

6 May 2019

Mark Thorburn  
fyi-request-10004-b9c08df3@requests.fyi.org.nz

REF: OIA-4952

Dear Mark

**Request made under the Official Information Act 1982**

Thank you for your email of 4 April 2019 requesting the following information regarding the Northern Gateway Toll Road (NGTR):

*'I understand that the toll road will cease to be a toll road once the debt incurred to construct it has been paid off. I have read where this is expected to be 2045.*

*I also note that the prices have recently gone up for the Toll Road.*

*Could you please provide financial details of the Northern Toll Road that shows the current revenue, including details of the projected and current traffic volumes behind that revenue, the operating costs, and the debt still to be paid off.'*

Your request has been considered under the Official Information Act 1982 (the Act).

To advance the project and pay for the \$375.7 million construction costs of the NGTR, National Land Transport Fund (NLTF) funding was supplemented by use of a \$158 million debt facility from the Crown.

The toll revenue collected is for the repayment of the debt and related interest costs, as well as for operating costs of the tolling systems. It does not fund the ongoing maintenance and operational costs of the road itself, which are funded from the NLTF under the State Highways Maintenance activity class. The tolls on the NGTR increase every three years to keep pace with inflation. The increase this time covers the changes in the consumer price index (CPI) since the last increase three years ago.

As of 31 March 2019, \$81.7 million in interest payments have been made. The outstanding balance owing on the road is \$216.6 million (which is the original \$158 million plus accrued interest). The NZ Transport Agency expects the loan and accrued interest to be paid off by 2045 based on on-going CPI increases and our modelling of NGTR usage. If the volume of traffic is higher than expected, the quicker the debt will be repaid.

Below are the **historical** toll revenues and toll operating revenues with the corresponding number of paid chargeable trips:

<b>Financial Year</b>	<b>Paid Chargeable Trips</b> (Revenue-generating trips)	<b>Toll Revenue (\$'000)</b> (Amount designated to repay the debt and related interest)	<b>Toll Operating Revenue (\$'000)</b> (Amount retained by the NZTA to operate toll business)
2008/09	1,897,015	\$ 2,312	\$ 1,180
2009/10	4,780,657	\$ 6,060	\$ 3,085
2010/11	4,979,112	\$ 6,150	\$ 3,216
2011/12	5,073,059	\$ 6,415	\$ 3,371
2012/13	5,279,422	\$ 7,115	\$ 3,664
2013/14	5,632,643	\$ 7,648	\$ 3,928
2014/15	5,943,516	\$ 8,056	\$ 4,135
2015/16	6,448,100	\$ 9,108	\$ 4,482
2016/17	6,851,652	\$ 10,030	\$ 4,804
2017/18	7,146,877	\$ 10,541	\$ 5,025
2018/19 (up to 31 Mar)	5,730,309	\$ 8,220	\$ 3,897
<b>Total</b>	<b>59,762,362</b>	<b>\$ 81,655</b>	<b>\$ 40,787</b>

Below are the **projected** toll revenues and toll operating revenues with the corresponding number of paid chargeable trips:

<b>Financial Year</b>	<b>Paid Chargeable Trips</b> (Revenue-generating trips)	<b>Toll Revenue (\$'000)</b> (Amount designated to repay the debt and interest)	<b>Toll Operating Revenue (\$'000)</b> (Amount retained by the NZTA to operate toll business)
2019/20	7,879,432	\$ 11,830	\$ 5,910
2020/21	8,273,403	\$ 12,421	\$ 6,205
2021/22	8,526,594	\$ 12,460	\$ 6,736
2022/23	8,779,784	\$ 12,830	\$ 6,936
2023/24	9,032,974	\$ 13,200	\$ 7,136
2024/25	9,286,164	\$ 15,715	\$ 7,800
2025/26	9,539,354	\$ 16,143	\$ 8,013
2026/27	9,792,544	\$ 16,571	\$ 8,226
2027/28	10,045,734	\$ 16,498	\$ 8,941
2028/29	10,298,924	\$ 16,913	\$ 9,166
2029/30	10,552,115	\$ 17,329	\$ 9,391
2030/31	10,805,305	\$ 20,299	\$ 10,157
2031/32	11,058,495	\$ 20,775	\$ 10,395
2032/33	11,311,685	\$ 21,250	\$ 10,633
2033/34	11,564,875	\$ 21,032	\$ 11,565
2034/35	11,818,065	\$ 21,493	\$ 11,818
2035/36	12,071,255	\$ 21,953	\$ 12,071
2036/37	12,324,446	\$ 26,322	\$ 13,064

2037/38	12,577,636	\$	26,863	\$	13,332
2038/39	12,830,826	\$	27,404	\$	13,601
2039/40	13,084,016	\$	27,159	\$	14,654
2040/41	13,337,206	\$	27,685	\$	14,938
2041/42	13,590,396	\$	28,210	\$	15,221
2042/43	13,843,586	\$	32,946	\$	16,474
2043/44	14,096,776	\$	33,549	\$	16,775
<b>Total</b>	<b>276,321,590</b>	<b>\$</b>	<b>518,850</b>	<b>\$</b>	<b>269,158</b>

Please note that as with any projections, the figures are based on assumptions held at a certain point in time. Some of the general assumptions include:

- traffic volume increased by 5% up to 2020/21 then applied the percentage increases assumed in the business case for the outyears (Traffic Model run by our consultant BECA)
- toll tariff increased by the consumer price index (CPI) every 3 years (CPI projections from the Treasury)
- transaction charge (toll operating revenue) increased by CPI every 3 years
- debt interest rate at 6.45%.

If you would like to discuss this reply with the NZ Transport Agency, please contact me by email; [john.coulter@nzta.govt.nz](mailto:john.coulter@nzta.govt.nz), or by phone on 04 894 6192.

Yours sincerely



**John Coulter**

Senior Manager, Operational Policy, Planning and Performance, Investment and Finance