



Bridging the Funding Gap

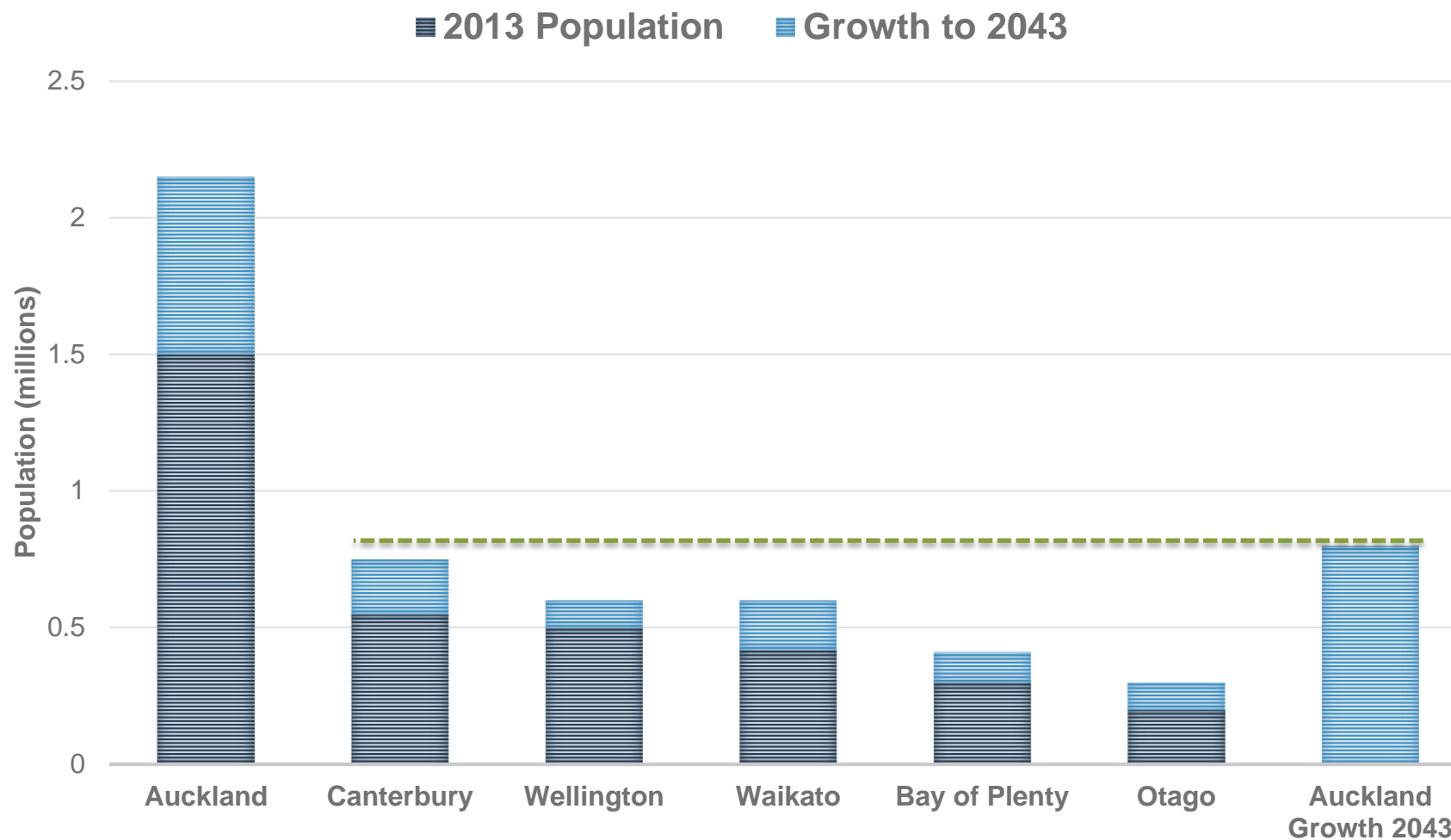
Building Nations Symposium 2018

Shane Ellison, Chief Executive Officer
16 August 2018

Challenges for Auckland



NZ growth



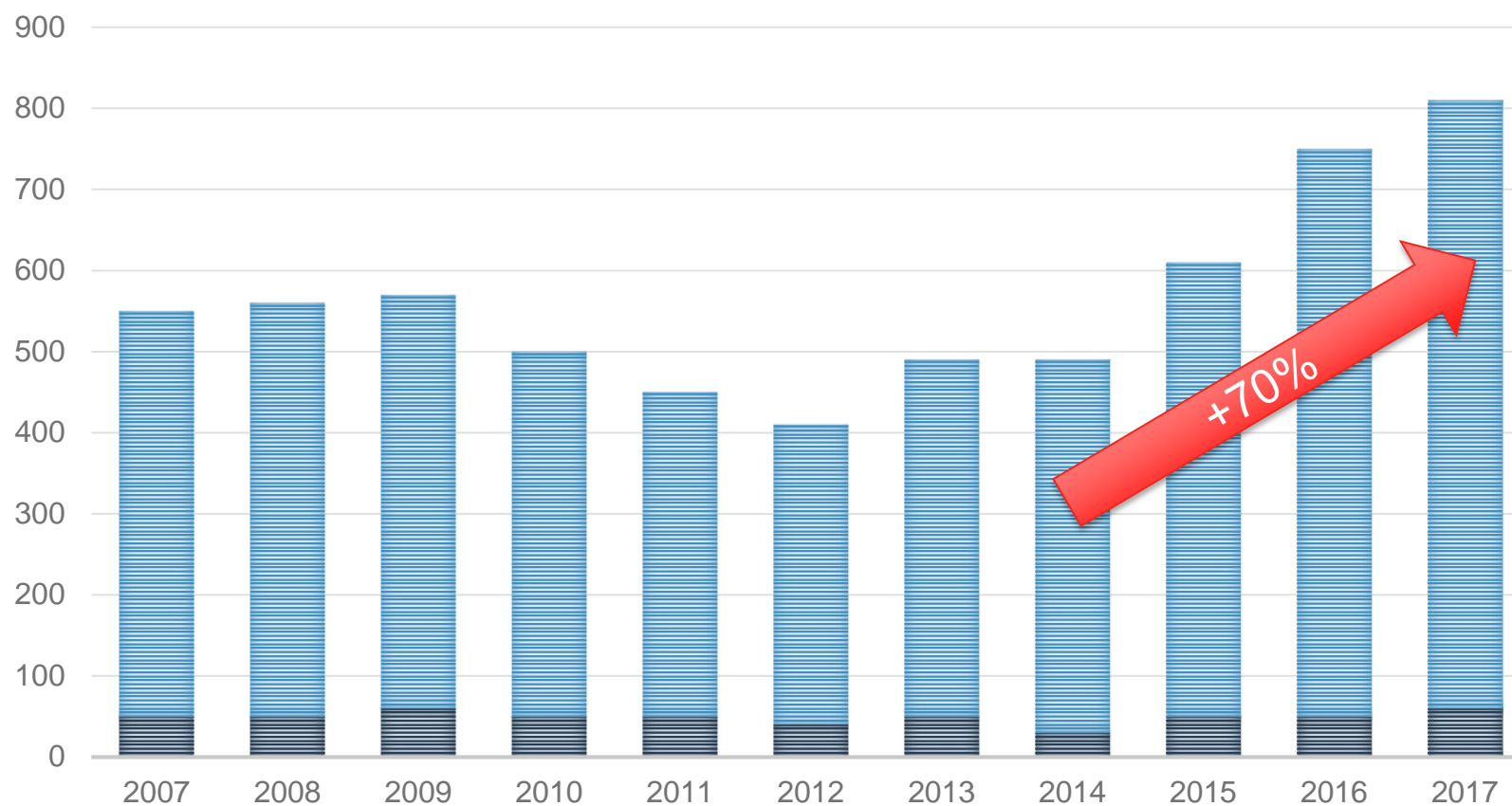
Safety



Auckland Road Deaths & Serious Injuries (DSI)

2007 to 2017

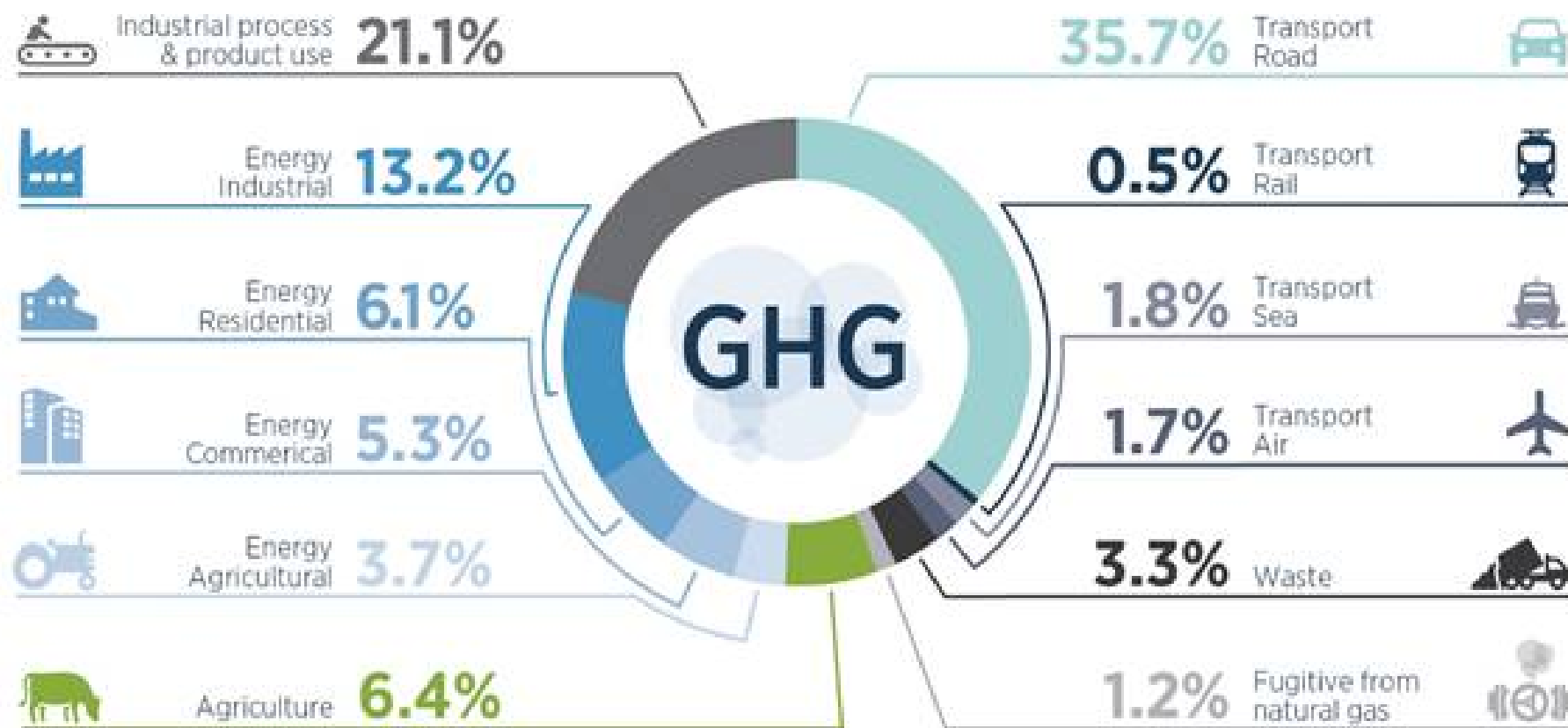
■ Fatal ■ Serious



Emissions

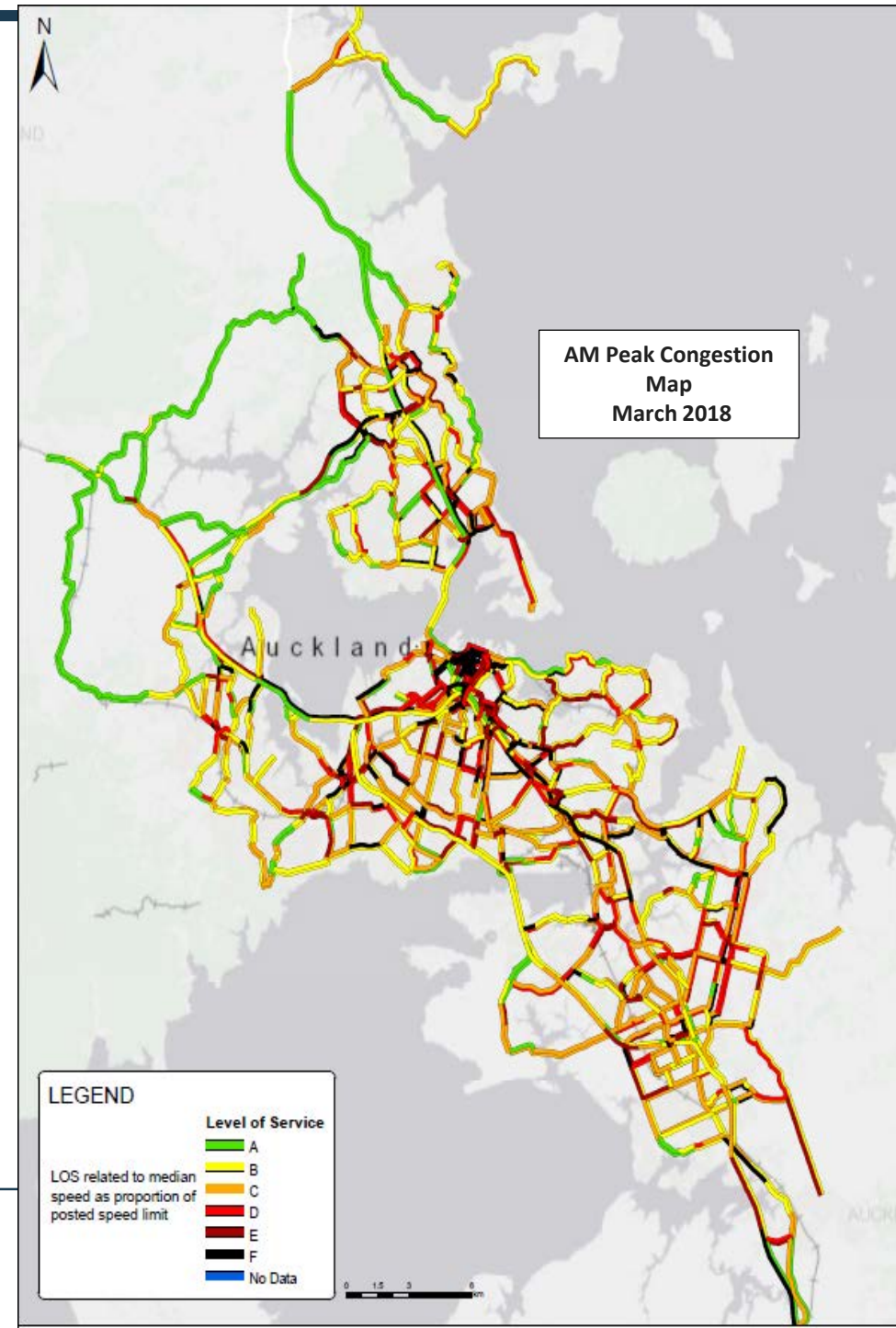


AUCKLAND'S GREENHOUSE GAS (GHG) EMISSIONS PROFILE (2015)



Congestion

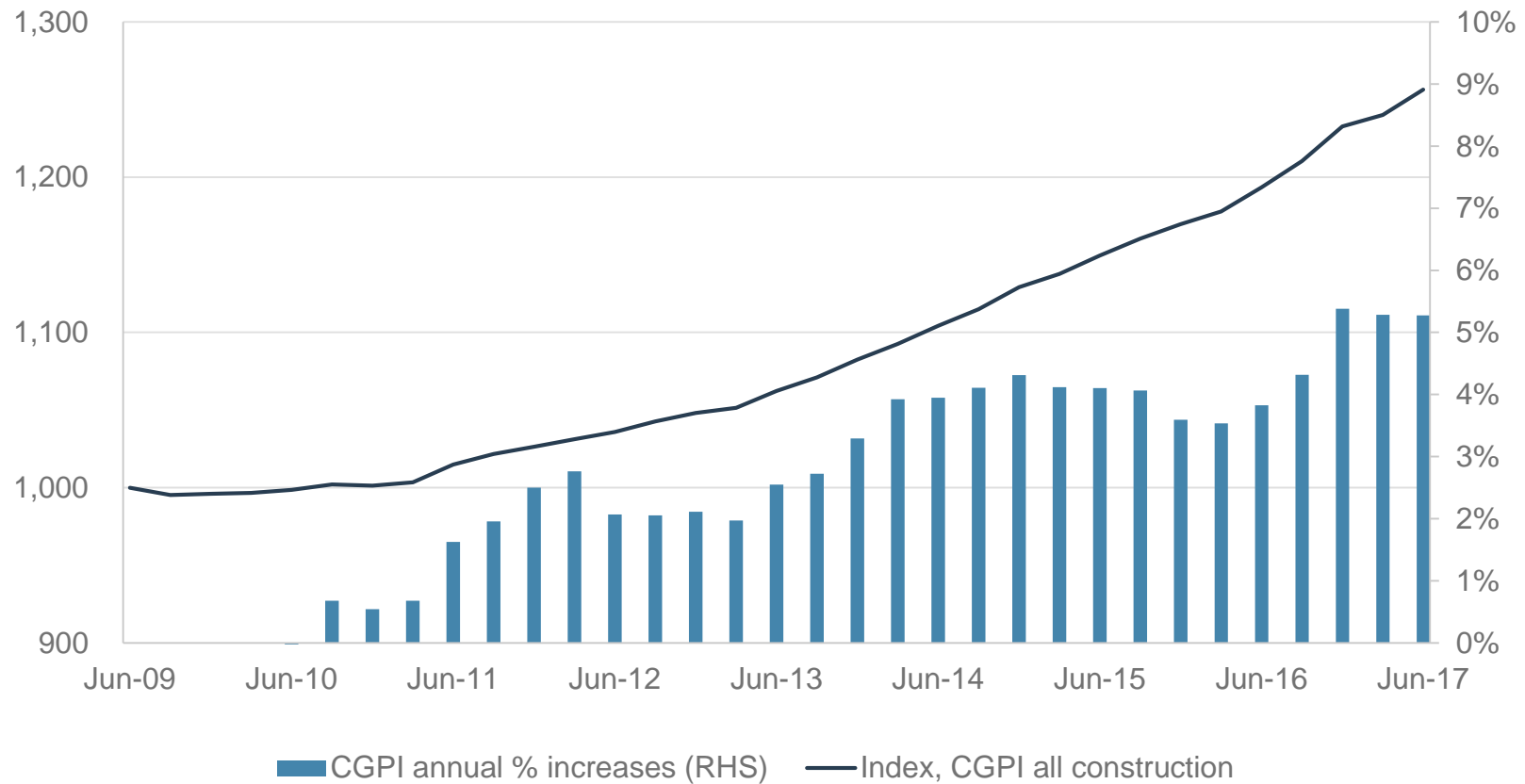
- Travel demand exceeding capacity on many parts of the transport network
- Congestion on motorways and arterial roads
- Slower speeds, less reliable travel times for people and goods
- Increased travel times and poor reliability have severe impact on freight industry
- Auckland has a nationally significant freight logistics function
- Goods and services not moved efficiently, which has a negative impact on everyone in the city



Value for Money



Capital Goods Price Index all construction,
indexed at June 2009



Stats NZ Price indexes for the construction industry: September 2017

Addressing the Challenges

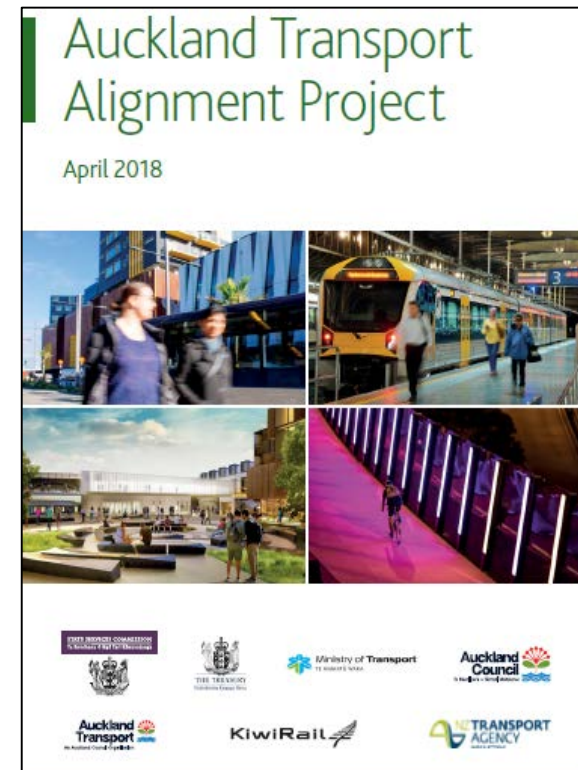
The Auckland Transport Alignment Project (ATAP)
The Regional Land Transport Plan (RLTP)



The good news is...



- Absolute alignment between Government priorities and Auckland Council (ATAP)
- \$28 billion of funding
- Overwhelming community support for the ten-year (RLTP) programme



Strategic approach

- Safety is a central focus
- Public and active transport has to play an increasingly important role.
- Integrated and customer focussed is critical to success
- Single occupant private vehicle being the dominant form of travel cannot be sustained as the main form of movement across the city
- Maximise value of existing infrastructure through optimisation, use of technology and influencing travel demand
- Have to address current challenges and take advantage of future growth
- Minimising transport impacts on environment is critical

Rapid Transit – Core to the solution

Committed Projects

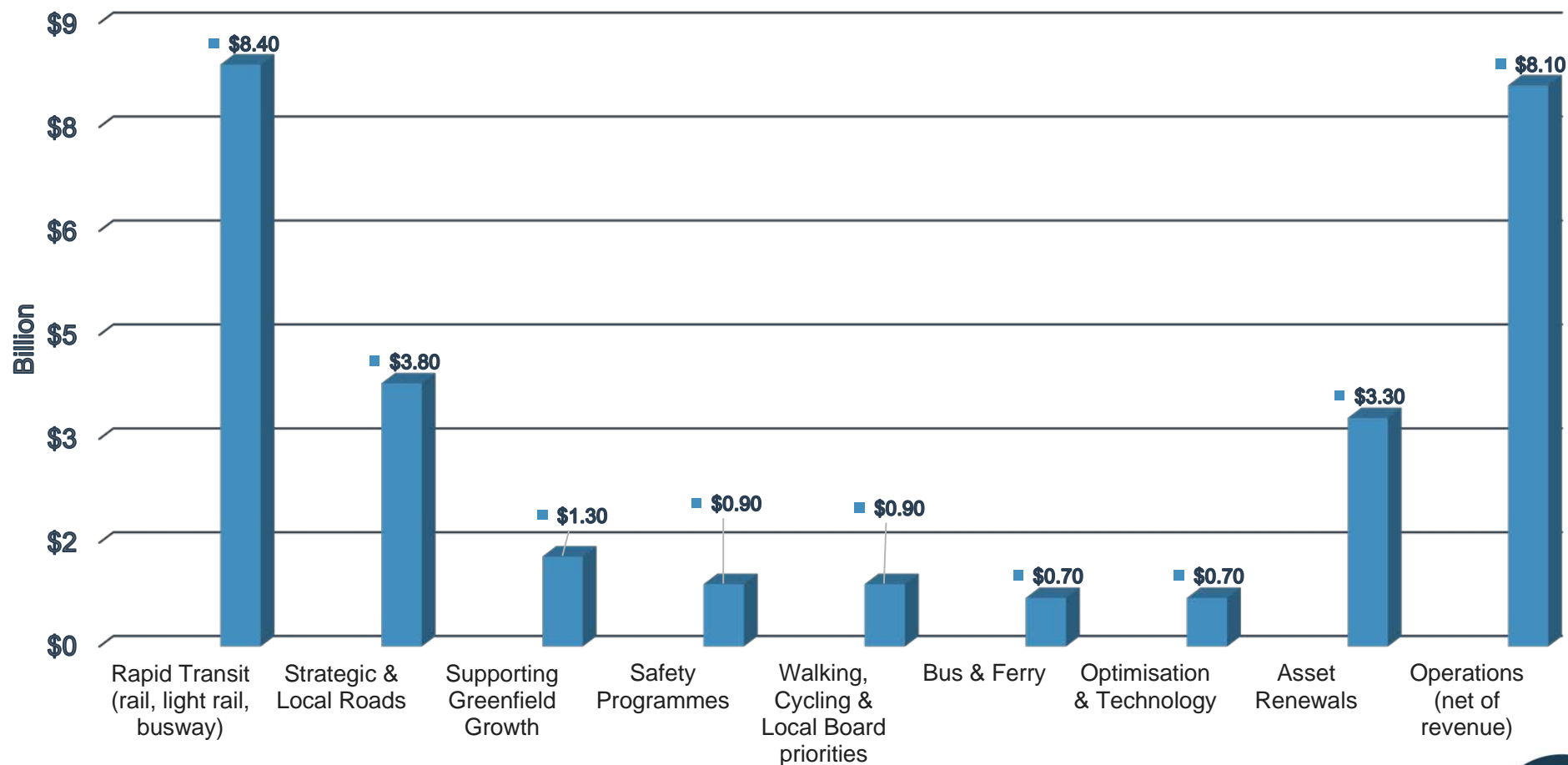
- City Rail Link
- Northern Busway extension to Albany
- Additional electric trains

New Projects

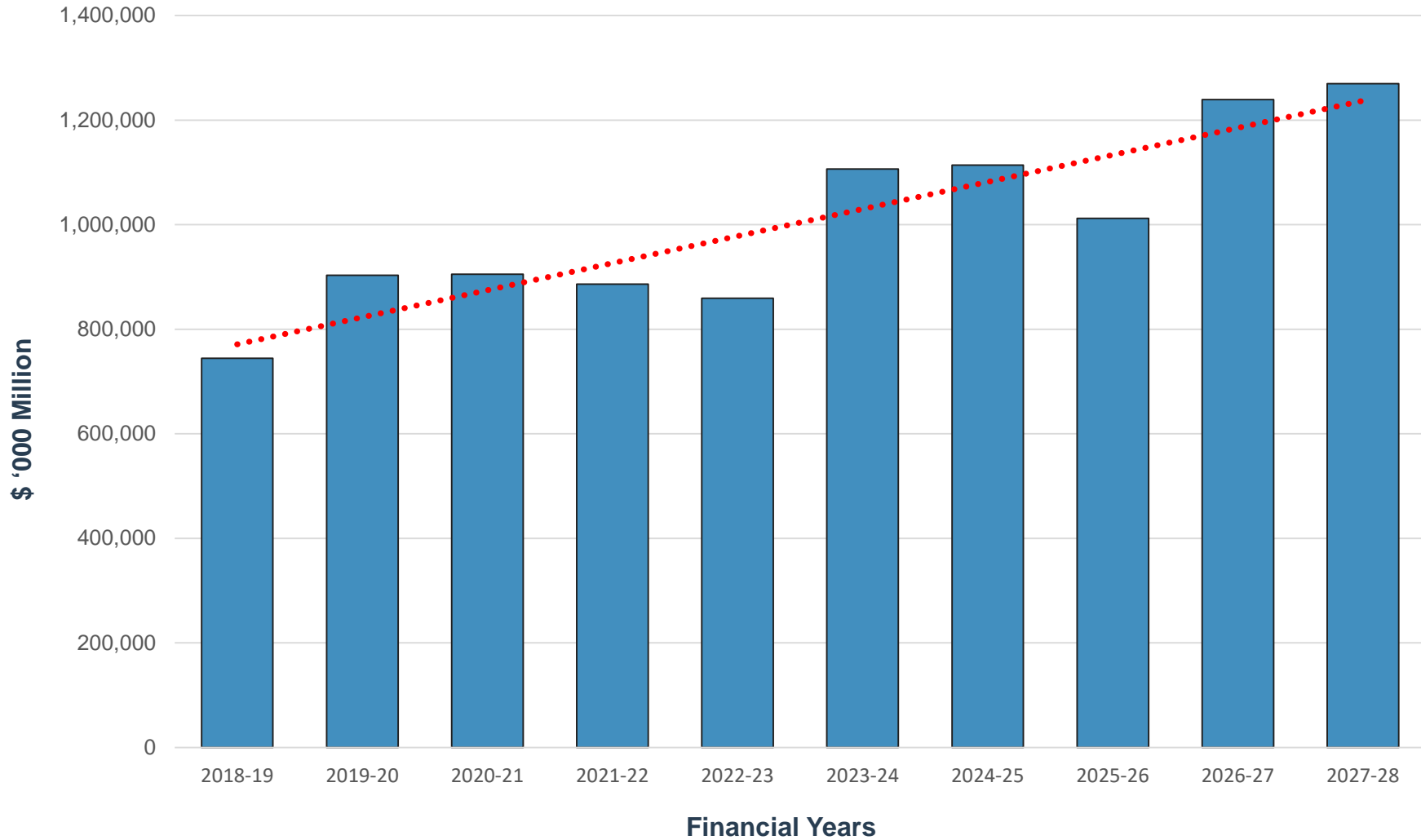
- Light rail (city-airport and northwest corridors)
- Eastern Busway (Panmure-Botany)
- Airport-Puhinui bus improvements
- Pukekohe electrification, third main, other rail network upgrades
- Further new electric trains
- Albany-Silverdale bus shoulder lanes



ATAP investment package



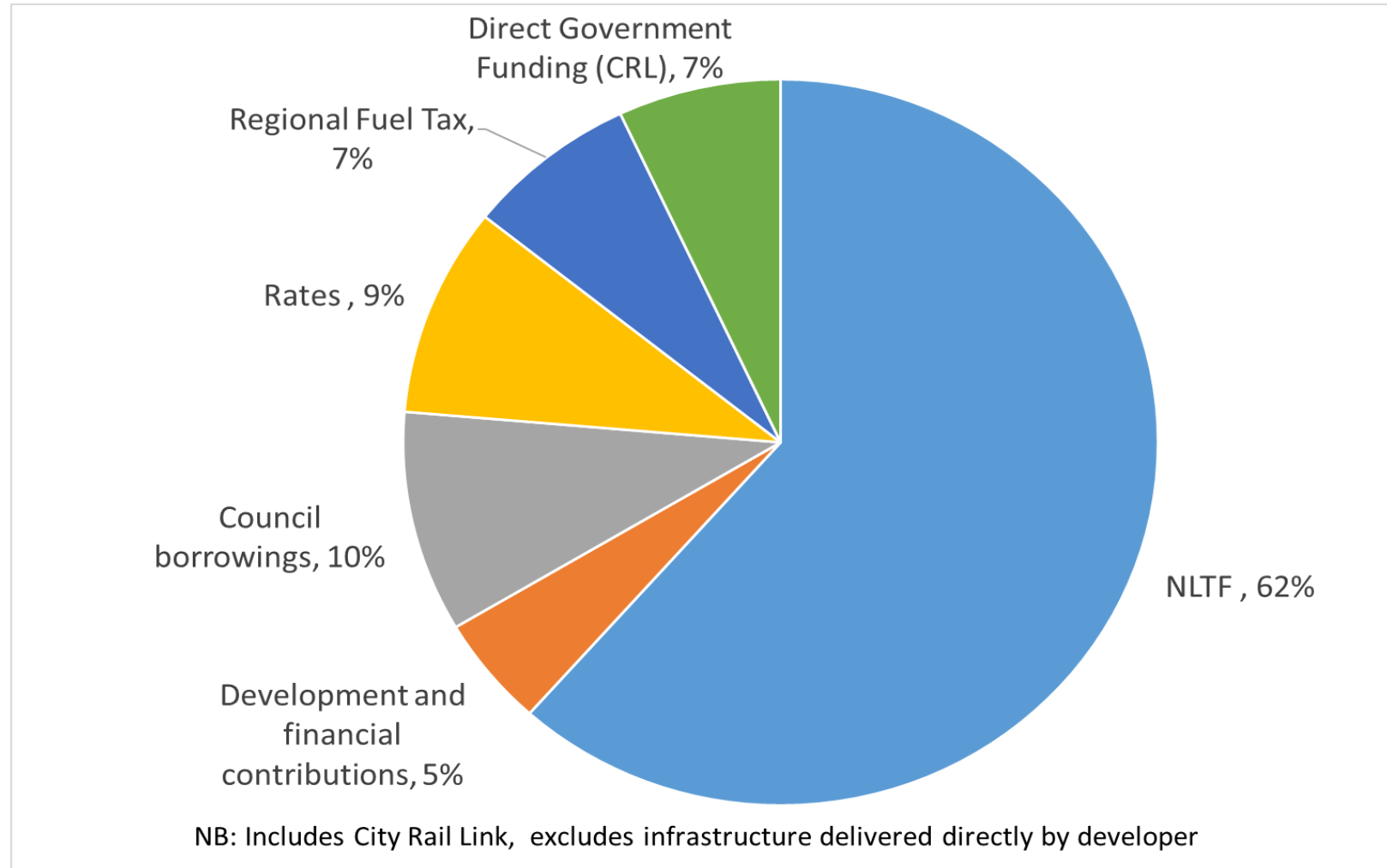
The Auckland Transport Capital Programme



Funding of Auckland's transport infrastructure



\$20 billion RLTP Capital Programme (2018-28)



Central Government Funding

NLTF Funding

- Fuel Excise Duty
- Road User Charges
- Vehicle and Driver Registration

Direct Government Investment

- Rail infrastructure
- City Rail Link

Subsidies for AT's Capital and Operating programme, as well as NZTA's State Highway programme

New 'Rapid Transit' activity class with Light Rail in Auckland funded and delivered by Government

New 'Transitional Rail' activity class

✓ **Higher level of funding committed by Government as part of ATAP**

Council Funding

- Historically there has been limited options for Regional Council's to fund infrastructure;
- Revenue raising options limited by legislation
- Debt constraints limit ability to borrow more in short term
- New property developments able to be supported by 'Development contributions'

Regional Fuel Tax (RFT)

- ✓ RFT effective from 1 July 2018
 - ✓ Raises \$1.5 billion over next ten years
 - ✓ Creates \$4.5 billion of funding over next ten years
 - ✓ Linked to 14 specific projects or programs
 - ✓ AT capital program highly dependent on RFT (43% - almost all of the discretionary program)
-
- ✓ It provides more certainty ... projects and timing
 - ✓ It creates an imperative to deliver



Developing Funding Options

- Targeted Rates
- Private finance / PPP
- Road Congestion Charging



Conclusion

- Auckland has been growing quickly and will continue to grow
- We have a rare opportunity to deliver transformational change for Aucklanders
- The near term funding solution has been found but new funding tools will need to be found

- ✓ **There is a plan**
- ✓ **It's transformational**
- ✓ **It's funded**
- ✓ **It's time to deliver**

