RoNS SH6 Hope Bypass Investment Case

Note: The information in this document reflects a point in time. Timings are indicative only and may change during the next phase of development. Costs are subject to funding availability and approvals.

June 2025

NZ TRANSPORT AGENCY WAKA KOTAHI

Roads of National Significance

What is included in this RoNS SH6 Hope Bypass Investment Case

CONTENTS

Endorser	Role	Date	Signature
Richard Osborne	Project Sponsor, System Design Regional Manager		

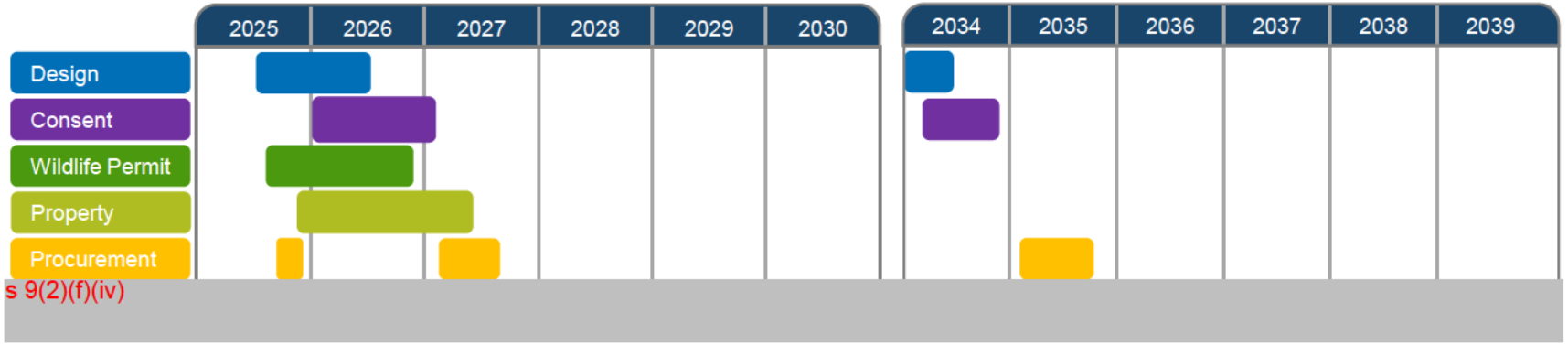
INVESTMENT SUMMARY

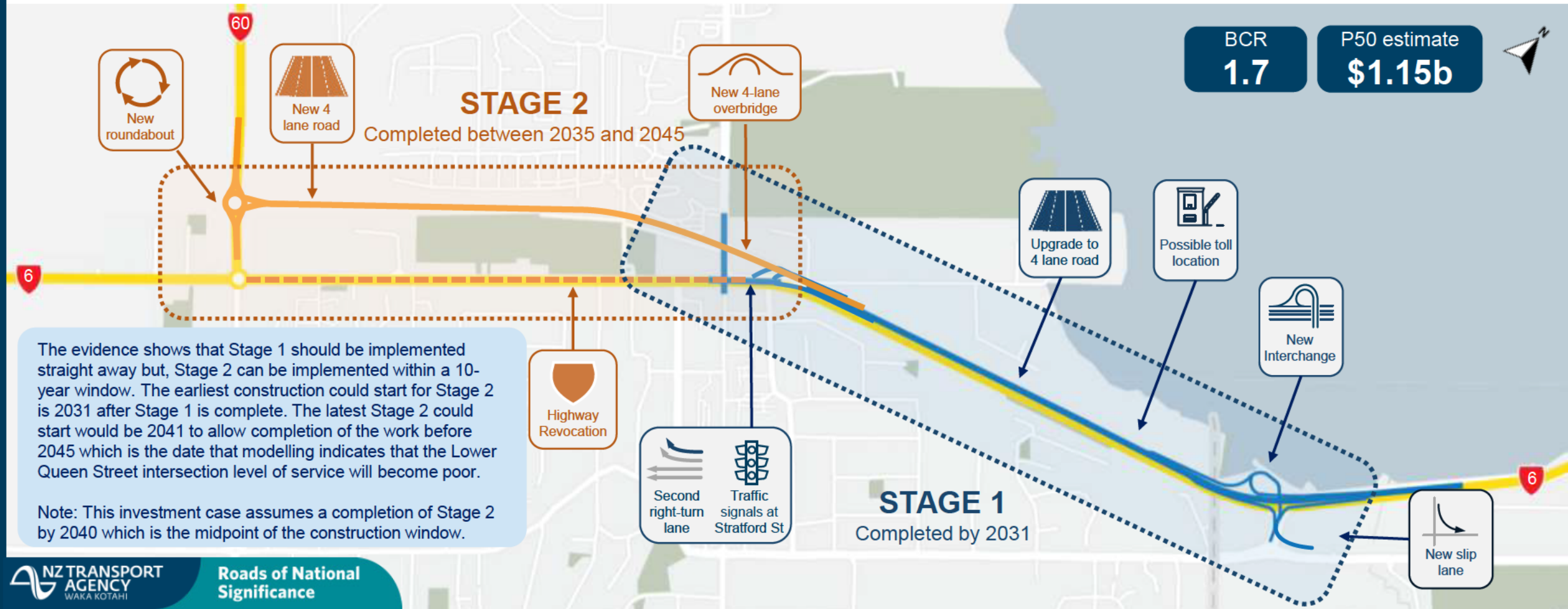
The Hope Bypass project provides travel time savings but is complicated by the existing urban form

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





The evidence shows that Stage 1 should be implemented straight away but, Stage 2 can be implemented within a 10-year window. The earliest construction could start for Stage 2 is 2031 after Stage 1 is complete. The latest Stage 2 could start would be 2041 to allow completion of the work before 2045 which is the date that modelling indicates that the Lower Queen Street intersection level of service will become poor.

Note: This investment case assumes a completion of Stage 2 by 2040 which is the midpoint of the construction window.

STRATEGIC CASE

Land use change and growth is impacting network performance

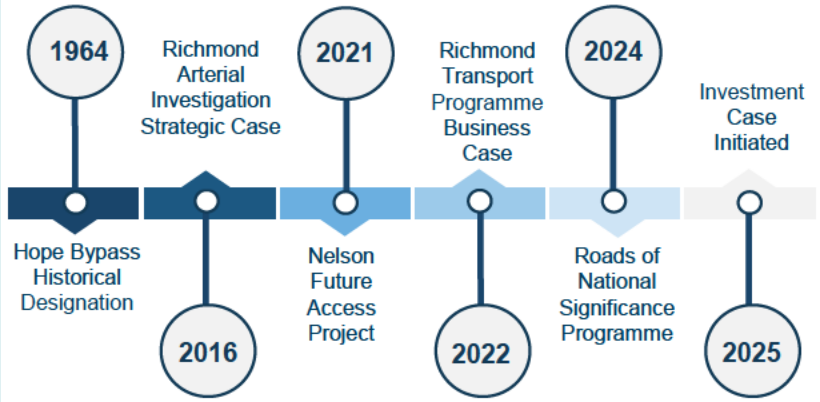
SH6 contributes to the economic prosperity of the region

- From 2018 to 2023 Tasman had the highest growth of all the regions, at 10.3%. All other regions grew by less than 9%. Significant housing development is coming with 21,800 new homes planned in the next 30 years, which means more people will rely on this route.
- SH6 and SH60 form part of critical freight routes between the rural remote areas and Port Nelson. They form part of key import and export supply chains, as well as being popular routes for both international and domestic tourists.
- SH6 is a key route for people commuting (in both directions) between Richmond, Stoke, Nelson and the wider Tasman area.
- Richmond's town centre is a popular destination with 4.5% per annum growth in employment compared to Nelson (0.5% pa).

Congestion on SH6 results in poor safety outcomes

- When SH6 is congested, drivers seek alternative routes through Richmond, adding to safety risk on local roads. On average there are 4.2 fatal and serious injury crashes each year on SH6 and Richmond's local network.

Hope Bypass – Project History



Nelson Port
Port Nelson is the biggest fishing port in Australasia and supplies all the fuel for the region. SH6 is a key route for heavy vehicles to reach the Port. Cargo volumes are expected to grow by 19% by 2042 which will affect SH6.

Nelson Airport
SH6 is a key route connecting residents and tourists to the airport.

Waimea Estuary
Nationally significant estuary that has high ecological value.

Population & housing growth
The Future Development Strategy provides capacity for 21,800 houses in the Nelson-Tasman commutable area, of which 10,800 households are planned to be built by 2034. This will create substantial travel demand.

Great Taste Trail
This shared path is a "Great Ride" and a key tourism attraction with 419,000 users in 2023. It generated $34m for the district in 2022-23. Retaining the trail and connections is essential to maintain this economic contribution.

Nelson City
Stoke
Richmond
Hope
Motueka
Māpua
Wakefield
Brightwater
Nelson Airport

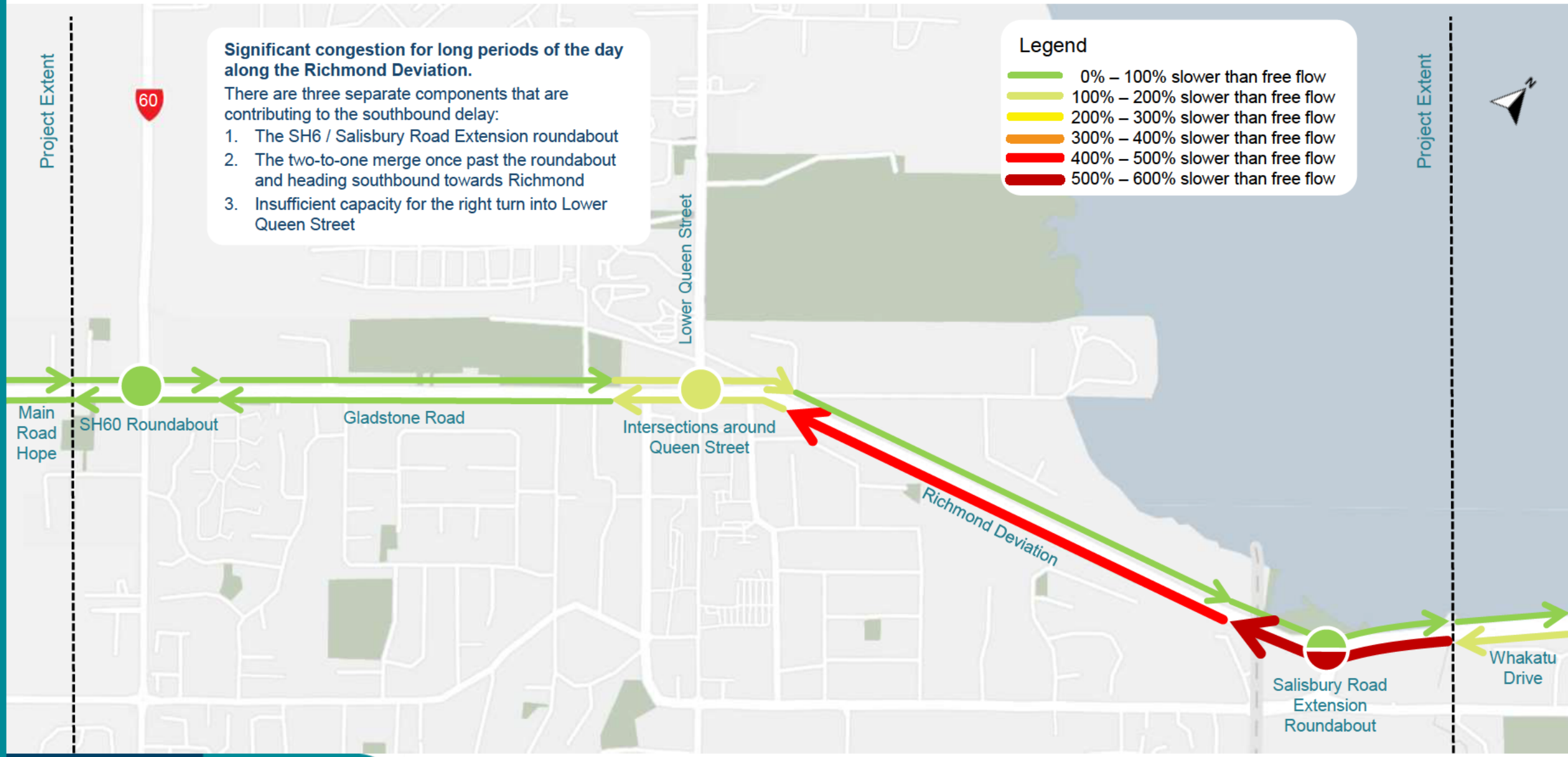
Legend
- Housing intensification
- Housing Expansion
- Hope Bypass Focus Area
- Hospital
- Airport
- Nelson Port
- Great Taste Trail

Refer to **Appendix A: Strategic Case**

Current travel time delays are worse in the northern section of the SH6 corridor

Delays are most significant in the evening peak for southbound traffic between Salisbury Road and Queen Street intersections.

Northbound traffic currently experiences less delay.



Travel time reliability will continue to deteriorate as travel demands increase

Travel along SH6 is already unreliable

SH6 through Richmond is a regionally significant freight route between Port Nelson and the rest of the Upper South Island. Approximately 10% of traffic is freight.

SH6 Richmond Deviation (between Lower Queen Street and Salisbury Road Extension Roundabout) has a speed limit of 100km/h and carries up to 30,000 vehicles per day. By 2034 the traffic volumes are forecast to reach 33,000 vehicles per day, which is at or near its theoretical capacity.

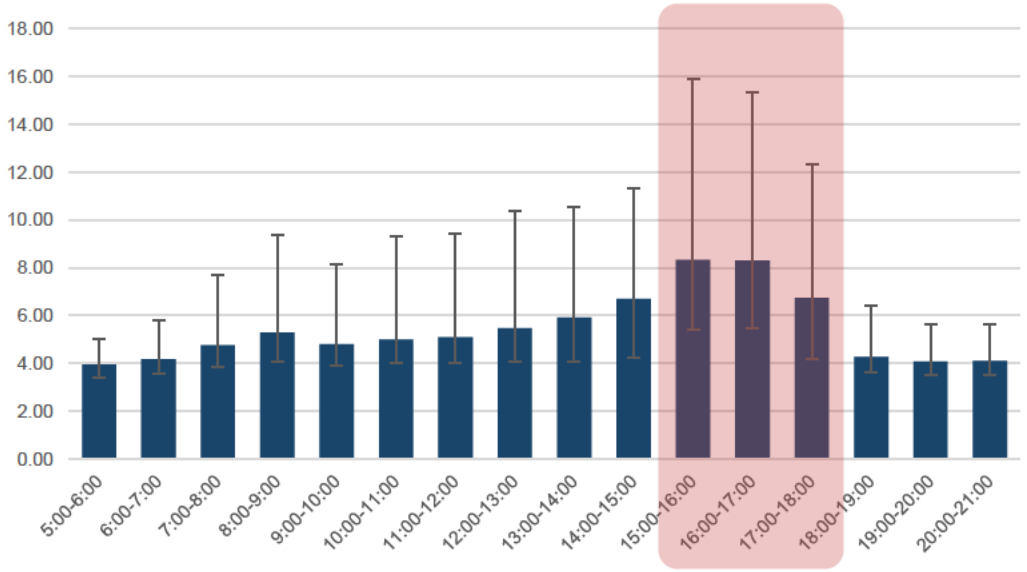
It currently takes 5 - 16 minutes during the evening peak hour to travel the short 3.5km section of SH6 between Salisbury Road Roundabout and SH60. This variability shows that even small changes in demand along SH6 can result in a notable increase in the level of delay being experienced.

Current journey times are slow and unreliable

The graph below shows the "typical" journey times between Salisbury Road Extension Roundabout and SH60. The thin lines provide the 85th percentile journey times.

It shows that at 3pm the journey typically takes 8 minutes but can take as long as 16 minutes. We see similar results in the AM peak, for the journey towards Nelson.

Southbound journey times (towards Richmond)



PM Peak (3pm to 6pm)

Traffic will continue to grow in response to planned growth in Richmond South and the wider Tasman region

Traffic demands along SH6 expected to increase by 3,000 vehicles per day by 2034. This will result in significant congestion, as the road is already close to capacity.

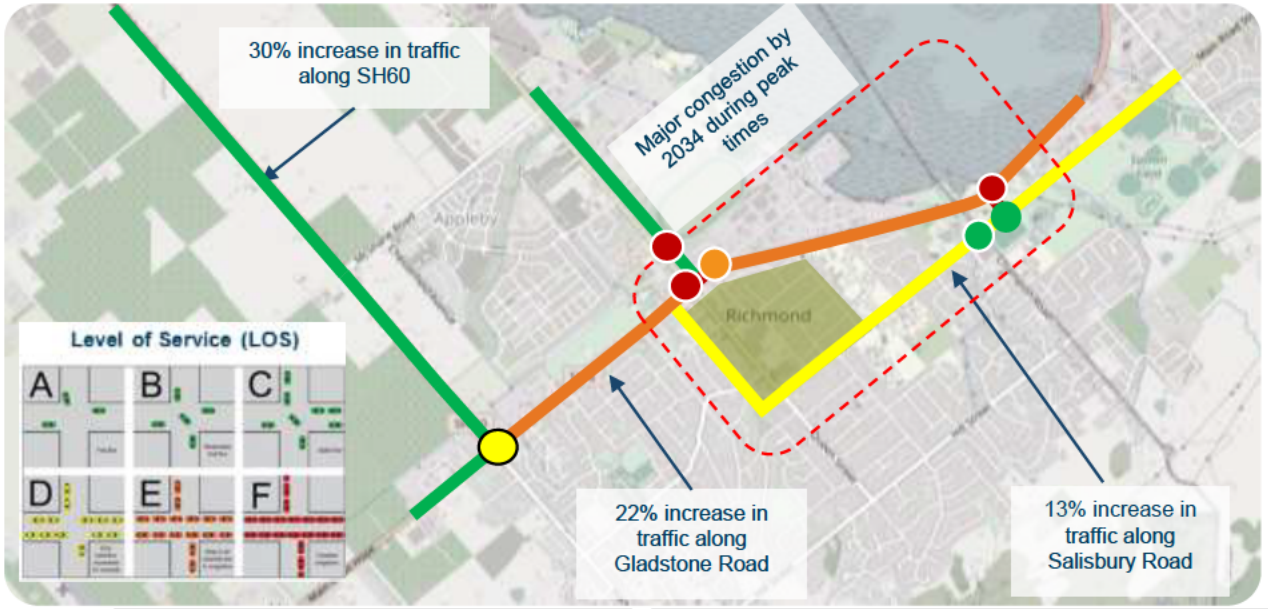
Freight volumes handled at the Port of Nelson are expected to grow by 19% by 2042. Heavy vehicles already make up 10% of traffic on SH6, highlighting the importance of the corridor from a regional economic perspective.

The Future Development Strategy allows for 21,800 new households in the Nelson-Tasman commutable area by 2054, of which 10,800 households are planned for 2034. This will create substantial travel demand.

Without change, existing congestion issues will worsen and delays across the local network will be seen for longer and more sustained periods throughout the day. Traffic modelling, as represented in the diagram below, shows how large parts of the network will be over capacity in less than 10 years' time.

By 2054, congestion will spread throughout most of the day and across an even wider part of the network.

2034 PM peak network performance – "Do Nothing" scenario



STRATEGIC CASE

The SH6 Hope Bypass project needs to enable growth, and provide faster journey times

Journeys are already slow and unreliable, and they will get worse

Travel demands along SH6 will grow by 10% in the next 10 years (2034) and by 22% in the next 30 years (2054) but capacity will be unchanged. Traffic will avoid SH6 and use the local road network, resulting in widespread congestion throughout the town.

A microsimulation model was developed for the SH6 corridor between Salisbury Road and SH60 to help understand the scale of delays in the future. It identified for the southbound peak hour journey through Richmond:

- In **2025**: the average journey takes **15 minutes**
- In **2054:** the average journey takes more than **25 minutes***

Bottlenecks such as the Lower Queen Street, McGlashen Road and Salisbury Road intersections are already familiar to the community.

The traffic effects at these locations are also connected - where delays at one location led to problems at another. For example, southbound traffic on SH6 queueing to turn right to Richmond West can lead to queues on the Richmond Deviation.

Slow travel times will be seen across the whole network

With more demand, and no extra network capacity, traffic volumes will increase across the network – including on local roads through Richmond residential and shopping areas, which are not designed to be used as arterial routes.

More traffic without additional capacity is also likely to lead to more crashes on local roads and on the state highway, and a deterioration in the local environment due to increased noise and air pollution.

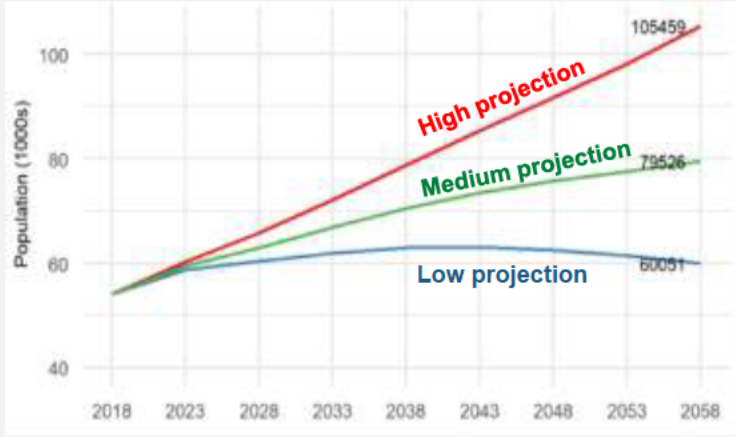
The window of opportunity to construct, without major disruption, is getting smaller

Currently there is some spare capacity in the local network which will be able to absorb some of the traffic impacts during construction, for example during periods when traffic will need to be diverted.

As traffic volumes grow, this ability for local roads to temporarily absorb diverted traffic will diminish as these roads will be operating close to capacity. This means travel time delays during construction will be more significant.

Continued growth in population, without increasing the capacity of the transport network

Richmond, and the wider Tasman area, has seen steady and sustained growth over the last 10 years, as shown in Tasman District Council's (TDC) population projections below, which indicates no signs of slowing. By 2054 the medium projections identify another 20,000 people living in Richmond.



This growth in population translates to the following growth in traffic on the key arterial corridors:

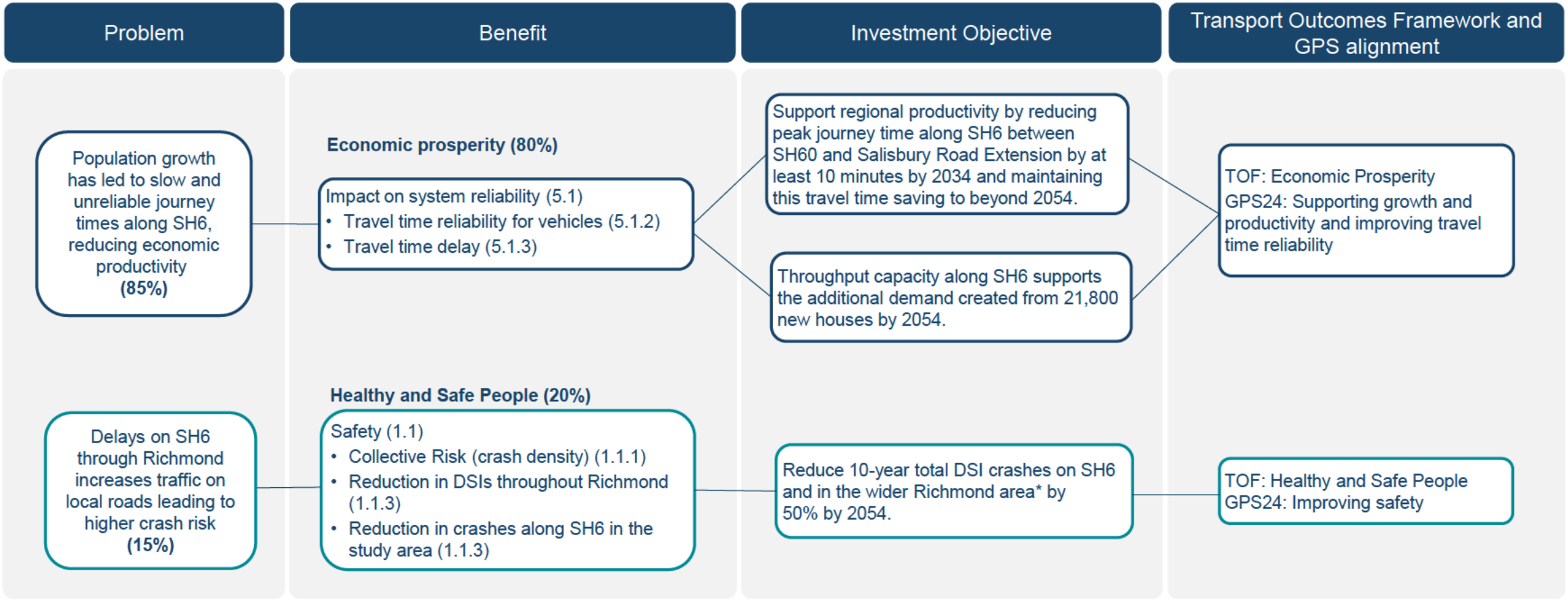
- SH60 - 40%
- Gladstone Road - 31%
- Richmond Deviation - 22%
- Lower Queen Street - 9%
- Salisbury Road - 41%

* Modelling shows queuing outside of the model extents. Actual journey times are expected to be longer.

The project investment objectives align with national investment priorities

The Richmond PBC problems and investment objectives were refined and tailored to the SH6 Hope Bypass project, with the focus on supporting economic prosperity locally and across the region by improving travel time reliability and providing additional throughput capacity.

The project will improve safety on SH6, SH60 and the local road network.



* Richmond Area includes the area within (and including) SH6, Bateup Road, Hill Street and Champion Road/Salisbury extension to SH6.

The Appraisal Summary Table in Appendix C provides an overview of performance of the preferred option. This includes the economic analysis, commentary in regard to the strength of the option against the GPS priorities and the strength to which it delivers upon the Investment Objectives.

Major constraints influenced the design

Existing constraints with potential to influence the optioneering and design, were identified at the outset to limit their impact on cost and programme.

Designation

The project team treated the current designation boundary as a constraint, due to the absence of any consent conditions. The designation is predominantly 35m wide and starts north of Edens Road and merges with the existing SH6 designation at Lower Queen Street. Any alteration to the existing designation (other than a minor alteration), would be likely to require full SME assessments, public notification, and associated hearings, requiring an increase in the time and cost of the project. Therefore, the preferred option must be predominately accommodated within the designation.

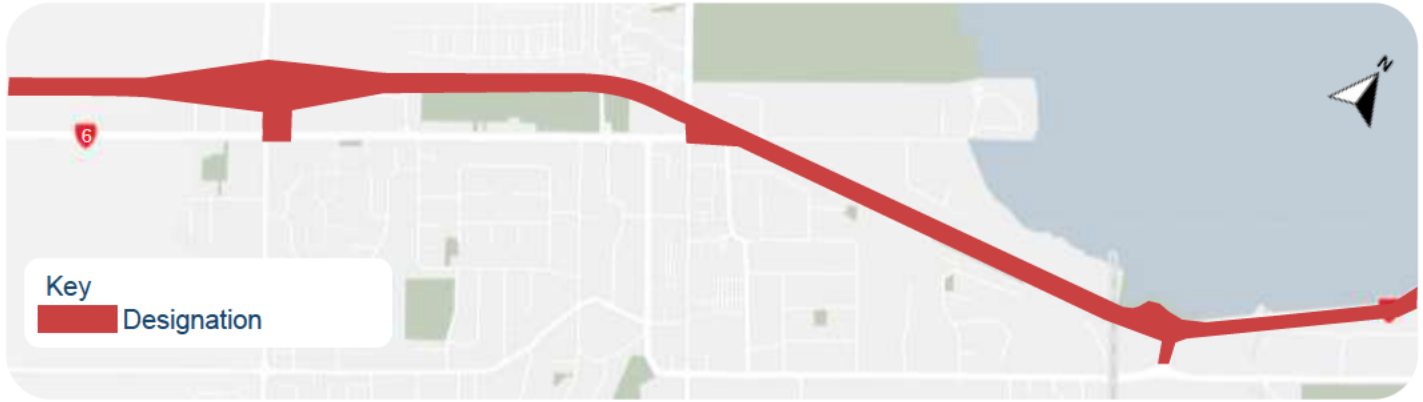
Council Infrastructure

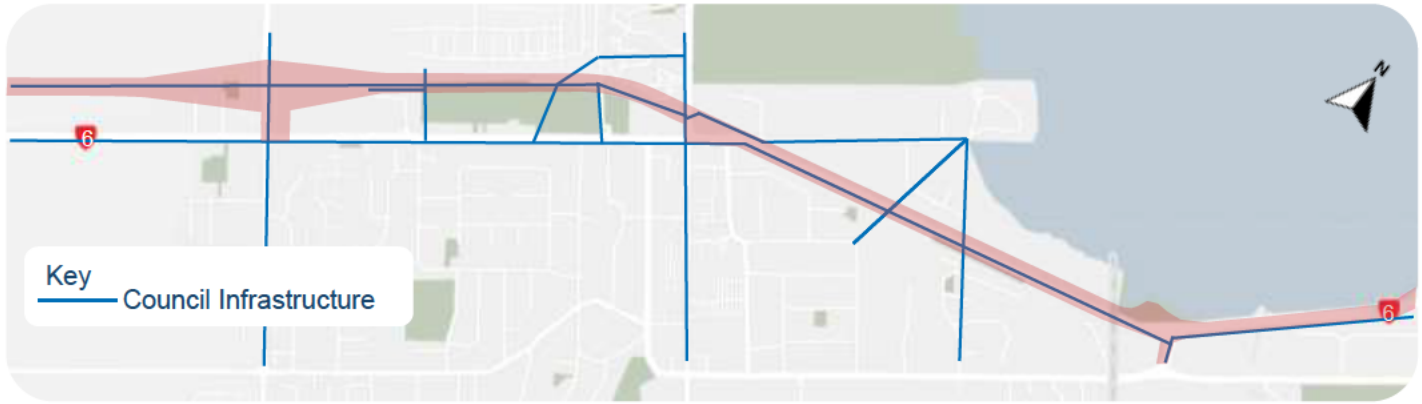
There is significant Council three waters infrastructure along the entire length of the project corridor. Where possible, the project design aims to avoid shifting infrastructure by accommodating it within the designation. Some realignment of services is needed to provide for future maintenance access at interchanges and road structures.

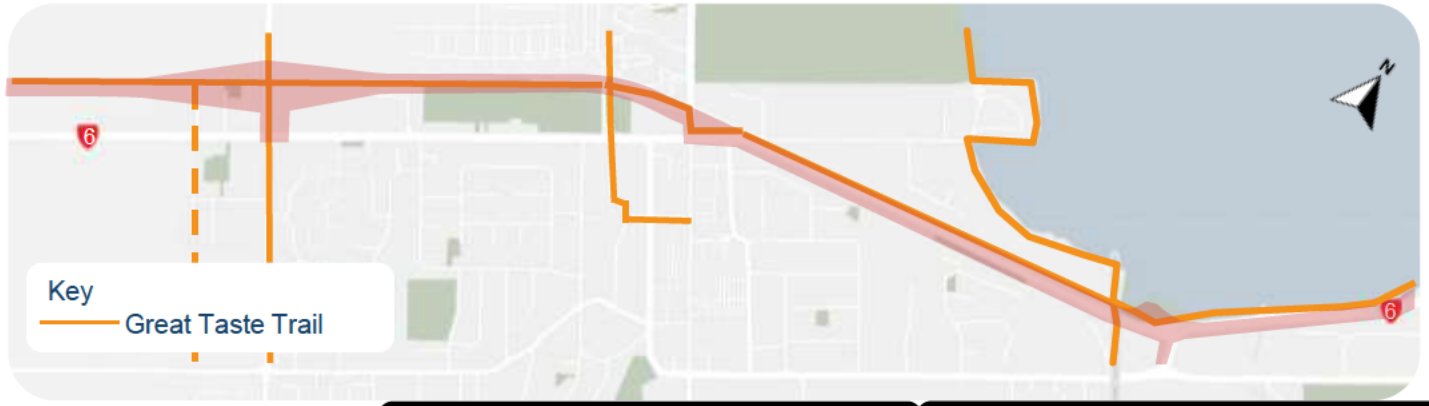
At the SH6/Salisbury Road Extension Roundabout there are numerous services requiring relocation, including the NRSBU sewer pumping main and Network Tasman power lines. Reservoir Creek Culvert may need to be extended, and structural work may be required to the Beach Road Drain.

Great Taste Trail

5.2km of the Great Taste Trail shared path sits within the Hope Bypass Designation and runs along the western side of the Richmond Deviation. The Great Taste Trail is important to the regional economy, bringing domestic and international visitors to the region. It is also used by residents wanting to walk or cycle for everyday activities and recreation. The expectation for the design was that the trail and the main cross connection between Richmond West and Richmond town centre would be retained due to economic and community benefit to the region.







Appendix A: Strategic Case
Appendix D: Planning Assessment

Past engagement has been high-level, and community sentiment called for the bypass sooner

Wider community engagement on the Hope Bypass has been high-level without any details of what it would look like and how the intersections would be improved. We have received feedback through the 2021 Richmond Transport Programme Business Case and the Regional Land Transport Plan.

Richmond Transport Programme Business Case, 2021

- NZTA and the Tasman District Council worked together on a business case to address Richmond transport needs over the next 30 years.
- The Hope Bypass was in the long-term plan but no description of what the Bypass would look like was provided, only the route which showed the Bypass on the designation.
- Media and community rhetoric and sentiment focused on a flyover for Lower Queen Street and building a road on the designation (Old Railway Reserve).
- During engagement on the PBC 74% of respondents were in support of the Bypass and most of these people were keen to see it completed sooner
- 26% of respondents didn't want to see the bypass built, citing climate change and that more roads equal more cars. This included Nelson Marlborough Health Board, Nelsust, ZCNT, and Nelson Tasman Climate Forum.
- AA and Richmond Unlimited wanted Hope Bypass to happen as early as possible so that local streets were quieter and safer.

Nelson Tasman Regional Land Transport Plan, 2024

- 11 of the 76 submissions mentioned Hope Bypass
- Four submissions (including Automobile Association) were in favour and cited congestion, travel time and growth as reasons why the project should be undertaken.
- Six submissions (made up of groups and individuals) were opposed to Hope Bypass and cited cost, disruption, emissions and severance as reasons the project should not progress.
- Several submissions both for and against the project indicated that traffic congestion at the Lower Queen Street/Gladstone Road intersection should be addressed rather than spending money on a costly bypass project.

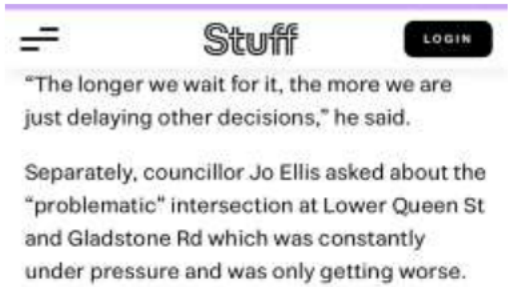

Te Karere o Whakatū
Nelson Mail
YOUR PAPER SINCE 1866

Mayors call for major change to Hope Bypass


Stuff LOGIN

Gladstone Rd daily, which would only increase as the area grew.

"I have listened to residents from nearby lifestyle villages who have serious safety concerns navigating the Lower Queen Street intersection, and I have spoken with business owners and tradies that are frustrated to lose hours every day trying to get through the Richmond lights," he said.


Stuff LOGIN

"The longer we wait for it, the more we are just delaying other decisions," he said.

Separately, councillor Jo Ellis asked about the "problematic" intersection at Lower Queen St and Gladstone Rd which was constantly under pressure and was only getting worse.


Concern Hope Bypass will cut popular cycle trail

Katy Jones | Nelson Mail

November 1, 2024

The decision-led approach guided project development

Decision Led Approach Objectives

The overarching objectives for a decision-led approach, as was adopted for this project, are:

- Ensuring the project aim is clearly stated
- Delivering decisions rather than documents
- Presenting decision makers with genuine choices
- Making decisions early, based on robust information, to narrow scope, and reduce time & effort
- Building the Investment Case (IC) based on clear trade-offs & analysis
- Presenting cost & benefit envelopes for projects
- Avoiding revisiting decisions when projects stay within the agreed cost benefit envelopes.

Decision making process

- All decisions are made by the delegated decision maker.
- Key decisions with funding and political implications are made by the NZTA Board (1a).
- Key decisions with outcome tradeoffs are made by the VOS Committee (1b) and other decisions are made by the Project Sponsor (1c).
- Decisions are recorded in a decision register which is updated throughout project development as decisions are made.

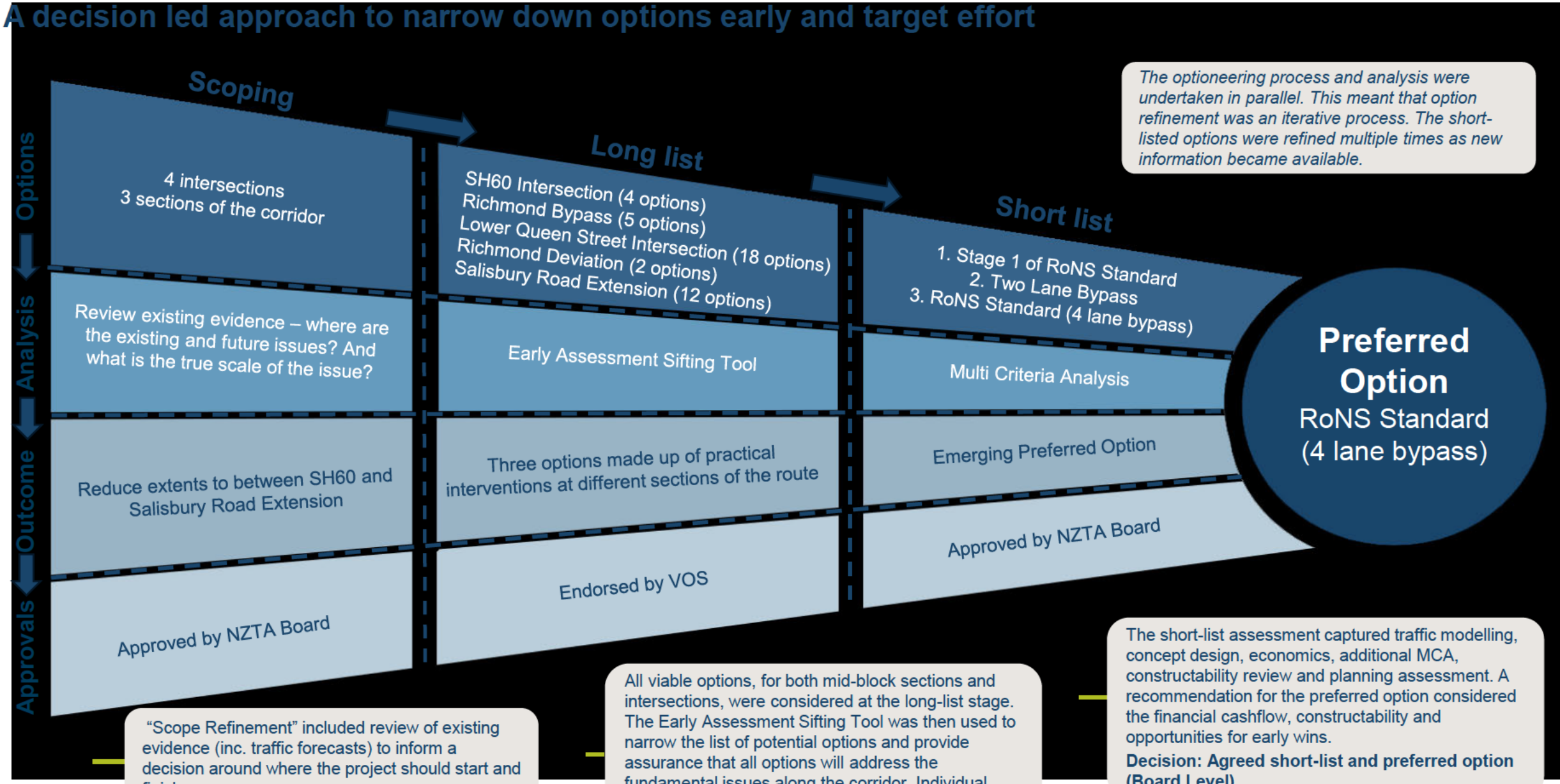
Decision Makers

- 1a NZTA Board
- 1b National Portfolio - VOS Committee
- 1c Project Sponsor

Timeline of key decisions

Key Decisions	October	January	February	March	April	May	June	July	August
Governance		Governance Structure							
Design					Project Extent Cross-section, speed and intersection form				
Financial (Tolling Team)		Tolling Gate 1 - Proceed							Tolling Gate 2 - Proceed
Investment	Project Initiation	POE IC Funding Approval Accelerated IC phase to May		Extend IC phase to June		Extend IC phase to August		Next phase funding Investment Case endorsement	Investment Case

A decision led approach to narrow down options early and target effort



The optioneering process and analysis were undertaken in parallel. This meant that option refinement was an iterative process. The short-listed options were refined multiple times as new information became available.

"Scope Refinement" included review of existing evidence (inc. traffic forecasts) to inform a decision around where the project should start and finish.

Decision: Agreed extent SH60 to Salisbury Road (Board Level)

All viable options, for both mid-block sections and intersections, were considered at the long-list stage. The Early Assessment Sifting Tool was then used to narrow the list of potential options and provide assurance that all options will address the fundamental issues along the corridor. Individual interventions were then packaged into "programmes'

Decision: Agreed interventions to progress forward (Sponsor Level)

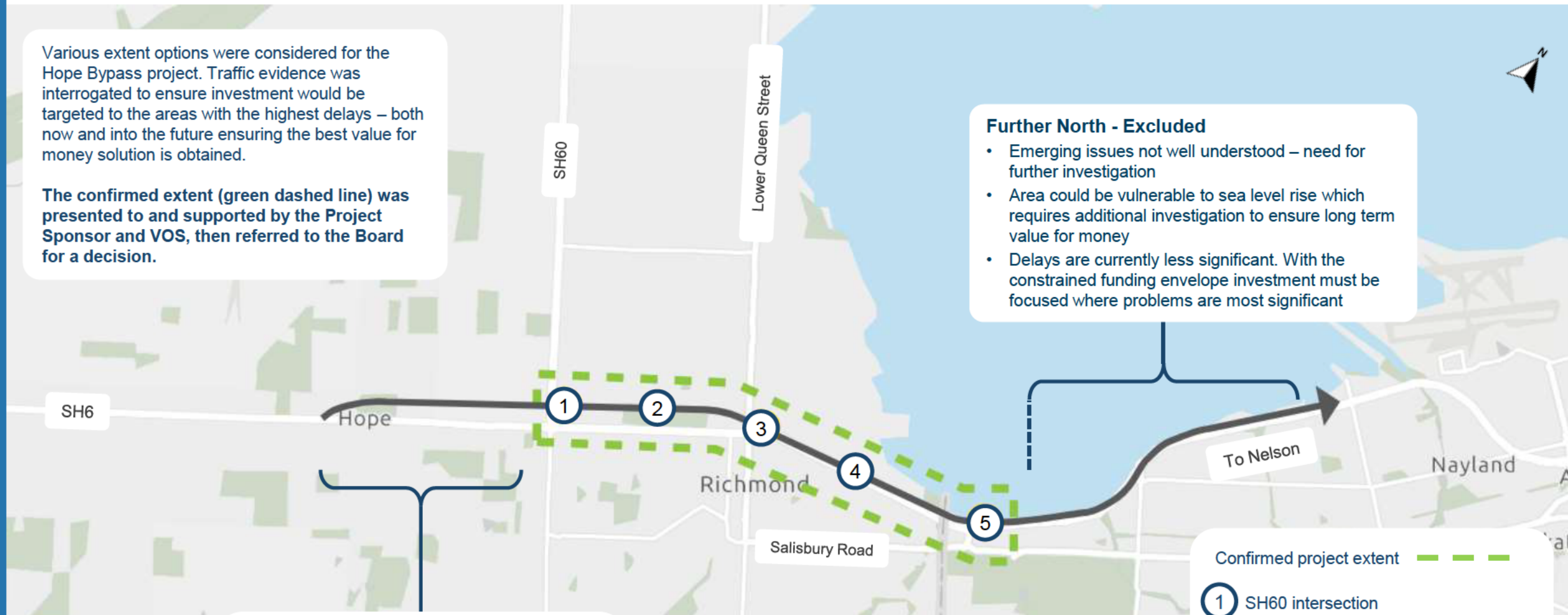
The short-list assessment captured traffic modelling, concept design, economics, additional MCA, constructability review and planning assessment. A recommendation for the preferred option considered the financial cashflow, constructability and opportunities for early wins.

Decision: Agreed short-list and preferred option (Board Level)

Project extent revised to focus on key problem areas

Various extent options were considered for the Hope Bypass project. Traffic evidence was interrogated to ensure investment would be targeted to the areas with the highest delays – both now and into the future ensuring the best value for money solution is obtained.

The confirmed extent (green dashed line) was presented to and supported by the Project Sponsor and VOS, then referred to the Board for a decision.



Further North - Excluded

- Emerging issues not well understood – need for further investigation
- Area could be vulnerable to sea level rise which requires additional investigation to ensure long term value for money
- Delays are currently less significant. With the constrained funding envelope investment must be focused where problems are most significant

South of SH60 - Excluded

- Conditions are close to free flow at most times of the day with little evidence of delays
- Forecast demands not expected to exceed existing capacity
- Designation inadequate for road designed to current standards

Confirmed project extent

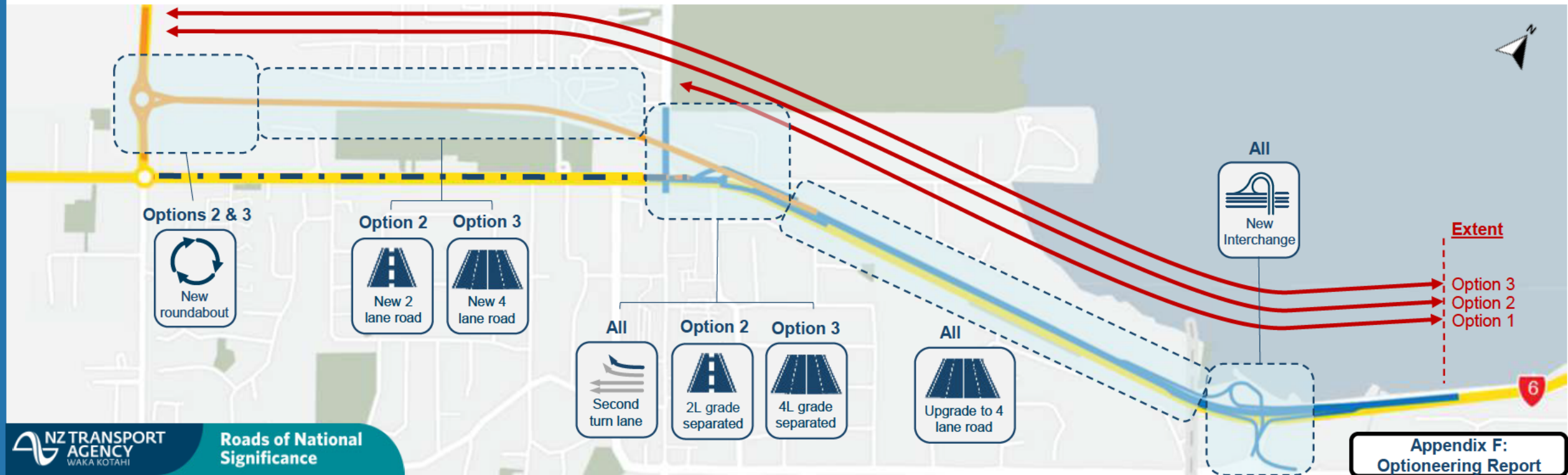
1. SH60 intersection
2. Richmond Bypass corridor
3. Lower Queen Street intersection
4. Richmond Deviation corridor
5. Salisbury Road Extension Roundabout

The preferred option is the best long-term, value for money solution

Option	Name	SH60 Intersection	Richmond Bypass (SH60 to Queens)	Queen Street Intersection	SH6 Deviation	Salisbury Road Extension Intersection	MCA Score	Affordability	
								Cost Estimate (P50 - P95) ($m)	BCR
DN	Do Nothing								
1	RoNS Standard – Stage 1	Excluded	Excluded	2 right turn lanes into Lower Queen St	2+2 100kph	4 lanes grade separated	0.7	$308m - $374m	1.6
2	Two Lane Bypass	Roundabout (with underpasses)	1+1 80kph	2 lane (1+1) Grade separated (not future proofed for 4 lanes	2+2 100kph	4 lanes grade separated	1.2	$695m - $1080m	2.2
3	**RoNS Standard Option - Stage 1 and 2**	Roundabout (with underpasses)	2+2 80kph	4 lane (2+2) Grade separated	2+2 100kph	4 lanes grade separated	**1.3**	$1150m - $1390m	**1.7**

Preferred Option: Option 3

Option 2 has the highest BCR, but due to constraints at Lower Queen Street, the option is not easily futureproofed for four lanes which will be required. **Option 3** provides the best long-term solution but exceeds the cost envelope. The NZTA board has provided direction to develop Option 3 through pre-implementation and to consider a staged approach to implementation to manage affordability.



Option 1: RoNS Standard - Stage 1 (Not Progressed)

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

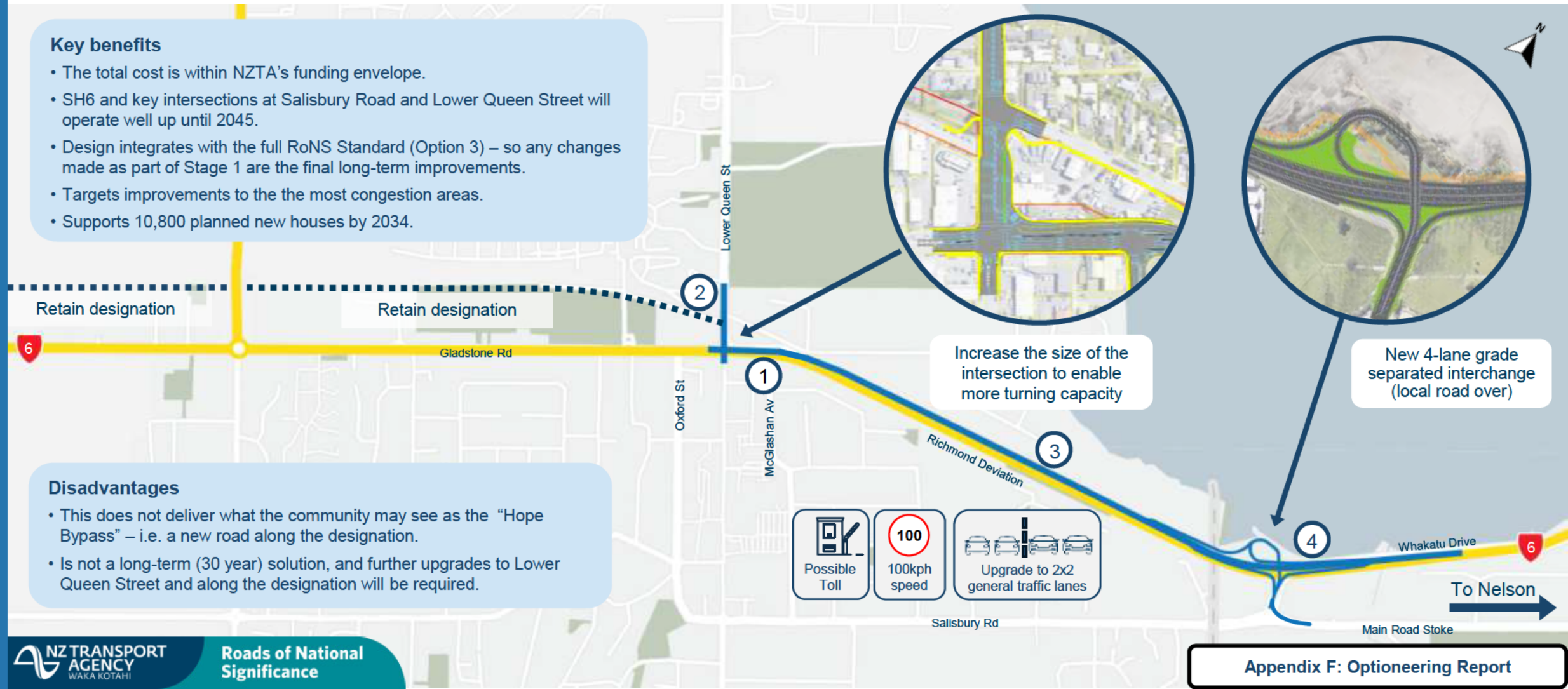
MCA Score	BCR	P50 estimate
0.7	1.6	$308m

Key benefits

- The total cost is within NZTA's funding envelope.
- SH6 and key intersections at Salisbury Road and Lower Queen Street will operate well up until 2045.
- Design integrates with the full RoNS Standard (Option 3) – so any changes made as part of Stage 1 are the final long-term improvements.
- Targets improvements to the the most congestion areas.
- Supports 10,800 planned new houses by 2034.

Disadvantages

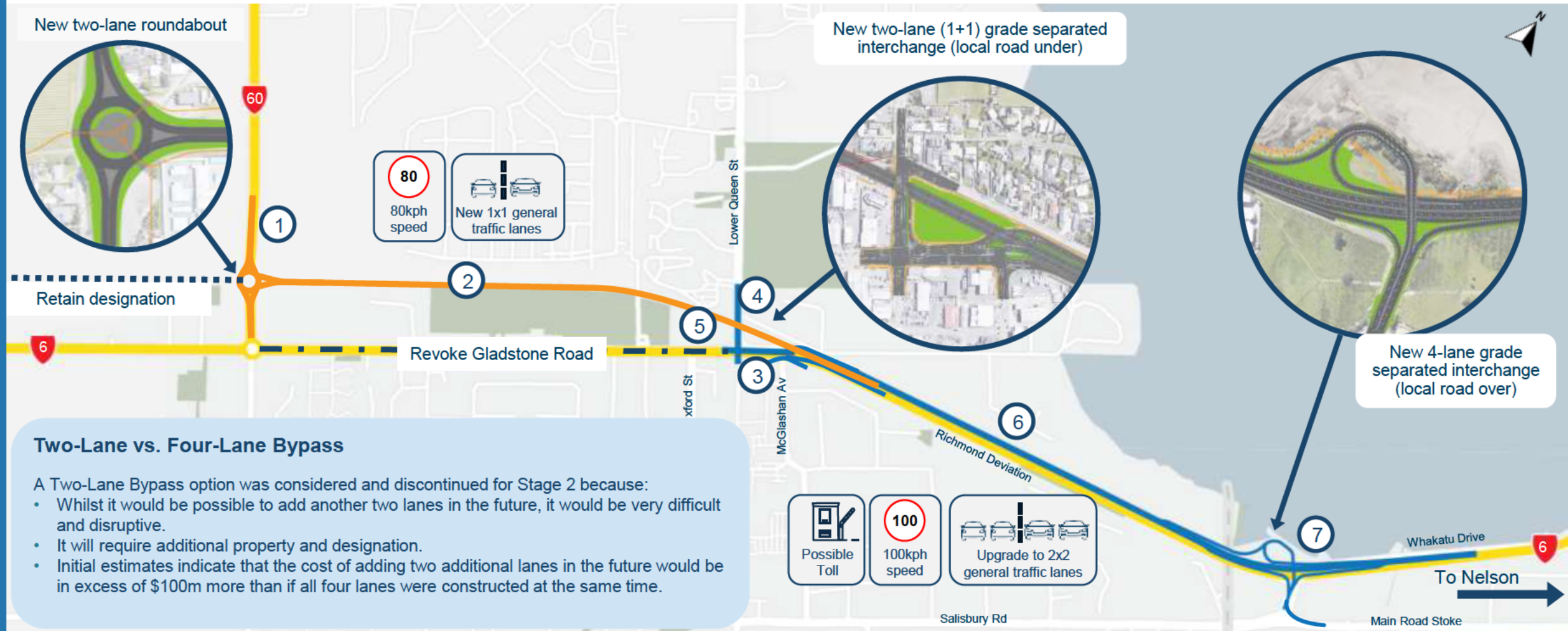
- This does not deliver what the community may see as the "Hope Bypass" – i.e. a new road along the designation.
- Is not a long-term (30 year) solution, and further upgrades to Lower Queen Street and along the designation will be required.



Option 2: Two Lane Bypass (Not Progressed)

1. New two-lane roundabout at SH60 intersection
2. Two-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 two-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

MCA Score	BCR	P50 estimate
1.2	2.2	$695m



Two-Lane vs. Four-Lane Bypass

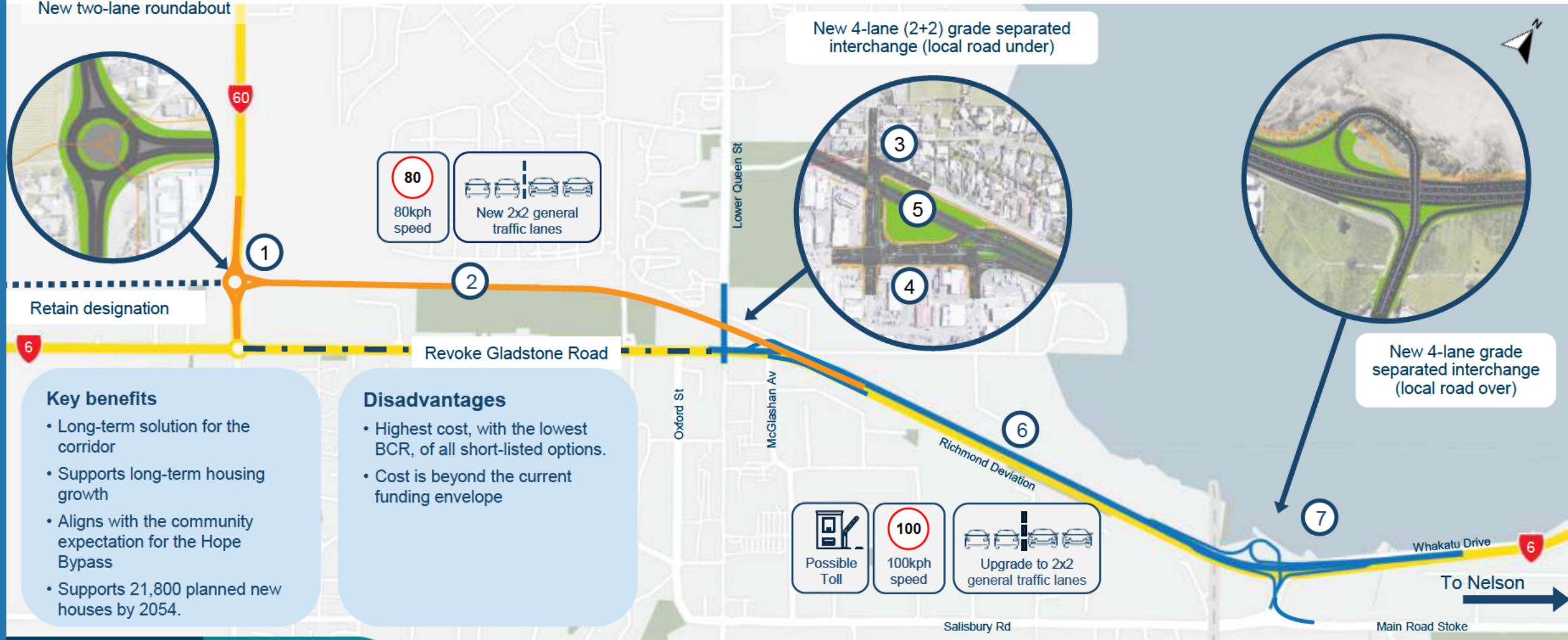
A Two-Lane Bypass option was considered and discontinued for Stage 2 because:

- Whilst it would be possible to add another two lanes in the future, it would be very difficult and disruptive.
- It will require additional property and designation.
- Initial estimates indicate that the cost of adding two additional lanes in the future would be in excess of $100m more than if all four lanes were constructed at the same time.

Option 3: RoNS Standard - Stage 1 and 2 (PREFERRED 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

MCA Score	BCR	P50 estimate
1.3	1.7	$1.15b



Key benefits

- Long-term solution for the corridor
- Supports long-term housing growth
- Aligns with the community expectation for the Hope Bypass
- Supports 21,800 planned new houses by 2054.

Disadvantages

- Highest cost, with the lowest BCR, of all short-listed options.
- Cost is beyond the current funding envelope

The preferred option (Option 3) will deliver a 3.6km RoNS standard route

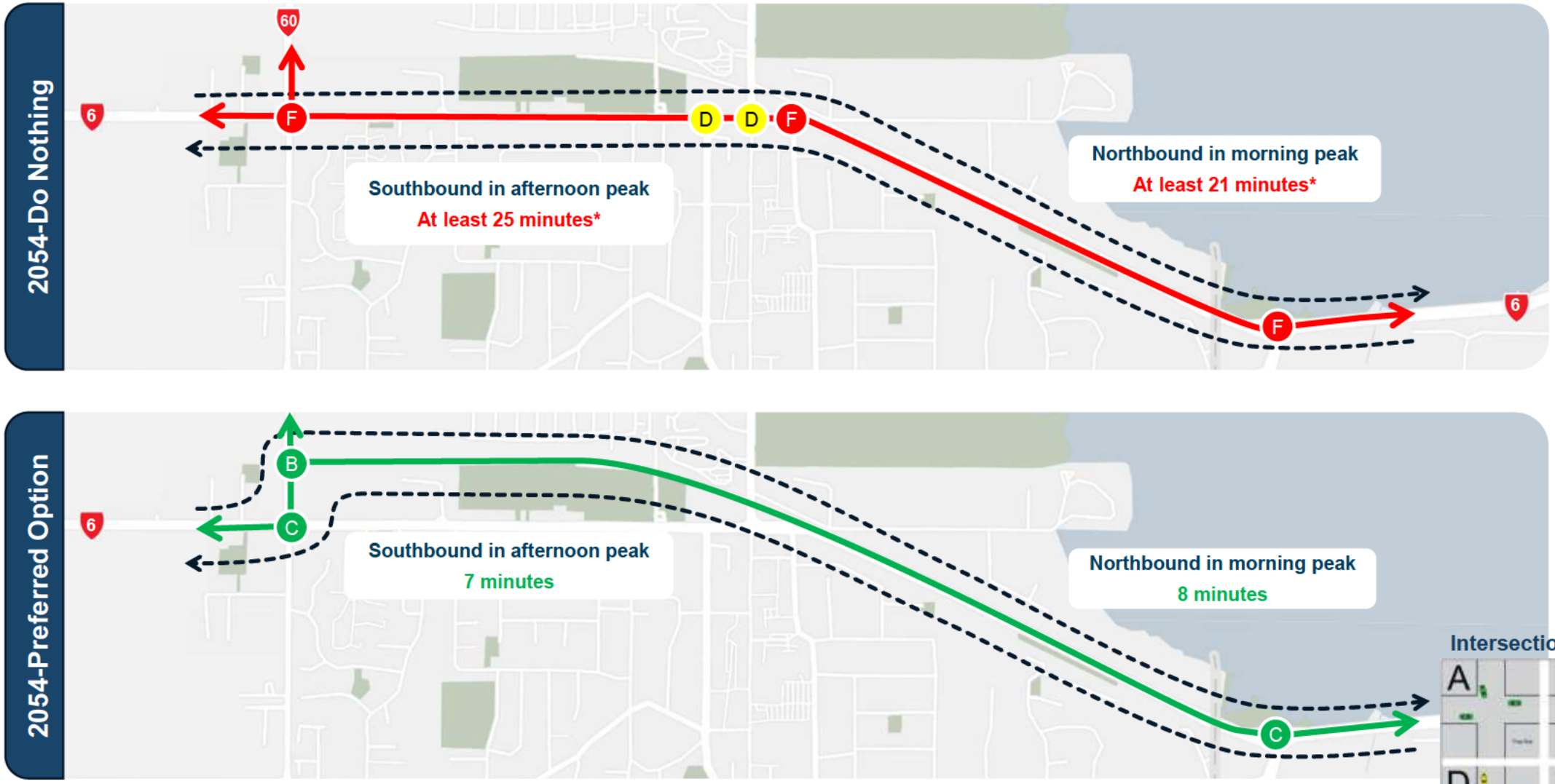
The NZTA board has provided direction to develop Option 3 through pre-implementation and to consider a staged approach to implementation for affordability. Option 3 includes a set of interventions that are targeted towards addressing existing and future issues along SH6. Option 3 provides the best long-term solution for the corridor and supports the planned new housing developments by 2054. This provides certainty to the region for intensification and greenfield/new development areas. Traffic modelling has demonstrated that it will deliver a much improved, and reliable, transport network for Richmond up to 2054.

It is therefore the intention to deliver the project in stages:

- **Stage 1** will deliver the northern section of RoNS Standard (Option 3) straight away with programmed completion in 2031.
- **Stage 2** can be delivered between 2035 and 2045. This investment case uses a completion date of 2040 as the basis of the economic analysis.

The preferred option improves travel times and supports 30 years of economic and housing growth

Intersection levels of service and peak travel times



Intersection Level of Service

* 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.

Appendix F: Optioneering Report

Development of the design philosophy for the project

Designation
- The design philosophy assumed the current designation boundary as a constraint
- Required repositioning on other local assets (utilities, GTT, etc) can sit outside designation
- The SH improvement elements of the project sit within the existing SH designation
- The left turn slip lane to Main Rd Stoke and widening on Lower Queen St require resource consent

Stormwater
- Stormwater from road runoff will be managed by swales where possible.
- Kerb and channel with proprietary stormwater treatment system where space constrained.
- Overland stormwater flow paths remain fully functional with provision of cross highway drainage (culverts).

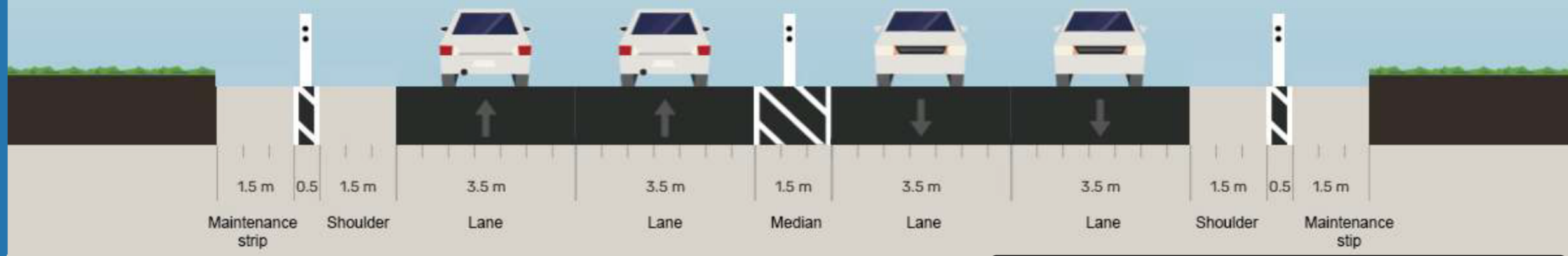
Speed and Geometry
- The existing 100km/h of the Richmond Deviation will be retained.
- The existing 50km/h at the Lower Queen Street intersection will be retained.
- The new Richmond Bypass will be designed to 80km/h and utilise the 2+2 RoNS Standard

Intersections
- At grade roundabout at SH60 intersection
- Partial cloverleaf (parclo) interchange with local road over mainline at Salisbury Road Extension
- Closed diamond interchange with north-facing ramps only at Lower Queen Street

Council Infrastructure
- Stormwater assets along the Richmond Deviation may need to be upgraded by TDC to provide for predicted flows.
- The culvert outlets to the Beach Road drain will need to be protected.

Great Taste Trail
- The existing GTT route and connections will be maintained.

Cross section as per the RoNS Standardised Design (2+2 Road)



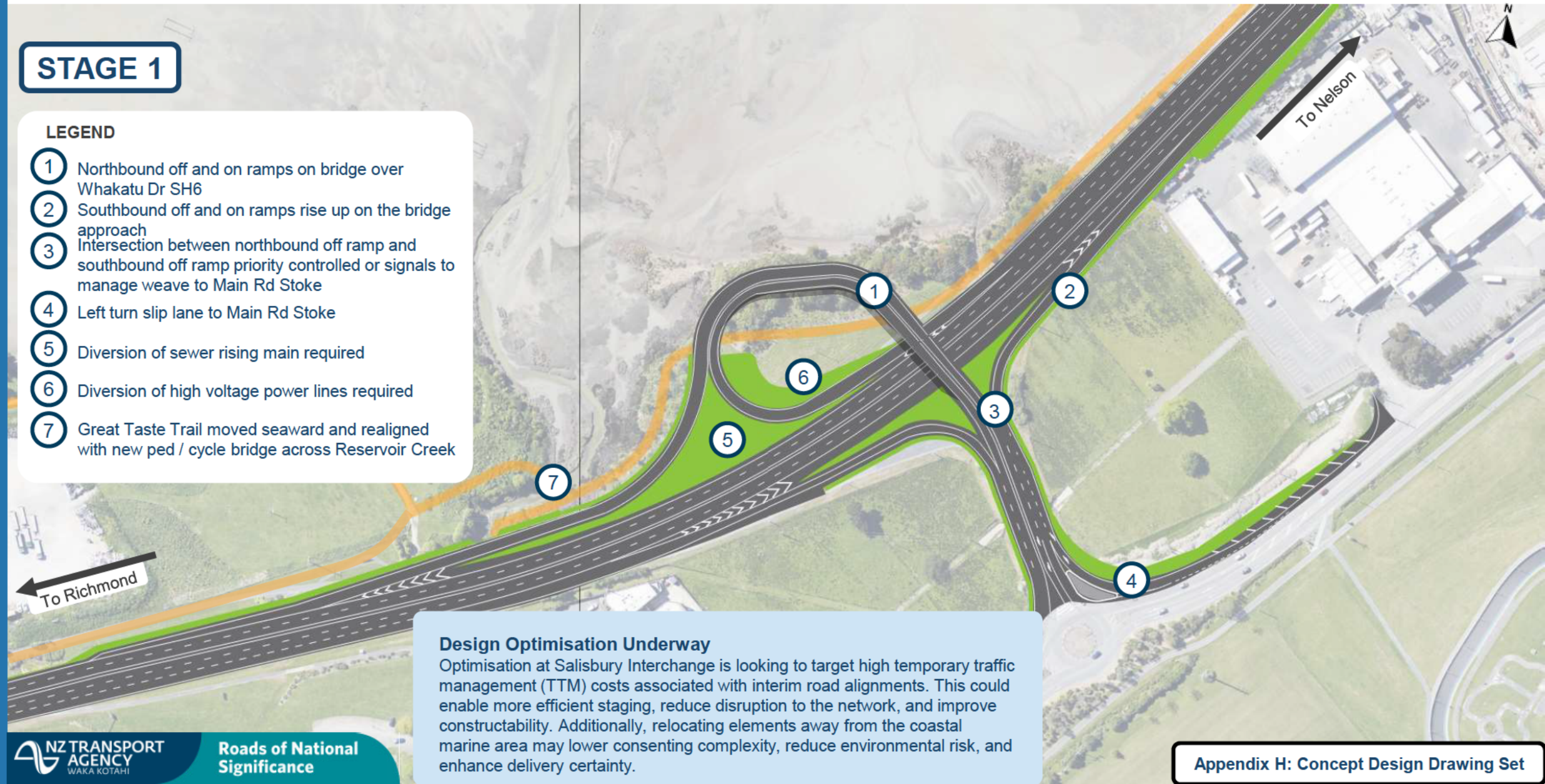
A new grade separated interchange is provided at Salisbury Road Extension

The interchange allows grade separated right turn movements over SH6 highway traffic. All other turn movements are provided.
Four lanes are provided on SH6 at grade, seamlessly connecting Whakatu Drive to Richmond Deviation.

STAGE 1

LEGEND

1. Northbound off and on ramps on bridge over Whakatu Dr SH6
2. Southbound off and on ramps rise up on the bridge approach
3. Intersection between northbound off ramp and southbound off ramp priority controlled or signals to manage weave to Main Rd Stoke
4. Left turn slip lane to Main Rd Stoke
5. Diversion of sewer rising main required
6. Diversion of high voltage power lines required
7. Great Taste Trail moved seaward and realigned with new ped / cycle bridge across Reservoir Creek



Design Optimisation Underway
Optimisation at Salisbury Interchange is looking to target high temporary traffic management (TTM) costs associated with interim road alignments. This could enable more efficient staging, reduce disruption to the network, and improve constructability. Additionally, relocating elements away from the coastal marine area may lower consenting complexity, reduce environmental risk, and enhance delivery certainty.

The Richmond Deviation is widened from two lanes to four lanes

An additional lane is provided in each direction on the Richmond Deviation, widening the existing route from two lanes to four lanes for a distance of 1.8km. This will provide significant extra capacity into the future, providing for increased traffic demand.

More turning capacity is provided at the Queen Street intersection, and traffic signals at Stratford Street

The at-grade solution provides two right turn lanes for SH6 southbound traffic to turn on to Lower Queen Street towards Richmond West, and additional through lanes on Lower Queen Street/Stratford Street intersection, relieving the pressure at the intersection by allowing more capacity to accommodate queuing traffic. Traffic signals are provided at the Stafford Street intersection, to provide access to the Beach Road industrial area. The at grade solution is estimated to have a lifespan of approximately 20 years.

New SH6 overbridge at Lower Queen Street to separate through traffic from destination traffic

A four-lane overbridge connects Richmond Deviation with intersections at SH6 and SH60 to separate traffic travelling through Richmond from traffic going to and from Richmond. North facing on and off ramps provide connections to Nelson with Gladstone Road providing connections to the South. The existing Great Taste Trail along connections to the wider cycling network are preserved. The overbridge provides capacity into the foreseeable future.

LEGEND

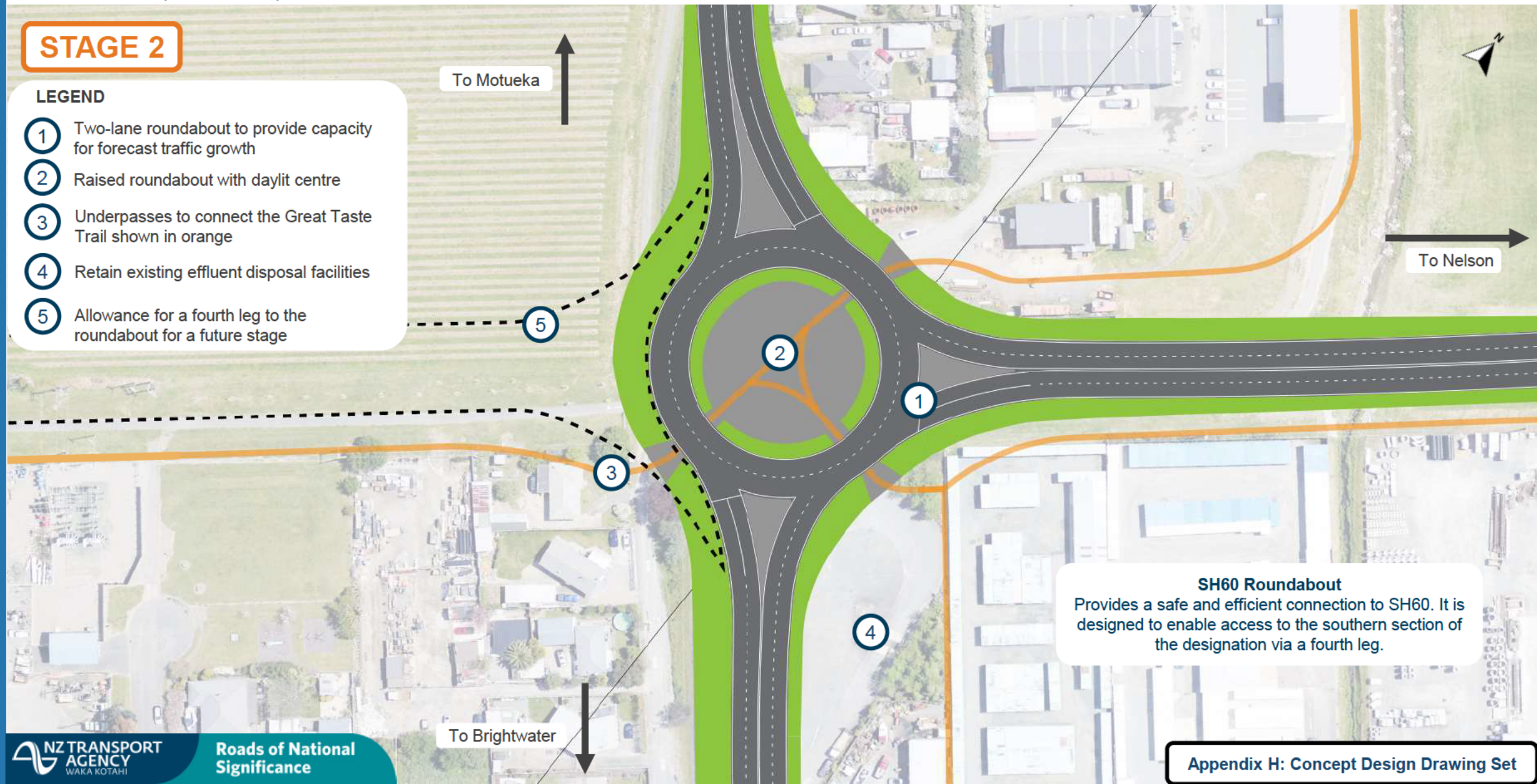
1. New 4-lane flyover made up from sections of bridge structure and MSE wall
2. Northbound on ramp
3. Southbound off ramp
4. Great Taste Trail (shown in orange) relocated to create space for over bridge
5. New culvert on Beach Street drain to support on-ramp and GTT
6. GTT crossing point/underpass
7. Stormwater channel to create secondary flow path to Poutama Creek

A new 4-lane Richmond bypass

A new 1.5 km, four-lane road from Lower Queen Street to SH60 will establish a continuous and efficient connection through Richmond. This will provide significant extra capacity into the future, providing for forecast traffic demand.

A new roundabout will integrate the Hope Bypass into the wider state highway and local network

This two-lane roundabout has an 80km/hr design speed providing an efficient connection to the wider network. The Great Taste Trail is accommodated through day-lighting the centre of the roundabout to provide underpass connections.



ECONOMIC CASE

Economic analysis identified $1.4b of benefits primarily due to reduced travel times

Delivering value for money

The preferred option will deliver immediate benefits – faster journeys, reduced congestion, improved safety and reduced emissions. The improvements to the transport network will support housing and employment growth, offering ongoing regional and national economic benefits.

The Stage 1 improvements will resolve the existing bottleneck at the Salisbury Road Extension and improve travel reliability along the most congestion section of the corridor. Stage 2 supports future growth, by delivering grade separation at Lower Queen Street and a new high-capacity connection through to SH60.

Both Stage 1 and Stage 2 provide strong economic benefits while maintaining the lowest cost option for realising these benefits. Individually they represent good economic investments in their own right; but together is where the maximum benefits and value-for-money will be achieved.

Key benefits

After Stage 1, vehicles, including freight travelling to/from Port Nelson, will gain 10 minutes travel time saving for the southbound journey in peak times. Then with Stage 2 in place, vehicles will benefit from a "free run" with no intersections from SH60 all the way through to Quarantine Road (the Nelson Airport turnoff) – this equates to at least a 17-minute travel time saving when compared to the Do Minimum. These quicker and more reliable journey times along SH6 equate to an economic benefit of around $1.4B (NPV).

Reduction of around 130,000 vehicle kilometres per year, and emissions savings resulting from less congestion and idle time at traffic lights.

$22m in crash savings because of a reduction in through traffic on Richmond's local roads with more people using the safer SH6 route. Equivalent to 1-2 fewer crashes that result in injury per year. Stage 2 also improves network resilience, with the road along the designation providing an alternative route in the event of an unplanned event such as a crash.

The capacity of the state highway through Richmond doubles and supports the full demand of 33,000+ vehicles per day to 2054.

Investment Prioritisation Profile

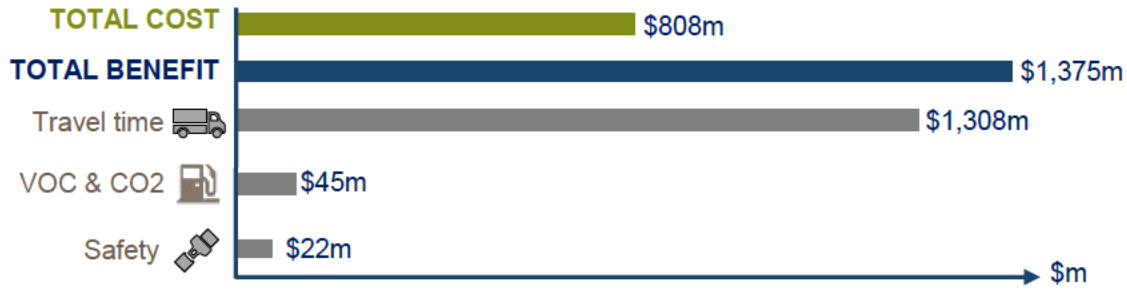
GPS Alignment	Efficiency	Scheduling	Priority
VH	L	H	2

BCR	Benefits (60 Yr NPV)	Opening Years
1.7	$1.4b	Stage 1 = 2031 Stage 2 = 2040

Economics

60-year net present value (NPV)

Captures P50 costs, TDC's future development plan land use assumptions.



Sensitivity analysis

Sensitivity test	Range	BCR Range
Costs	-25% to +25%	**1.4 – 2.2**
Discount rate	2%, 4% & 8%	**0.4 – 1.7**
Evaluation period	40 and 60 years	**0.8 – 1.7**
Benefit capping	Capping benefits in 2054	**1.4 – 1.7**

The sensitivity analysis provides additional confidence that the project will deliver good value for money. The only tests where the BCR falls below 1.0 is when either an 8% discount rate or shorter (40-year) analysis period is used.

For scenarios where the BCR is less than 1.0, this is because by the time Stage 2 is completed, the otherwise strong benefits have been either heavily discounted (8% scenario) or relatively few years are left in the analysis period (40-year scenario).

Appendix B: Traffic Modelling Development Report

Appendix F: Optioneering Report

Engagement was targeted during the investment case phase

Engagement during the investment case was targeted to the most critical partners and key stakeholders. It was deliberate engagement to help identify the preferred option and collect information from partners and stakeholders to inform our assessments. The majority of engagement during the development of the investment case was with both Councils' planning and infrastructure staff.

Iwi / mana whenua

- There are eight iwi which are tangata whenua in Te Tauihu.
- Relationship building with iwi CEs and our Pou Arahi and Director of Regional Relationships underway, including attendance at the CE Forum for Te Tau Ihu and the Regional Intersectoral Forum.
- Establishment of a Mana whenua steering group and the appointment of an iwi integration lead was endorsed at the Te Tau Ihu CE Forum. Terms of reference will be worked through.
- We will continue to update iwi through Te Tau Ihu Regional Intersectoral Forum and our regular Te Tauihu iwi / NZTA hui.

Impacted landowners

- No formal engagement was undertaken with impacted landowners.
- In 2023, impacted landowners were provided with notice of the designation being extended.
- Recent inquiries have been received from landowners on the status of the project.
- Inquiring landowners have been advised further engagement would be completed after the Investment Case was approved.

Councils

- Targeted engagement with both Tasman District Council and Nelson City Council.
- The Hope Bypass route is mainly located in the Tasman District Council area, however part of the Richmond Deviation and the Salisbury Road Extension roundabout is located within the Nelson City Council area.
- Numerous meetings were held with TDC and NCC infrastructure, storm water and planning staff to identify and integrate planning.
- High-level information was shared with the joint Tasman/Nelson Road Transport Forum advising the Investment Case was underway.
- Further meetings and presentations will be held after the Investment Case is approved.

Major Utilities

- Liaised with Network Tasman about affected services.
- Liaised with Nelson Rural Sewage Business Unit (NRSBU) regarding pipelines running through the project site.
- Engagement with fibre network companies and other service providers will be undertaken during the next phase.

Great Taste Trail Trust

- The Great Taste Trail is owned by Councils and managed by a Trust.
- We met with the Trust to advise them that a key consideration is how we maintain the connectivity of the Great Taste Trail.
- We will keep them informed as we progress through the project.

Appendix I: Communications and Engagement Strategy

Appendix J: Engagement Summary Report

The tolling assessment

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

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

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

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

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

Appendix N: Tolling Assessment

Appendix O: Network Operating Framework

The cost estimate and cashflow has been projected based on completion of both stages in 2040

The project cost estimate range is forecast between $1,147m (P50) and $1,386m (P95). 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	
	$ million	$ million
Property Cost	s 9(2)(b)(ii)	
Pre-Implementation Phase		
Implementation Phase		
Contingency		
Escalation		
Total Project Cost	**$1147 (P50)**	**$1386 (P95)**

s 9(2)(b)(ii)

s 9(2)(b)(ii)

s 9(2)(b)(ii)

Appendix K: Cost Estimation Report

Appendix L: Cost Estimation Peer Review Report

Funding sources for the project will be confirmed in the next stage

NZTA needs to consider all funding, financing and delivery options. Following our analysis the recommended funding tools for further investigation include tolling, an IFF levy on commercial properties and a contribution from Port Nelson.

Summary of funding analysis

Beneficiary Group Analysis			Funding tool Analysis					Comment
Beneficiary Group	Sub-group	Desktop assessment	Funding tool type	Legislative availability	Recommend Shortlist	Funding % P95 Capital cost (inflated)	Funding % P95 Capital cost (NPV)	
Transport	Local / Regional		Tolling	🟢	🟢	5%	4%	The tolling assessment indicates that a portion of the cost could be met through tolling.
		🟢	Time of use charging	🟡	🔴			Not intended as a revenue tool, & surplus expected to be primarily used for local government projects.
			Regional fuel tax	🟡	🔴			The current government has reversed the previously approved regional fuel tax.
	National Transport		National Land Transport Fund (NLTF)	🟢	🟢			A mix of NLTF and / or Crown funding will be required to cover the funding gap.
Property	Land value uplift	🔴	IFF Levy					This group not expected to receive a material benefit.
	Development	🔴	Development levy					This group not expected to receive a material benefit.
Business	General	🟡	Business Rate Supplement (IFF levy)	🟡	🟢	2%	2%	Charge would be a IFF levy on commercial properties only.
	Port	🟡	Port charge (negotiated contribution)	🟡	🟢	0%	0%	Would require agreement from the Port to contribute.
	Airport	🔴	Airport charge (negotiated contribution)					This group not expected to receive a material benefit.
National	National General		Crown grant / capital contribution	🟢	🟢			A mix of NLTF and / or Crown funding will be required to cover the funding gap.

Key

🟢 Clear case to proceed to the next phase of analysis

🟡 Potential case, continue to next phase of analysis

🔴 Limited case, do not continue to the next phase of analysis

Appendix M: Funding and Financing Plan

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)(ba)(ii)

s 9(2)(ba)(ii)

s 9(2)(ba)(ii)

1. Charts are based on the Crown financed, base revenue scenario with 35 years of operations. All values in $m and include inflation.

COMMERCIAL CASE

Key milestones have been identified for delivery to enable an early approach

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. Should any early delivery packages be identified in pre-implementation, these will follow a standard procurement pathway as well.
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 early stages. Investigations to support planning applications, including archaeological assessment, lizard surveys, ecological strategy and hydrology assessments are well underway. The consent pathway is to lodge the planning applications for early works and a Wildlife Permit (if required) in late 2025 and lodge the planning packages (regional resource consents and Outline Plan of Works via regular RMA process) for the full corridor mid 2026.
Proposed property strategy and status	Land requirement plans will be finalised based on the Design. Minimal landowner engagement has occurred. s 9(2)(j)
Key risks (refer slide 38)	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 planning applications and Wildlife Permit

2026 Complete design & lodge consents for Main Contract

s 9(2)(f)(iv)

s 9(2)(ba)(ii)

COMMERCIAL CASE

s 9(2)(ba)(ii)

COMMERCIAL CASE

s 9(2)(ba)(ii)

COMMERCIAL CASE

Procurement Strategy

Procurement approach matches delivery phasing and risks

The Procurement Strategy has been prepared. s 9(2)(b)(ii)

s 9(2)(b)(ii)

Recommended delivery model for each package

The recommended procurement approach is for NZTA to engage with the tender market via an open market, competitive process as per the general approach shown in the diagram. The delivery model for works components are:

- Design & Consent: Traditional Delivery Model
- MSQA: Traditional Delivery Model
- Stage 1 Works: Traditional Delivery Model
- Stage 2 Works: Traditional Delivery Model

s 9(2)(g)(i)

COMMERCIAL CASE

s 9(2)(j) privately owned / Council properties are required for construction

Property Acquisition Pathways

The project will require/affect s 9(2)(j) properties. There is no Māori Freehold Land impacted by the project.

The property acquisition process comprises of two pathways:

1. "good faith negotiations", where the Crown and landowner agree to the terms of sale, much like of a standard property transaction and usually under Section 17 Public Works Act 1981.
2. A compulsory acquisition process under the Public Works Act 1981.

Both pathways typically run in parallel.

To ensure land is available for July 2027 construction, Land Requirement Plans, and engagement with landowners is needed to be started early.

s 9(2)(h)

s 9(2)(g)(i)

s 9(2)(j)

- **July 2025**
  - Land Requirement Plans available
  - Landowner engagement meetings
  - Active acquisition commences
- **February 2026**
  - PWA Section 18s served
- **August 2026**
  - PWA Section 23s served
- **November 2026**
  - Land is available under PWA Section 17 or 50
- **May 2027**
  - Land is available under PWA Section 26

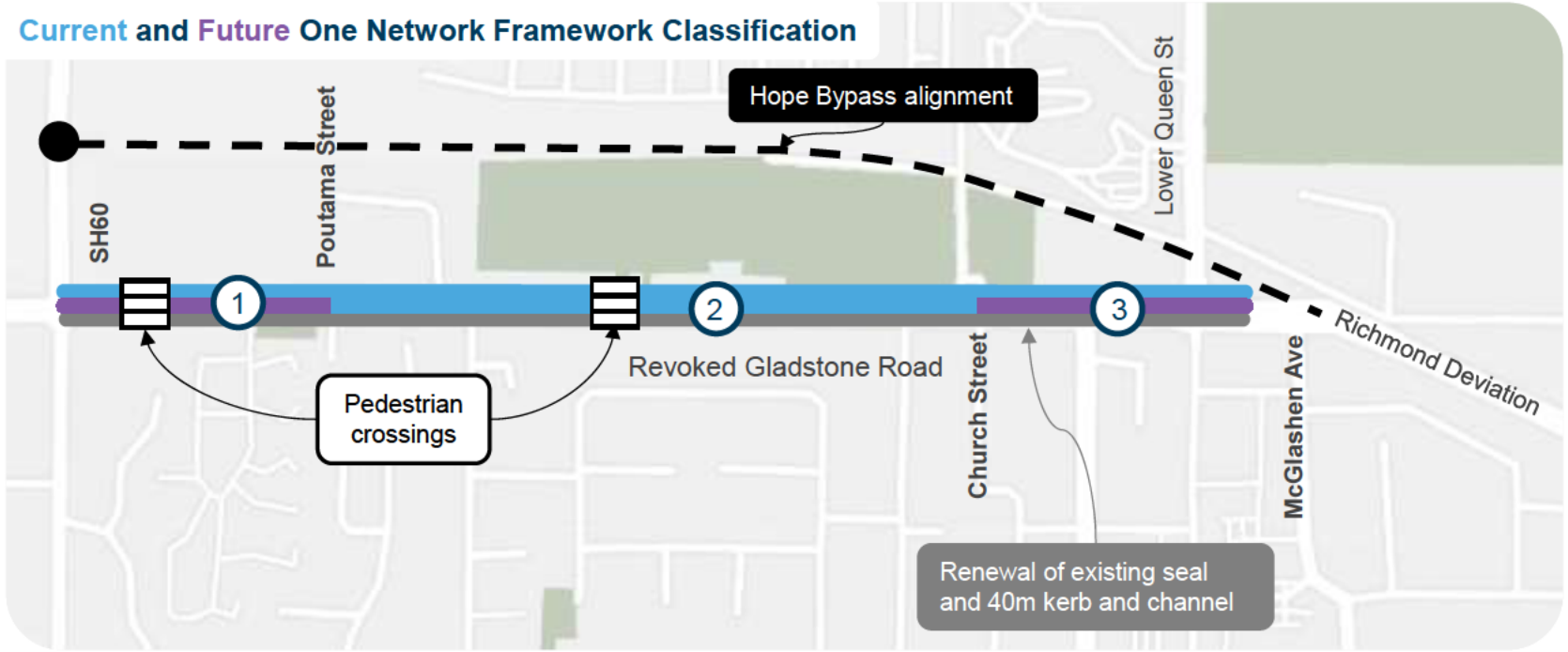
COMMERCIAL CASE - Revocation

Revoking the existing SH6 corridor will improve local connections

When Stage 2 is completed, the state highway classification on Gladstone Road will be removed (revoked) and the road will become a local road, with controlling authority transferred to TDC.

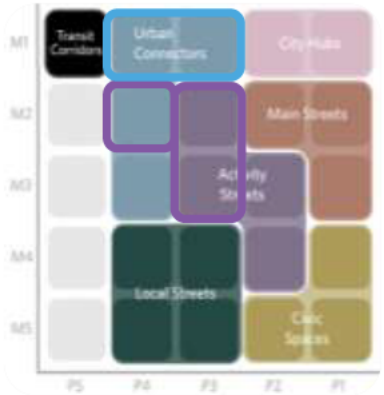
Gladstone Road needs to be 'fit for purpose' as a local road at handover. The future function of Gladstone Road in terms of land use and its role in the transport network has been assessed using NZTA's One Network Framework (ONF) and TDC's Land Development Manual (LDM) as guidance.

Current and Future One Network Framework Classification



Currently SH6 Gladstone Road is an Urban Connector (M1, P4) between SH60 and McGlashen Avenue. In 2054, the total daily traffic (AADT) is expected to be 18,000 vehicles (of which 1,100 vehicles are freight)

1. This classification between SH60 and Poutama Street will change to an Activity Street (M2, P3) due to lower traffic volumes, and a new supermarket being built, leading to more pedestrian movement across the road.
2. Between Poutama Street and Church Street, Urban Connector classification will be retained but with a lower movement function (M2, P3) due to lower vehicle volumes post Hope Bypass.
3. Between Church Street and McGlashen Street, the classification will change to an Activity Street (M3, P3) due lower traffic volumes and its adjacent land use being the Richmond town centre and recreational facilities.



Current and Future ONF

Proposed Works for Revocation

Two new pedestrian crossings will need to be provided near Three Brothers roundabout and near Jubilee Park, to improve connections and crossing opportunities.

At the time of handover, the existing seal and around 40m of kerb and channel will be at end of life and should be renewed. TDC may choose to revise the line marking when the road is resealed.

Revocation Costs	$m
Pedestrian Safety Improvements	s 9(2)(b)(ii)
Asset Renewal	
Property and Legal	
Total Base Estimate	**2.3**
Expected Estimate (P50)	**3.5**

Revocation Process

- Revocation Assessment
- Engagement with Tasman District Council
- Revocation Agreement
- Stage 2 Construction
- Legal SH6 Revocation

Appendix S: Revocation Report

COMMERCIAL CASE

Consenting the works will be completed by 2027

s 9(2)(g)(i)

Scope of approvals required

Based on the specimen design, the following RMA approvals will be required:

- Outline Plan of Works submitted to both Nelson City and Tasman District Councils (Unitary Authorities).
- Resource consent under the National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health (NES-CS).
- Resource consent under the National Environmental Standard for Freshwater (NES-F).
- Regional and district resource consents under the Tasman Resource Management Plan (TRMP) and the Nelson Resource Management Plan (NRMP).

In addition to RMA approvals, the following are also expected to be required:

- An Archaeological Authority for the disturbance and destruction of recorded and unrecorded archaeological sites (only required to remove all risk).
- Wildlife permit(s) when physically disturbing or relocating wildlife (lizards).

Design phase next steps

- The existing designation boundaries (with no conditions) have been used as a design constraint.
- The recommended consenting pathway is to use the regular RMA provisions considering the scale and complexity of the project specimen design and the existing collaborative relationship with the unitary authorities.
- Consenting of project based on detailed design.

Actions and milestones

2025	2025	2025	2026	2027
Procure professional services for specimen design and approvals	Initiate planning applications and engagement with iwi and councils	Lodge Wildlife Permit Application	Lodge main package of consents based on detailed design	Consents / approvals issued

This project will use standard governance and management structures

The Hope Bypass RoNS governance and management structure is based on the follow six key characteristics:

Structure

The delivery structure supported through a well-defined RACI defining the responsibility and decision-making delegations assigned to each of the roles is aligned to the business delegations.

Hierarchy

The adopted hierarchy (a combination of local, regional and national resources) ensures there are clear lines of authority and reporting within the business as well as providing separation between operational and strategic decision making and governance.

Sponsorship

The appropriate **Regional Manager** for the given project phase will ensure project teams are set up for success from the outset in terms of planning, assurance, capability, funding, resources, contingencies, and risk identification. They support the escalation of risks and issues if they cannot be resolved at a project level.

Ownership

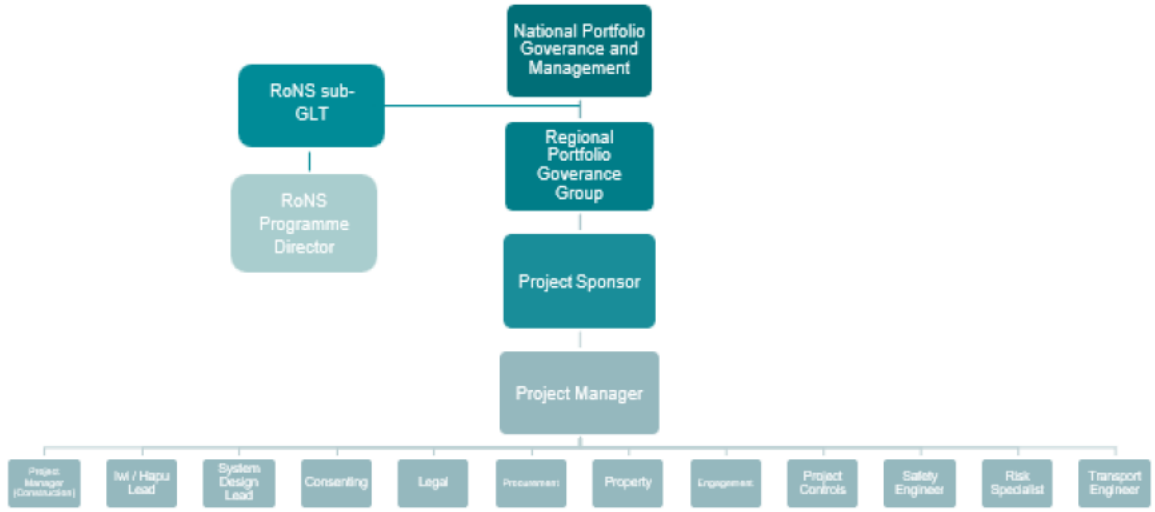
The **Regional Portfolio Governance Group** are responsible for ensuring the successful delivery of the Regional Portfolio by governing projects within the region. They ensure work in the region is well coordinated and delivered in the most effective and efficient They provide insight to the national programme and add value to decisions made.

Accountability

Applying robust risk and assurance processes applied through the various governance levels within the structure ensures the team is held accountable or the impact of their actions as well as supporting the project team to achieve the project outcomes.

Systems

The Project will be delivered using a Portfolio, Programme & Project management (**P3M**) framework. This will strengthen governance and focus the team on the things that make the biggest difference, adopt standardised reporting, enable clearer decision making, and ensure that the team are not stretched too far.



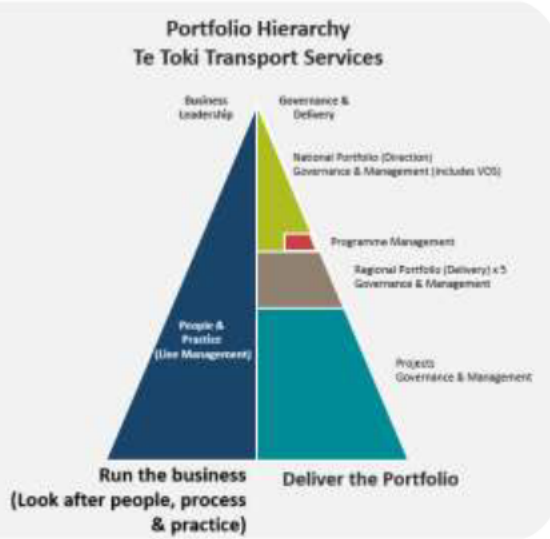
Following international best practice, a P3M model creates a clear distinction between leadership of the business from leadership of delivery through P3M.

Maintenance, operations, and capital improvements are within the P3M model.

Everybody has a role on both sides of this triangle, including GLT. However, there are two distinct hats – business leadership and governance & delivery.

The left side is governed through line management

The right side is governed through roles assigned through a P3M model.



Appendix P: Project Management Plan

Risk workshops have identified the key risks which will be managed through the project

The project team have completed a series of risk workshops and progress reviews with our subject matter experts during the development of the 12-week Investment Case. The project team have considered risks that could impact both during the pre-implementation and implementation phases. The project team intend to develop a refined risk register and qualitative risk analysis (QRA) during the next phase of the project to ensure all risks have been identified and costed prior to return to the NZTA Board for Implementation funding.

s 9(2)(g)(i)

Communication and engagement will be proactive for the next phases

Communication and engagement approach for the next phase will continue to have targeted engagement and wider storytelling and information shared with landowners and the community

Design phase

When completing the design phase, effort will focus on:

- Regular communication, reinforcing project benefits and strategic importance, and to show project milestones and progress towards delivery.
- Ongoing and targeted engagement with iwi and mana whenua, key stakeholders and landowners, supporting the 'always on' engagement approach and to meet statutory requirements (consenting, property, construction impacts).
- Tolling and speed consultation (pending assessment decision).
- Ongoing work with key stakeholders to tell the wider regional story.

Delivery phase

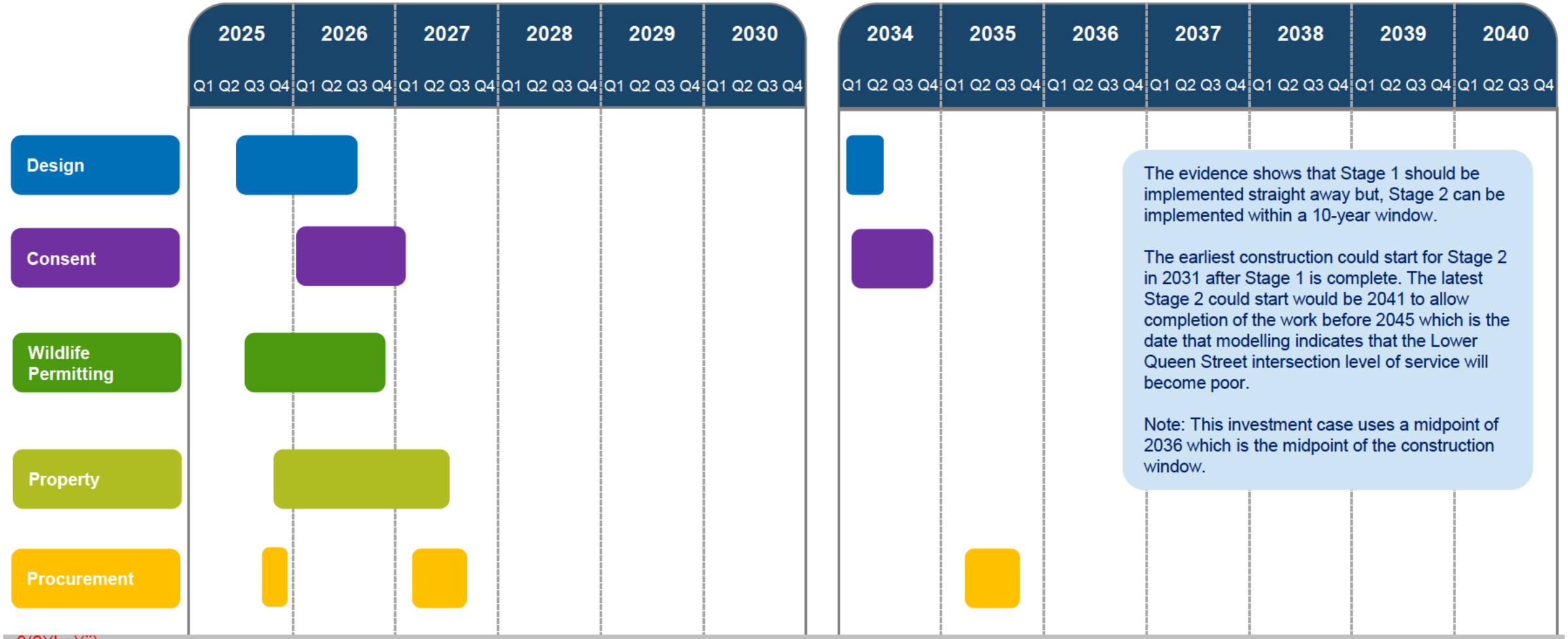
Throughout the delivery phase, communication and engagement effort will focus on:

- Contract awarded and construction starting and key delivery milestones.
- Regular updates to demonstrate progress against objectives and to inform the public of works and next steps.
- Targeted engagement to ensure compliance with consent conditions.

Key design phase issues	C&E considerations
Stakeholder, community, media expectation of a Hope Bypass delivered sooner	• Seek advocacy through Mayors, RTCs, partners and stakeholders to support the bypass and our approach. • Promote the benefits, i.e. building some of the bypass route sooner and provide information on when and how each stage will progress. • Ensure in-depth Q&As about the project and proactively advise media and community of the benefits. • Providing clear expectations around design and delivery of each stage or sections of the Bypass.
Residents and businesses on or near the designation	• Provide clear expectations around delivery of each stage and the different impacts to landowners or those living or working near the project area. • Initiate proactive engagement and provide as much information as possible being transparent and clear about what will be delivered and when.
Tolling	• One of the gateways for tolling assessments is consultation with community. • Education about tolling necessity would need to be provided to the community.

Appendix I: Communications and Engagement Strategy

The project will be delivered in two stages, the first stage happening immediately, the second stage has a 10-year window (2030-2040) to begin construction



The evidence shows that Stage 1 should be implemented straight away but, Stage 2 can be implemented within a 10-year window.

The earliest construction could start for Stage 2 in 2031 after Stage 1 is complete. The latest Stage 2 could start would be 2041 to allow completion of the work before 2045 which is the date that modelling indicates that the Lower Queen Street intersection level of service will become poor.

Note: This investment case uses a midpoint of 2036 which is the midpoint of the construction window.

s 9(2)(ba)(ii)

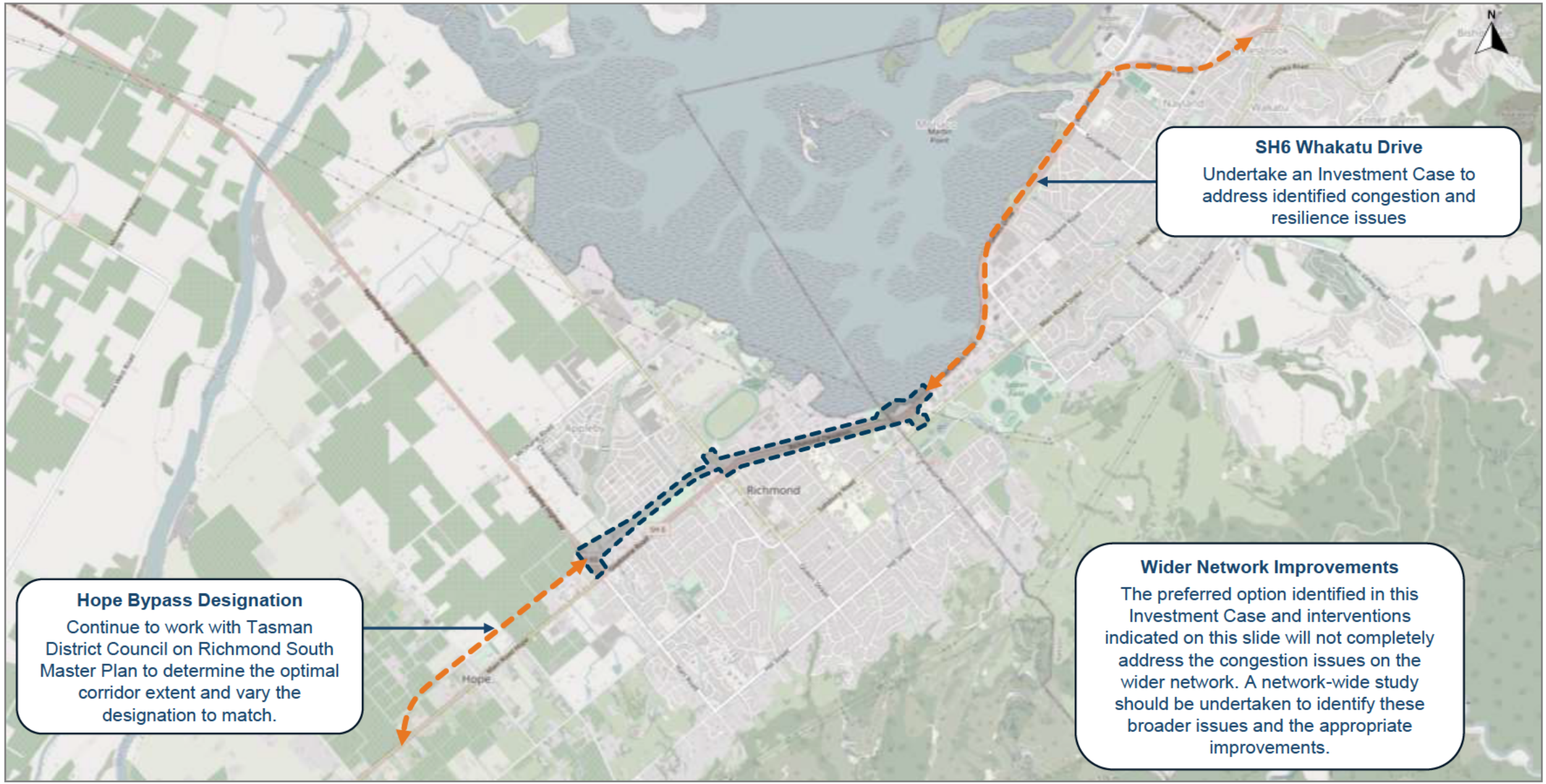
Key decisions that will need to be made over the next three years

Level 1 Decisions

Key future decisions	2025	2026	2027
Governance	Approval of Investment Case; Design Tender Award	Approval to go to tender	
Design	Lodge resource consent	PSOPS & Safe System Review	
Financial	s 9(2)(ba)(ii), s 9(2)(f)(iv) Tolling Decision	s 9(2)(ba)(ii), s 9(2) Tolling Decision	
Investment	Pre-imp and property funding requests		Implementation Phase Funding Decision

FURTHER WORKS

Further work is required to investigate and address expected issues on SH6 Nelson – Hope



SH6 Whakatu Drive

Undertake an Investment Case to address identified congestion and resilience issues

Hope Bypass Designation

Continue to work with Tasman District Council on Richmond South Master Plan to determine the optimal corridor extent and vary the designation to match.

Wider Network Improvements

The preferred option identified in this Investment Case and interventions indicated on this slide will not completely address the congestion issues on the wider network. A network-wide study should be undertaken to identify these broader issues and the appropriate improvements.

Approvals sought

To progress the RoNS SH6 Hope Bypass Project we recommend that the VOS Committee and National Manager, Programme and Standards, Transport Services:

- Recommends that the NZTA Board **endorses RoNS SH6 Hope Bypass Investment Case**.
- Recommends that the NZTA Board **approves property and pre-implementation funding** to New Zealand Transport Agency Waka Kotahi (NZTA).