

4/11/05

Proposed Western Corridor Plan

Submission from the Kapiti Coast Chamber of Commerce

Comments on Western Corridor Plan

1. The Kapiti Coast Chamber of Commerce's views on the Proposed Western Corridor Plan are similar to those of the Wellington Regional Chamber of Commerce. And for public transport we support the KCDC submission with the exception of timing as regards the Kapiti lights omission regarding planning in the 10-20 year period and the Waikanae underpass in the 5- 10 year period.

2. We also endorse concerns by the Wgtn Regional Chamber regarding the understatement of growth in the Wgtn region and the major impact this make on the traffic flows along with their concerns that some major submissions have introduced criteria into the debate like 'affordability which is not a criteria under the Land transport act 2003.

3. The Kapiti Coast Chamber has 167 business members within the area stretching from Paekakariki to Otaki, from which more than 6000 workers commute to Wellington daily on what is currently a very unreliable route time wise. We have detailed information from the census which shows this figure as 4887 in 2001 which is 34% of the total Kapiti workforce. (the 6000 figure maybe correct in 2006 timescale.)

4. Kapiti then is a very important labour force for Wellington and the Hutt Valley and with 34% of the Kapiti workers reliance on commuting an efficient corridor is paramount.

5. A trip to Wellington airport can vary from 50 minutes off peak times to as much as 1 hour 40 in bad traffic and planes are being missed when this happens. In fact it now takes a similar time and is more reliable to travel to Palmerston North from the Kapiti Coast for airline services.

6. We are in favour of a substantial increase in roading investment, and we want the congestion problems on the Western Corridor removed as quickly as possible. We understand why the RLTC has voted to consult on a proposal built around upgrading the Coastal Highway and agree that in an ideal world this might be the most cost effective solution to the Western Corridor congestion problem. Unfortunately this is not an ideal world. All evidence points to years of delay and endless Environment Court activity before the Coastal Highway can be designated and consented in its entirety. We therefore believe that the region should seek to find the necessary funding to begin construction of the Transmission Gully option without further delay. Transmission Gully can be designed, consented and built within ten years. The Coastal option will not be completed in its entirety for 20 years. The costs of this ten year gap have not been considered in the material presented. Likewise we believe that a full analysis demonstrates that the Transmission Gully option is more likely to prove the most cost effective solution to the Western Corridor access problems.

7. The Coastal Route is expected to cost around \$730M and Transmission Gully around \$1,090M, a difference of \$360M. Adding in the \$115M estimated to be available from tolls on Transmission Gully the net difference in cost reduces to \$245M. The decision simply comes down to whether the advantages of Transmission Gully over the Coastal Route are worth \$245M. The key advantages are:

- Six lane capacity versus four, providing a separate strategic route into the region, and giving better and more balanced opportunities for regional economic and land use development;
- Preservation of the existing coastal communities;
- Minimal delays in getting the project started and no risk that the Coastal Route may ultimately prove to be unable to be built because suitable consents cannot be obtained;
- Limited construction hold ups. Kapiti Coast residents have already experienced the ongoing congestion around the road upgrading at Mana-Plimmerton and at McKays Crossing and this is likely to be experienced along the Coastal Route option for the next fifteen years, if that option proceeds.
- Systems wide benefits are likely to achieved 10 years earlier;

8. Against these advantages are the technical risks associated with Transmission Gully, but the Chamber understands that these risks have already been factored into the \$1,090M estimate of costs.

9. We believe the additional investment is well justified. In what follows we will comment in more detail on some of the relative benefits of Transmission Gully.

10. Part of the choice between the Coastal Route and Transmission Gully is about whether to continue investing in the existing route north, or whether to develop a new access. If the Coastal Route is upgraded it will need further upgrading at some point in the future. When this happens Wellington will again face the same decision, with much more limited ability to continue with the Coastal Route. While the consultative document says the Coastal Route is based on meeting the high growth scenario for 2026, and there is little risk that further capacity would be required in the foreseeable future, the value of avoiding a \$1.1b expenditure in 2036 (for example) is still \$100M in today's terms (at an 8% discount rate).

11. In addition the Chamber is firmly of the view that the traffic congestion analysis contained in the proposal documentation is misleading. It excludes weekend/public holiday congestion, and the use of two hour averaging helps disguise the more serious congestion peaks in the morning and evenings. A substantial proportion of the region's population do not use SH1 as commuters but use the road for weekend travel. While we do not believe it appropriate to consider holiday weekend traffic for congestion analysis, normal Friday and Sunday evening peaks will be seen as key periods by much of the of the Region's road users. No information has been provided to cover these periods.

12. Businesses in our area that used to derive substantial business from Wellington at weekends now report significantly fewer visitors from Wellington due to the road travel uncertainties.

13. We also note that population forecasts are very sensitive to internal migration, which in turn is a function of economic performance. The Chamber believes it is important that the Wellington region achieves a much higher economic growth rate than it has been achieving, and that the provision of infrastructure should be flexible enough to cope with that growth. Doubling the Wellington Region's economic growth rate is likely to double the rate of growth in demand for transport infrastructure – which goes well beyond the high growth assumptions that have been used in this analysis.

14. There are also some strategic benefits associated with having a second access way available into Wellington. They tend to get somewhat overstated because in the case of a catastrophic event both routes are likely to be disrupted, and once a four lane highway is in place there is the flexibility to work around an accident or the like. Nevertheless, the additional value of Transmission Gully over the Coastal Route in this respect is estimated at \$50M.

15. Transmission Gully, particularly when combined with an upgraded SH58, will move the main traffic flows east, thus enabling greater economic development in the Hutt Valley (without having a negative impact on Porirua). It is difficult to quantify the value of this, but to get the same impact with the Coastal Route will require the upgrade of Gray's Road (\$60M) and early attention to the Petone Grenada Link (\$180M). To achieve these benefits both options would require attention to SH58. The cost of this hasn't been included in consultative document.

16. The issue of the preservation of the coastal communities is something that will be teased out in any consent process. However, with about four thousand households in the Paekakariki to Mana communities, their total capital value is likely to be in the range of \$1 - \$1.5B. One way of quantifying the value of moving the main traffic flows out of these communities is to think about the increase in property values that might occur if they are no longer alongside the main arterial route into Wellington. While some properties and businesses may suffer as a consequence, it's hard not to image a few percentage points rise in relative value of these houses, and this alone would represent \$30 - \$50M in economic value attributable to Transmission Gully. At the same time Transmission Gully is likely to increase land values in the areas it opens up.

17. The Chamber believes that the current constraints on the Western Corridor are costing the region between \$35M and \$50M a year, and climbing. These costs underpin our concern about likely delays in achieving consent/designation for the Coastal Highway. Should this process become subject to lengthy delays in the Environment and High Courts, the real cost to the region in seeking to build the Coastal Highway could easily move past the cost of constructing Transmission Gully. We do not think that sufficient weight has been placed on the cost of delay in the region's decision making on this proposal.

18. For the sake of argument let us assume:

- A minimum two year delay in getting consent, and a 30% chance of getting through this quickly;
- A further 20% chance the consent takes three years and 20% it takes four;

- Given the strength of feeling we also think it is reasonable to assume a 30% chance of failing to get consent at all. This might take three years.
 - Finally achieving consent inevitably will involve spending more on the project to meet objections.
- Let us assume \$50M.

19. On these pretty simple assumptions (and using \$40M per annum as the cost of delay) the risk weighted cost of proceeding with the Coastal Route is about the same as the additional cost of building Transmission Gully. Many would argue that our assumption that there is a 70% chance of getting consent is generous, and the above analysis is very sensitive to that figure.

20. Similarly construction delays will reduce capacity on the Coastal Route over the next fifteen years, despite various sections of the route being upgraded. The Consultative Document makes the point that there will also be incremental improvements on the Coastal Route and predicts that these factors will balance out. However, our view of current performance is that short lengths of construction are causing extensive queuing and delays at peak periods and that these will not be alleviated until the entire route is upgraded.

21. System wide benefits from the Coastal Route will not occur until there are four lanes running right through. On current planning this will not be until the Mana bypass is completed in 2020. We understand the northern section of Transmission Gully could be completed five years earlier – and this would shift more Hutt Valley traffic off the Coastal Route. Returning to the estimate of the cost of congestion being between \$35M and \$50M a year, and the fact that it is traffic at the margin that creates congestion, it is likely that removing the Hutt Valley traffic will relieve most of the forecast congestion north of Porirua (at least in the short-term). If we assume the benefit is \$20M a year then Transmission Gully saves around \$100M by earlier system wide benefits.

22. Turning to the funding issue, the Chamber's membership would, in general, be happy to pay a toll to help fund the construction of Transmission Gully. The Chamber also believes that the funding gap between the two options is not as great as implied in the documentation. There is no way that Government will not commit the \$220 million currently earmarked for the Mana By-pass to Transmission Gully. Taken together these factors mean that the impact on rate-payers would therefore not be as great as is suggested in the proposal documentation. Likewise, as has been noted, the Chamber sees scope for Transmission Gully to be built in two stages, the northern section first, then the southern section. This would allow some incremental benefits to be achieved for the region. We do not support suggestions that the northern section of Transmission Gully is all that needs to be constructed. This could be constructed first and could begin to feed traffic into SH2 through SH 58 while the southern section is being built, but without the southern section being built this proposal would not be a viable long term solution to the Western Corridor access issues.

23. The Kapiti Coast Chamber of Commerce also notes that if the Coastal Option is selected, it is currently proposed that the Mana by-pass be one of the last elements constructed. The Chamber accepts that the full effect of recent upgrades will not be known for another month or so but, if they fail to ease the serious congestion problem at Mana, the Chamber feels strongly that the work on Mana be re-prioritised and be built first rather than last.

24. The Chamber would also like to note the clear link between increased investment in key infrastructure, such as roading, and productivity. New Zealand has a very poor productivity growth rate. Increasing productivity growth is the key challenge facing the economy at present.

25. The Chamber is concerned at some suggestions in the media that Transit New Zealand's consenting strategy might see the Mana By-pass dropped from initial consent/designation applications. This would be totally unacceptable to the Chamber. Mana is the area's greatest problem. Even in its upgraded form the Mana Esplanade is not a suitable component of State Highway 1. There is no point upgrading any part of the Coastal Highway if the Mana by-pass is not also constructed at an appropriate time as part of the overall strategy.

26. The Kapiti Coast Chamber of Commerce also welcomes the inclusion of the Western Link Road in the Western Corridor preferred package, its parallel inclusion in the RLTS prioritisation process, and its inclusion in the confirmed central government C3 funding package. The Western Link Road provides significant national and regional benefits for the Western Corridor, while also providing relief for the local community from dependency for inter community access on the State Highway. It should be noted that the more recent work on Western Link Road design and costs identifies the expected (mean) cost for the full length of the road as \$168.2 million and the expected (mean) cost for Stage 1 as \$106.4 million.

27. Rail on the Kapiti Coast. The Kapiti Coast District Council considers retention and improvement of the current rail network and extension of the passenger rail services a fundamental part of a sustainable Wellington region transport system, and the Kapiti Coast Chamber of Commerce is totally in support of this concept. We consider that the past capital investment in the rail system cannot be disregarded and needs to be reinforced and we welcome any investment that maintains and improves the system and also welcome the level of investment in the rail corridor signalled in

the proposed Western Corridor Plan, particularly the inclusion of the following aspects:

- double tracking the existing rail corridor between Pukerua Bay and Paekakariki and double tracking between Mackay's Crossing and Raumati;
- Increasing passenger train frequency to 20 minute intervals.
- The eventual extension of rail passenger services (and electrification) to Waikanae Town Centre, irrespective of the issue of provision of a Kapiti Transport Hub;
- Improved park and ride facilities at all stations;
- Funding of a transport hub at Lindale.
- Provision of a station at Raumati South.

28. The Kapiti Coast Chamber of Commerce wishes to thank the Greater Wellington Regional Council and Transit New Zealand for receiving this submission. The issues raised are critical ones for the future prosperity of the Wellington Region. We need strong leadership from the regional Government to see it resolved. And we need early resolution. If this submission and hearing process suggests that long delays are experienced in obtaining consents, the region has no option but to bite the bullet and find the extra funding necessary to build Transmission Gully, and start construction on this project as quickly as possible.

Kapiti Coast Chamber of Commerce

4 November 2005

Additional information

I am sure there have been many earthquake comments regarding the benefit of 3 routes.

I would like to make the committee aware that as a director of Foodstuffs wgtm coop for 24 years and a PakN save operator for 13 years, I am conversant with food supply. Foodstuffs have 68% of the food business in the wgtm area. There is now only one warehouse of any Food company in the greater wgtm area and this warehouse carries only some imported food lines and liquor in the wgtm warehouse. All other food stuffs are distributed from Palmerston Nth. This means that in edible food with daily deliveries from all chains and including produce, meat and bread to supermarkets that there would be no more three days supply in the wgtm area. I believe this puts even more weight on the importance of three routes.

I mentioned earlier that the Kapiti coast Chamber supported the KCDC public transport submission, but we differ in the timing of two aspects.

a. The timing of the underpass at Waikanae is already a pressure point and we do not believe the timing for this can be left to the period from 5 yrs to 10 years. Once the Paekakariki situation and McKays crossing is completed Waikanae will frequently back up to Paraparaumu.

b. Paraparaumu lights. The KCDC modelling with the western link road completed leads them to believe this will manage in the 20year planning period.

We do not agree with this and believe that at an underpass here will be required in the 10 to 20 year period. Not all local traffic (ie Waikanae) will use the Western Link road. The commuters will take the route that is the fastest and if there are a lot of lights and roundabouts on the WLR the main road will still be an option for many north. If the WLR was two lanes right through this may not happen.

Rail

We believe that the meeting of Raumati residents and the Regional Council indicated a station at the Southern Paraparaumu was a given and that is the expectation now.

Lindale Station

We believe this is essential due to the link road to the WLR and availability of parking. It will be quicker for many in Waikanae to commute to this station than a new Waikanae station and if savings are required to make the WLR work properly the removal of the Waikanae station with restricted parking may be an option.

Otaihunga intersection.

This is a dangerous intersection now even after the recent improvements and needs to rank with a high priority on

safety grounds.

Rail frequency

While a 15min frequency may be desirable , a 20 minute frequency with larger trains may be a more cost effective option with the large savings it brings.

Kapiti business are being effected now with extra costs due to an inefficient transport corridor. Three years ago we had to re-schedule 2 warehouse truck deliveries to night time between 8.00 pm and 10pm because we could not schedule deliveries for unloading and were holding up sometimes as many as 8 trucks waiting to unload for considerable times. I can elaborate more and give other examples if required.

Summary

In summary the KC Chamber Commerce believes that the Transmission gully route is the best option, the coastal route has serious RMA, and geotechnical risk issues which makes it a risky option and also has the major issues in Mana to overcome.

Transits claim to being able to be built with minimal traffic impact is simply not believable when you see the traffic back to Taupo swamp every second day with only a few cones out at McKays crossing.

If the under provision in the traffic projections are rectified and the reliability benefits of the 4 lane Transmission Gully route of \$50m, with the Coastal route evaluated on the same criteria as TG with these then put into the equation along with the cost benefits of 7 years shorter build time, then the correct option will be clear.

After all on the completion of the first stage of TG there will be an immediate benefit as compared to waiting till Mana is completed at on the 21st year of the Coastal option.

Roading research indicates that an efficient roading system can add 1% to our national growth.

As a country for 10 to 15 years we have underspent the average OECD roading as a percentage of GDP by 27%

And prior to that only by a small improvement, all this with one of the worst terrains in this OECD group.

As a major contributor to the labour pool of Wgtn and the Hutt valley the Kaptiti Coast Chamber of Commerce submits that it is essential for our busines's both on the Kapiti Coast and in the greater Wgtn area for a decision for Transmission Gully to proceed as soon as possible.

With public feeling turning from frustration to anger on this issue they will be very brave polititans who delay decisions and the start of construction in the near future.