

15 November 2024

Hon Simeon Brown – Minister of Transport

Tolling proposals for four proposed tolling schemes

Purpose

1. This briefing seeks your approval of proposed tolling schemes for State Highway 3 (SH3) Te Ahu a Turanga, SH1 Ōtaki to north of Levin, and SH2 Takitimu North Link, as well as a revised proposal for the Penlink Tolling Scheme.

Executive Summary

2. The Government Policy Statement on land transport 2024 (GPS 2024) sets an expectation that the NZ Transport Agency (NZTA) should consider tolling to fund construction, operations and maintenance of all new roads.
3. SH3 Te Ahu a Turanga, SH1 Ōtaki to north of Levin, and SH2 Takitimu North Link satisfy NZTA internal assessments for tolling suitability. In August 2024, we presented you with proposed tolling schemes supported by a range of alternate scenarios for your consideration. You instructed NZTA to consult on the proposed tolling schemes [BRI-3099 refers].
4. Consultation on the three proposals was undertaken between 9 September and 7 October 2024. Feedback has been considered and informed our final tolling proposals.
5. We are proposing the following changes to two of the tolling schemes consulted on:
 - SH3 Te Ahu a Turanga – lowering the toll rates for both light and heavy vehicles
 - SH2 Takitimu North Link – extending the peak hours of operation and ensuring that users of both Takitimu North and the adjacent SH29 Takitimu Drive toll road only pay one toll.
6. No changes are proposed for the SH1 Ōtaki to north of Levin tolling scheme from what was consulted on.
7. A more cost-efficient toll proposal has been developed for Penlink (fewer toll points and cost savings for tolling infrastructure). The proposed tolling scheme will generate sufficient revenue to cover the costs of maintaining and operating the road. No changes are proposed for the toll rates.
8. The toll proposals have a range of proposed toll rates per kilometre travelled, these rates have been developed to find an appropriate balance between revenue and transport system impacts taking into consideration the local context for each scheme including willingness to pay, levels of diversion, and project objectives.
9. Our final tolling proposals are outlined in the table below.

Table 1 – Final tolling proposals

Scheme	Light vehicle toll rate	Heavy vehicle toll rate	Toll Period
SH3 Te Ahu a Turanga	\$2.80	\$5.60	24/7
SH1 Ōtaki to North of Levin	\$2.70	\$5.40	24/7
SH2 Takitimu North Link	TNL Stage 1 or Stage 2: Peak \$3.10 / Off-Peak \$2.10 TNL Stage 1 & Stage 2: Peak \$4.10 / Off-Peak \$3.10	TNL Stage 1 or Stage 2: Peak \$6.20 / Off-Peak \$4.20 TNL Stage 1 & Stage 2: Peak \$8.20 / Off-Peak \$6.20	Peak: Weekdays 6am – 9am and 3pm – 6pm Off-peak: Weekdays 9am – 3pm, 6pm – 6am, as well as Saturdays, Sundays and Public Holidays
Penlink	Peak \$3.00 / Off-Peak \$2.00	Peak \$6.00 / Off-Peak \$4.00	Peak: Weekdays 6am – 9am and 3pm – 6pm Off-peak: Weekdays 9am – 3pm, 6pm – 6am, as well as Saturdays, Sundays and Public Holidays

10. If you approve the toll road proposals, we will work with the Ministry of Transport, who will take the lead in having the appropriate Orders in Council drafted.

Background

Legislative framework for tolling schemes

11. The Land Transport Management Act 2003 (LTMA) permits the establishment of road tolling schemes to provide funds which can only be applied to the planning, design, supervision, construction, maintenance, or operation (or any combination of these activities) of the tolled road. A road can only be tolled if it is a new road.
12. Road Controlling Authorities may submit tolling proposals to you for consideration as the Minister of Transport. The Minister of Transport has sole responsibility for considering and recommending the establishment of a road tolling scheme to the Governor-General through an Order in Council. The Minister may consult with Cabinet colleagues before making such a recommendation.
13. In making a recommendation to the Governor-General, section 48(1) of the LTMA requires you to be satisfied:
- that there has been adequate public consultation on the proposed tolling scheme
 - with the level of community support for the proposed tolling scheme in the relevant region or regions
 - that a feasible, untolled, alternative route is available to road users
 - that the proposed tolling scheme is efficient and effective.
14. Section 48(4) of the LTMA provides you with discretion to:
- determine whether you are satisfied that the proposal meets the above criteria, and
 - to recommend, modify or decline a road tolling scheme.

Toll road proposals

15. SH3 Te Ahu a Turanga, SH1 Ōtaki to north of Levin, and SH2 Takitimu North Link satisfy NZTA internal assessments for tolling suitability. In August 2024, we presented you with proposed tolling schemes supported by a range of alternate scenarios for your consideration. You approved NZTA undertaking public consultation on the proposed tolling schemes based on the proposed tolling strategies outlined below (toll rates in 2024 dollars).

Table 2 - Consultation tolling proposals

Scheme	Light vehicle toll rate	Heavy vehicle toll rate
SH3 Te Ahu a Turanga	\$4.30	\$8.60
SH1 Ōtaki to north of Levin	\$2.70	\$5.40
SH2 Takitimu North Link	TNL Stage 1 or Stage 2: Peak \$3.10 / Off-Peak \$2.10	TNL Stage 1 or Stage 2: Peak \$6.20 / Off-Peak \$4.20
	Both TNL Stage 1 & Stage 2: Peak \$4.10 / Off-Peak \$3.10	Both TNL Stage 1 & Stage 2: Peak \$8.20 / Off-Peak \$6.20

16. Feedback has been considered and informed our final tolling proposals. A summary of the final tolling proposals and consultation feedback for the three tolling proposals is included in Attachments 1, 2 and 3. The full proposals and consultation reports are also attached.
17. Penlink (a 7km highway between Whangaparaoa Road and SH1 at Redvale north of Auckland) was assessed for tolling and consulted on in 2021/22. This was based on a scheme consisting of two tolling points with an end-to-end toll rate of \$3 at peak and \$2 off-peak for light vehicles (\$6 at peak and \$4 off-peak for heavy vehicles). On reviewing the scheme, a more cost-efficient toll proposal has been identified which reduces the number of toll points and adopts alternative roadside technologies. The end-to-end toll rate does not change.

SH3 Te Ahu a Turanga revised tolling proposal

18. Through the consultation period we continued to review and refine our tolling analysis using new data and information from the Palmerston North Strategic Traffic Model which became available during the consultation period. The outcome of those updates is shown below (toll rates in 2024 dollars).

Table 3 – SH3 Te Ahu a Turanga consultation option - updated analysis

Scenario	Light vehicle toll rate	Heavy vehicle toll rate	2025 Forecast Daily Traffic Flows (light/heavy)			% Diversion from Te Ahu a Turanga	40-year PV Safety Benefits (\$m)	35-year NPV Revenue (@ 6 discount rate)*
			Te Ahu a Turanga	Saddle Road	Pahiatua Track			
Original traffic model results								
No toll	\$0	\$0	9,550/1,350	<100	1,560/220	-	24.2	-
Consultation option	\$4.30	\$8.60	5,530/1,320	3,080/10	2,510/240	37%	16.3	\$193m
Traffic model refined and updated								
No toll (updated)	\$0	\$0	9,900/1,400	<100	1000/100	-	24.2	-
Consultation option (Updated)	\$4.30	\$8.60	4,000/1200	4,400/200	2,600/200	55%	14.9	\$122m

19. In refining and updating our modelling we have observed that the consultation option leads to:

- a 55 percent diversion rate which is higher than the 37 percent in our original modelling. This extra diversion would add an additional ~50 percent more vehicles to the Saddle Road than initially forecast leading to around 4,600 vehicles per day using the free alternative route and 5,200 using SH3 Te Ahu a Turanga.
- higher levels of diversion reduces modelled safety benefits (present value over 40-years) for the proposed toll road from \$16.3 million to \$14.9 million. This compares to safety benefits for an untolled road of \$24.2 million.
- a reduction in forecast revenue from \$193 million (net present value over 35-years) to \$122 million.

20. At these levels of diversion, we do not believe that the revenue benefits outweigh the transport system impacts under the consultation option. Taking into consideration the significant amount of feedback relating to the toll level being too high and/or the impact of tolling on communities, organisations and individuals (see below), we have considered alternative tolling scenarios following consultation as shown below.

Table 4 – SH3 Te Ahu a Turanga alternative scenarios

Scenario	Light vehicle toll rate	Heavy vehicle toll rate	Light vehicle cost per KM (\$2024)	2025 Forecast Daily Traffic Flows (light/heavy)			% Diversion from Te Ahu a Turanga	40-year PV Safety Benefits (\$m)	35-year NPV Revenue (6% discount rate) *
				Te Ahu a Turanga	Saddle Road	Pahiatua Track			
No toll	\$0	\$0	-	9,900/1,400	<100	1000/100	-	24.2	-
Consultation option (updated)	\$4.30	\$8.60	37c	4,000/1200	4,400/200	2,600/200	55%	14.9	\$122m
Option 1	\$3.50	\$8.60	30c	5,100/1200	3,200/200	2,600/200	45%	16.5	\$135m
Option 2	\$3.50	\$7.00	30c	5,100/1200	3,200/200	2,600/200	44%	16.6	\$119m
Option 3	\$2.80	\$5.60	24c	5,700/1400	2,700/50	2,530/150	38%	18.2	\$127m
Option 4 ¹ Revenue Maximising	\$5.00	\$12.20	43c	3,000/1,000	5,400/300	2,600/170	65%	13.2	\$146m

* risk adjusted P50 estimate

21. We propose Option 3. Whilst having a reduced toll rate compared to the consulted option, Option 3 performs well in terms of reduced trip diversion, retaining safety benefits, and total net revenue.

22. In reaching a final tolling proposal recommendation, we have considered:

- Government priorities for transport and direction given with respect to tolling as set out in GPS 2024.
- the requirements of the LTMA.
- the objectives of SH3 Te Ahu a Turanga and transport system impacts of tolling.
- significant levels of public and stakeholder feedback on the consultation proposal.
- updated and refined toll modelling.

23. Whilst Option 1 and Option 2 reduce volumes of traffic on the Saddle Road, they remain at levels higher than anticipated in our original modelling of around 3,100 vehicles per day with safety benefits like those initially forecast at around \$16.3 million. Option 4, which maximises revenue has significant levels of diversion (65 percent) and 40 percent more traffic on the Saddle Road than on SH3 Te Ahu a Turanga. This significantly erodes safety benefits of the project and is not

¹ Note: At these toll rate levels, the model is very sensitive, resulting in a large range for lower and upper bound estimates. Tolls at this level are unprecedented in New Zealand and there is limited to no data available to benchmark the level of response that could be expected.

recommended based on the impact of such toll levels on the transport system and objectives of SH3 Te Ahu a Turanga.

24. Following consultation and further modelling we propose to reduce the toll rates for SH3 Te Ahu a Turanga. Our revised proposed toll scheme is:

Table 5 – SH3 Te Ahu a Turanga revised proposed toll rates

Scheme	Light vehicle toll rate	Heavy vehicle toll rate	Time period
SH3 Te Ahu a Turanga	\$2.80	\$5.60	24/7

25. We have previously provided you with advice on when we would commence tolling collection [MIN-4653] ranging from day-of-opening to 2026. We propose to defer toll collection until mid 2026 to allow the new back office to be commissioned and tested and to allow us to make any required improvements to the free alternative routes. This means road users will experience the route with a zero-dollar toll charge from day of opening for up to 12 months before tolling would come into effect. This will be the first time a toll road has been free on the day of opening and NZTA would carefully communicate to stakeholders and the wider public.

Information to assist your consideration of legislative requirements

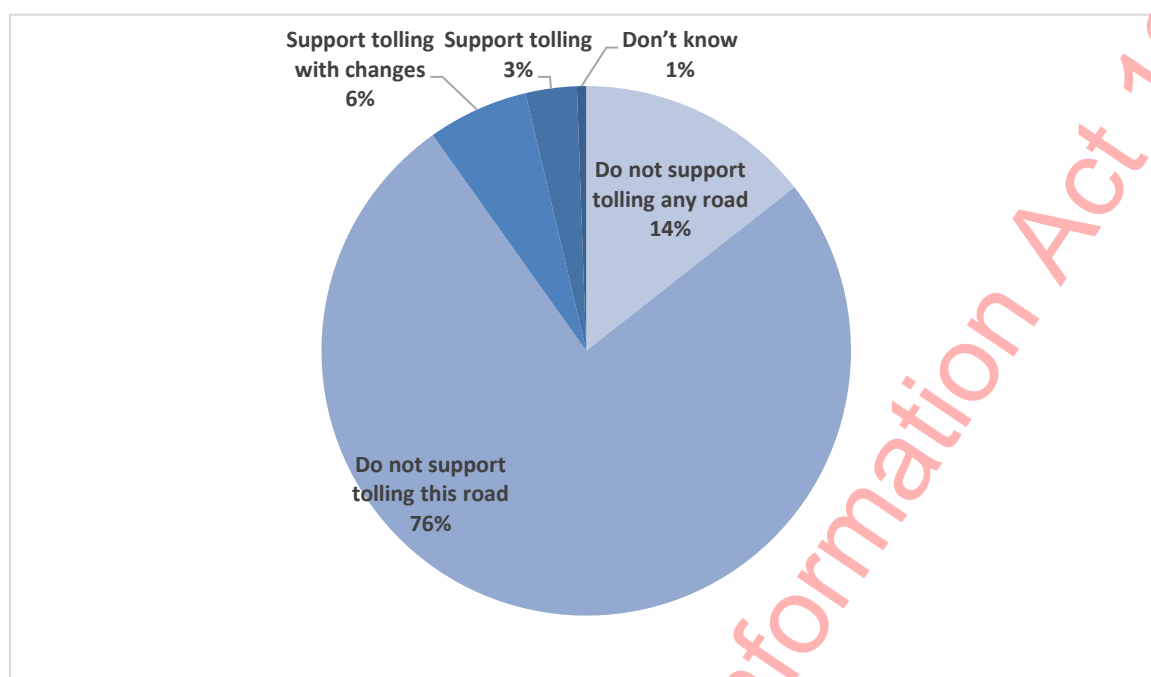
Adequate public consultation on the proposed tolling scheme

26. Public consultation on the tolling proposal ran from Monday, 9 September 2024 to Monday, 7 October 2024, and involved a combination of online consultation form, hard copy document explaining the tolling scheme, and an advertising strategy that ensured that communities were aware of the proposal, timing and could provide input. Specific consultation activities carried out leading up to and during the consultation period are presented in Attachment 5.
27. Supporting non-technical information was produced online and via an information brochure to support the consultation. The tolling assessment and tolling report were released during the consultation process in response to official information requests once appropriate sensitive information reviews had been completed. Time extensions were given to those key stakeholders who requested them.
28. A total of 12,076 submissions were received including 22 submissions from key stakeholders made up of Iwi, local authorities, roading and transport organisations, and emergency services.
29. Most people we heard from lived locally (4,571 respondents, 38 percent), with a further 30 percent indicating they live in Palmerston North and 19 percent elsewhere in the Manawātū/Whanganui region. 6 percent of respondents told us they live in Hawke's Bay, and 4 percent in the Greater Wellington region. The remaining 3 percent live throughout other regions in New Zealand and offshore.

Level of community support for the proposed tolling scheme

30. The overall sentiment for the tolling proposal is presented below.

Figure 1 – Overall sentiment for tolling SH3 Te Ahu a Turanga



31. The level of support for tolling SH3 Te Ahu a Turanga was particularly low with 90 percent (10,887 submitters) opposed to the proposed toll scheme. When presented with a question about how submitters would use SH3 Te Ahu a Turanga, 6,041 submitters (42 percent) indicated that they would refuse to travel on a tolled SH3 Te Ahu a Turanga.
32. Detail of the consultation feedback is presented in the consultation document (attached) with key themes and our position outlined in Attachment 1. In general, supporters of tolling did so because they agree with the principle of 'user pays'. Respondents who made conditional support generally felt that the rates were too high and should be lower and/or that exemptions should be provided.
33. Opponents to the tolling proposal either did so on the general belief that roads should be paid for through other means (e.g. road user charges/fuel tax/rates) and therefore any road should not be tolled or specific concerns about the scheme relating to overall affordability, equity, or that the feasible alternatives were unsafe.
34. In addition to feedback on the tolling scheme and pricing in general, feedback was received on the SH3 Te Ahu a Turanga proposal on three key issues:
 - whether SH3 Te Ahu a Turanga can be considered a new road under the legislation (3,653 submitters, 30 percent);
 - whether NZTA followed its own policy (143 submitters, 1 percent); and
 - the impact on council and ratepayers of having to maintain the feasible alternatives (1,072 submitters, 9 percent).
35. Substantial feedback has been received in relation to SH3 Te Ahu a Turanga being a replacement road for the closed SH3 Manawātū Gorge and not a "new road" as required under section 46 of the LTMA.
36. A road will be "new" where it did not previously exist and includes a new lane on an existing road. For example, the High Court has previously decided that a road was "new" for the purpose of section 46 of the LTMA when it did not physically exist at the time the recommendation was made².

² Grueber v New Zealand Transport Agency [2014] NZHC 2924

37. SH3 Te Ahu a Turanga provides a replacement for SH3 Manawatū Gorge but does not follow the same alignment. While the road will be declared to be a state highway and in practice will replace the earlier road that was previously designated as the same state highway, this does not affect the status of the road as a "new road". To enable tolling, an Order in Council must be in place prior to the road opening date. Te Ahu a Turanga is on track to open May 2025, therefore the Order in Council will need to be established before this date.
38. Key stakeholders suggest that, given opening day traffic volume forecasts do not exceed 10,000 vehicles, the road should not be tolled as it does not meet the threshold for NZTA's Gate 1 tests. Under the current policy, we use the volume threshold to provide an early indication of whether a potential toll scheme could be effective and efficient. It is not a binary decision, as other factors such as the complexity and cost of implementation, potential toll rates and revenues are also considered. There are no minimum vehicle flow thresholds in the LTMA limiting SH3 Te Ahu a Turanga (or any other new road) from being tolled.
39. Following the closure of the Manawatū Gorge section of SH3 in 2017, NZTA took temporary responsibility (including financial) for management and maintenance of a number of local roads (Saddle Road, Pahiatua Track and Ballance Valley Road). This was agreed via a Memorandum of Understanding (MoU) with Tararua District Council which would end once a permanent replacement to the Manawatū Gorge was open to the public.
40. Submitters and stakeholders raised the concern that Tararua District ratepayers cannot afford the cost of maintaining the Saddle Road and Pahiatua Track with higher traffic volumes due to diversion, with Tararua District Council stating that they will not accept the end of the temporary transfer of responsibility, if SH3 Te Ahu a Turanga is tolled.
41. While the costs of maintaining and operating these local roads may be higher compared to what councils experienced prior to 2017, NZTA will continue to contribute its share of the costs through its normal Funding Assistance Rates. Provision has been made in the 2024-27 National Land Transport Programme (NLTP) for this transition of financial responsibility.

Feasible, untolled route

42. Section 48(1)(d) of the LTMA requires that you be satisfied that there is a feasible, untolled alternative route available to road users.
43. An equitable outcome for road users that choose not to travel on a tolled SH3 Te Ahu a Turanga is achieved through the provision of untolled alternative routes via the existing roads - Saddle Road and Pahiatua Track. These roads have been determined to be feasible because:
- They have been utilised as the main routes since the SH3 Manawatū Gorge was closed in 2017.
 - Safety improvements and speed reductions have been made, which has reduced the crash rate and severity.
 - The alternative untolled routes, whilst winding, are not out of context for their location.

Effectiveness of the proposed tolling scheme

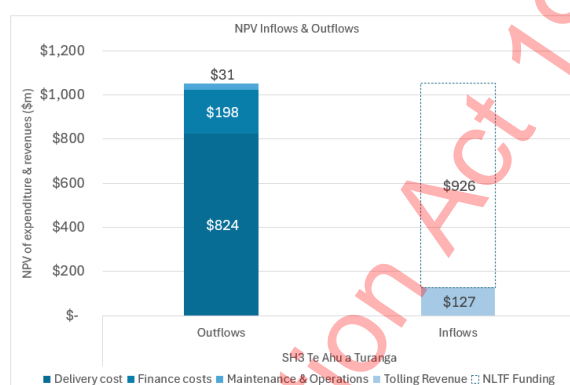
44. Table 6 shows that over a 35-year basis, revenue on a net present value basis is estimated at \$127 million³. From Figure 2, this revenue would be used to partially fund the delivery costs (\$824m), financing (\$198m), and ongoing maintenance and operations cost (\$31m). The resulting funding gap of \$926m would need to come from the National Land Transport Fund (NLTF).

³ Based on traffic modelling from *Mobilitylab* (July 2024) and assuming a 6% discount rate.

Table 6 – SH3 Te Ahu a Turanga revenue estimates

35-year NPV Revenue (6% discount rate)	
5 th percentile estimate	\$97m
50 th percentile estimate	\$127m
95 th percentile estimate	\$168m

Figure 2 – SH3 Te Ahu a Turanga revenue contribution to project costs



45.

46. In assessing the effectiveness of the tolling proposal, NZTA believes it is important to consider the impact of tolling on the objectives of the project. We have endeavoured to balance overall revenue with the overarching objectives of the project. Tolling roads generally induces diversion onto untolled alternative routes and reduces traffic on the tolled route. This generally leads to fewer benefits in time travel savings and wider economic benefits, and a reduction in safety benefits. We have presented the levels of diversion and safety impacts in the proposal and this paper.
47. Cost benefit analysis has not been included as tolling of these projects was considered after business cases for them were endorsed by the NZTA Board. The analysis undertaken during the tolling assessments gives us confidence that the proposed tolling scenario strikes the right balance between project objectives and tolling and do not outweigh the intentions of the projects.
48. The proposed toll scheme and toll rates have been designed to generate sufficient revenue to contribute to the cost of SH3 Te Ahu a Turanga as well as the capital costs of tolling infrastructure. The proposed toll rates are at a level where impacts on the wider network are substantially less than the period since the SH3 Manawatu Gorge was closed and still supports the objectives of SH3 Te Ahu a Turanga in delivering an efficient, reliable, and safe inter-regional state highway connection.

Efficiency of the proposed tolling scheme

49. In considering the efficiency of the scheme we consider:
- The value for money of the tolling investment – measured as the cost of tolling infrastructure relative to revenue raised and the associated payback period
 - The percentage of revenue retained for operating costs.
50. Our assessment of these matters is presented in the table below.

Table 7 – SH3 Te Ahu a Turanga measures of efficiency

Efficiency of tolling scheme	
Tolling infrastructure as % of revenue	5%
Tolling infrastructure payback period	4 years
Tolling operations as % of gross revenue	24%

51. The life of the physical tolling infrastructure is expected to be 10-years for the technology component and 25-years or more for the supporting infrastructure. NZTA considers that these results indicate that the investment in tolling infrastructure will make a positive return, that it is proportional to the amount of revenue anticipated, and that it can be paid back within a reasonable timeframe.
52. Section 51(4) of the LTMA permits NZTA to impose reasonable charges in connection with the administration of any form of payment. NZTA has a single back-office system that manages all three currently existing toll roads. NZTA currently retains 80 cents from each trip to operate its toll business.
53. s 9(2)(j) [REDACTED] NZTA considers that these results indicate that the investment in tolling infrastructure will make a positive return, that it is proportional to the amount of revenue anticipated, and that it can be paid back within a reasonable timeframe.

SH1 Ōtaki to north of Levin tolling proposal

54. Following consultation, no changes are proposed to be made to the SH1 Ōtaki to north of Levin toll scheme. Our proposed toll scheme is presented below.

Table 8 – SH1 Ōtaki to north of Levin proposed toll rates

Scheme	Light vehicle toll rate	Heavy vehicle toll rate	Time period
SH1 Ōtaki to north of Levin	\$2.70	\$5.40	24/7

55. For reference, alternatives to the proposed tolling scheme considered prior to consultation are outlined in Attachment 4 and discussed in BRI-3099.

Information to assist your consideration of legislative requirements

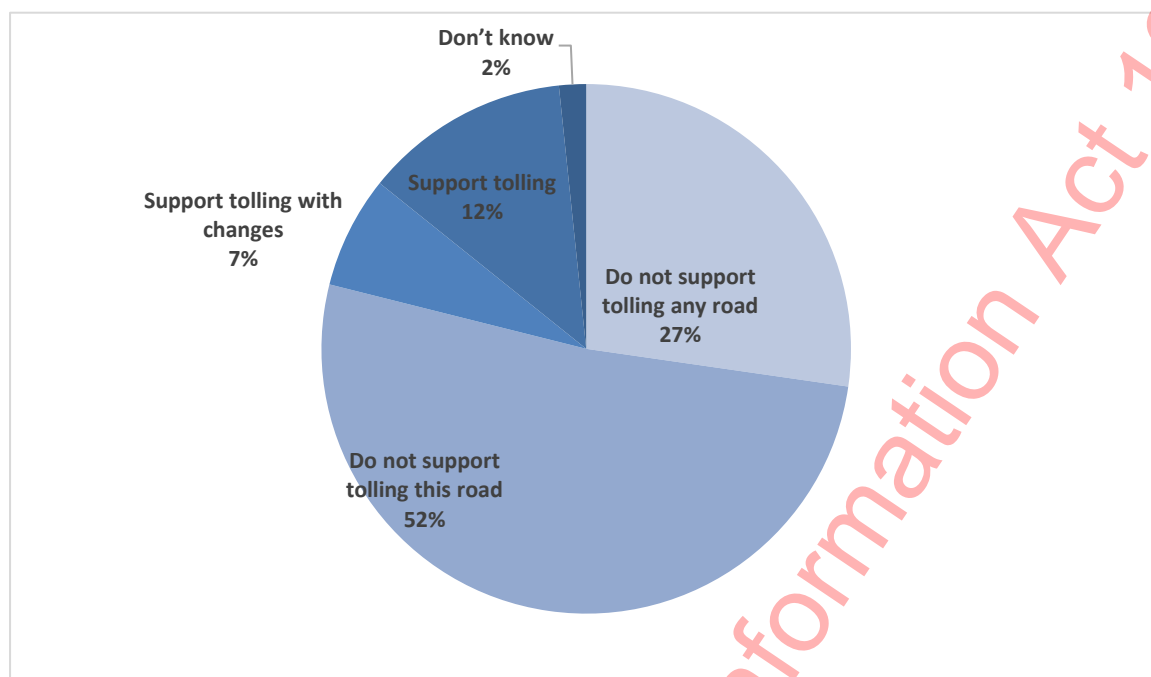
Adequate public consultation on the proposed tolling scheme

56. Public consultation on the tolling proposal ran from Monday, 9 September 2024 to Monday, 7 October 2024, and involved a combination of online consultation form, hard copy document explaining the tolling scheme, and an advertising strategy that ensured that communities were aware of the proposal, timing and could provide input. Specific consultation activities carried out leading up to and during the consultation period are presented in Attachment 5.
57. Supporting non-technical information was produced online and via an information brochure to support the consultation. The tolling assessment and tolling report were released during the consultation process in response to official information requests once appropriate sensitive information reviews had been completed. Time extensions were given to those key stakeholders who requested them.
58. A total of 2,907 submissions were received including 18 submissions from key stakeholders made up of Iwi, local authorities, roading and transport organisations, and emergency services.
59. Most people we heard from live in the immediate community (1,219 respondents, 42 percent). A further 33 percent live in the Greater Wellington region or elsewhere in Manawātū-Whanganui (22 percent, 643 respondents). The remainder (3 percent) live elsewhere in New Zealand or overseas and have other interests in the proposed Ōtaki to north of Levin highway tolling, such as travelling to the area for work, recreation or to visit family.

Level of community support for the proposed tolling scheme

60. The overall sentiment for the tolling proposal is presented below.

Figure 3 – Overall sentiment for tolling SH1 Ōtaki to north of Levin



61. A minority of SH1 Ōtaki to north of Levin submitters support the proposed tolling or on the condition that suggested changes were incorporated (19 percent, 565 submitters). 79 percent (2,294 of submitters) did not support tolling SH1 Ōtaki to north of Levin or tolling in general. 2 percent of respondents were unsure.

62. Detail of the consultation feedback is presented in the consultation document (attached) with key themes and our position outlined in Attachment 2. In general, the themes are similar to those for SH3 Te Ahu a Turanga with supporters agreeing with the principle of 'user pays' whilst objectors to tolling were concerned about the level of toll and affordability and wider social impact of perceived targeting of local communities.

63. We did not consider the feedback presented any compelling reason to withdraw or fundamentally change the tolling proposal.

Feasible, untolled route

64. For road users that choose not to travel on a tolled SH1 Ōtaki to north of Levin, the existing SH1 and local road network through Levin provide the feasible, untolled route.

Effectiveness of the proposed tolling scheme

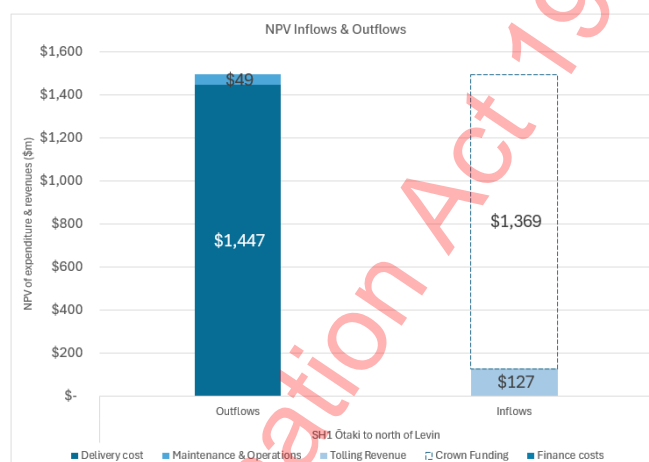
65. Table 9 shows that over a 35-year basis, revenue on a net present value basis is estimated at \$127 million⁴. From Figure 4, this revenue would be used to partially fund the delivery costs (\$1,447m) and ongoing maintenance and operations cost (\$49m). The resulting funding gap of \$1,369m would need to come from the crown (as an MCIP project) or NLTF (if delivered within the NLTP).

⁴ Based on traffic modelling from BECA (July 2024) and assuming a 6% discount rate.

Table 9 – SH1 Ōtaki to north of Levin revenue estimates

35-year NPV Revenue (6% discount rate)	
5 th percentile estimate	\$95m
50 th percentile estimate	\$127m
95 th percentile estimate	\$162m

Figure 4 – SH1 Ōtaki to north of Levin revenue contribution to project costs



66. Revenue will be used for the ongoing maintenance and operations of the road as well as contributing towards a portion of any notional debt accrued where capital expenditure exceeds Crown funding.
67. When considering the impact of tolling against the project objectives we have endeavoured to balance overall revenue with the overarching objectives of the project. Tolling SH1 Ōtaki to north of Levin is forecast to lead to approximately 43 percent trip diversion leading to fewer benefits in time travel savings, and a reduction in safety benefits from around \$7.5 million per annum to \$5 million per annum.
68. The proposed toll scheme and toll rates have been designed to generate sufficient revenue to contribute to the cost of SH1 Ōtaki to north of Levin as well as the capital costs of tolling infrastructure. The proposed toll rates are at a level where impacts on the wider network still support the objectives of SH1 Ōtaki to north of Levin in delivering a safe, efficient, and reliable inter-regional state highway connection.

Efficiency of the proposed tolling scheme

69. In considering the efficiency of the scheme we consider:
- The value for money of the tolling investment – measured as the cost of tolling infrastructure relative to revenue raised and the associated payback period
 - The percentage of revenue retained for operating costs.
70. Our assessment of the efficiency of SH2 Ōtaki to north of Levin is presented in the table below.

Table 10 – SH1 Ōtaki to north of Levin measures of efficiency

Efficiency of tolling scheme	
Tolling infrastructure as % of revenue	5%
Tolling infrastructure payback period	4 years
Tolling operations as % of gross revenue	27%

71. NZTA considers that these results indicate that the investment in tolling infrastructure will make a positive return, that it is proportional to the amount of revenue anticipated, and that it can be paid back within a reasonable timeframe.

SH2 Takitimu North Link revised tolling proposal

72. Considering updated modelling and stakeholder feedback we propose to make two changes to the SH2 Takitimu North Link tolling proposal:
- Exempt travellers who travel directly from the proposed SH2 Takitimu North Link toll road to the existing SH29 Takitimu Drive (and vice versa) in a single trip from paying tolls for SH29 Takitimu Drive;
 - Extend the peak hour period from 7am-9am to 6am-9am and from 4pm-6pm to 3pm-6pm.
73. In exempting travellers who travel directly from the proposed SH2 Takitimu North Link toll road to the existing SH29 Takitimu Drive (and vice versa) in a single trip from paying tolls for SH29 Takitimu Drive, we respond to submitters concerns about the number of toll points in the Bay of Plenty and in this location specifically. In addition, the proposal is revenue neutral as it is anticipated that in making the exemption, more traffic will use SH2 Takitimu North Link and revenue gains on SH2 Takitimu North Link will offset the loss of revenue through exemptions.
74. Forecast revenue for SH29 Takitimu Drive is unaffected as there are no users utilising SH29 Takitimu Drive attracted to the SH2 corridor presently and future financial forecasts for SH29 Takitimu Drive have not factored in increases through the new connectivity to SH2 Takitimu North Link. The tolls paid across the two toll road schemes under our revised proposal are outlined below, with the changes highlighted in bold.

Table 11 – SH2 Takitimu North Link consultation and proposed toll rates+

	Consultation Toll Rates		Proposed Toll Rates	
	Light (Peak / Off Peak)	Heavy (Peak / Off Peak)	Light (Peak / Off Peak)	Heavy (Peak / Off Peak)
SH2 Takitimu North Link Only	\$3.10 / \$2.10	\$6.20 / \$4.20	\$3.10 / \$2.10	\$6.20 / \$4.20
SH29 Takitimu Drive only	\$2.10	\$5.40	\$2.10	\$5.40
Both Toll Roads	\$5.20 / \$4.20	\$11.60 / \$9.60	\$3.10 / \$2.10	\$6.20 / \$4.20

+assuming Takitimu Drive toll is removed in 2030 prior to Stage 2 opening.

75. We propose the following peak and off-peak time periods which are different to those consulted on:
- Peak: Weekdays 6am – 9am and 3pm – 6pm.
 - Off-peak: Weekdays 9am – 3pm, 6pm – 6am and Saturdays, Sundays and Public Holidays.
76. This slightly differs from the consultation time periods of the peak being between the periods of 7am and 9am and 4pm and 6pm which were derived from traffic model time periods rather than observed movements. The adjustment aligns the peak time periods to observed traffic peaks. This is forecast to increase annual revenue by approximately \$1 million.

77. Our revised proposed tolling scheme for SH2 Takitimu North Link is:

Table 12 – SH2 Takitimu North Link revised proposed toll rates

Scheme	Light vehicle toll rate	Heavy vehicle toll rate	Time period
SH2 Takitimu North Link	TNL Stage 1 or Stage 2: Peak \$3.10 / Off-Peak \$2.10	TNL Stage 1 or Stage 2: Peak \$6.20 / Off-Peak \$4.20	Peak: Weekdays 6am – 9am and 3pm – 6pm
	TNL Stage 1 & Stage 2: Peak \$4.10 / Off-Peak \$3.10	TNL Stage 1 & Stage 2: Peak \$8.20 / Off-Peak \$6.20	Off-peak: Weekdays 9am – 3pm, 6pm – 6am and Saturdays, Sundays and Public Holidays

78. For reference, alternatives to the proposed tolling scheme considered prior to consultation are outlined in Attachment 4 and discussed in BRI-3099.

Information to assist your consideration of legislative requirements

Adequate public consultation on the proposed tolling scheme

79. Public consultation on the tolling proposal ran from Monday, 9 September 2024 to Monday, 7 October 2024, and involved a combination of online consultation form, hard copy document explaining the tolling scheme, and an advertising strategy that ensured that communities were aware of the proposal, timing and could provide input. Specific consultation activities carried out leading up to and during the consultation period are presented in Attachment 5.

80. Supporting non-technical information was produced online and via an information brochure to support the consultation. The tolling assessment and tolling report were released during the consultation process in response to official information requests once appropriate sensitive information reviews had been completed. Time extensions were given to those key stakeholders who requested them.

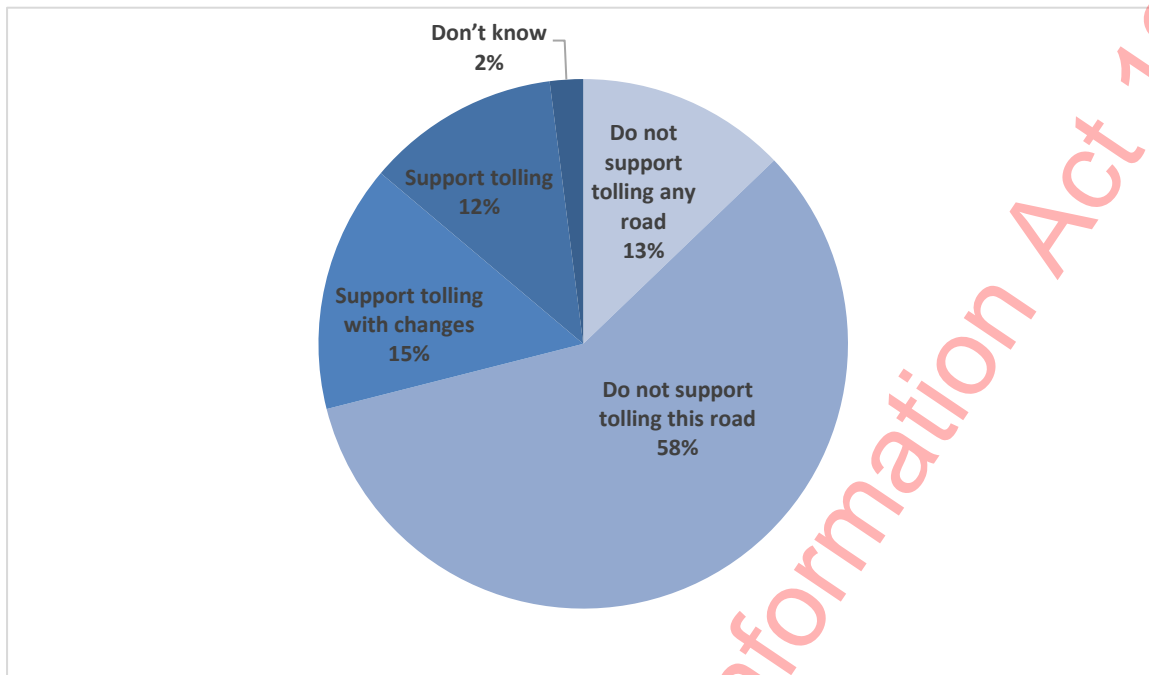
81. A total of 2,317 submissions were received including nine submissions from key stakeholders made up of Iwi, local authorities and roading and transport organisations.

82. Most submitters live or work in the area in the immediate community (2,128 respondents, 92 percent). Those from outside the area (181 respondents, 7 percent) have other interests in the proposed Takitimu North Link tolling, such as travelling to the area for work, recreation or to visit people. The remaining 1 percent did not indicate their interest.

Level of community support for the proposed tolling scheme

83. The overall sentiment for the tolling proposal is presented below.

Figure 5 – Overall sentiment for tolling SH2 Takitimu North Link



84. A minority of SH2 Takitimu North Link submitters support tolling SH2 Takitimu North Link either completely or on the condition that suggested changes were incorporated (27 percent, 624 submitters). 71 percent (1,349) of submitters did not support the proposed tolling or tolling in general. 2 percent of respondents were unsure.
85. Detail of the consultation feedback is presented in the consultation document (attached) with key themes and our position outlined in Attachment 3. In general, the themes are similar to those for SH3 Te Ahu a Turanga with supporters agreeing with the principle of 'user pays' whilst objectors to tolling were concerned about the level of toll and affordability and wider social impact of perceived targeting of local communities. Submitters on SH2 Takitimu North Link also opposed the scheme because of the time-of-day charging, their inability to change their times of travel, the number of existing toll roads in the region, and the perceived inequity.
86. Tauranga City Council has concerns relating to the higher levels of maintenance likely required for the free alternative to a tolled SH2 Takitimu North Link and advocate for the free route remaining a state highway whilst SH2 Takitimu North Link is tolled. We propose to continue with revocation of the old SH2 as part of delivering Takitimu North Link. While the costs of maintaining and operating the local road may be higher compared to an untolled SH2 Takitimu North Link, NZTA will continue to contribute its share of the costs through its normal Funding Assistance Rates.

Feasible, untolled route

87. For SH2 Takitimu North Link the existing SH2 provides the feasible, untolled route. The free alternative to access Tauriko would be:
- (i) the existing SH2, Fifteenth Ave and Cameron Road; or
 - (ii) the existing SH2, Moffat Road and Cambridge Road.

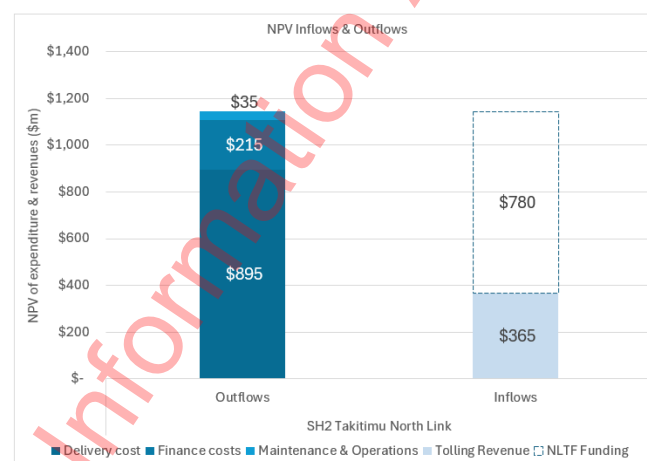
Effectiveness of the proposed tolling scheme

88. Table 13 shows that over a 35 year basis, revenue on a net present value basis is estimated at \$365 million⁵. From Figure 6, this revenue would be used to partially fund the delivery costs (\$895m), financing (\$215m), and ongoing maintenance and operations cost (\$35m). The resulting funding gap of \$780m would need to come from the NLTF.

Table 13 – SH2 Takitimu North Link revenue estimates

35-year NPV Revenue (6% discount rate)	
5 th percentile estimate	\$307
50 th percentile estimate	\$365
95 th percentile estimate	\$418

Figure 6 – SH2 Takitimu North Link revenue contribution to project costs



89. Revenue will be used for the ongoing maintenance and operations of the road as well as contributing towards a portion of any notional debt accrued through construction.
90. When considering the impact of tolling against the project objectives we have endeavoured to balance overall revenue with the overarching objectives of the project. Tolling SH2 Takitimu North Link is forecast to lead to approximately 27 percent trip diversion leading to fewer benefits in time travel savings, and a minimal reduction in safety benefits of less than 0.5 percent.
91. The proposed toll scheme and toll rates have been designed to generate sufficient revenue to contribute to the cost of SH2 Takitimu North Link as well as the capital costs of tolling infrastructure. The proposed toll rates are at a level where impacts on the wider network still support the objectives of SH2 Takitimu North Link in delivering an efficient, reliable, and safe inter-regional state highway connection.

Efficiency of the proposed tolling scheme

92. Our assessment of the efficiency of the proposed scheme is presented in the table below.

Table 14 – SH2 Takitimu North Link measures of efficiency

Efficiency of tolling scheme	
Tolling infrastructure as % of revenue	3.7%
Tolling infrastructure payback period	2 years
Tolling operations as % of gross revenue	19%

⁵ Based on traffic modelling from BECA and assuming a 6% discount rate.

93. NZTA considers that these results indicate that the investment in tolling infrastructure will make a positive return, that it is proportional to the amount of revenue anticipated, and that it can be paid back within a reasonable timeframe.

Revised tolling proposal for Penlink

94. The recent request for proposal for tolling infrastructure and technology has led to a reduction in tolling infrastructure costs. s 9(2)(j)

95. We are not recommending any change to the end-to-end toll rates and the proposed tolling scheme will cover the forecast costs of maintaining and operating Penlink. Under the revised proposal revenue is forecast to be around \$122 million (NPV in 2022 dollars at 6 percent discount rate over 35-years). Removing the gantry at SH1 is also likely to enhance overall community support for the scheme.

96. Our assessment of the efficiency of the proposed revised scheme is presented in the table below.

Table 15 – Penlink measures of efficiency

Efficiency of tolling scheme	
Tolling infrastructure as % of revenue	5.6%
Tolling infrastructure payback period	4 years
Tolling operations as % of gross revenue	28%

Next steps

97. If you approve the proposals, we will work with the Ministry of Transport, who will lead on the drafting Orders in Council, including reporting back to you on a timetable for the Order in Council process. A decision is required by Monday, 18 November to enable the cabinet paper to be circulated in preparation for the 4 December Cabinet Economic Policy Committee meeting.
98. All documents relating to this matter are subject to active consideration. They will be considered for release once a final decision is made.

Ministry of Transport commentary

99. The Ministry is satisfied that the proposals are consistent with the legislative criteria in the LTMA, provided you are satisfied with the consultation undertaken and with the schemes' efficiency and effectiveness.
100. The efficiency and effectiveness of each scheme needs to be assessed in light of the impact that diversion has on project benefits, and not just on the administrative efficiency of the scheme. Ideally, efficiency impacts would be available in an updated benefit-cost ratio for each project (as was the case with Penlink) but this has not yet been possible in the time available. While the available information about safety indicates the impacts on project benefits could be significant, it is ultimately a matter of judgement about how you rate the trade-off between gaining revenue and reducing project benefits.

101. The Ministry also notes that Te Ahu a Turanga proposal may not be well aligned with your current tolling strategy, in that the project is not being brought forward as a result of that tolling scheme.

Recommendations

It is recommended that you:

1. **Note** NZTA recommends tolling SH3 Te Ahu a Turanga, SH1 Ōtaki to north of Levin, SH2 Takitimu North Link and Penlink under Section 48(1) of the Land Transport Management Act 2003

2. **Approve** the SH3 Te Ahu a Turanga Tolling Proposal

Yes / No

3. **Approve** the SH1 Ōtaki to north of Levin Tolling Proposal

Yes / No

4. **Approve** the SH2 Takitimu North Link Tolling Proposal

Yes / No

5. **Approve** the revised Penlink toll scheme

Yes / No

VL Browne

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Vanessa Browne

Interim Group General Manager - GGM Transport Services

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Hon Simeon Brown, Minister of Transport

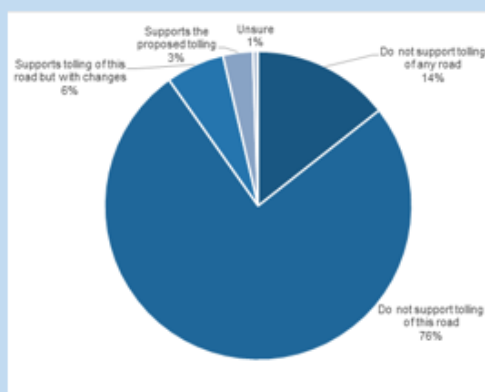
Date: 2024

Attachment 1 – SH3 Te Ahu a Turanga: Manawatū Tararua Highway tolling proposal

1. SH3 Te Ahu a Turanga – Manawatū Tararua Highway tolling proposal

Purpose

To seek endorsement to recommend tolling to the Minister of Transport



Background

State Highway 3 through the Manawatū Gorge is a vital connection between the Manawatū-Whanganui and Hawke's Bay regions and connects the communities of Woodville and Dannevirke with Ashhurst and Palmerston North.

- The road was closed indefinitely on 24 April 2017 following a large slip and a history of landslides. Upgrades of the two alternative routes available, the Saddle Road and Pahiatua Track, have been carried out to ensure they are suitable for increased traffic volumes.
- The objectives of the 11.5km Te Ahu a Turanga project are to reconnect the currently closed Manawatū Gorge State Highway 3 with a:
 - more resilient connection
 - safer connection than the Saddle Road and Pahiatua Track
 - more efficient connection than the Saddle Road and Pahiatua Track
- The new 100km/h, two lanes in each direction, 4-star KiwiRAP road is expected to be completed in May 2025.

The tolling scheme consulted on

- \$4.30 for light vehicles and \$8.60 for heavy vehicles, flat rate.
- A single bi-directional tolling point.

Public Feedback

- 12,076 submissions were received.
- The majority (90%) do not support the proposed tolling of Te Ahu a Taranga
- 3% support for the proposed tolling scheme
- 6% support tolling but with changes to the scheme
- 42% state they will not use the road if tolled

The updated proposed tolling scheme for Te Ahu a Turanga

NZTA now recommend a revised scheme which balances generating sufficient revenue with managing the transport system effects of tolling and responding to public feedback on the proposal. This revised scheme is based on updated traffic and financial modelling alongside public feedback.

The recommended scheme

- \$2.80 for light vehicles (vehicles weighing less than 3.5 tonnes and motorcycles)
- \$5.60 for heavy vehicles (vehicles weighing over 3.5 tonnes)
- A single bi-directional tolling point is required as there are only two access points to Te Ahu a Turanga. A gantry ~4.6km from the start is proposed.

Public consultation feedback on Te Ahu a Turanga tolling proposal

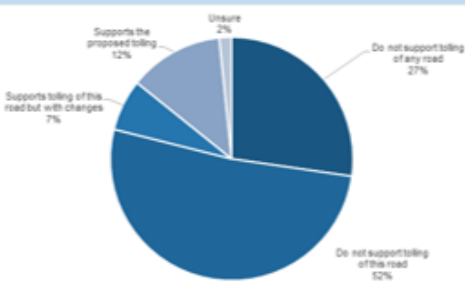
The key themes identified from these submissions and NZTA position

Key Theme	NZTA position
Te Ahu a Turanga is a replacement highway and not a new highway.	While Te Ahu a Turanga provides a replacement for SH3 Manawatu Gorge, the road is considered a "new road" under section 46 of the LTMA because it is not yet open to use; and traverses land not currently designated as, or used as, a road.
Tolls will further exacerbate the cost of living	Road users can choose whether to pay a toll to use Te Ahu a Turanga or take a feasible untolled alternative route. Additionally, we are proposing reduced toll rates to those consulted on, based on updated modelling and public feedback received, which lessen the impact per trip.
Tolling will discourage use and push people on to an alternate route which is perceived as dangerous/in bad condition.	Both Saddle Road and Pahiatua Track have had safety improvements to ensure they were suitable for the increased traffic volumes when the Gorge was closed. There has been a significant reduction in crash rates since on both other these roads. Additionally, traffic volumes on Saddle Road are forecast to be substantially lower than current volumes, which will reduce safety exposure.
Alternative routes will need increased maintenance	NZTA's temporary responsibility for costs of maintaining and operating the alternatives routes of Saddle Road, Pahiatua Track and Ballance Valley Road will shift back to local councils on opening of SH3 Te Ahu a Turanga
The route is a vital connection between areas (e.g. east-west link to Palmerston North) which need to be recognised.	We do not consider this a basis not to toll Te Ahu a Turanga. Both the Tauranga Eastern Link Toll Road and Northern Gateway Toll Road are vital connections between regions which are toll roads.
Tolling will have a social impact including: <input type="checkbox"/> community connection via families, schools and sport <input type="checkbox"/> creating a barrier to healthcare services	Road users can choose whether to pay a toll to use Te Ahu a Turanga or take a feasible untolled alternative route.
Tolling will create increased business and personal costs, and further increase the challenges for recruitment in the education and healthcare sectors.	Road users can choose whether to pay a toll to use Te Ahu a Turanga or take a feasible untolled alternative route.
Tolling will affect regional productivity and tourism	Road users can choose whether to pay a toll to use Te Ahu a Turanga or take a feasible untolled alternative route. Traffic forecasting indicates a small proportion of heavy vehicles will choose the free alternate route at the toll rates proposed. The toll rate as a percentage of total tourism spend is very small

2. SH1 Ōtaki to north of Levin tolling proposal

Purpose

To seek endorsement to recommend tolling to the Minister of Transport



Background

State Highway 1 section between Ōtaki and north of Levin is a critical section connecting Wellington to the central and upper North Island and has serious safety and resilience problems.

- SH1 provides an essential economic connection to Palmerston which is the largest freight node in central New Zealand, and supports the growth of Horowhenua and Kāpiti Coast.
- The objectives of the new 24km Ōtaki to north of Levin highway are to:
 - Enhance safety of travel on and resilience of the state highway network
 - Provide appropriate connections that integrate the state highway and local road network to serve urban areas
 - Enable mode choice for journeys between local communities
 - Support inter and intra-regional growth and productivity through improved movement of people and freight on the state highway.
- SH1 Ōtaki to north of Levin users have a particularly low willingness to pay as a high proportion of users are generally making local trips (in and around Levin) and there are multiple alternative free routes to choose from to avoid the tolled route.
- The single gantry scheme has been designed to focus on the higher volume of strategic movements in the southern section of the SH1 Ōtaki to north of Levin corridor.

Public Feedback

- 2,907 submissions were received.
- The majority (79%) do not support the proposed tolling of SH1 Ōtaki to north of Levin
- 12% Support for the proposed tolling scheme
- 7% Support tolling but with changes to the scheme
- 30% state they will not use the road if tolled

The final proposed tolling scheme for Ōtaki to north of Levin has not changed from the one consulted on.

We propose to declare the full extent of Ōtaki to north of Levin as a toll road to allow for future operational flexibility but due to the location of the gantry effectively only apply a toll to the southern 15km of the route. The proposed tolls are flat rates of:

- \$2.70 for light vehicles
- \$5.40 for heavy vehicles
- A single bi-directional tolling point between the on/off ramps at Taylors Rd and the Tararua Rd interchange would be installed.

Public consultation feedback on Ōtaki to north of Levin tolling proposal (2/2)

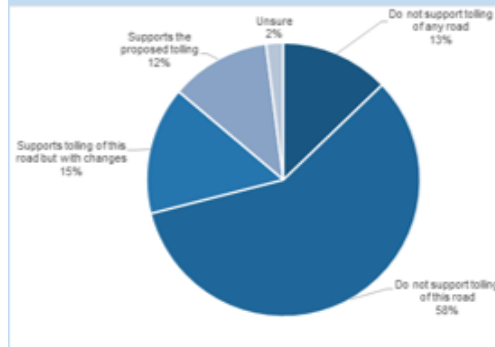
The key themes identified from these submissions and NZTA position

Theme	NZTA position
We already pay for roads through RUC / fuel tax / rates ("we are paying twice")	The GPS 2024 directs the NZTA to consider tolling to support the construction and maintenance of all new roads.
The alternative route is unsafe / use of this road should be discouraged / the new road is a necessity for safety not a nice to have	NZTA selects toll rates which balances toll revenue with transport system effects and impacts on project benefits. We consider the effects and impacts to be acceptable at the proposed toll rates.
People cannot afford this; this is a low-income area	Road users can choose whether they would like to pay a toll or take a feasible untolled alternative route.
There is a cost-of-living crisis, life is already tough enough without added expenses	Road users can choose whether they would like to pay a toll or take a feasible untolled alternative route.
State Highways are vital infrastructure and should not be tolled	The GPS 2024 directs the NZTA to consider tolling to support the construction and maintenance of all new roads.
Other sections of the highway are not tolled ("why us")	NZTA considers tolling to support the construction and maintenance of all new roads, in all regions, in line with expectations set out in the GPS 2024. The LTMA prevents the tolling of existing roads.
Social impact, by unfairly targeting locals and impact daily life: <ul style="list-style-type: none"> - Community connection via families, schools and sport - Equity – barriers to healthcare services - Equity – putting a price on safety 	Road users can choose whether they would like to pay a toll or take a feasible untolled alternative route. The scheme has been designed so as not to toll the northern section of Ōtaki to north of Levin which has a high proportion of local trips utilising the road.

3. SH2 Takitimu North Link tolling proposal

Purpose

To seek endorsement to recommend tolling to the Minister of Transport



Background

The existing SH2 between Waihi and Tauranga is a busy commuter and freight route, and tourism link to/from the Coromandel. The route is undivided and has a poor safety record.

- SH2 Takitimu North Link is a new 13.8km four-lane expressway between Ōmokoroa and Tauranga being delivered in two stages:
- Stage 1 is 6.8km which is in construction and scheduled to open 2028.
- Stage 2 extends the expressway a further 7km to the SH2/Ōmokoroa Rd intersection. The opening of Stage 2 is potential feasibly by 2034.
- The objectives of the Takitimu North Link are to:
 - Reduce deaths and serious injuries, and improve the KiwiRAP star rating
 - Increase vehicle capacity to meet future growth demands
 - Provide consistent and reliable transport time particularly during peak periods

Public Feedback

- 2,317 submissions were received.
- The majority (71%) not supporting the proposed tolling of SH2 Takitimu North Link.
- 12% support for the proposed tolling scheme
- 15% support tolling but with changes to the scheme
- 37% state they will not use the road if tolled

The final proposed tolling scheme for Takitimu North Link has adjusted the weekday peak and off peak windows

We consulted on peak windows of weekdays 7am to 9am and 4pm to 6pm, however we propose to amend this to a peak window of weekdays 6am to 9am and 3pm to 6pm. Limiting the peak period start times to 7am and 4pm would miss a large proportion of peak period traffic limiting our ability to manage operating conditions.

Based on updated traffic and financial modelling, and in response to public feedback from the consultation, the proposed tolls are a variable toll rate of:

- \$3.10 during peak (weekdays 6am-9am and 3pm-6pm) and \$2.10 during off-peak (9am-3pm and 6pm-6am) for light vehicles
- \$6.20 during peak and \$4.20 during off peak for heavy vehicles

When Stage 2 opens the proposed variable toll for the full length between Ōmokoroa and Tauranga would be:

- \$4.10 during peak and \$3.10 during off-peak for light vehicles
- \$8.20 during peak and \$6.20 during off peak for heavy vehicles
- We propose to exempt travellers who travel directly from the proposed SH2 Takitimu North Link toll road to the existing SH29 Takitimu Drive (and vice versa) in a single trip from paying tolls for SH29 Takitimu Drive.

Public consultation feedback on Takitimu North Link tolling proposal (2/2)

The key themes identified from these submissions and NZTA position

Theme	NZTA position
The toll price is too high	We do not consider the proposed rates are set too high. We believe the toll rates adequately balance revenue with transport system impacts. On a dollar-per-km basis, the proposed toll rates for SH2 Takitimu North Link are not inconsistent with existing or proposed toll roads.
The toll price is inconsistent	We do not consider the proposed toll rate to be inconsistent. On a dollar-per-km basis, the proposed toll rates for Takitimu North Link are not inconsistent with existing or proposed toll roads.
Tauranga already has two toll roads this is unfair when other regions do not have any	NZTA considers tolling to support the construction and maintenance of all new roads, in all regions, in line with expectations set out in the GPS 2024.
Tolls will discourage use of the new road, negating benefits	NZTA selects toll rates which balances toll revenue with transport system effects and impacts on project benefits. We consider the effects and impacts to be acceptable at the proposed toll rates.
Some people will have to pay multiple tolls in one trip	Road users can choose whether they would like to pay a toll or take a feasible untolled alternative route. We propose to exempt travellers who travel directly from the proposed SH2 Takitimu North Link toll road to the existing SH29 Takitimu Drive (and vice versa) in a single trip from paying tolls for SH29 Takitimu Drive.
Some people will have no choice when to travel and so cannot avoid the peak charges	Road users can choose whether they would like to pay a toll to use SH2 Takitimu North Link or take a feasible untolled alternative route.

Attachment 4 – Alternative tolling scenarios

SH2 Takitimu North Link Road (Stage 1 Only)*								
Scenario	Light toll		Heavy toll		Forecast Daily Traffic Flows (2031)		% Diversion from Takitimu North Link	2031 annual net revenue (\$m)
					Takitimu North Link @ Wairoa River Bridge	Existing SH2 @ Wairoa River Bridge		
NZTA status quo toll levels	\$2.80		\$5.60		20,500	21,200	37%	\$12.7m
Consultation option	Peak \$3.10	Off-Peak \$2.10	Peak \$6.20	Off-Peak \$4.20	21,000	18,100	27%	\$12.7m
Alternative	\$3.40		\$6.80		18,000	21,000	37%	\$11.7m
International Comparison	\$4.75		\$9.50		14,000	23,600	45%	\$13.4m
Revenue Maximising	Peak \$6.20	Off-Peak \$4.20	Peak \$8.20	Off-Peak \$6.20	11,700	25,600	51%	\$15.6m

* as part of an overall tolling strategy including tolling of Stage 2 on opening.

SH1 Ōtaki to north of Levin											
Scenario	Light vehicle toll rate		Heavy vehicle toll rate		Ō2NL South of Tararua Rd Intersection (2039)	Daily traffic flow existing SH1 south of Levin (2039)	Ō2NL North of Tararua Rd Intersection (2039)	Daily traffic flow existing SH1 north of Levin (2039)	% Diversion from Ō2NL (South of Levin)	2039 Annual Crash cost savings (\$m)	NPV net revenue, 35-years toll scheme at 6% discount rate
Alternative NZTA Status Quo (Two toll points) [Northern and southern section tolling]	Both toll points \$2.50	Single toll point \$1.25	Both toll points \$5.00	Single toll point \$2.50	17,800	11,500	11,200	11,600	27%	5.6	\$109m
Consultation Option (One toll point) [Southern section only tolling]	\$2.50		\$5.00		13,800	15,300	16,300	11,100	43%	5.0	\$127m
International comparison / Revenue Maximising (One toll point) [Southern section only tolling]	\$5.00		\$10.00		6,900	21,500	14,400	12,200	71%	3.0	\$178m

Penlink										
Scenario	Light toll		Heavy toll		Cost of toll infrastructure	Daily traffic (mid-Penlink)	Alternative route (Whangaparaoa Rd)	% diversion	Annual revenue (2028)	NPV net revenue, 35-year toll scheme (@ 6% discount rate (\$2022))
Previous recommendation (2 toll points)	Peak \$3	Off-peak \$2	Peak \$6	Off-peak \$4	s 9(2)(j)	18,100	9,800	35%	\$6.3m	\$141m
Revised recommendation (single toll point)	Peak \$3	Off-peak \$2	Peak \$6	Off-peak \$4		18,400	9,800	35%	\$5.7m	\$122m

Attachment 5 – Consultation activities

SH3 Te ahu a Turanga	SH1 Ōtaki to north of Levin	SH2 Takitimu North Link
<ul style="list-style-type: none"> NZTA media release. Tolling consultation webpage on the NZTA website. Delivered 5,450 consultation postcards to households adjacent to the highway including Ashhurst and Woodville. Made 3,600 consultation brochures with submission form available from City, District and Regional council offices and libraries in Palmerston North, Dannevirke, Woodville, Pahiatua, Feilding. Promoted consultation in 2 Te Ahu a Turanga project email newsletters, to 1,930+ subscribers. Emailed Te Ahu a Turanga Project Community Liaison members and community stakeholders, 100+ (includes local residents, council staff, recreational groups, road user groups, emergency services). Promoted social media posts across on NZTA Manawātū-Whanganui Facebook page (total reach 118k). 4 weeks of digital advertising targeting Tararua District, Palmerston North, Manawātū District, Central Hawke's Bay, Whanganui, Kāpiti. 2 weeks of radio advertising targeting Tararua District, Palmerston North, Manawātū District, Central Hawke's Bay, Whanganui, Wairarapa, Kāpiti, Horowhenua. Print advertising in Manawātū Standard, Hawke's Bay Today, Whanganui Chronicle, Bush Telegraph, The Post, Rangitikei-Feilding Herald, Wairarapa Times Age. 	<ul style="list-style-type: none"> NZTA media release. Tolling consultation webpage on the NZTA website – including documents relevant to this consultation. Delivered 15,160 consultation postcards to households from Te Horo to Waitarere. Printed 2,000 consultation brochures with submission form and made copies available from council offices and libraries from Paekākāriki to Shannon. Promoted consultation in Ō2NL project email newsletter, to 2,500+ subscribers. Emailed Ō2NL Project Community Group members, approx. 100 locals. Emailed Ō2NL Commercial Road Users and Emergency Services Group. Promoted social media posts across on NZTA Manawatu-Whanganui page (total reach 25k) and Wellington Facebook page (reach 75k). 4 weeks of digital advertising targeting Levin, Ōtaki, Wellington, Palmerston North, Foxton (923,494 impressions, 1,135 clicks). 4 weeks of radio advertising targeting Levin, Ōtaki, Wellington, Palmerston North, Foxton. Print advertising in Kāpiti News and Horowhenua Chronicle. 	<ul style="list-style-type: none"> NZTA media release – articles published in NZ Herald, Stuff, RNZ, Sunlive. Tolling consultation webpage on the NZTA website. Delivered 9,700 consultation postcards to properties in the Western Bay of Plenty District along the SH2 corridor and local roads. Printed 2,000 consultation brochures with submission form which were available from council offices and libraries in Tauranga, Ōmokoroa, Waihi, Waihi Beach, Katikati, Papamoa and Mount Maunganui, and project site office. Promoted consultation in 2 Takitimu North Link project email newsletters, to 2500+ subscribers, including around 140+ stakeholders (council staff, recreational groups, road user groups, emergency services). Promoted social media posts on NZTA Waikato Bay of Plenty Facebook page (total reach 79k), and national NZTA Facebook page. Drop-in session held at Takitimu North Link Stage 1 project site office in Te Puna 11 September 2024. 3 weeks of radio advertising targeting Bay of Plenty (Tauranga, Ōmokoroa, Te Puna, Bethlehem, Katikati, Waihi, Waihi Beach, Coromandel). 4 weeks of digital advertising targeting Bay of Plenty region. Print advertising in Bay of Plenty Times, Weekend Sun, Te Puke Times, Katikati Advertiser, Hauraki Coromandel Post.