

MIN-4653 Update on Tolling platform for the Manawatū Gorge / Te Ahu a Turanga

10 October 2024

The Minister has asked for advice as to whether the existing Tolling platform can be used to support tolling on the new Manawatū Gorge / Te Ahu a Turanga highway, until such time that the new back-office platform is operational.

NZ Transport Agency Waka Kotahi (NZTA) response:

Background

- The Manawatū Gorge / Te Ahu a Turanga state highway is likely to be open from May 2025. We expect the NZ Transport Agency Waka Kotahi (NZTA) Board to decide whether tolling will be recommended in November 2024.
- If tolling is approved for the road, it will need the supporting tolling solution (i.e. digital platform, roadside equipment, and cameras) to be in place to deliver the agreed scheme. We will also need to ensure the free alternative routes are safe and reliable for drivers.
- There is a project underway to replace the existing Kapsch tolling platform with a new secure and resilient tolling back-office platform (TBOS). We are tracking well towards an October 2025 go-live.
- To deliver a new tolling solution earlier than October 2025 requires NZTA to re-purpose the replacement roadside equipment and cameras that have been ordered for the Tauranga toll roads. It is not feasible to deliver a 'Toll on a Pole' solution by May 2025 as we are still in the process of appointing a panel of certified suppliers.
- Re-purposing the Tauranga equipment will mean the Manawatū Gorge / Te Ahu a Turanga tolling solution can only be delivered using a gantry, which has a higher implementation cost. Choosing the location of the equipment will be subject to the availability of power and fibre connections.
- s 6(c)

s 9(2)(j)

Potential options

Without prejudicing the decision yet to be made by the NZTA Board, the Minister, and Cabinet, three potential options to consider are laid out in the table below. Given the pros and cons of each option, we advise against using the existing tolling solution (Option 2) and exploring alternative approaches.

Depending on the outcome of NZTA Board, Ministerial, and Cabinet consideration and decisions, there are 3 options to consider if a toll was agreed or not agreed to proceed for Te Ahu a Turanga – Manawatu-Taranua Highway:

	Option 1 No toll implemented.	Option 2 Tolling commences on Day One of road opening (mid-2025).	Option 3 Corridor is opened mid-2025 with a toll-free period of up to 6 months.
Details	<ul style="list-style-type: none"> The corridor is opened mid-2025. The road is open for use and no toll charges apply. 	<ul style="list-style-type: none"> Tolling scheme is confirmed in late 2024. Tolling capability is established on the existing back-office system. Roadside infrastructure is installed using gantries, and re-purposing roadside equipment and cameras purchased for Tauranga toll roads. Saddle Road and Pahiatua Track corridors become the alternative free route (About 3,000 vehicles per day are expected on Saddle Rd once Te Ahu a Turanga opens in 2025) 	<ul style="list-style-type: none"> Tolling scheme confirmed December 2024 with a toll-free period. Roadside infrastructure purchased and installed ahead of road opening in mid-2025. Digital tolling capability is established as part of the implementation of the new back-office system with a go live date of October 2025. Close Saddle Road and Pahiatua Track through the toll-free period to October 2025 to improve reliability and safety. Upgraded Saddle Road and Pahiatua Track open as the alternative free routes thereafter
Pros	<ul style="list-style-type: none"> Provides an option to close the Pahiatua Track and Saddle Road for maintenance and safety upgrades, relieving community concerns regarding the safety and reliability of the alternative routes. No implementation cost for the supporting digital Tolling solution (i.e. back-office platform, roadside equipment, and cameras). Does not impact the current timeline of new tolling back-office platform. 	<ul style="list-style-type: none"> Tolling revenue is collected from Day One of road opening (s 9(2)(j)) at the proposed rate of \$4.30 for light vehicles. 	<ul style="list-style-type: none"> Provides an option to close the Pahiatua Track and Saddle Road for maintenance and safety upgrades (while Te Ahu a Turanga is in the toll-free period), relieving community concerns regarding the safety and reliability of the alternative routes. Does not impact the current timeline of new tolling back-office platform. s 6(c) Enables NZTA to explore alternative approaches for the roadside (i.e. use of gantry versus 'toll on a pole').

			<ul style="list-style-type: none"> Allows the community and wider public to experience the new route and determine whether the toll is value for money compared to the alternate free routes.
Cons	<ul style="list-style-type: none"> Insufficient funding to conduct the remedial works on Pahiatua Track and Saddle Road. (further expenditure) before handing the local roads back to respective councils with no cost recovery vehicles. 	<ul style="list-style-type: none"> The platform has end of life operating systems and hardware which could result in increased service outages, impacting all toll roads. s 6(c) [REDACTED] If we re-purpose equipment for the Tauranga toll roads, it will delay updating end of life equipment on the existing toll roads and increase the risk of equipment failure. NZTA has a small number of tolling subject matter experts. We could run this work as a separate stream to the current TBOS project, but the necessary configuration and testing for go-live will take time and may affect the delivery of the new platform. This may also have downstream impact on delivery of supporting digital infrastructure for Time of Use Charging. 	<ul style="list-style-type: none"> The community and wider public may be aggrieved when tolling is implemented post the toll-free period, and we will have to manage this impact carefully. Tolling revenue is not collected from Day One of road opening (s 9(2)(j) [REDACTED]).

		<ul style="list-style-type: none"> • The timeframes for implementation are very tight, even with re-purposing the equipment bought for the Tauranga toll roads. A decision to proceed would need to be made by early November 2024 to support the necessary construction changes before the road opens, and to ensure our roadside tolling vendor can pivot to the new site. • NZTA would miss the opportunity to close Pahiatua Track and Saddle Road for maintenance and safety upgrades while Te Ahu a Turanga is not tolled, as we need to provide a free and accessible alternate route. • With compressed time we will have to manage community engagement carefully and could result in an increase of customer interactions and support calls. It would also impact our ability to engage the community on ways to pay and promote the benefits of setting up a tolling account. 	
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Other Considerations

- A digital tolling solution consists of several components (as per the table below). The roadside components would be re-usable on the new platform. The s 9(2)(j) . This would be duplicated effort.

Tolling solution component	Can be re-used with the new SICE platform?
Cameras and gantry	Yes
Roadside and trip processing system	Yes (however we may need additional processing capacity to handle the additional transaction volumes).

Integration into the tolling back-office platform	Yes – will be repointed to the new platform when available.
Tolling back-office platform, including the payments microsite	No – we will need to rebuild the tolling capability for Manawatū Gorge on the new TBOS platform when it becomes available.

- s 9(2)(j)

Noted by Minister ☐