



Road Sealing Policy

Adopted:	4 February 2002
Date last reviewed / Reconfirmed:	
Next review due:	29 September 2021
Policy type:	Governance
Reviewer	GM Infrastructure
Policy version	P185

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1 Summary

- 1.1 This policy sets out the decision-making process for requests to seal sections of road in the District. The policy aims to create clarity around the decision-making process and thereby support the understanding of the community in respect of this process.

2 Background

- 2.1 Gravel roads currently make up just over a quarter of Manawatū District's total road network (totalling around 327 km in length) – see Figure 1 below. Despite this, they carry only three percent of the District's traffic. Many of these unsealed roads are no-exit or lengthy, winding roads, serving small numbers of houses and farms. However, some roads have been experiencing increased traffic in recent years, due to an increase in population in some localities but also increased logging activity, as pine plantations in the District reach maturity and need to be harvested.

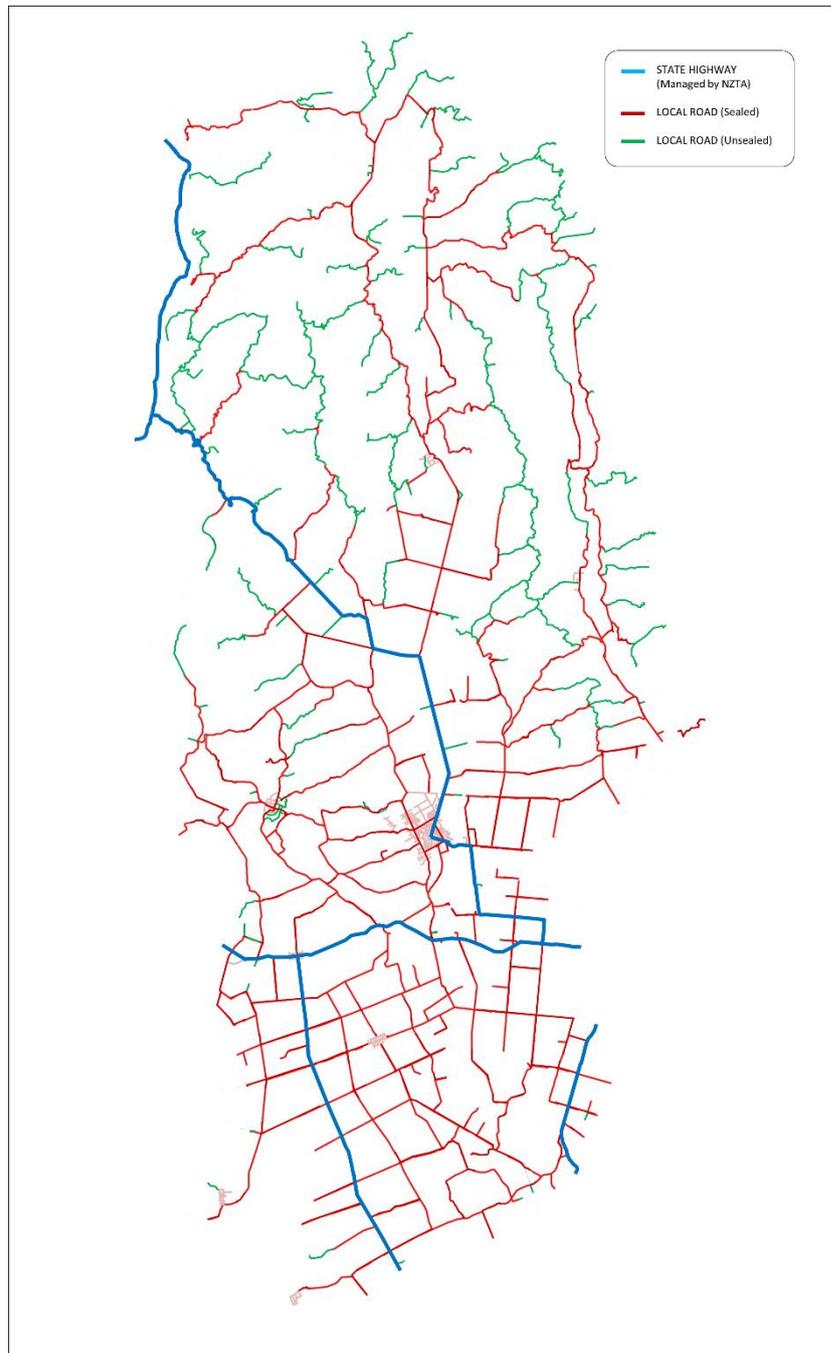


Figure 1: Sealed and unsealed roads in the District

Unsealed roads can cause problems for homeowners living along those roads, mainly due to the dust generated by vehicles that use the road. For this reason, Council is often approached by members of the community requesting that specific roads are sealed.

However, sealing roads is expensive. At the time of writing, it cost between \$200,000 and \$400,000 to seal just one kilometre of road, dependent on factors such as existing surface geometry, condition, width and drainage. Council can apply to the New Zealand Transport Agency (NZTA) to cover just over half of the cost of extending seal from existing sealed roads.¹ However, to qualify for the subsidy,

¹ The NZTA subsidy rate for approved works in the District is 53% for the 2021-22 year, decreasing to 52% in 2022–23 and decreasing again to 51% in the 2023–24 year.

Council must demonstrate clear economic benefits of sealing the road compared to the status quo (i.e., that sealing the road will lead to reduced costs of maintenance over time).² Clear economic benefits are more likely to be established where roads have a high volume of traffic, which can lead to such damage as repeated corrugations, or where a section of road has a steep gradient, which makes it more prone to scouring or rutting due to water run-off.

Where roads only have a low volume of traffic, road sealing is unlikely to qualify for the NZTA subsidy. In this case, Council has the option of:

- a) extending the seal from where the existing seal ends, either for the entire length of the road or for an additional section where houses are concentrated.
- b) sealing just the section of road where a property or properties are affected by dust.

In both scenarios, the cost of the works would be funded fully by rates. Typically, the cost of any works will be distributed across all ratepayers in the District.³ There is the option of rating only those property owners who will directly benefit from the works (sometimes referred to as a 'targeted rate'), but this is not an approach that has been adopted in recent years by Council, due to its high administrative cost.

3 Council process for determining whether to proceed with roading-sealing works

- 3.1 Council receives a request from the community to seal a section(s) of road within the District.
- 3.2 The request is reviewed by officers, who determine whether or not it is likely to qualify for the NZTA subsidy. It is documented in the 3-yearly Roothing Programme Business Case⁴ as either:
 - A seal extension (work category 325 – subsidised) or
 - A mitigation seal (unsubsidised).
- 3.3 The Roothing Programme Business Case is submitted to NZTA, which determines whether the work category 325 proposals would be accepted in principal for subsidised funding.
- 3.4 The proposals are subsequently submitted to Council as part of the Business Case application, reflecting relevant submissions on annual plan or 10-year plan process(es).

² The procedure for calculating the cost-benefit equation can be found on pp. 3-39, 3-4-0 of the Economic Evaluation Manual, accessed from <https://www.nzta.govt.nz/assets/resources/economic-evaluation-manual/economic-evaluation-manual/docs/eem-manual.pdf>.

³ For an explanation of how different services are funded through rates, see: <https://www.mdc.govt.nz/Residents/Rates/How-Your-Rates-Are-Calculated>

⁴ The Programme Business Case (PBC) outlines the strategic context and case for Council's investment in roading activity over the following three years. It is submitted to NZTA every 3 years. NZTA evaluates the proposals seeking NZTA funding and determines which projects it will offer funding for.

- 3.5 Council determines whether or not to approve the road-sealing projects in the budget for subsequent years. This determination will be based primarily on how Council wishes to prioritise expenditure on other roading projects or across all Council activities, and considerations around the maximum rate rise for the subsequent year. It is important to note that confirmation of a road-sealing project qualifying for NZTA subsidy is **not a guarantee that it will be funded by Council**.
- 3.6 Where a decision is made not to fund road-sealing projects, these will be considered as part of future Programme Business Case and Annual Plan (or 10 Year Plan) process(es).
- 3.7 In the interim, Council may consider other potential solutions for dust, including dust suppressants.

4 Flowchart: Decision-making process for road-sealing projects

