

1 Wellington Improvements

Investment Case

August 2025

Project objective

To provide more efficient and reliable access on State Highway 1 (SH1) from north of the Terrace Tunnel to Wellington Airport and Wellington Hospital to support regional economic growth

Why SH1 Wellington Improvements?

SH1 provides a critical national link to Wellington city for communities, businesses and visitors. It connects people, goods and services to the region's main business, employment and tertiary education hubs as well as the international airport and regional hospital.

Travel demand regularly exceeds capacity on SH1 at peak times, with bottlenecks at the Mt Victoria and Terrace tunnels. This causes delays and unreliable journey times on the state highway. It also results in increased traffic on local roads as people choose alternative routes trying to avoid delays.

As the regional population and travel demand increases, travel times and reliability will worsen. This means it will take longer to access critical national, regional and local destinations, hampering productivity and restricting economic growth.

Project outcomes

Economic benefits: less congestion, quicker journey times, improved reliability and access will drive increased productivity and economic growth.

Enhanced connectivity: improved travel time and increased reliability will enhance connectivity to critical national and regional destinations like the airport, hospital and central city.

Traffic reduction on local roads: more people using the state highway means less traffic on local roads, enabling wider transport opportunities such as increased public transport use of the Harbour Quays.

Increased active modes: improved walking and cycling facilities through the Mt Victoria Tunnel will increase the number of people able to connect between the eastern suburbs and the central city.



Up to 10 minutes travel time savings in peak periods



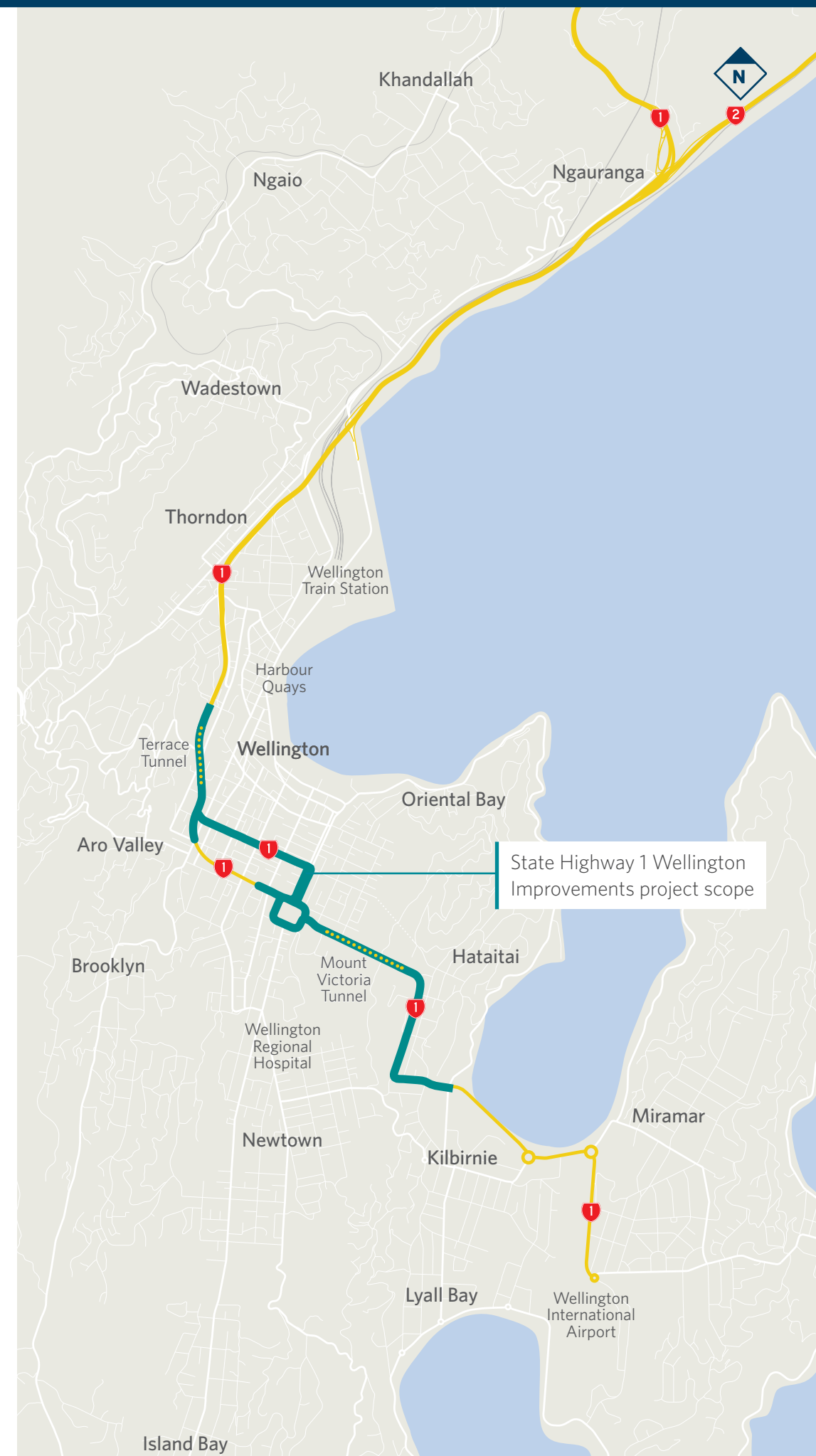
Up to 40% reduction in travel time variability



20% reduction in peak traffic on Harbour Quays will unlock opportunity for public transport improvement



Around 200 additional walking and cycling journeys per day through Mt Victoria tunnel



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Wellington Improvements

Solution

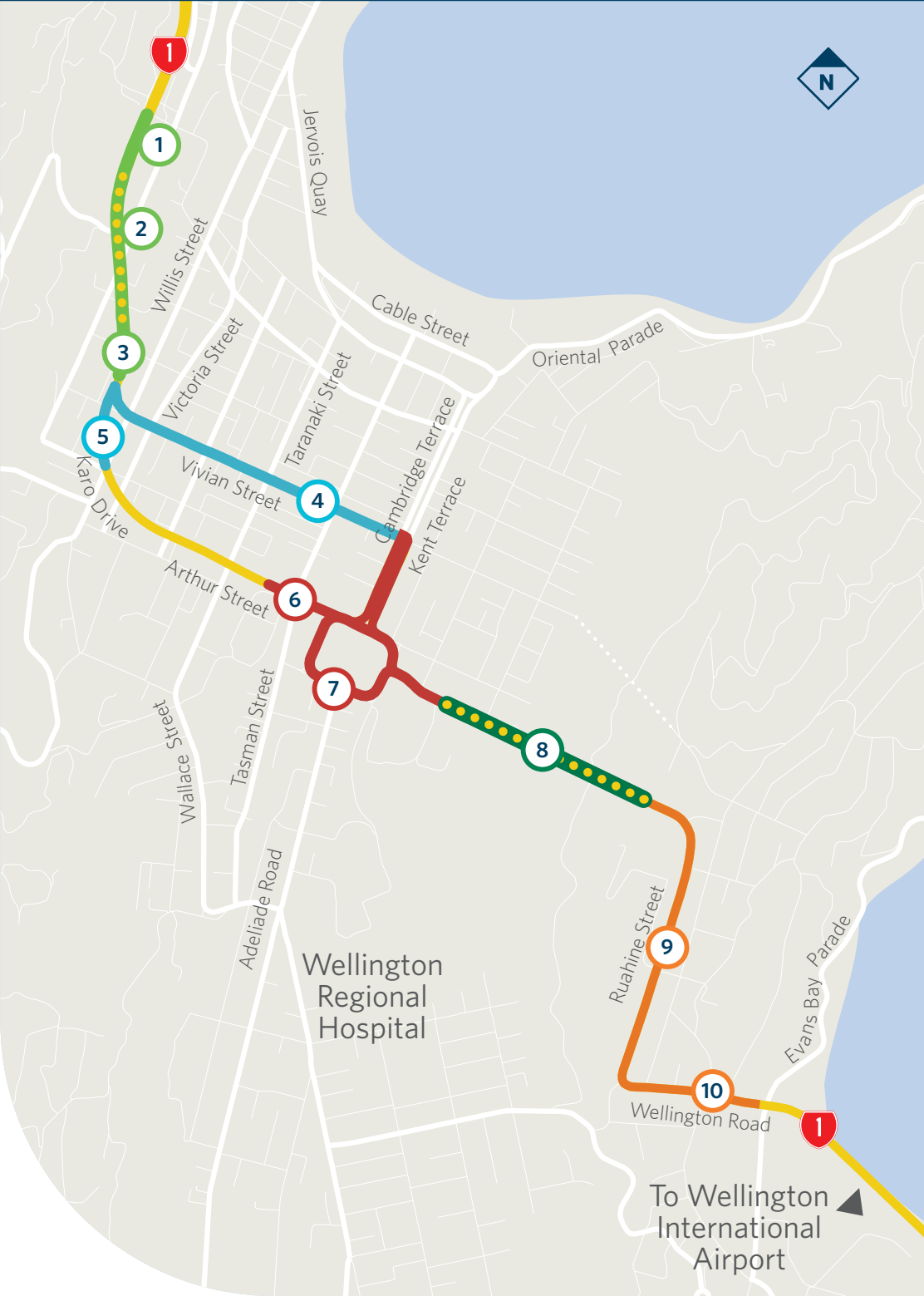
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How we got here

A number of previous projects have looked at ways to address the problems along SH1 through Wellington. During that time the problems have continued to get worse. NZTA's investment case for the project canvassed previous investigations and refined designs to develop a recommended option which aligns with the Government Policy Statement on land transport 2024 and the investment objective endorsed by the NZTA Board in October 2024.

What the investment case proposes

- » **Second Terrace Tunnel** with 2 lanes southbound, removing bottleneck. Retrofit of existing tunnel to 2 lanes northbound and improved fire life safety ②. Upgrades to northern and southern approaches ① ③.
- » **Three lanes on Vivian Street** with optimisation of traffic signals to enhance state highway efficiency and reliability while retaining access for other users to cross the state highway corridor ④.
- » **Karo Drive** 3 through lanes at the Willis Street traffic signals to improve throughput into Terrace Tunnel ⑤.
- » **Basin Reserve upgrades** including grade separating state highway and local traffic and enabling state highway traffic to travel directly from Mt Victoria Tunnel to the Arras Tunnel ⑥. Public transport and walking and cycling connections around the Basin ⑦.
- » **Second Mt Victoria Tunnel** with 2 lanes eastbound and a separated walking and cycling shared path. Retrofit of existing tunnel to 2 lanes westbound with shared path removed to allow improved fire life safety and wider lanes ⑧.
- » **Widening of Ruahine Street and Wellington Road** providing 2 lanes in each direction ⑨ ⑩.
- » **Tolling** to support the construction and maintenance of the road.



Indicative timeline

Timings are subject to change

2025	2026	2027	2028
Investment case			
	Property		
	Design		
	Consenting		

\$2.9-3.8 billion
Investment envelope to design, consent and construct the project.
The investment envelope includes escalation, contingency and funding risk.