

Questions and answers for toll tariff increase on Northern Gateway Toll road

31 January 2012

When do the new tolls take effect?

From Wednesday 1 March 2012 the toll on the Northern Gateway Toll Road will increase to \$2.20 for cars, motorcycles and light commercial vehicles, and \$4.40 for heavy commercial vehicles

Why is the increase so big?

The NZ Transport Agency (NZTA) has not applied an increase since the tolls were set in 2008 although the tolling legislation allows an annual increase that is in line with the Consumer Price Index (CPI). Also the NZTA did not pass on the increase in GST which rose in October 2011. Both change in GST and effects of inflation mean increasing the tolls is necessary to ensure the Northern Gateway Toll Road remains viable and on course to repay its debt of \$158M by 2045.

What lets the NZTA increase the tolls?

Section 9 of the Land Transport Management (Road Tolling Scheme for ALPUR B2) Order 2005 (the Order in Council) allows the NZTA to increase the base toll from the initial \$1.80/\$3.60 (in 2004 dollars) by the CPI percentage that applies up until the end of the quarter prior to when the increase will take effect.

Are any other charges going up also?

No, this change only effects the toll tariff. Administration charges for toll payment notices or payment method charges remain unchanged.

So will there be further increases each time CPI goes up?

Decision has not been made yet whether any future CPI increases will be made.

The NZTA has recently also introduced payment charges on some channels. Isn't that enough?

The payment charges introduced on phone and kiosk payments in August 2011 were required to cover the costs of providing and processing a payment through those channels. Also the charges ensure that those people who choose to use these payment methods, which are costlier to maintain,

contributed towards the cost. However, the revenue from these charges goes towards operating costs and not debt repayments.

What advertising is the NZTA putting in place to publicise the increase in toll tariff?

The NZTA will be advertising in the NZ Herald and Northern Advocate in the five weeks leading up to the increase on 1 March as well as using road signage, posters at the payment facilities and messages on our website, to account holders and on receipts.

Where does the money from a toll go?

From the \$2.20 toll, \$1.21 goes towards debt repayment, \$0.70c goes towards operating costs to run the entire tolling business and \$0.29c goes to the Inland Revenue as GST. A \$4.40 toll is split with \$3.13 towards debt repayment, \$0.70c towards operating costs and \$0.57 is GST.

I have a toll road account, do I need to do anything as a result of the toll change?

No, since tolls are automatically debited to your account they will be charged at the new rate from 1 March. You may want to review your top up amount to ensure it is sufficient to cover your current travel requirements.

What happens to my trip credit I have remaining on 1 March?

Your trip credits will still be valid to cover your trips made after 1 March up until their expiry date.

The NZTA is putting up tolls yet your payment machines are not always available?

At times the payment kiosks experience outages due to a number of reasons and these are monitored for faults with technicians as soon as a breakdown is registered. The location of the kiosks means at times there can be delays in a technician getting to the site to remedy the fault.

Payment of tolls via the roadside kiosk is only one method of payment and for people who use the road more than once a toll road account or pre-purchasing trips online is far more efficient than stopping to pay each time you travel.

The NZTA just wants people to open an account so you can earn interest on the money?

All funds deposited into toll road accounts or used to purchase multiple trip credit is required by legislation to be held by the NZTA in a non interest

bearing trust account as it does not become NZTA revenue until it is used to pay for a toll incurred. Until used for tolls it can be refunded to the customer anytime at their request.

If I open a toll road account the NZTA will have access to my credit card or bank account?

The NZTA follows strict security protocols for this type of information. When you load a credit card to your toll road account it gets encrypted so that no one, including NZTA staff, can see the credit card number and is only used when your account reaches the threshold set by yourself and can only debit the amount of a top up which is also set by you. The same applies to bank account numbers loaded to fund your toll road account by direct debit.

I don't want to pay the new higher tolls to use the road?

Use of the toll road is voluntary and by using it you are required by law to pay the applicable toll. A viable free alternate route exists via SH 16 and SH17 which should be used if you are not wanting to pay the toll required for using the Northern Gateway Toll Road.