



ATTACHMENT

**Vision, Planning, Growth &
Environment Committee meeting
Monday, 14 October 2024**

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30 September 2024

Sarah Dove
Tauranga City Council
Sarah.dove@tauranga.govt.nz

REF: OIA-16454

Dear Sarah

Request made under the Official Information Act 1982

Thank you for your email of 18 September 2024 requesting the following information under the Official Information Act 1982 (the Act):

1. *What is the level of revenue projected and what is the level of maintenance costs. Is there a projected cashflow that we can assess? We presume interest will be accumulating during the early years as there will be very low maintenance. To be transparent, this may influence our submission as if there is anticipated to be high revenue relative to cost it may be more beneficial to have a lower toll to get the safety and urban environment benefits through Bethlehem.*
2. *a) We have looked to the SH2 Revocation PBC for the volume of traffic predicted on SH2 with and without tolls on the TNL (noting modelling undertaken assuming no changes to existing SH2), as follows. Please confirm these are correct and that they are based on modelling undertaken assumed no changes to existing SH2.*
 - *Under the tolled scenario: Vehicle volumes remain broadly at 2018 SH2 volumes – eg: 20,500 vpd at the Wairoa River bridge & 26,900 vpd through Bethlehem town centre.*
 - *Under the untolled scenario: Vehicle volumes anticipated to drop to 9,500 vpd at the Wairoa River bridge & 18,200 vpd through Bethlehem town centre.*
 - *Traffic volumes for the tolled scenario are expected to be 10-20 per cent lower than the 2018 traffic volumes, and for the untolled scenario are expected to be 30-60 per cent lower than the 2018 traffic volumes.**b) Was sensitivity testing done during the PBC on the toll level, and/or why was the proposed level of tolls in the consultation document selected.*
3. *What principles have been used to set the toll level. It appears to be in line with other toll road charges of approximately \$2-3/trip. However, there is no rationale provided in consultation material and we'd like to understand this more. Not only is this question likely to come up from our elected members but it is really important as it might flow to other tolling decisions and if we support or do not support when need to understand the underlying principles.*
4. *What is the rationale for the peak and off-peak rates; particularly in the first 10-15 years when there will be ample capacity on the new road? Does the modelling show that the peak hour charges significantly reduce the total traffic on both TNL and SH2 or does it just transfer trips*

to SH2 (which would then be a local road) and therefore we realise less safety and other benefits from the new road?

In order to aid in your tolling consultation submission, I am releasing the Takitimu North Link Tolling Study document to you.

I am withholding some information in this report under section 9(2)(a) of the Act to protect the privacy of natural persons.

With respect to the information that has been withheld, I do not consider there are any other factors which would render it desirable, in the public interest, to make the information available.

I will respond to each of your questions in turn.

- 1. What is the level of revenue projected and what is the level of maintenance costs. Is there a projected cashflow that we can assess? We presume interest will be accumulating during the early years as there will be very low maintenance. To be transparent, this may influence our submission as if there is anticipated to be high revenue relative to cost it may be more beneficial to have a lower toll to get the safety and urban environment benefits through Bethlehem.**

Please refer to the below table, as well as the attached revenue cash flows spreadsheet.

SUMMARY

(1) Net Revenues under Preferred Tolling Strategy Option and PV calculation at 1 July 2023

Tolling period*	Net Revenues	PV at 1 July 2023					
		at 4%	at 5%	at 6%	at 6.5%	at 7.5%	at 8.5%
30 Years	\$ 1,341,167,216	\$ 516,594,568	\$ 418,055,106	\$ 341,792,441	\$ 310,201,901	\$ 257,354,683	\$ 215,487,695
40 Years	\$ 2,045,032,963	\$ 639,491,558	\$ 498,489,405	\$ 394,686,503	\$ 353,170,474	\$ 285,808,142	\$ 234,414,605
50 Years	\$ 2,907,493,876	\$ 741,208,522	\$ 558,985,226	\$ 430,870,770	\$ 381,213,483	\$ 302,721,067	\$ 244,669,987
60 Years	\$ 3,959,130,544	\$ 824,975,461	\$ 604,255,521	\$ 455,497,636	\$ 399,421,376	\$ 312,721,772	\$ 250,197,316
80 Years	\$ 6,798,469,312	\$ 950,546,382	\$ 663,385,130	\$ 483,623,315	\$ 418,891,149	\$ 322,119,557	\$ 254,776,592
100 Years	\$ 11,012,573,690	\$ 1,035,630,618	\$ 696,473,228	\$ 496,644,826	\$ 427,095,700	\$ 325,404,751	\$ 256,106,811

* 30-Year period means Stage 2 tolled for 30 years and Stage 1 tolled for 35 years

- 2. a) We have looked to the SH2 Revocation PBC for the volume of traffic predicted on SH2 with and without tolls on the TNL (noting modelling undertaken assuming no changes to existing SH2), as follows. Please confirm these are correct and that they are based on modelling undertaken assumed no changes to existing SH2.**

The toll modelling assumed changes to the existing State Highway 2 (SH2) speed limits. Please refer to section 3.1 in the attached report for further information on this. This means that the volume plots for the Revocation PBC will be slightly different as that assumed no changes to the existing SH2.

- **Under the tolled scenario: Vehicle volumes remain broadly at 2018 SH2 volumes – eg: 20,500 vpd at the Wairoa River bridge & 26,900 vpd through Bethlehem town centre.**

The annual average daily traffic (AADT) volume on the existing local road was 23,800 across the Wairoa Bridge in 2022. The preferred tolling strategy shows slightly over 20,000 vehicles per day (VPD) at Wairoa River in 2031, and under 20,000 in 2048. Please refer to figure 5-2 in the attached report for further detail.

- **Under the untolled scenario: Vehicle volumes anticipated to drop to 9,500 vpd at the Wairoa River bridge & 18,200 vpd through Bethlehem town centre.**

Yes, this is still correct.

- **Traffic volumes for the tolled scenario are expected to be 10-20 per cent lower than the 2018 traffic volumes, and for the untolled scenario are expected to be 30-60 per cent lower than the 2018 traffic volumes.**

Yes, this is still correct.

- b) Was sensitivity testing done during the PBC on the toll level, and/or why was the proposed level of tolls in the consultation document selected.**

The PBC revocation work was undertaken before the tolling assessment, and as the preferred revocation PBC programme was developed, it was used as an input to the tolling study.

- 3. What principles have been used to set the toll level. It appears to be in line with other toll road charges of approximately \$2-3/trip. However, there is no rationale provided in consultation material and we'd like to understand this more. Not only is this question likely to come up from our elected members but it is really important as it might flow to other tolling decisions and if we support or do not support when need to understand the underlying principles.**

Please refer to section 4.1 of the attached report.

- 4. What is the rationale for the peak and off-peak rates; particularly in the first 10-15 years when there will be ample capacity on the new road? Does the modelling show that the peak hour charges significantly reduce the total traffic on both TNL and SH2 or does it just transfer trips to SH2 (which would then be a local road) and therefore we realise less safety and other benefits from the new road?**

Given the relatively high commuter demand on this northern corridor a time-varying toll was considered as an appropriate strategy. This allowed for the use of higher tolls during commuter-dominated peak periods when other suitable options were available (such as public transport), and lower tolls during interpeak/off peak periods that reduced diversion rates to the alternative routes.

Please refer to section 4.6 of the attached report for further detail.

Under section 28 of the Act, you have the right to ask the Ombudsman to review my decision to withhold some information. The contact details for the Ombudsman can be located at www.ombudsman.parliament.nz.

In accordance with NZTA policy, this response will be published on our website shortly (with personal information redacted).

If you would like to discuss this reply with NZTA please contact Angela Crean, Project Director, by email to angela.crean@nzta.govt.nz.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robyn Elston', with a stylized flourish at the end.

Robyn Elston
National Manager, System Design