

## Cost sharing with the NZ Transport Agency

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### Introduction

This section provides guidance on the NZ Transport Agency's (NZTA) approach to sharing the costs associated with mitigating development effects on the state highway. The NZTA enters into cost sharing agreements to ensure that the financial costs and wider network benefits of mitigation works is met by the appropriate parties.

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### Mitigation

The effects of a development should ideally be avoided in the first instance or alternatively be remedied or mitigated within the site where the development occurs. From time to time, this may not be possible and mitigation works may be required on a state highway or local road to manage the effects of a development.

In some situations road improvement measures would have been undertaken by the NZTA in due course and the impact of a proposed development may bring this work forward or else require amendments to a project. The NZTA will seek a cost sharing approach when the effects of new development necessitates the bringing forward or alteration to a planned state highway improvement project as this leads to additional costs.

The NZTA and Councils may undertake the necessary works with the developer covering the entire cost or making an agreed contribution towards the works. In some instances developers will undertake construction of the agreed mitigation works to upgrade the transport network at their own cost.

The mitigation costs associated with accessing the state highway, such as improving sight distances or sealed entranceways, is not subject to any cost sharing agreements. This is considered to be an essential prerequisite for access and the developer is required to pay the full cost of these works.

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### Wider benefits

The NZTA will contribute to cost sharing with developers when mitigation works intended for a specific development lead to identifiable additional benefits to the wider transport network.

Where mitigation takes the form of a new road or an improvement to an existing state highway, there may be wider benefits to the network. Wider benefits are defined as those benefits that are above the minimum improvements needed solely to address adverse effects of the development proposed.

In these circumstances it is appropriate that the cost of mitigation be shared between the developer, the NZTA and any other relevant parties.

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## Cost sharing

When discussing the equitable sharing of costs we consider:

- the proportion of traffic that is generated by the development
- whether the development advances a programmed improvement project
- whether the development generates a new or amended project
- the real cost of the work required to mitigate effects on the state highway network, including processes, land acquisition and physical works at the time when the works are forecast to be built
- Any wider implications for the transport network.

## Contributions

Developers can contribute towards the costs of mitigation in several forms:

- Developer contributions (under Local Government Act).
- Financial contributions (under Resource Management Act).
- Side agreements to secure land, works, money or other.
- Construction of mitigation measures by the developer which is then vested to the NZTA or Councils.

The NZTA will advocate for appropriate mechanisms to be included in regional and district planning documents to ensure that developers have the ability to financially contribute towards managing any effects created on the network. Plan provisions that enable local authorities to impose conditions on developments requiring the payment of financial contributions towards state highway improvement measures are supported by the NZTA.

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## Working together

Sometimes there may be difficulties in identifying the point in time when a network improvement is required as a result of nearby development and the proportion of costs that should be attributed to each development. The complexities of these situations will require open and early discussions between all parties in order to reach acceptable solutions.

When negotiating cost sharing arrangements the following principles will apply:

- Arrangements will be negotiated between all of the relevant parties in good faith and in the spirit of co-operation to achieve better outcomes.
- The NZTA will take a pro-active role in organising and facilitating negotiations.
- Agreements can be reached outside of RMA processes.
- To seek a practical and economically justifiable solution within a reasonable timeframe.

If agreement can not be reached on the provision of suitable mitigation measures then the NZTA may seek that the consent application or plan change be declined by the consent authority due to adverse effects on the state highway network.

Where the cost of mitigation is agreed to be shared, the NZTA will need time to provide for this in upcoming work and funding programmes. It is important that as much notice and certainty as possible be given to the NZTA to allow for this.

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