

Update on Development of Long Term Plan and Regional Land Transport Plan

Recommendation

That the Board:

- i) Notes the following update.

Executive summary

Consultation has closed on the draft Long Term Plan (LTP) and Regional Land Transport Plan (RLTP). Feedback from submitters is support for a higher level of investment in transport (the “Auckland Plan Transport Network”), with mixed views on how this should be funded. There is around 50% support for some form of motorway charge.

AT staff have now reviewed the ten year operating budgets, starting with the current year’s budget as a base, and taking into account known cost pressures and savings. Operating funding from Auckland Council (AC) is constrained going forward to keep rates increases to a minimum, and this has impacted on the ability to progress some new initiatives. Current levels of service can be maintained, assuming ongoing efficiencies in the organisation.

AC will make decisions in early May about the capital funding it will allocate to AT in the LTP. It looks likely additional capital will be available. If so, we will need to prioritise it between renewals, new capital projects and increases to programmes of work (e.g. safety programmes). Input from the public and key stakeholders, including New Zealand Transport Agency, will also inform this.

Strategic context

The LTP and RLTP set out capital and operating programmes for AT for the next ten years. AT must prioritise its programmes and projects to deliver the best possible outcomes with the constrained funding it has available. Projects were prioritised using the prioritisation calculator developed for the 2015-2045 Integrated Transport Plan (ITP), and the overall programme is designed to deliver the Auckland Plan outcomes, AT’s strategic themes, and optimise Transport Agency funding.

It is important that all likely (and funded) projects are included in the LTP and RLTP. Items not included are difficult to reinstate and can potentially require public consultation to reintroduce if deemed significant. The first three years of the finalised programme will form AT’s Statement of Intent (SOI) programme. The first year becomes the Annual Plan for 2015/16.

Background

At its 16 December meeting the Regional Transport Committee (RTC) approved the Draft RLTP document to be released for public consultation. The Draft LTP is being consulted on at the same time.

This report provides an update on the LTP and RLTP process.

Issues and options

Update on consultation

The deadline for submissions on the Draft LTP and RLTP was 16 March. At the time of writing this report, a large number of submissions had been received (over 15,000), and analysis of feedback is not complete.

In addition to supporting AC's consultation process, AT has held two Hui with Mana Whenua. Some key points raised at the Hui were:

- There needs to be more of a focus on sustainability, particularly if maintenance budgets are reduced as often the cheapest option is undertaken, not the most environmental;
- Consideration needs to be given to whole of life cost in conjunction with sustainability to ensure environmental options are considered;
- Are there budget allocations specifically for Mana Whenua outcomes, particularly relating to heritage value, hui costs and appropriate mitigation for cultural values;
- There needs to be engagement with Mana Whenua through all parts of the process, from ensuring inclusion of criteria within the prioritisation process, down to actual project delivery; and
- If there is no money to fund transport needs, then the city needs to have greater urban intensification as opposed to urban sprawl which increases the overall cost to the region.

AT also held a key stakeholder Transport Event on 10 and 11 March. A total of 30 presentations were made to the RTC Panel and Auckland Council Councillors over the two days, 16 from Local Boards and 14 from key stakeholders.

The key stakeholders were: Auckland Business Forum, Automobile Association, Campaign for Better Transport, Cycle Action Auckland, Federated Farmers, Generation Zero, IPENZ, KiwiRail, National Road Carriers, NZ Council for Infrastructure Development, NZ Taxi Federation, Ports of Auckland Limited, Transport Blog and Waikato Regional Council.

Some key themes that came through during the Transport Event included:

- The draft RLTP is considered to be city centric and does not adequately cover concerns of outlying areas;
- There needs to be a balance between fixing legacy problems and giving consideration to future issues (particularly around growth);
- Better integration of land-use and projects;
- Auckland's relationship with central Government and the need for a possible 'accord' related to infrastructure requirements to support special housing areas;
- Local Board Plans are not sufficiently reflected in the draft RLTP;
- Active modes (particularly cycling) and public transport initiatives were supported over further road development;
- Ensuring travel times are maintained (or improved) for freight; and
- Renewals need to be kept up to date
- The difference between the Basic and Auckland Plan Networks relate entirely to AC funded projects. Public transport and local roads are affected while the motorway

programme continues apace. Necessary KiwiRail investment is absent. This may not be the optimal balance of overall funding.

Themes coming through in submissions are:

- Support for a higher level of investment in transport (the “Auckland Plan Transport Network”);
- Mixed views on how this higher level of investment should be funded, with more submitters supporting a motorway toll than increased rates/fuel tax;
- A desire for increased investment in cycling and public transport;
- Better utilisation of the existing road network (i.e. network optimisation);
- Support for light rail;
- Mixed views on the City Rail Link; and
- Strong views from rural areas (particularly Rodney) that sealing of rural roads should be given a greater level of investment.

Review of operating budgets

During February, AT staff reviewed ten year operating budgets, starting with the current year’s budget as a base. Estimated Transport Agency operating subsidy has also been reviewed.

Going forward:

- AT faces some unavoidable and contracted cost increases
- Permanent savings have been identified (e.g. the introduction of LED streetlighting)
- Some initiatives will lead to increased revenue for AT (e.g. parking initiatives)

Operating funding from AC is constrained in future years to keep rates increases to a minimum, and this has impacted on the ability to progress some proposed new initiatives. The operating funding envelopes in the draft LTP do, however, reflect year on year increases over the ten-years. AT’s ten year operating budgets are shown in Attachment 1.

Staff are confident that the operating funding available over the next three years is sufficient to achieve the KPIs in the Draft 2015/16 SOI. Forecast cost increases in some areas have been balanced by expected savings and revenue increases. Note however in Attachment 1 that road, parking and support budgets are flat for the next three years. This will be difficult to achieve with a rapidly rising asset base.

AC staff will be preparing refreshed consolidated operating budgets during April for the ten year period. A draft 2015/16 internal budget has been balanced. It is unlikely that operating envelopes will change significantly from this point.

Finalisation of capital programme

AC will make key LTP decisions in early May, including about alternative funding for transport and the capital funding it will allocate to AT for the next ten years. If more capital funding is available, particularly for the first three years, AT will need to prioritise it between renewals, new capital projects and increases to programmes of work (e.g. safety programmes). Input from the public and key stakeholders, including the Transport Agency, will also inform this. Given public feedback, AC looks likely to provide \$100 million per annum of additional capital to address immediate priorities (which will also attract Transport Agency co-funding).

The ITP calculator provides a prioritised programme. If more capital funding becomes available projects scoring highly can be moved forward into the first three years of the LTP. We will also need to address Transport Agency priorities (e.g. East West Connections) and meet our share of the Government’s Urban Cycleway Programme.

Next steps

Submissions on the RLTP and LTP closed on 16 March. A report will be prepared for the RTC in April on the themes from submission, and recommended changes for the final RLTP. This will also need to take into account the consultation currently underway on the Regional Public Transport Plan.





AT staff are looking at options for allocating any additional capital funding from AC, and will report to the April Board meeting on this.

Once finalised, the first three years of the ten year budgets, and the capital project list, will be incorporated into AT’s SOI. The first year becomes the 2015/16 Annual Plan.

Attachment

Number	Description
1	Refreshed LTP Operating Budgets

Document ownership

Submitted by	Tracey Berkahn Operations Financial Performance Manager	
	Nicki Lucas Manager Revenue and Analysis	
Recommended by	Richard Morris Chief Financial Officer	
Approved for submission	David Warburton Chief Executive	

Glossary

Acronym	Description	Business Unit
AC	Auckland Council	
ITP	Integrated Transport Plan	
LTP	Long Term Plan	
RLTP	Regional Land Transport Plan	
RTC	Regional Transport Committee	
SOI	Statement of Intent	

Refreshed LTP Operating Budgets

Total Operating (\$000)											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Total Operating Expenditure excl. CRL											
PT excluding CRL	371	385	398	410	423	435	448	471	493	516	4,349
Roading and Footpath	121	121	121	121	126	126	124	128	132	138	1,256
Parking	35	35	35	35	35	35	35	35	35	35	349
Corporate	100	100	100	102	100	101	101	101	101	100	1,005
	627	641	653	6681	683	696	707	734	761	789	6,959
CRL	0	0	-	-	-	-	-	31	32	34	98
Finance Cost	35	32	32	32	31	31	30	30	29	29	310
EMU Principal Repayments	5	5	6	6	6	7	7	8	8	9	69
Total Funded Expenditure	667	679	691	706	721	734	745	803	831	861	7,436
Depreciation	312	314	318	319	314	311	313	343	356	364	3,264
	979	993	1,009	1,025	1,035	1,044	1,057	1,146	1,187	1,224	10,700
Funded by:											
AC Operational Funding	252	260	267	275	283	289	294	306	324	343	2,894
NZTA Subsidies	239	244	246	252	255	260	265	288	297	305	2,650
Fees, User Charges and Other Revenue	176	175	178	179	183	185	185	208	210	213	1,892
	667	679	691	706	721	734	745	803	831	861	7,436