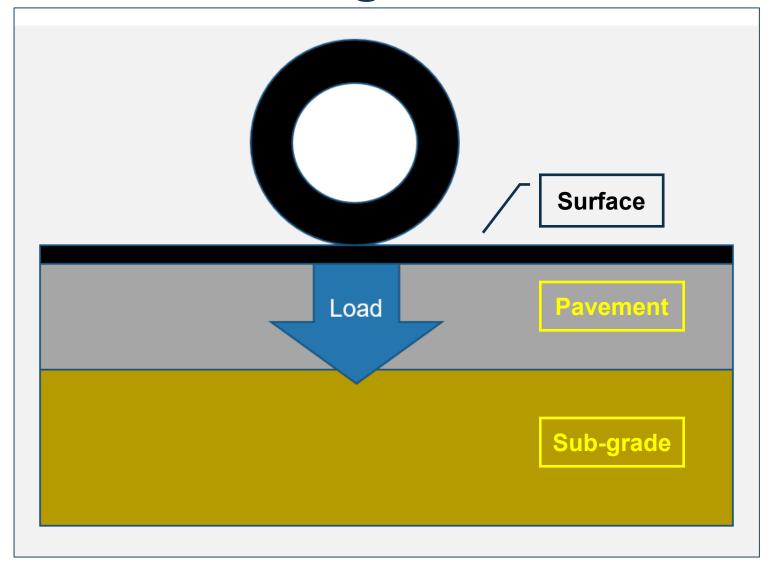


Setting the scene

- Climate change is happening
- Decarbonisation need = heavier HCVs
- Road freight task is increasing
- Productivity demanding heavier loads
- NZ's roading network condition is fragile
 - > There are geological, seismic and drainage issues
 - Network is predominantly flexible, granular pavement
 - Maintenance/Renewals under-delivered in 22/23
 - > Up to 10% of SH network "broken"
 - ➤ Maintenance/Renewal cost is escalating rapidly
 - Contractor capacity below what is needed



Road-building 101



Who damages the roads?

- One 10t axle is equal to 10,000 cars
- Cars consume capacity, Trucks consume the asset
- Cars don't damage road pavements, trucks do

Our current M&O Strategy

- There are 10 years' of work to return full SH Network to acceptable LoS
- Rehabs become a core part of our Renewal programme
 - ➤ We should be doing 450 500 km of Rehab every year currently doing 150 km
- Starting this year (2023), we ramp up Rehabs to 600 km pa by 2026/2027
- Funding need increases significantly (circa \$500M pa) by 2033

And this returns the network to 2014 level of service

Future Loads

- Increased number of alternative fuel vehicles
- Industry demand for heavier loads
- But what will this "demand" look like?
 - Are we talking about increasing axle loads? Or...
 - ➤ More axles, so axle weights remain similar to current?
 - > Could there be fewer, but heavier, trucks?
- We need, as a priority, accurate demand forecasts for transport
 - loads being carried from place to place,
 - axle loads on bridges and roads

Future Roads

- If we (Waka Kotahi) accept that freight loads will get heavier...
- These increased loads will "consume" the life of our pavements faster
- That means our state highways will have to be strengthened
 - Majority of our roads are unbound, granular pavements, and not "designed"
- In the interim, more drainage to keep existing pavements as strong as possible
- Future treatments will need to utilise modified pavements
 - Less chipseal
 - > Deeper pavements (still granular/stabilised but compaction risk) (1)
 - ➤ More Foam bitumen (3)
 - More Structural Asphalt (4)



It's not just the roads...

- The state highway network includes thousands of structures
- They (bridges) are an even greater limitation to heavier HCVs
 - Our bridge stock is quite old (esp local roads)
 - Majority of structures will need to be strengthened
- Drainage maintenance will need to be better
- Alignments may need to be improved for longer trucks



All this adds to the cost of upgrading the network for future loads

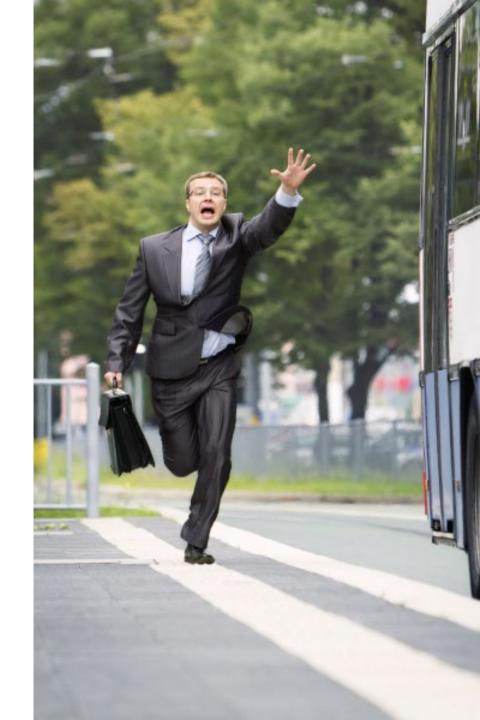
So how does our thinking have to change?

- Achieving a stronger network will require a significant up-front cost
- And NZ is very sensitive to <u>current</u> cost
 - > The funding environment is always constrained...
- There needs to be a <u>real</u> shift in thinking to "whole-of-life" costs
 - > Stronger = longer service life
 - > Stronger = less maintenance over time
 - > Less maintenance/better condition = carbon reduction
 - > Higher up-front cost = <u>Lower</u> whole-of-life cost
 - > Less disruption to network users (resilience/road works)



What are we doing now?

- Awareness of the issue exists
- Evidence to support that awareness is being collected
- Risk vs consequence modelling undertaken
- We are engaging with funders on whole-oflife cost
 - And there is general understanding of the current network need...
 - Understanding the future need



Questions/Comments

