

FREQUENTLY ASKED QUESTIONS (FAQS) – TOLLING REFORM

This document contains frequently asked questions about the government's reform of tolling legislation.

Why is the Government reforming tolling legislation?

Tolling allows users who benefit from a new road to directly contribute to its cost. The Bill will make tolling rules more flexible so that NZTA can consider tolling in circumstances beyond what is currently possible to bring forward investment and build the roads New Zealand needs, sooner.

What are the key changes being made through this legislation?

- **Enabling 'corridor tolling':** Tolling will be enabled on sections of existing road if it is on the same corridor as a new road and users of the existing section of road get a clear, demonstrable benefit from investment in a new road.
- **Managing the impact of traffic diverting from toll roads:** Two new tools have been created to manage the impact of traffic diverting from toll roads to untolled alternative routes. First, the Bill enables heavy vehicles to be restricted from using unsuitable alternative routes. Second, the Bill enables toll revenue to fund maintenance on alternative routes if the road controlling authority cannot fund this itself.
- **Adjusting toll rates for inflation:** The Bill requires toll rates to keep pace with inflation so users contribute fairly to costs over the lifetime of the road.
- **Liability to pay a toll:** The Bill shifts liability to pay a toll from the driver to the 'registered person' (typically the vehicle owner). This change will make toll collection more efficient.

Will everyone have to pay a toll?

The Bill maintains the legal requirement for there to be a feasible, untolled, alternative route for cars. The Bill allows the Minister of Transport to restrict certain classes of heavy vehicles from alternative routes where, for example, alternative routes are unsuitable for heavy vehicles.

Does this mean all existing roads can be tolled?

No. Existing roads can only be tolled where:

- the Minister of Transport is satisfied that users of the existing road gain a benefit from the construction of a new road on the same corridor, or
- the existing road is physically or operationally integral to a new toll road.

When will these changes come into force?

Once this Bill becomes law, toll operators will be able to utilise the new provisions on upcoming tolling proposals.

What will this mean for existing toll roads?

Existing toll roads will continue to operate as usual. In line with the Bill's requirements, toll rates on existing roads will increase by the consumers price index annually, beginning on 1 July 2027.

What else does the Land Transport (Revenue) Amendment Bill do?

The Bill also contains changes to the Road User Charges Act 2012 to make improvements to the road user charges (RUC) system in preparation for the transition of petrol vehicles to RUC. This Bill makes the system ready for that future change.