

# Tolling Consultation

## Messaging and FAQ

22 August 2024

### Context for tolling

- NZ Transport Agency Waka Kotahi (NZTA) is creating a transport system which is effective, efficient, safe, secure, accessible and resilient to enable the movement of people and freight.
- The Government Policy Statement for land transport 2024 (GPS 2024) includes the expectation for NZTA to consider tolling of all new roads, including the Roads of National Significance. Tolling provides an opportunity for an additional source of revenue, protecting the existing funding in the National Land Transport Fund, and will support infrastructure which provides reduced travel times compared to alternative routes.
- Tolling will play a key role in the delivery of the Roads of National Significance and Roads of Regional Significance programmes, as part of a wider package of transport revenue and investment tools.
- The tolling of new roads comes under [Section 46 of the Land Transport Management Act 2003](#) as a mechanism for funding road infrastructure projects and requires an Order in Council be completed before the road is open.
- Revenue from tolling can provide another funding option for building, maintenance and operations of road infrastructure, reducing reliance on the National Land Transport Fund, and protecting existing funding for other investment in the transport system.
- Revenue from tolling must be used for costs associated with the new road from which it is collected. Revenue can be used for activities associated with the planning, design, construction, operations or maintenance of the road, and may include repayment of loans for building the road.

### Tolling consultation requirements

- Every time a new state highway is built in New Zealand, NZTA is required to carry out an assessment to see if it meets the criteria to be tolled.
- NZTA's [Tolling Policy](#) has a 3-gate process – with gate 3: public interest, which states “an effective and transparent public consultation process has been completed.”
- Consultation happens after the assessment outcome has indicated tolling is feasible and the Minister of Transport has agreed, upon the recommendation of the NZTA Board, to progress to scheme development.
- Tolling assessments are designed to apply many perspectives to the complex issue of determining tolling feasibility, including how a potential toll road might interact with the wider transport network.
- A toll must be established by an Order in Council process. The process must be completed by the time the road is opened as, once opened, the road will no longer be considered ‘new’.

### Consultation key messages

- NZTA is seeking feedback on the proposals to toll Te Ahu a Turanga Manawatū Tararua Highway, Ōtaki to north of Levin and Takitimu North Link.
- The consultation on tolling starts on Monday, 9 September 2024 and ends on Monday, 7 October 2024.

- People can share feedback on the tolling proposal at [nzta.govt.nz/about-us/public-consultation-hub/](https://nzta.govt.nz/about-us/public-consultation-hub/)
- The NZTA Board considers the results of this consultation and may then recommend tolling to the Minister of Transport. The final decision rests with Cabinet on the recommendation of the Minister. Cabinet approves the Order in Council.
- All submissions and feedback collected via the public consultation will be summarised to the Minister. This will provide insights into the level of community support for the proposed tolling scheme in the region. The final decision rests with Cabinet on the recommendation of the Minister. Cabinet approves the Order in Council required to establish tolling.
- We're proposing these tolls in line with our requirement to assess all new state highways in New Zealand for tolling suitability. The National Land Transport Fund (NLTF) is under increasing pressure to fund transport improvements across the country and manage the increasing demand to cover road maintenance costs as they continue to rise.

## National FAQs

### How do you decide which roads are tolled?

- All new state highways in New Zealand are assessed for tolling suitability. Tolling provides an opportunity for an additional source of revenue which supports infrastructure of major projects, bringing efficiency, safety and resiliency benefits to the transport network.
- Tolling assessments determine whether a road meets legislative requirements, value for money, contributes to the cost of the road and does not significantly reduce project outcomes or unduly impacts the wider network.

### How are tolling prices set?

- Toll modelling is undertaken to compare a range of options to find the toll scheme which maximises usage of the road with revenue. This provides a view of how the road will perform when tolled.
- The toll price needs to be reasonable and should not result in traffic volume change that unduly impacts the wider network.
- Each project has different construction costs and traffic volumes. Therefore, proposed toll prices on the new state highways are set to ensure sufficient revenue can be gained across the lifespan of the new road in order to recoup the construction costs and/or contribute to the ongoing maintenance and operation.

### What is the benefit of toll roads?

- Tolling revenue will make a positive contribution to construction and maintenance costs of projects.
- Recouping project costs would ease pressure on the National Land Transport Fund (NLTF), which is spent on our land transport system. Having this additional revenue stream protects existing funding, which can then be used for investment into other projects and programmes that build greater efficiency, resilience and safety into the transport system.
- The NLTF is made up of revenue collected from fuel excise duty, road user charges, vehicle and driver registration and licensing, state highway property disposal and leasing, and road tolling; and it is currently constrained.

### How are decisions made on tolling?

- The tolling of new roads is covered under Section 46 of the Land Transport Management Act 2003, and all new state highways in New Zealand are assessed for tolling suitability.
- After an initial assessment, the Minister of Transport approves NZTA consulting with the public on the proposed toll scheme, as he has in these cases. All submissions and feedback collected in the public consultation will be summarised to the Minister.
- This will provide insights into the level of community support for the proposed tolling scheme and is considered alongside technical reports.

- The NZTA Board holds the delegation for recommending a toll road to the Minister. The final decision rests with Cabinet based on the recommendation of the Minister. Cabinet approves the Order in Council required to establish tolling.

**Is my vehicle a light vehicle or a heavy vehicle?**

- Light vehicles have a gross vehicle mass (GVM) of 3500kg or less. Heavy vehicles have a GVM of more than 3500kg.

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# Takitimu North Link

## Key messages

- Takitimu North Link is a vital transport link in the Bay of Plenty providing a safer and more reliable route between Tauranga and Ōmokoroa.
- Tolling provides an opportunity for an additional source of revenue which supports major infrastructure projects, bringing efficiency, safety and resiliency benefits to the transport network.
- The tolling assessment, completed in 2024, was considered by the NZTA Board and recommended to the Minister of Transport to approve moving into the public consultation phase.

## The why for tolling

- While funding for Takitimu North Link Stage 1 has been provided for the planning and construction of the project and for route protection for Stage 2, tolling the road would provide an alternative funding source.
- Tolling would allow for the Stage 1 maintenance costs to be covered and the road remains at a certain standard and would support the construction phase for Stage 2.

## Consultation details

- NZTA is proposing variable toll prices for Takitimu North Link to support the traffic flows on the alternative route.
- Variable toll prices are recommended for Takitimu North Link.
  - Peak times are 7am to 9am and 4pm to 6pm
  - Off-peak times are 9am to 4pm and 9pm to 7am.

<b>Stage 1 Tauranga to Te Puna from day of opening (2028)</b>		
Stage 1 single toll point	Light vehicle toll of \$3.10 peak / \$2.10 off-peak.	Heavy vehicle toll of \$6.20 peak / \$4.20 off-peak.
<b>Stage 2 Te Puna to Ōmokoroa opens (estimated 2032)</b>		
Travelling full length between Tauranga and Ōmokoroa (under both toll points)	Light vehicles \$4.10 peak \$3.10 off-peak.	Heavy vehicle toll of \$8.20 peak / \$6.20 off-peak
Travelling either Tauranga to Te Puna OR Te Puna to Ōmokoroa (under a single toll point)	Light vehicles \$3.10 peak / \$2.10 off-peak.	Heavy vehicle toll of \$6.20 peak / \$4.20 off-peak.

## FAQs

### What is the toll proposed for Takitimu North Link

- The variable toll prices are proposed:
  - Stage 1 opening \$3.10 (peak) and \$2.10 (off-peak) for light vehicles and \$6.20 (peak) and \$4.20 (off-peak) for heavy vehicles.
  - Stage 2 on opening \$3.10 (peak) and \$2.10 (off-peak) for light vehicles and \$6.20 (peak) and \$4.20 (off-peak) for heavy vehicles.
  - Full journey (once Stage 2 is complete) \$4.10 (peak) and \$3.10 (off-peak) for light vehicles and \$8.20 (peak) and \$6.20 (off-peak) for heavy vehicles.

### **Can I travel through this area without paying the toll?**

- All toll roads in New Zealand are required to have a feasible, untolled, alternative route available to road users. In the case of Takitimu North Link, the current SH2 between Ōmokoroa and Bethlehem provides an untolled alternative.

### **Why is tolling being considered for the new Takitimu North Link when construction of the project is Crown funded?**

- Revenue from tolling provides another funding option for building and maintaining road infrastructure, reducing reliance on the National Land Transport Fund (NLTF) and protecting existing funding for other investment in the transport system. This supports major infrastructure projects, bringing efficiency, safety, and resiliency benefits to the wider transport network.
- While funding for Takitimu North Link Stage 1 has been provided for the planning and construction of the project and for route protection for Stage 2, tolling the road would provide an alternative funding source.
- Tolling Takitimu North Link would allow for the Stage 1 maintenance costs to be covered so the road remains at a certain standard and would support the construction phase for Stage 2.

### **Will the proposed toll rate vary according to the time of day?**

- Variable toll prices are recommended for Takitimu North Link as this will be a commuter route.

### **How many vehicles are expected to use Takitimu North Link?**

- Modelling estimates around 21,000 vehicles per day by 2031.

### **Will tolling the new Takitimu North Link highway affect the number of vehicles that use the road?**

- Implementing a toll on the new road could result in additional traffic on existing roads in the area.
- Modelling shows a tolled Stage 1 section (between Tauranga and Te Puna) could result in a third of the traffic continuing to use the alternative route (existing SH2) instead of transferring to the new road, if tolled.
- Modelling shows that if Stage 1 is tolled, approximately 18,100 vehicles would still cross the existing Wairoa River bridge (current volumes are around 24,000 vehicles per day).

### **Will the proposed toll prices change between now and when the road opens?**

- The toll prices in this proposal are calculated in 2024 dollars. The opening of the Takitimu North Link Stage 1 is proposed for 2028 and factors including Consumer Price Index (CPI) increases between now and road opening could affect the actual price at the time of the road opening.

### **How long would the toll be in place?**

- Tolling of Takitimu North Link is proposed under a 35-year toll scheme.

### **How much revenue would be made by tolling the highway?**

- Over a period of 35 years, the predicated tolling revenue from Takitimu North Link is estimated to be \$494 million.

### **How does the toll interact with the existing Takitimu Drive Toll Road?**

- If people travel on Takitimu North Link and then onto Takitimu Drive Toll Road, or Tauranga Eastern Link Toll Road, they will pay the individual toll for those roads.

### **How does tolling impact carbon emissions?**

- Traffic modelling has estimated that a tolled Takitimu North Link relative to an untolled Takitimu North Link is forecast to reduce the total level of CO<sub>2</sub>e emissions across the network by an estimated 37,400 kg/day in 2031 which is approximately a 3% reduction.

### **What is the safety benefit?**

- The new Takitimu North Link is being built to a high safety standard and will deliver strong safety benefits for people travelling through the western Bay of Plenty.
- Safety features that greatly reduce the risk of death or serious injury in a crash, include two lanes in each direction, flexible median barrier between opposing lanes, and a smooth alignment that offers good sight distance for drivers. It has been designed to 110km/h standards, supporting reduced and reliable travel times and increase productivity on the transport network.

### **What will the travel times be?**

- Modelling estimates around 5 minutes travel time savings compared to the alternative route. More traffic is expected to move from local routes to the tolled routes over time as the benefits of the new road become clear.

### **How does this support economic growth?**

Takitimu North Link is expected to move regional traffic and freight away from local roads, because of the significant benefits for productivity and efficiency. Modelling estimates that around 21,000 vehicles could travel between Ōmokoroa and Tauranga each day with the new expressway in place. With the proposed tolling scheme in place on the new expressway, about a third of traffic might still use the existing SH2, although vehicle numbers crossing the existing Wairoa River bridge would reduce to around 18,000 per day, in comparison to the 24,000 each day currently. This reduced congestion supports improved safety and efficiency of traffic flow on this important commuter route. Further improvements to the existing SH2 would be made through the revocation process, and this would become a local road.

# Te Ahu a Turanga: Manawatū Tararua Highway

## Key messages

- Te Ahu a Turanga: Manawatū Tararua Highway is a vital strategic North Island transport link that will provide a safer and more reliable route between Ashhurst and Woodville.
- NZTA has assessed Te Ahu a Turanga: Manawatū Tararua Highway's suitability as a tolled road. This followed the release of the new Government Policy Statement on land transport in June this year, which introduced a new expectation for NZTA to consider tolling to support the construction and maintenance of all new roads.
- NZTA has developed a tolling proposal for recommendation. The assessment, completed in 2024, was considered by the NZTA Board and recommended to the Minister of Transport to approve moving into the public consultation phase.
- Findings from the tolling assessment show that tolling revenue for Te Ahu a Turanga: Manawatū Tararua Highway could make a positive contribution to recouping the project's costs. Vehicles travelling on the road would be ultimately contributing to its construction and ongoing maintenance.
- Recouping project costs would ease pressure on the National Land Transport Fund, which is spent on our land transport system – including in our region.
- All toll roads in New Zealand are required to have a feasible, untolled, alternative route available to road users. In the case of Te Ahu a Turanga: Manawatū Tararua Highway, the untolled alternative routes include the Saddle Road through Ashhurst and the Pahiatua Track.

## Consultation details

- The toll prices NZTA is consulting on for Te Ahu a Turanga: Manawatū Tararua Highway are:
  - Light vehicles - \$4.30
  - Heavy vehicles - \$8.60
  - Based on 2024 dollars.

## FAQs for Te Ahu a Turanga: Manawatū Tararua Highway

### What is the proposed toll rate for the new Te Ahu a Turanga: Manawatū Tararua Highway?

- The proposed toll rates are \$4.30 per trip for light vehicles and \$8.60 per trip for heavy vehicles. The rates remain the same both on and off peak.

### Will the proposed toll rate vary according to the time of day?

- No - the proposed tolled rates are the same 24-hours a day.

### Could I travel through this area without paying the toll?

- Yes. All toll roads in New Zealand have a feasible, untolled, alternative route available for road users. In the case of the new highway, the current alternative routes, Saddle Road and Pahiatua Track, provide untolled travel options.

### Would all of the new Te Ahu a Turanga: Manawatū Tararua Highway be tolled?

- Yes. The new highway will have 2 points of access, from Ashhurst in the west and Woodville in the east. This means a toll would be required for each trip a vehicle takes on the highway.

## **Why is tolling being considered now for the new Te Ahu a Turanga: Manawatū Tararua Highway, when it's nearly constructed?**

- The assessment of Te Ahu a Turanga: Manawatū Tararua Highway's suitability as a tolled road has followed the release of the new Government Policy Statement on land transport (GPS 2024) in June this year, which introduced a new expectation for NZTA to consider tolling to support the construction and maintenance of all new roads.

## **Would the toll prices be in place from the opening of the highway?**

- Tolling would begin in early 2026, once the tolling systems and processes are in place. This means the toll would not be applied initially.

## **How much revenue would be made by tolling the highway?**

- Over a period of 35 years, the predicated tolling revenue from Te Ahu a Turanga: Manawatū Tararua Highway is estimated to be \$193 million.

## **Where will the revenue be distributed?**

- The revenue collected over 35 years would cover about 28 percent of the project's construction costs.
- It would be used to recoup the project's construction costs, freeing up other funds for use on other projects covered under the National Land Transport Plan (NLTP). The revenue would also be used to fund the ongoing maintenance and operations costs of the highway.

## **How did you set this specific rate for Te Ahu a Turanga?**

- Each highway project has different costs and traffic volumes. Modelling compares a range of options to find the toll scheme which maximises usage of the road with revenue.
- The proposed rates on the new road are set to ensure sufficient revenue can be gained across the lifespan of the new road in order to recoup its construction costs and contribute to its ongoing maintenance and operation.

## **How many cars would choose to drive on the alternative routes if the new highway is tolled?**

- Modelling provides a general idea of what might happen if the new highway is tolled at the rates proposed.
- Estimates show that with the new road in place, about 11,000 vehicles could travel between Manawatū and Tararua each day.
- With the new road tolled at the rate proposed, it is estimated that approximately one-third of the vehicles will choose to take an alternative route. If this was to occur, the number of vehicles potentially using Saddle Road through Ashhurst could be around half of what they are currently.
- More traffic is expected to move from local routes to the tolled routes over time as the benefits of the new road become clear.

## **What are the safety benefits of Te Ahu a Turanga: Manawatū Tararua Highway?**

- The new highway has been designed to a high quality and is expected to offer an improved safety performance. The new road has attained a 4-star KiwiRap rating, which is the measure used to assess safety risk on state highways.

## **What maintenance are you doing on the alternative routes?**

- Since the closure of the old Manawatū Gorge Road, NZTA has undertaken extensive upgrades on both the Saddle Road and Pahiatua Track to address a range of safety and resilience issues.

**What are the travel time differences between Te Ahu a Turanga: Manawatū Tararua Highway and the Saddle Road?**

- Light vehicles travelling on Te Ahu a Turanga: Manawatū Tararua Highway would save an average of 12 minutes per trip compared to using the Saddle Road. Heavy vehicles can expect to save an average of 14 minutes per trip.

**What are the expected cost savings for vehicles travelling on Te Ahu a Turanga: Manawatū Tararua Highway?**

- Economic assessments done prior to the start of construction found the drivers would see benefits from reductions in travel time costs and vehicle operating costs. Regionally, there is also expected to be wider economic growth due to increased access for freight and visitors.
- The initial Benefit Cost Ratio (BCR) is being reassessed in 2024 to encompass positive scope changes during the construction phase.

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## Ōtaki to north of Levin

### Key messages

- NZTA is seeking feedback on a proposal to toll the southern approximately 15km of Ōtaki to north of Levin (Ō2NL), from the southern on / off ramps to the Tararua Road interchange. The northern 9km of the new highway would be untolled.
- The new highway is expected to reduce evening peak travel times by 11-15 minutes for trips from Ō2NL, and 6 minutes for trips from Ōtaki to Levin.
- Tolling revenue for Ō2NL would be used for activities associated with the planning, design, construction, operations or maintenance of the road.
- NZTA has completed an in-depth tolling assessment and developed a tolling proposal for recommendation. The tolling assessment, completed in 2024, was considered by the NZTA Board, and the Minister of Transport has approved moving into this public consultation phase.
- The proposed tolling prices were identified by comparing a range of options to find the tolling scheme that balances revenue with the level of diversion back to the old state highway.
- While construction of the new highway is Crown funded, tolling revenue could provide the ability to top up funding if costs were to change.
- Based on feedback from public consultation and technical reports on tolling, the Government will make decisions on tolling Ō2NL, which may take more than a year and will be completed before the road is open.

### Consultation details

- The toll prices for Ō2NL (from the southern on/off ramps to the Tararua Road interchange) which NZTA is consulting on are:
  - \$2.70 for light vehicles
  - \$5.40 for heavy vehicles
- These toll rates are in 2024 dollars. The opening of the new Ō2NL highway is more than 5 years away, and factors including Consumer Price Index (CPI) increases between now and road opening could affect the actual price at the time of road opening.

### FAQs for Ōtaki to north of Levin new highway

#### What is the toll proposed for the new Ō2NL highway?

- The toll prices NZTA is consulting on are \$2.70 for light vehicles and \$5.40 for heavy vehicles, for the approximately 15km section of the new Ō2NL highway, from the southern on / off ramps to the Tararua Road interchange.

#### Can I travel through this area without paying the toll?

- All toll roads in New Zealand are required to have a feasible, untolled, alternative route available to road users. In the case of Ō2NL, the current SH1 / SH57 provides an untolled alternative.

#### Will all of the new Ō2NL highway be tolled?

- It is proposed that the southern approximately 15km of the Ō2NL highway is tolled, from the southern on / off ramps north of Ōtaki, to the Tararua Road interchange at Levin.
- The approximately 9km of the new highway north of the Tararua Road interchange would not be subject to tolling.

### **Why is tolling being considered for the new Ō2NL highway, when construction of the project is Crown funded?**

- All new state highways in New Zealand are assessed for tolling suitability.
- The new Ō2NL highway is Crown funded, tolling revenue could provide the ability to top up funding if costs were to change.
- In addition to activities associated with the planning, design and construction of Ō2NL, tolling revenue could also be used for operations and maintenance of the new road.

### **Will the proposed toll rate vary according to the time of day?**

- No, the proposed tolled rates would apply 24-hours a day.

### **Why is it proposed that only the southern section of the new highway is tolled, and not the north?**

- The costs of tolling infrastructure as well as ongoing operation are included as part of assessing an efficient and effective tolling proposal. For Ō2NL, revenue expected from the proposed scheme is similar to charging in 2 segments, north and south of the Tararua Road interchange, while tolling set-up and ongoing costs are halved. The proposed approach also leaves the northern section of the new highway toll-free for local use.

### **How many cars would choose to drive on the alternative route if the new highway is tolled?**

- Implementing a toll on the new road could result in additional traffic on existing roads in the area.
- Modelling shows when the road opens a tolled Ō2NL could result in 51% of the traffic expected on the southern section of the new road instead continuing to use the existing highways or choosing other options.
- The existing SH1 south of Ohau would still see a considerable drop in vehicle numbers once the new highway opens. South of Ohau in 2029, traffic would reduce by 38 percent compared to if Ō2NL was not built. This is compared to a drop of 76 percent if Ō2NL was built and not tolled.

### **Will the proposed toll rates change between now and when the road opens?**

- It's more than 5 years until the new Ō2NL highway is expected to be open to traffic. These toll rates in this proposal are calculated in 2024 dollars. Factors including CPI increases between now and road opening could affect the actual price at the time of the road opening.

### **What was considered in developing the proposed toll scheme?**

- The proposed tolling prices were identified by comparing a range of options to find the tolling scheme that balances revenue with the level of diversion back to the old state highway.

### **What safety benefit does the Ōtaki to north of Levin new highway deliver?**

- There are significant safety improvements to be delivered by the Ō2NL project which will be achieved by attracting through-traffic between Ōtaki and north of Levin and shifting them to a high quality, median divided road, which will have a very low safety risk.
- The existing highways in the project area have a history of high numbers of serious and fatal crashes. When the new road opens there will be a considerable drop in traffic volumes on the existing routes.