within a ten year time frame.
- 2.15. This funding could either be provided by additional Crown funding or by borrowing to cover the amount required using either fuel excise or tolls to service the debt.

### **3. The projects comprising the Coastal Route should be consolidated into one strategic corridor project and the call in provisions of the RMA Amendment Act 2005 used to streamline the consenting process**

- 3.1. The incremental plan for the coastal route option means that difficulties with consents pose a significant threat to the viability of the option.
- 3.2. Under standard processes, each of component projects within the corridor will have to be designated and consented.
- 3.3. Given the level of community concern about the social and environmental impact of the Coastal Route it is likely that under normal RMA practice the consenting will be a tortuous and litigious process.
- 3.4. This will cause uncertainty and substantially increases the risk that the corridor will not be completed in a timely way thereby failing to meet the region's transport needs.
- 3.5. NZCID notes a key recommendation of Technical Report 10 -The Cost and Programme Review was:

“...that a Designation and Coastal Consent Strategy is developed and implemented to confirm the Coastal Route is not “fatally flawed” before final route selection is made. This will considerably reduce uncertainty with respect to the Coastal Route option.”
- 3.6. NZCID endorses this recommendation and considers that if the Coastal Route option is adopted as the preferred option, it is essential that a streamlined consenting process be determined.
- 3.7. This could be achieved by consolidating each of the individual corridor projects into one national strategic project and establishing a designated consenting process under the ministerial call in provisions established under the Resource Management Amendment Act 2005.
- 3.8. These provisions enable the Minister to call in matters that are of national significance and for such applications to be referred either to a board of inquiry or directly to the Environment Court for determination.
- 3.9. As noted above, the Western Corridor as the principal north-south transportation route is the major route into the capital and a key component of the primary north-south link through New Zealand

- 3.10. The effective development of this corridor is clearly an issue of national significance and should be dealt with in this manner.
- 3.11. This would be consistent with the type of process adopted in Australia where transport projects of importance to state or national development are considered and approved by the Minister.
- 3.12. By way of illustration, the M7 Western Orbital Link in Sydney is a useful comparator. The Environmental Impact Statement for the project went on public exhibition from 8<sup>th</sup> January to 5<sup>th</sup> March 2001. On 28<sup>th</sup> February 2002, one year later, the NSW Minister for Infrastructure and Planning approved the project following a period of consultation and planning revision. Construction started on the project in 2003 and the road is due to open in 2006 and is currently ahead of schedule.
- 3.13. NZCID can see no reason why such a process could not be adopted for Wellington's Western Corridor.

#### **4. Preliminary Estimates Indicate More Debt Funding May be Possible for the Transmission Gully Option**

- 4.1. The consultation document indicates annual toll revenue of \$10m per year may be attainable (subject to traffic calming and speed limits on the CR) supporting \$115m of debt over a 35 term at 8% interest.
- 4.2. NZCID has not been able to gain access to the research that underpins these findings, but preliminary estimates undertaken by NZCID members indicates that the amount of debt funding may be as much as two to three times this amount.
- 4.3. The banking industry is well represented within the membership base and NZCID would welcome the opportunity to peer review the indicative tolls revenues and debt funding options for Transmission Gully.

#### **5. Transmission Gully Option Warrants Further Investigation**

- 5.1. NZCID considers that while the Region explores the "consentability" of the Coastal Route option, the Transmission Gully option warrants further investigation.
- 5.2. Despite its comparative high cost, Transmission Gully does have some unique advantages over the Coastal Route including:
- An existing road designation
  - A potentially easier consenting process

- Providing an alternative strategic route out of Wellington
- 5.3. It also has the advantage of a potential construction timeline of as little as 5 years meaning the social and economic benefits of completion of the corridor can be gained much earlier than with the Coastal Route.
- 5.4. There is an opportunity cost of social and economic benefits foregone for every year of delay in completion of the strategic corridor.
- 5.5. NZCID considers these benefits need to be measured so that the true benefit costs of each alternative option can be accurately assessed.
- 5.6. The earlier technical reports identified that the comparative costs and risks associated with the Coastal Route were “extremely high”. The project has been based on options with levels of mitigation that have not been tested with the community to any significant extent.
- 5.7. The report also noted that:
- “There exists a significant cost risk that major social and environmental mitigation, including potentially more substantive options, might be required on the Coastal Expressway in particular for the Mana Bypass and Centennial Highway. This could potentially erode the cost difference between Transmission Gully Motorway and the Coastal Expressway.”<sup>3</sup>
- 5.8. The 2004 Beca report concluded that the feasibility estimate for Transmission Gully was between \$625m and \$950m with an expected cost of \$830m.
- 5.9. This is a significant range between the upper and lower limits of up to \$325m.
- 5.10. A major component of the cost difference relates to the lack of understanding of the geotechnical risks associated with Transmission Gully.
- 5.11. The report also identified various actions that would reduce the range of the cost estimate including:
- On site geotechnical investigation
  - Investigation into possible dump and borrow sites
  - Completion of scheme assessment to confirm the standard of design associated with safety and route security
- 5.12. For each of the reasons listed above, NZCID considers the Transmission Gully option warrants further investigation before being discounted as being unaffordable.

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<sup>3</sup> Western Corridor Transportation Study Draft Technical Report Stage 1 p6

## 6. Conclusion

NZCID considers that a twenty year development path for completion of the Western Corridor as currently proposed is unacceptably long and will hold back the social and economic development of the Region.

The choice of route hinges on affordability against other regional priorities. When the costs and priorities of all other transportation projects in the Wellington region are considered against available funding, Transmission Gully appears unaffordable. The Coastal Route (CR) is more affordable and has been assessed as providing similar levels of regional benefit to Transmission Gully, but has a tortuous litigious consenting programme ahead of it and an unacceptably long incremental development path that will fail to meet the region's transport needs.

NZCID does not hold a view as to which of the strategic options should be determined at this time and considers there are still too many outstanding issues to be made for a final determination to be made at this time.

NZCID considers the actions required to determine this impasse are to:

1. Establish a fast track method for determining the consentability of the Coastal Route option
2. Undertake the necessary geotechnical and engineering assessments to reduce the range of cost estimates of the Transmission Gully option
3. Complete an input output model assessment of the economic benefits of the respective project alternatives and determine the opportunity costs of delay in project completion
4. Provide the opportunity for independent assessment of toll revenues and debt fundability of Transmission Gully

NZCID welcomes the opportunity to make submission on the options for the Western Corridor and wishes to be heard in support of this submission.

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## NZCID Members

Company name	Website	Type
ABN AMRO BANK NV	<a href="http://www.abnamro.com">www.abnamro.com</a>	Service Provider
Alstom Transport NZ Ltd	<a href="http://www.alstom.co.nz">www.alstom.co.nz</a>	Service Provider
AMP Capital Investors (NZ) Ltd	<a href="http://www.ampcapital.co.nz">www.ampcapital.co.nz</a>	Service Provider
Areva T&D NZ Ltd	<a href="http://www.areva-td.co.nz">www.areva-td.co.nz</a>	Construction
ASB Bank Limited	<a href="http://www.asbbank.co.nz">www.asbbank.co.nz</a>	Service Provider
Auckland City Council	<a href="http://www.aucklandcity.govt.nz">www.aucklandcity.govt.nz</a>	Public Sector
Bank of New Zealand	<a href="http://www.bnz.co.nz">www.bnz.co.nz</a>	Service Provider
Beca Infrastructure Ltd	<a href="http://www.beca.com">www.beca.com</a>	Construction
Bell Gully	<a href="http://www.bellgully.com">www.bellgully.com</a>	Service Provider
Bluewater Management Company	<a href="http://www.bluewaterco.com">www.bluewaterco.com</a>	Construction Service Provider
Chapman Tripp	<a href="http://www.chapmantripp.com">www.chapmantripp.com</a>	Service Provider
Citigroup	<a href="http://www.citigroup.com">www.citigroup.com</a>	Construction and Finance
Connell Wagner	<a href="http://www.conwag.com">www.conwag.com</a>	Service Provider
Deutsche Bank	<a href="http://www.deutschebank.co.nz">www.deutschebank.co.nz</a>	Finance and Service Provider
EMA	<a href="http://www.ema.co.nz">www.ema.co.nz</a>	Service Provider
Fletcher Construction	<a href="http://www.fletcherconstruction.co.nz">www.fletcherconstruction.co.nz</a>	Construction
Fonterra	<a href="http://www.fonterra.com">www.fonterra.com</a>	Infrastructure owner and operator
Fulton Hogan	<a href="http://www.fh.co.nz">www.fh.co.nz</a>	Construction
Genesis Energy	<a href="http://www.genesisenergy.co.nz">www.genesisenergy.co.nz</a>	Owner and Operator
GHD Ltd	<a href="http://www.ghd.co.nz">www.ghd.co.nz</a>	Construction
Higgins Group Holdings Ltd	<a href="http://www.higgins.co.nz">www.higgins.co.nz</a>	Construction and Service Provider
Holcim (NZ) Ltd.	<a href="http://www.holcim.com/NZ">www.holcim.com/NZ</a>	Construction
Hynds Group	<a href="http://www.hynds.co.nz">www.hynds.co.nz</a>	Drainage and Environmental Services
IAG New Zealand Ltd	<a href="http://www.iag.co.nz">www.iag.co.nz</a>	Service Provider
Kensington Swan	<a href="http://www.kensingtonswan.co.nz">www.kensingtonswan.co.nz</a>	Service Provider
Macquarie Goodman	<a href="http://www.macquariegoodman.co.nz">www.macquariegoodman.co.nz</a>	Construction
MacQuarie NZ Ltd.	<a href="http://www.macquarie.com.au">www.macquarie.com.au</a>	Service Provider
McBreen Jenkins	<a href="http://www.mcbreens.co.nz">www.mcbreens.co.nz</a>	Construction & Service Provider
Multiplex Construction (NZ) Ltd	<a href="http://www.multiplex.com.au">www.multiplex.com.au</a>	Construction
MWH NZ Ltd	<a href="http://www.mwhglobal.com">www.mwhglobal.com</a>	Service Provider
NZ Post	<a href="http://www.nzpost.co.nz">www.nzpost.co.nz</a>	Owner and Operator
Pacific Road Corporate Finance NZ Ltd	<a href="http://www.pacroad.com">www.pacroad.com</a>	Service Provider
Siemens (NZ) Ltd	<a href="http://www.siemens.com">www.siemens.com</a>	Construction
Stevenson Group	<a href="http://www.stevensons.co.nz">www.stevensons.co.nz</a>	Construction
Transfield Services	<a href="http://www.transfieldservices.com">www.transfieldservices.com</a>	Construction
Transpower NZ Ltd	<a href="http://www.transpower.co.nz">www.transpower.co.nz</a>	Public Sector
Watercare	<a href="http://www.water.co.nz">www.water.co.nz</a>	Owner and Operator
Wellington City Council	<a href="http://www.wellington.govt.nz">www.wellington.govt.nz</a>	Public Sector
Westpac Banking Corporation	<a href="http://www.westpac.co.nz">www.westpac.co.nz</a>	Service Provider
Works Infrastructure Limited	<a href="http://www.works.co.nz">www.works.co.nz</a>	Construction