Note: Information in this document was accurate when presented to the NZTA Board; some details may have since changed.

Attachment 4

Hope Bypass RoNS Investment Case

NZ TRANSPORT AGENCY
WAKA KOTAHI

New Zealand Government

Overview

- **Project objective:** The Hope Bypass project will address network problems and support future demand by improving SH6 from SH60 to Whakatu Drive. The improvements will support economic growth, increase productivity and connectivity within the Nelson-Tasman Region, and unlock housing and commercial development within Richmond South.
- The investment envelope for the project is $414m to $719m. The cost range of the preferred option, s 9(2)(b)(ii) exceeds the investment envelope.*
  - At the Board's direction, the pre-implementation phase will cover the full preferred option with an opportunity to construct the project in stages.
  - An alternative single stage delivery option has been provided for comparison.
- The project has a BCR of 1.7 for the un-tolled scenario
- The project has a BCRn of 1.1 for a tolled scenario and BCRg of 1.1 (35 year toll) and BCRg of 0.9 (60 year toll)
- The s 9(2)(ba)(ii), s 9(2)(f) tolling assessment has been completed s 9(2)(ba)(ii), s 9(2)(f)(iv)
- The project is ready to proceed to the Pre-Implementation phase and is seeking funding of $72.6m.

Recommended Option

1. New two-lane roundabout at SH60 intersection.
2. Four-lane Richmond bypass.
3. Widening Lower Queen Street to accommodate an additional right turn lane.
4. Signalising the intersection of Lower Queen Street and Stratford Street.
5. New four-lane grade separated interchange at Lower Queen Street.
6. Four-laning the Richmond Deviation.
7. New 4-lane grade separated interchange at Salisbury Road Extension Roundabout.

BCR
1.7

s 9(2)(b)(ii)

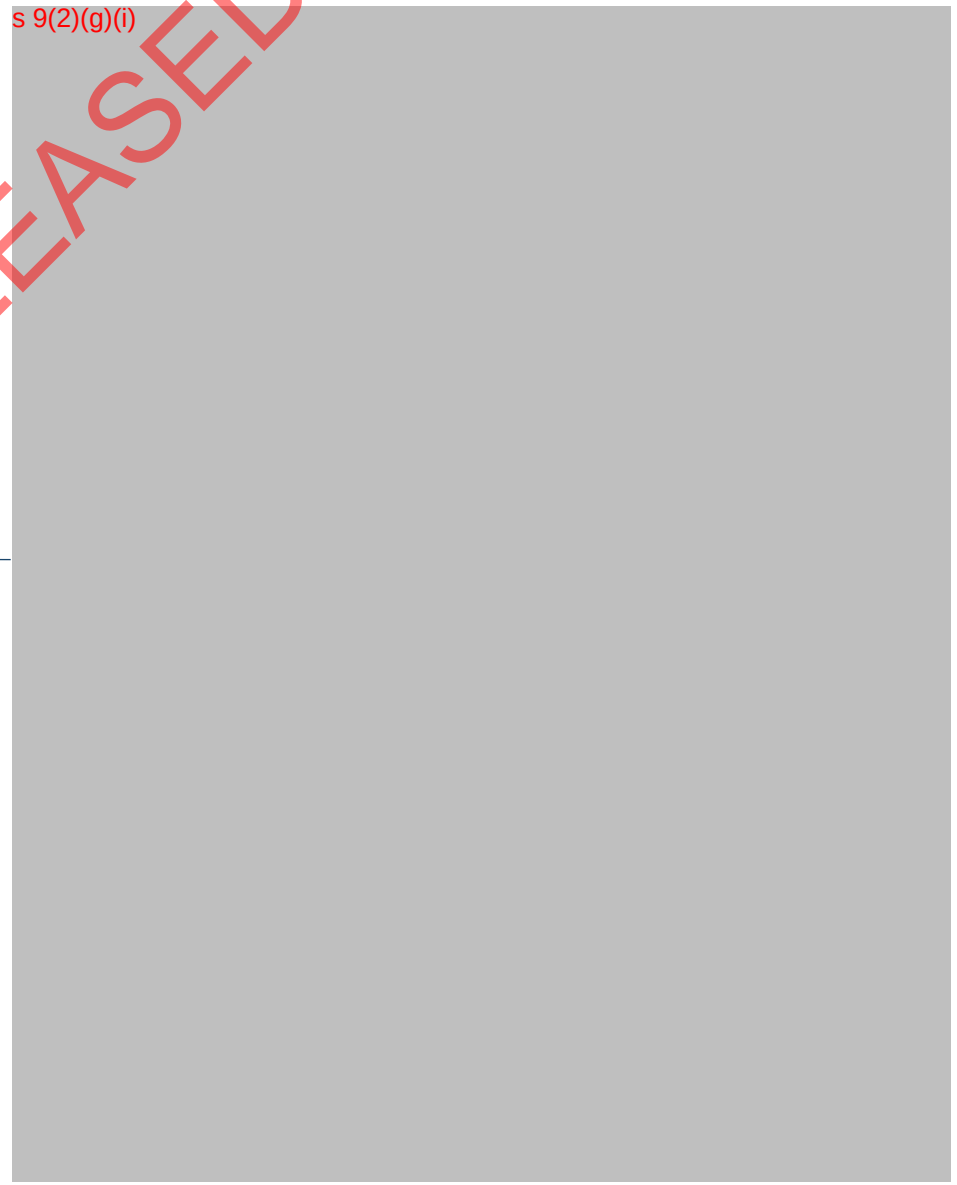
At least 16 minutes southbound and 13 minutes northbound savings along SH6 during peak times in 2054.

Supports 10,800 new households by 2034 and an additional 11,000 homes by 2054.

1-2 injury crashes saved per year.

Benefits of Staging

Delivering the full project in a single stage reduces pre-implementation and implementation cost by s 9(2)(g)(i). This is primarily due to the investment happening over a shorter time frame reducing escalation, but also reducing physical works costs associated with staged delivery (P&G, establishment, dis-establishment)



Implementation Plan

Approval of property and pre-implementation funding will enable the milestones shown below to be achieved up to the end 2027. We will then return to the Board for implementation funding approval.

Procurement and Delivery Pathway	A traditional procurement pathway will be used with Design, Consenting and Ground Investigations competitively tendered in Q2 2025. The project scale, scope of works, and level of risk is best suited to this delivery model. Once these activities are completed a traditional procurement pathway for the construction of the Hope Bypass will be released for tender via an open market competitive process.
Consenting Pathway	The consenting strategy identifies key environmental and planning constraints and risks and outlines the recommended process to secure all of the required approvals efficiently (in terms of time and cost). Engagement with Te Tauihu iwi and key planning partners is in its early stages. Investigations to support planning applications, including archaeological assessment, lizard surveys, ecological strategy and hydrology assessments are well underway. The consenting strategy currently outlines a traditional RMA pathway due to the nature of the designation, the proposed works, and the positive local relationships with the Territorial Authorities; however, the project team are deferring the decision to use RMA vs. the Fast Track Approvals Act until consenting risks are better understood in the pre-implementation phase.
Proposed Property Strategy and Status	Land requirement plans will be finalised based on the specimen design. Minimal landowner engagement has occurred. s 9(2)(j)
Key Risks (refer slide 6)	s 9(2)(g)(i)

Key Project Actions & Milestones

- 2025 — Procure professional services for Pre-imp phase
- 2025 — Commence planning applications
- 2025 — Commence property acquisition
- 2025 — Lodge Wildlife Permit
- 2026 — Complete design & lodge consents for Main Contract
- 2027 — Implementation Funding Request
- s 9(2)(f)(iv)

Key Risks

s 9(2)(g)(i)

Cost and Contingency

s 9(2)(g)(i)

Funding and Finance

Funding source		Comment
Public Private Partnerships (PPP)	☒	A RoNS programme assessment has been carried which ruled out the EWL as a candidate primarily due to the brownfield nature of the corridor and complexity with the local roading network interfaces.
Tolling Assessment	☑	Suitable for tolling. The s 9(2)(ba)(ii), s 9(2) tolling assessment indicates that tolling not adversely affect the project outcomes on SH6, but has a significant affect on local road and public transport networks. The BCR of the tolled scheme is 1.1 compared to a BCR of 1.7 for the untolled scheme. s 9(2)(ba)(ii), s 9(2)(f)(iv)
Regional Fuel Tax	☒	The current government has reversed the previously approved regional fuel tax.
IFF Levy - existing residents/new development	☒	This group is not expected to receive a material benefit. A small commercial IFF levy may be appropriate
IFF Levy - Business	☑	Charge would be a IFF levy on commercial properties only.
Time of Use Charging	☒	Not intended as a revenue tool, & surplus expected to be primarily used for local government projects.
National Land Transport Fund (NLTF)	☑	A mix of NLTF and / or Crown funding will be required to cover the funding gap.

Funding for the project will be confirmed in the next stage

NZTA needs to consider all funding, financing and delivery options. The following summarises the analysis for the Hope Bypass project.

- This project was assessed as not suitable for a PPP, therefore financing assumes traditional Crown borrowing.
- Recommended funding tools for further investigation include: tolling, an IFF levy on commercial properties and a contribution from Port Nelson.

s 9(2)(b)(ii)

Summary of financial analysis

s 9(2)(b)(ii)

s 9(2)(b)(ii)

Tolling Proposal

s 9(2)(ba)(ii), s 9(2)(f)(iv)

Appendices

Cost Cashflow and Breakdown

The project cost estimate range is forecast between s 9(2)(b)(ii) . The indicative cost envelope for the development of the 2024 GPS and 2024-27 NLTP is $414m - $719m.

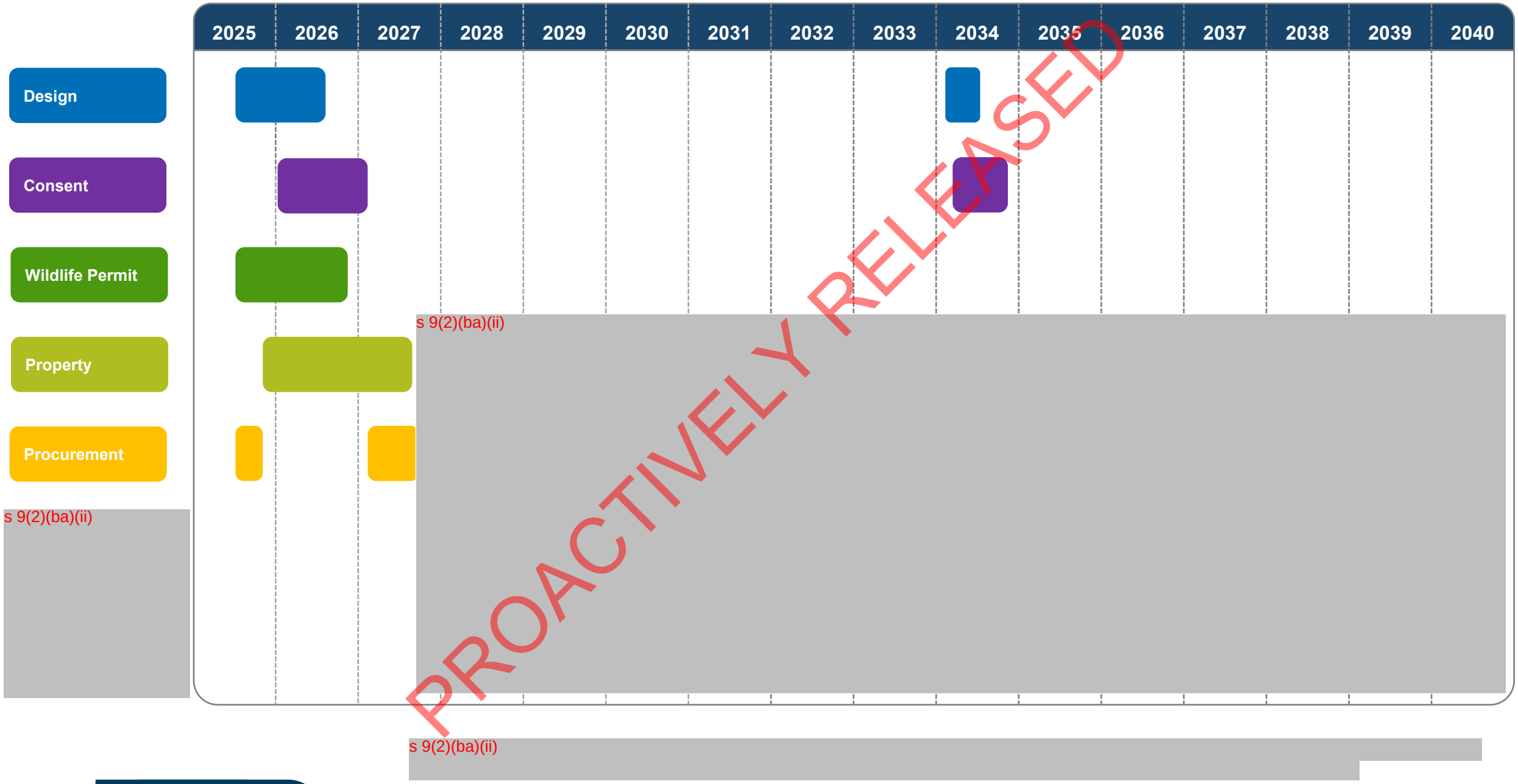
s 9(2)(b)(ii)

Phase	Project Costs $m	$m
Property Cost	s 9(2)(b)(ii)	
Pre-Implementation Phase		
Implementation Phase		
Contingency		
Escalation		
Total Project Cost		

s 9(2)(b)(ii)

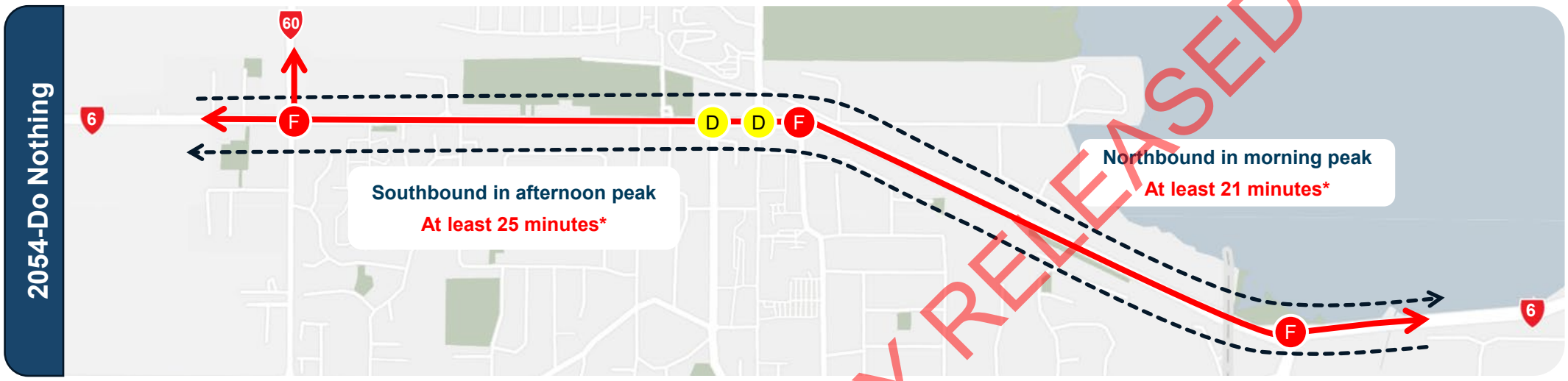
s 9(2)(b)(ii)

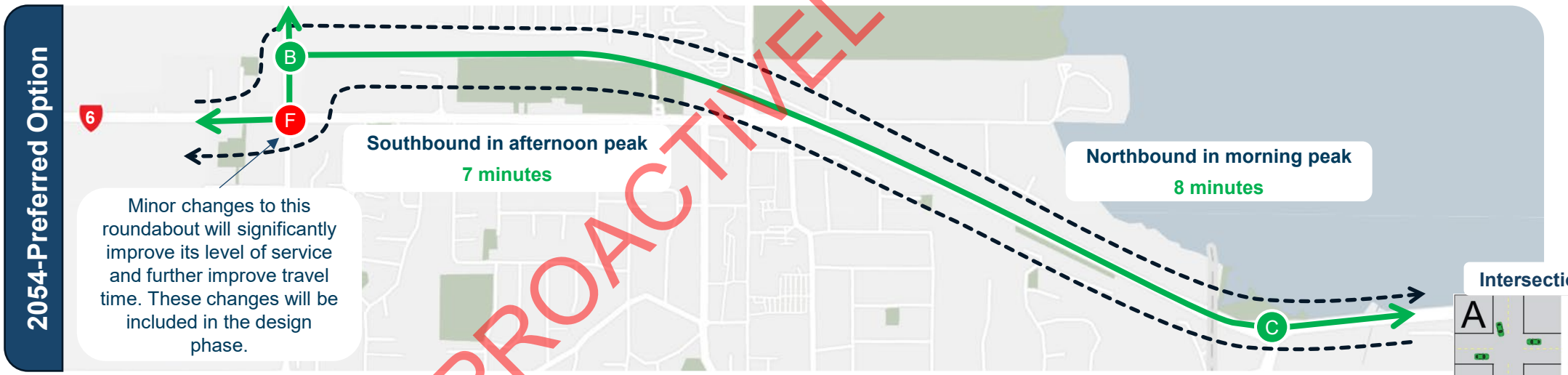
Staged Project Programme and Triggers



Preferred Option Performance

Intersection levels of service and peak travel times





*Modelling of the 'Do Nothing' scenario showed traffic queuing beyond the model extents. This means that actual travel time for this scenario is likely to be more than those stated.