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## Planning for Investment in Auckland's Transport System 2024 – 2034

For decision:  For noting:

### Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

- a) Notes the commencement of investment planning and prioritisation to develop an Auckland Transport (AT) programme to inform the Council's Long-Term Plan 2024-34 (LTP); and the Regional Land Transport Plan 2024-34 (RLTP)
- b) Notes the specific yet different purpose and governance arrangements for the LTP, and the RLTP, and the relationship between the two processes.
- c) Notes the indicative guidance provided by Auckland Council (AC) to AT for the LTP, and Council's LTP development timelines.
- d) Notes AT's approach, timelines and governance proposals to develop a proposed AT programme and LTP bid.
- e) Notes that process design for the RLTP is currently under review and will be presented to the Council, Regional Transport Committee (RTC) and board by November 2023.

### Te whakarāpopototanga matua / Executive summary

1. Planning and prioritisation of investment in Auckland's transport system over the next 10 years is determined through the development of AC's LTP 2024-34 which is managed by AC staff, and governed by AC. It also requires development of the RLTP 2023-34, which is managed by AT, and governed by the RTC and the board. These processes have recently commenced.
2. AT, alongside all other Council Controlled Organisations (CCOs) is required to make a bid into the processes for the development of the LTP, in order to determine the funding available to AT for the next 10 years. This bid, and the confirmed funding available, will then form the basis of AT's bid into the RLTP development.
3. AC has recently signalled its expectations for developing LTP bids. AC cannot afford the costs for the suite of activities and services from LTP 2021-31 without changing its financial settings; and its LTP development process must be seen as an opportunity to re-think investment strategy to meet expectations for the future, rather than simply solving for a budget gap. Importantly, AC is also emphasising the value of small-scale interventions and well as policy changes and regulatory changes.

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4. The level of funding the LTP can provide to AT for its programme will drive the extent to which outcomes can be achieved and will shape AT's programme in the RLTP. An initial investment proposal to AC for the LTP will be made on the basis that it delivers on the outcomes AC is seeking. This programme will be pragmatic and balanced across our strategic objectives but will also be sufficiently ambitious to deliver on AC's expectations. It is however likely to exceed AC guidance for affordability.
5. This preferred AT investment programme will include the full cost of maintenance and renewals going forward (as determined by AT's Asset Management Plan), the full cost of public transport services including new services required to support the City Rail Link (CRL), ongoing investment in core programmes, and a select list of new projects. The programme will also need to reflect the cost escalations affecting planned projects and assumptions about Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and other sources of co-funding.
6. Board endorsement of this programme will be sought in September 2023, prior to submitting it to AC. Once confirmed, this bid will form the base case for AT's RLTP bid.
7. The process for developing the RLTP is currently under review, to incorporate lessons learnt from the recent successfully defended judicial review challenge by All Aboard Aotearoa, to accommodate changes to best practice, to ensure effective partner and stakeholder engagement. Central to this review will be to ensure the role of AC is appropriately considered and designed in. It's expectations as to outcomes and priorities for Auckland's future, and for how transport investment enables that future as expressed through the Auckland Plan 2050 and the LTP are critical drivers for the RLTP (alongside the Government Policy Statement for Land Transport (GPS)), and the AT bid into the RLTP is guided by the LTP process. The full RLTP development process will be presented to the RTC, AC and board in November 2023.
8. Delays in release of the draft GPS is a complicating factor for this RLTP. The GPS is not expected to be finalised before February 2024, and as such will delay the process. The GPS outlines government's expectations and typically forms a key basis for developing AT's preferred programme in conjunction with AC's LTP process.

## Ngā tuhinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
August 2023, Design and Delivery Committee (committee)	Planning for Investment in Auckland's Transport System 2024-34	The committee: <ol style="list-style-type: none"> <li>a) received and noted a verbal update on the guidance provided more recently by Council since the report was prepared;</li> <li>b) discussed the advantages and disadvantages of providing Council with a compliant bid only, noting the significant benefit in providing Council with a bid that outlined the ideal/steady state in</li> </ol>

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		<p>order to meet its objectives, and a more limited bid within the constraints provided and the high-level consequences; and</p> <p>c) discussed and agreed with the intention to create a clear separation between the development of the LTP bid, and subsequent AT RLTP bid; and the development and delivery of the RLTP, noting the latter was about facilitating an Auckland wide transport investment conversation with other key players.</p>
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## Te horopaki me te tīaroaro rautaki / Context and strategic alignment

9. The recent work to develop the Tāmaki Makaurau Joint Transport Plan (TMJTP) was intended to provide an indicative basis on which central and local government agreement could be reached as to key priorities and funding levels, in the way the current Auckland Transport Alignment Plan (ATAP) provides such guidance, thus assisting the development of the LTP and RLTP.
10. The LTP sets out what AC does, why, how activities fit together and what it costs over the plan's 10-year period. AC's share of AT's funding (opex and capex) is confirmed and provided through the LTP, and AT is required to submit an LTP bid setting out its investment proposals for AC's consideration and decision.
11. AC has indicated that the 2024-34 context is extremely challenging, and that it cannot afford the same suite of activities and services without changing its financial settings; that its budgeting processes must be seen as an opportunity to strategically re-think how best to make investments that meet future expectations, rather than simply solving for a budget gap; and that it must set a political direction for Auckland.
12. AC has established some principles to guide the content of AT's (and other CCO's) LTP bid; our content and advice must follow political direction, vision and priorities; given the limitations on funding we will be required to show prioritisation and trade-offs (options) and a concerted effort to address cost drivers; we must make the most of our existing assets; we must consider those activities that AC should have a role in delivering, and what can be delivered by others; we must be focused on outcomes; we must account for anticipated changes in our operating environment and be agile; investment needs to consider the drivers of cost escalation, and overall the LTP needs to be flexible, allowing for programmes to be best adapted to achieve outcomes.
13. Specifically for Transport, AC is looking for any investment it makes to prioritise making the most of the existing assets and spend in transport, including optimising investment in CRL. The funding needs to address the needs of a growing population and invest in a balanced transport network. AC is looking for a shift from large sale projects, to getting the most from the current network and is looking for this to be achieved by funding tactical improvements and implementing policy that better manages space for efficiency and mode shift.

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14. Five evidence-based challenges have been provided: addressing climate change through mode shift; making the transport system more resilient to disruption including to the impacts of climate change and severe events; affordable renewals; support growth as a key enabler of urban development; and reduce harm caused by Auckland's transport system through road safety and reducing pollutants.
15. AC's timeline for bringing the LTP together spans the remainder of this calendar year. By mid-September 2023, we expect AT will be required to have its options developed and its initial LTP bid submitted. AC needs to have its draft LTP audited and ready for consultation by the end of the year.
16. The RLTP is prepared under the Land Transport Management Act (LTMA) for endorsement by the RTC (a body established under the LTMA made up of AT, Waka Kotahi and KiwiRail – who deliver the transport infrastructure and services to Auckland and have voting rights on that basis) and is recommended to the board for final approval. It sets out Auckland region's transport priorities, activities, and measures for a 10-year period. It comprises the prioritised activities of AT and Waka Kotahi; and includes (but currently does not prioritise) the activities of KiwiRail.
17. Advice on the development of this plan is provided by staff from AT (lead), with input from Waka Kotahi and KiwiRail. The RLTP is required to be prepared every 6 years. In practice, because of changes in our operating context, this plan is being reviewed every 3 years. The last RLTP review was undertaken in 2020 and established our current RLTP 2021-31.
18. In developing this plan, the board needs to meet its statutory requirements while ensuring alignment to AC's policy guidance and funding levels included in the Auckland Plan 2050 and the Long-Term Plan 2024-34. The RTC, as a multi-agency committee, needs to consider AC's objectives, while being satisfied that the RLTP meets key statutory tests, including consistency with the GPS on Land Transport.
19. Once completed, the RLTP itself has 3 functions: it sets out and records the regional agreement of the investments and initiatives Auckland needs over a 10 year period in order to achieve its outcomes; it provides the content for Auckland's bid into the development of the National Land Transport Plan (prepared by Waka Kotahi); it serves as a base for communication with our communities over what will be investigated further, developed into options and delivered, as well as potentially what changes we need from our operating context. It is intended to report to the RTC and the board on progress against the RLTP on an annual basis.
20. Key factors influencing the development of this RLTP will be increased project costs and the need for additional investment in renewals in order to maintain a fit for purpose network, but within more limited funding from Waka Kotahi. At the same time, stakeholder expectations are increasing and there is a greater need to provide for climate change mitigation and resilience. The RLTP will also have to ensure Regional Fuel Tax funds are invested in a timely manner. It will be extremely challenging to reconcile these competing expectations.
21. The RTC and board's timeline and process for developing the 2024-34 RLTP are currently being determined. Recent delays to the issuing of a GPS from government will delay the process of finalising RLTP's across the country beyond the extended date of 30 June 2024.
22. Alongside the development of the LTP and RLTP, AT is also required to submit its information to Waka Kotahi for continuous programmes (Maintenance, Operations and Renewals, Public Transport Services, and Road Safety Promotions) and our capital projects, for the *first three years* of the 10-year period. Critically, while this information is a component of the 10-year plan, this process is started in advance of

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confirmation of the LTP (and therefore local share) and the RLTP. Indicative bids for continuous programmes are uploaded to Waka Kotahi in late August 2023 and updated in early December 2023, and initial bids for improvement projects are uploaded in late September 2023 and finalised in April 2024. KiwiRail also uploads their information. This information will reflect AT's preferred level of investment and expense, and not an agreed programme or level of funding.

## Ngā matapakinga me ngā tātaritanga / Discussion and analysis

23. AC's early signals for the development of the LTP are useful and welcomed. As kaitiaki of Auckland's transport system, our initial programme bid to the LTP will set out the investments that are reasonably needed and that should be delivered by AT to meet the outcomes that AC has articulated, as well as what we understand the outcomes are that government is seeking in the absence of an approved GPS. It will also include the full cost of maintenance and renewals going forward, as determined by AT's Asset Management Plan, and the full cost of public transport services, including new services required to support CRL. The bid will need to reflect the cost escalations affecting already committed projects.
24. AC's decisions on funding levels for AT's proposed programme in the LTP (for AC's share of the transport investments) will shape AT's proposed input to the RLTP development process. AT will continue to work with AC staff and the Transport and Infrastructure Committee as we move into the RLTP development and consultation process. The AT draft RLTP bid may be further refined once the GPS is available, to optimise alignment.
25. Designing a process for developing the RLTP that effectively meets statutory, shareholder, stakeholder and community needs is critical. AT's successful defence last year of a judicial review by All Aboard Aotearoa of the process we followed to develop our current RLTP gave us some valuable insights as to critical issues that need to be addressed, and critical elements of the process that we need to pay attention to.
26. The role of AC is a key consideration. Whilst it has no statutory role in the development of the RLTP, its expectations as to outcomes and priorities for Auckland's future, and for how transport investment enables that future as expressed through the Auckland Plan 2050 and the LTP are critical drivers for the RLTP (alongside the GPS), and the AT bid into the RLTP is guided by the LTP process. In addition, a key deliverable in our Statement of Intent is to design and communicate a collaborative process with AC for the development of the RLTP.
27. Partnering with mana whenua and mātāwaka is also critical. Neither of these entities have representation on the RTC and we intend to explore options for inclusion and what role each might play at or away from the RTC table, particularly in how a Te ao Māori perspective will be taken to the RLTP development.
28. In reviewing and improving our current processes we will also consider: the scope of the RLTP (including the activities it will prioritise and the inclusion of policy initiatives and advocacy for regulatory change); the way in which the benefits that we will receive from the investments made can be better quantified; the arrangements for working with Waka Kotahi and KiwiRail both in bringing the bids and procurement together and advising the RTC; the nature and scope of public consultation; the role and requirement for process audit and assurance for decision

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makers; any changes to the legislative context since the last RLTP was developed; the process for building contextual understanding as the RLTP develops and the structure and design for the RLTP itself.

29. We will take any opportunity to shape the specific direction of the GPS before it is finalised so that it is clear. Lack of clarity over its priorities was a key issue at debate with All Aboard Aotearoa in its judicial review. In addition, we will be mindful of balancing effort with practical considerations such as our ability in our current economic context to make significant changes to our investment in direction, without substantial additional funding sources.
30. Finally, in the past, the development of the RLTP has been supported by the ATAP which provided agreement between government and AC over the key investments that should be made in a 10-year period and the level of funding available. The TMJTP work was intended to form the basis of such an agreement and underpin the RLTP. With the halt in work on the TMJTP, we do not currently have an agreed position with central government to inform the RLTP process. We anticipate, however, that an ATAP process may be initiated after the election.

### Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
AT receives inadequate funding for the 2024-27 period and is unable to maintain and renew assets to an adequate level or provide public transport services to support major new infrastructure such as CRL.	AT provides robust bids to both key funders, supported by evidence of funding requirements and critically, the impacts of not funding to required levels
The LTP conversation focuses solely on the operating budget and does not address the capital budget	AT actively advocates for a capital investment discussion with Councillors
Expectations of funding availability to fund initiatives to meet carbon emissions reduction targets are not met leading to community and stakeholder dissatisfaction and significant pressure for re prioritisation.	Clarity about the relative priority of reducing carbon emission relative to other priorities will be sought.
Changes in political direction in October 2023 results in a significant misalignment between central and local government objectives and outcomes which impacts funding available and what can be delivered.	Progress with the TMJTP would be desirable. In its absence, initiation of the ATAP process post the election would provide useful guidance.

### Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

31. There are no specific and immediate financial impacts arising from this paper.

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## Ngā whaiwhakaaro ō te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

32. Addressing climate change, both from an emissions reduction and an adaptation sense will be a significant challenge for the LTP and RLTP prioritisation processes. AC has indicated in its LTP guidance that it seeks to address climate change primarily through mode shift initiatives, and that it wants to be clear where other agencies can contribute. There remains however a high expectation that many Transport Emission Reduction Pathway (TERP) initiatives will be prioritised and funded through these processes, and this will be exacerbated with more detail emerging on how to reduce Vehicle Kilometres travelled (VKT) from the VKT investigation work currently underway.

## Ngā whakaaweawe me ngā whakaaro / Impacts and perspectives

33. AC has been clear in its guidance to us that Maori identity and well-being is a key outcome in the Auckland Plan and as such a key issue in the development of the LTP. A Te Ao Maori view also needs to be built into the development of the RLTP. As outlined above, we are considering how to design that into the process.

## Ngā mema pōti / Elected members

34. Developing the LTP and the RLTP will involve significant engagement with elected members over the coming months. In particular, we plan to engage local boards early to identify their key issues, alongside proposals included in the Local Board Plans.

## Ngā rōpū kei raro i te Kaunihera / CCOs

35. There has been no engagement to date with other CCOs.

## Ngā kiritaki / Customers

36. Early stakeholder engagement, focused on AT's programme, will be designed in to the RLTP development process. Meanwhile early consideration of wider customer views will draw on existing TMJTP and parallel work on the VKT Reduction Plan.

## Ngā whaiwhakaaro haumaruru me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

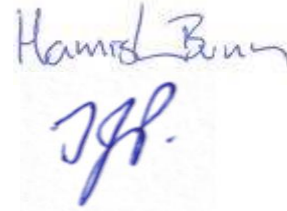

37. There are no immediate health, safety and well-being impacts arising from this paper.

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## Ā muri ake nei / Next steps

38. AT has commenced preparation of the initial AT programme and bid into the LTP process in accordance with Council's early guidance. The board will be asked to consider and endorse this programme in September 20

## Te pou whenua tuhinga / Document ownership

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