



THE NEW ZEALAND
AUTOMOBILE
ASSOCIATION
INCORPORATED

342-352 Lambton Quay
Wellington
New Zealand
PO Box 1
Wellington
New Zealand

T. +64 4 931 9999

8 September 2025

NZ Transport Agency – Tolling consultation
via email
[**b2p@nzta.govt.nz**](mailto:b2p@nzta.govt.nz)

SUBMISSION FROM THE AA ON THE BELFAST TO PEGASUS AND WOODEND BYPASS TOLLING PROPOSAL

1. The NZ Automobile Association (AA) appreciates the opportunity to submit on the Belfast to Pegasus and Woodend Bypass (B2P) tolling proposal.

Summary of the AA's position

2. The AA recognises the National Land Transport Fund has insufficient revenue to deliver the scale of road improvements the Government has signalled and that the AA would like to see. We consider it makes sense to use tolling to help to fill the revenue gap – directly charging those who use, and therefore benefit most, from the road projects that are delivered.
3. While we support the use of tolling to assist with the delivery of new roads, we will only support individual tolling proposals if they make good sense. This isn't the case with the B2P tolling proposal.
4. While the B2P tolling proposal would raise revenue that could contribute towards the project's construction costs, albeit a minor proportion, it will result in far too many vehicles choosing not to use the road, eroding the return on investment.
5. At the southern end – the upgraded State Highway 1 between the Lineside Road Interchange and the Williams Street Interchange – a \$1.25 toll will see over ten thousand vehicles a day opting to use neighbouring local roads that are not designed to accommodate them, undoubtedly raising safety and traffic issues. We cannot support a toll on this section.
6. At the northern end, a \$1.25 toll on the Woodend Bypass will result in a significantly under-utilised asset. Under the proposal, the four-lane Bypass is expected to be used by just 8,000 vehicles a day around the time it opens, down from almost 17,000 if it isn't tolled. Meanwhile, over 12,000 vehicles a day are forecast to travel along the untolled alternative route, through the two-lane township of Woodend – even though getting through-traffic out of Woodend is one of the project's objectives.
7. More concerning is that the traffic modelling described above assumes a 30km/h speed limit through Woodend – even though we do not believe this is possible under the Land Transport (Setting of Speed Limits) Rule 2024. In the absence of a 30km/h speed limit through Woodend, several thousand fewer trips a day are expected to use the Bypass.
8. The AA would support a toll on the Woodend Bypass if NZTA can identify a toll price that most motorists are willing to pay at the time the project opens, and without assuming a 30km/h speed limit through Woodend.

Introduction

9. The AA strongly supports the ongoing development of New Zealand's road network to make travel within and between our cities and regions easier, safer and more reliable.
10. The Belfast to Pegasus Motorway and Woodend Bypass is a strategically important roading project, which will improve the safety and efficiency of State Highway 1 around the rapidly-growing area to the north of Christchurch, and reduce community severance through Woodend. The AA is very pleased that the project has been identified as a Road of National Significance and prioritised for delivery.
11. The AA is aware there is insufficient revenue available in the National Land Transport Fund to deliver the scale of improvements to New Zealand's road network that the Government has signalled and the AA would like to see. The AA recognises that tolling can help to fill this revenue gap, and is open to the use of tolling to bring forward the delivery of major roads. That said, we do not believe tolling should be pursued at any cost.

AA position on the B2P tolling proposal

12. The AA does not support the B2P tolling proposal.
13. Under the B2P tolling proposal, even with two reasonably low tolls in place, the modelling shows that far too many motorists aren't willing to use the road. Many thousands of trips per day would be channelled onto neighbouring roads, undoubtedly presenting safety and traffic issues, while a well-designed, high-quality piece of motorway infrastructure will be relatively empty.
14. Pursuing a tolling proposal that results in these outcomes does not make sense to us.
15. We accept that a decision not to toll the B2P would mean a loss of revenue that would otherwise have assisted with the project's construction cost. However, under the proposal toll revenue is only expected to cover a minor proportion of the project's construction cost – between 14 and 17 percent – over a 35-year period. In practice, the share may be even lower, as these figures are based on a construction cost estimate of \$729 million - \$876 million – whereas NZTA has identified an investment envelope for the project of \$800 million - \$1 billion.

The southern section – a \$1.25 toll on the upgraded existing State Highway 1 between the Lineside Road Interchange and Williams Street Interchange

16. NZTA's modelling shows that around the time the project is completed, 25,500 vehicles are expected to use the southern section of B2P each day if it isn't tolled. Under the tolling proposal, less than half as many trips – just over 12,000 – are expected to be taken on this section of road. The significant reduction in forecast trips under the tolling proposal erodes the economic benefits the project would otherwise deliver.
17. In addition, it raises traffic and safety issues for other roads nearby. This is because, unlike when a new road is built and attracts some proportion of traffic off the existing road network, in this scenario it is an existing (albeit upgraded) road that is proposed to be tolled. Therefore, trips that choose to avoid the toll road become additional trips on neighbouring roads.
18. The modelling indicates around 2,000 additional trips (including 100-200 additional heavy vehicle trips) per day will travel on Williams Street in Kaiapoi, compared to if the southern section of B2P wasn't tolled. This is far from ideal, given the southern part of Williams Street is a residential area and includes a school.

19. But more concerning is that almost 7,000 additional trips (including 500 additional heavy vehicle trips) per day are expected to travel on Revells Road, compared to if State Highway 1 wasn't tolled. Revells Road is a narrow, rural road which currently has very low traffic volumes. We consider the volumes forecast under the tolling proposal a significant safety issue.
20. The role of local roads is to provide access for local trips, not to act as through-routes for large numbers of longer distance trips. Motorways, meanwhile, should attract longer-distance trips off the local road network, improving safety and reducing community severance.
21. Tolling the southern section of B2P falls short on these points, and we therefore do not support it.

The northern section – a \$1.25 toll on the Woodend Bypass

22. Conceptually, the AA is open to tolling the Woodend Bypass – it's a new road, tolling can help to support its construction, and there is a feasible untolled alternative route available for anyone who doesn't want to pay the toll (the existing State Highway 1).
23. However, we do not agree it makes sense to put a \$1.25 toll on the Bypass. This is because of the impact the toll will have on traffic volumes on both the Bypass and through Woodend.

Forecast traffic volumes on the Bypass

24. NZTA's modelling indicates that around the time the Woodend Bypass opens, almost 17,000 trips a day are expected to be made on it if it isn't tolled. Under the tolling proposal, this drops to 8,000 trips per day – significantly reducing the benefits the Bypass would otherwise deliver, and meaning the Bypass is considerably under-utilised.
25. While a reduction of this magnitude is concerning enough, we understand the reduction may be even greater. NZTA has made clear that a key assumption in the traffic modelling is a 30km/h speed limit through Woodend. Without a 30km/h speed limit through Woodend, the available modelling suggests traffic volumes on the Bypass would be reduced further still, by something in the order of 2,000 – 3,000 trips per day¹.
26. We are somewhat perplexed that NZTA would assume a 30km/h speed limit through Woodend, despite indicating the Waimakiriri District Council has given 'a strong indication' that it would be lowered, given that a 30km/h speed limit in Woodend does not appear to be possible under the Setting of Speed Limits Rule.
27. We understand that without a 30km/h speed limit assumed in Woodend, the number of trips using the Bypass may be in the order of just 5,000-6,000 per day around the time it opens with the toll in place – just 30-35 percent of the forecast untolled volumes.

Forecast traffic volumes through Woodend

28. A key objective of the Woodend Bypass is to reduce traffic and community severance through Woodend.
29. Unsurprisingly, tolling the Bypass means it is less effective at removing traffic from Woodend, as more traffic avoids the Bypass and continues to use the existing State Highway 1.

¹ NZTA has advised that the only tolling scenario modelled that does not include a 30km/h speed limit through Woodend is one that only involves a single toll point – \$1.25 on the Bypass.

30. An untolled Woodend Bypass is expected to result in traffic volumes through Woodend dropping to 7,600 vehicles per day (including 300 heavy vehicles) around the time the Bypass opens. A \$1.25 toll on the Bypass is expected to see the number of vehicles through Woodend increase to 12,500 vehicles (including 1,100 heavy vehicles) per day.
31. The above figures assume a 30km/h speed limit through Woodend. If the speed limit isn't reduced, the modelling suggests daily traffic volumes through Woodend could be almost 17,000 vehicles (including 1,800 heavy vehicles) per day.²

Summary position on the northern section

32. The AA does not support the \$1.25 toll proposed on the Woodend Bypass due to the impact it will have on traffic volumes on both the Bypass and through Woodend.
33. The AA would be open to a lower toll on the Bypass, if NZTA can identify a toll price that results in most motorists using the Bypass around the time it opens, without assuming a 30km/h speed limit through Woodend.

Additional matters we would like to see addressed if a decision is made to toll B2P

34. While we do not support the tolling proposal, we recognise that a decision may be made to toll B2P – either consistent with the tolling proposal, or a modification of it.
35. If NZTA recommends to the Minister that B2P be tolled, we would like NZTA to recommend:
- 1) *Criteria for when the toll will be removed to be included in the Order in Council.* Tolling should primarily be used as a tool to help bring forward construction of new roads. We appreciate that to make a meaningful contribution to a road's construction cost, tolls will need to be in place for a very long time for most toll roads. But that doesn't mean the criteria for when the toll will be removed shouldn't be made clear from the outset.
 - 2) *A \$50 weekly cap for frequent (light, non-commercial) vehicles across all toll roads* - As tolling becomes more commonplace, and more and more motorists rely on toll roads, tolling has the potential to raise affordability issues for frequent users. The AA's view is that NZTA should introduce a \$50 cap on the toll charges that any non-commercial light vehicle can incur across all toll roads in a single week. Our view is that a \$50 weekly cap is unlikely to result in significant revenue loss, and would improve affordability for the heaviest toll road users and help to build public support for tolling. We note that New South Wales has a \$60 weekly cap on toll charges for residents.

Closing comment

36. Thanks again for the opportunity to comment on the proposal. We are very happy to meet with NZTA to discuss any of the matters raised in this submission, if that would be helpful. Please contact Sarah Geard on sgeard@aa.co.nz.

² Again, we note this modelling involved involves a slightly different tolling scenario to the B2P tolling proposal, with just a single toll point (a \$1.25 toll on the Bypass)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ben Selby', on a light blue rectangular background.

Ben Selby
Acting Chairperson
AA Canterbury West Coast District Council

A handwritten signature in black ink, appearing to read 'Simon Douglas', on a white background.

Simon Douglas
Chief Policy and Advocacy Officer
NZ Automobile Association