

AIDE MEMOIRE: CABINET PAPER

Title	Auckland Transport Alignment Project Indicative Package Update
Committee	Cabinet

Talking points

Introduction

- Auckland's transport system is of critical importance to Auckland and New Zealand socially, environmentally and economically.
- Given its importance, the Auckland Transport Alignment Project (ATAP) is an important consensus-building exercise that allows the Government and Auckland Council to agree on a shared strategy for Auckland's transport system.
- ATAP develops an indicative package of transport investments to provide a signal of strategic priorities that shapes transport planning in Auckland.
- ATAP has focused on prioritising investment in capital projects. However, for us to truly transform Auckland into a liveable and vibrant city, it is important that capital investment is complemented by further work around service levels, public transport fares, congestion pricing and land use planning.
- This ATAP package marks a significant step in moving forward with a transport system that will serve a successful and liveable city.

Changes to the indicative package

- The previous indicative package had a strong focus on improving the road network to ease congestion and reduce journey times as well as on improving public transport along congested corridors.

- The focus of this work has been to consider how transport can shape urban form and development, to create a more liveable city, and deliver broader benefits from transport around urban development, health, safety, the environment and access.
- As a result, the focus of investment in the first decade indicative package has been shifted towards providing more alternatives for travel such as new public transport routes, cycling infrastructure and completing more sections of Auckland's rapid transit network. Access to opportunities has been a key consideration.

Major projects included in the updated package are:

- City-Airport light rail
- The first stage of the Northwest Rapid Transit corridor, transitioning to light rail in the second decade (2028-2038)
- Substantial rail improvements, including the City Rail Link, Pukekohe electrification, additional trains and other track upgrades, particularly upgrades that enable frequent express services on the Southern line
- A public transport link from the airport to Puhinui within the next 4 years
- Substantial investment in programmes to expand bus priority measures, cycling infrastructure, safety measures and better manage the existing network (network optimisation)
- A revised East West Link solution
- The first stage of Mill Road that connects significant new growth areas in the South
- Targeted state highway and local road improvements that support growth and access, particularly in the North and South
- Targeted investment in greenfield growth areas to the projects that are most important in the first decade

- The changes to the indicative package are expected result in a step change in public transport usage, a higher proportion of cyclists, urban development around rapid transit corridors, support for greenfield growth areas, improved safety outcomes and reduced environmental harm.

Changes to the funding gap

- There has been an identified funding gap for transport in Auckland for some time. This is a result of rapid population growth and a legacy of under-investment in transport infrastructure in Auckland. To put it into context, Auckland is growing by more than 40,000 people per year and over the next decade around 55% of New Zealand's population growth is expected to be in Auckland.
- The previous ATAP indicative package, completed in 2017, exceeded available funding at the time and was reported as having a funding gap of \$5.9 billion.

Clarification:
These speaking notes were provided prior to the final ATAP decisions being made. The final ATAP package resolved the funding gap. The final package was fully funded

- Further work undertaken by officials has identified that this funding gap is actually around \$9.6 billion when taking into account inflation, updated project costs and the funding needed to deliver rail improvements, which was excluded in the previous work.
- The changes to the indicative package add further investments but this is offset by funding available through the Regional Fuel Tax, Crown Infrastructure Partners' and an assumed level of funding from the National Land Transport Fund.
- The new funding gap is therefore roughly \$7.4 billion over 10 years, lower than that of the previous ATAP work.

Funding the indicative package

- Fully funding and delivering the ATAP Package is the collective responsibility of both the Government and Auckland Council. It will take time and my expectation is that Auckland will pay a fair share from rates and the proposed Auckland fuel tax, supported by the National Land Transport Fund.

- Existing sources alone will not fully address the funding gap and I am actively considering alternative funding and financing tools that can better enable Auckland to pay for the infrastructure needs associated with its growth. A specific workstream to consider options for closing the funding gap has been proposed and I intend to report back with an update on this work in July 2018.
- As a first step, ATAP will need to provide direction for Auckland Council, the NZ Transport Agency and Auckland Transport on how they might give effect to the shared priorities of the Government and Auckland Council in upcoming statutory plans and proposals (i.e. the Long Term Plan, National Land Transport Programme, Regional Land Transport Plan and Regional Fuel Tax).
- ATAP has recommended an initial package with no funding gap, based on funding expected from current plans. Under this initial package, there is more investment in cycling and safety, as compared to previous ATAP work, and a greater weighting towards public transport.
- The initial package enables substantially more investment than was possible in previous plans but does require certain investments from the updated package to be deferred.
- The initial package provides for some planning, design and route protection for the Mount Roskill to airport section of light rail. Fully implementing this section is reliant on new funding and financing tools and it will be the first priority for inclusion if new tools become available.

Projects that would need to be deferred in the initial package include:

- Penlink
- Some parts of the State Highway programme
- Certain greenfield infrastructure projects
- Certain bus priority and ferry measures
- Rail upgrades to enable frequent express services on the Southern line

- The Mayor and I will be positioning the package indicated in upcoming plans as the first step towards delivering the recommended package for Auckland.

Next steps

- The ATAP agencies are preparing a public-facing report detailing the recommended changes and addressing the change in approach to transport investment in Auckland. The report will be consistent with the advice considered by Cabinet.
- The Mayor and I intend to launch this report at the end of April or early May.