

NZCID Media Release

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No tolls for Penlink a surprise

The New Zealand Council for Infrastructure Development has expressed surprise that the government has rejected tolls and approved a regional fuel tax across Auckland to fund the Penlink project, a new road linking the Whangaparaoa Peninsula to State Highway 1 at Redvale.

"The decision to fund Penlink through public debt seems highly unusual in the light of the government's worsening fiscal position", said NZCID chief executive Stephen Selwood.

"While a coup for Rodney District and welcome news for the construction sector, the downside is that government funding will crowd out private sector willingness to invest in the road, will unnecessarily increase public debt and will inevitably result in less funding for other regional projects.

"Penlink had long been signalled as a toll road following government's earlier rejection of Rodney District Council's request for it to be fully funded as a state highway.

"The local community had agreed to pay tolls to have the road built sooner. Now, in what can only be described as a surprise turn around, the government has approved a regional fuel tax of 1 cent per litre to repay a 30 year government loan to fund the road.

"The reality is that there is a significant funding shortfall for both roading and public transport across the Auckland region. Continual rejection of alternative funding approaches, including tolls and privately financed projects inevitably means delays in completion of other important transport connections", Selwood says.

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