I hereby give notice that an extraordinary meeting of the Governing Body will be held on:

**Date:** Monday, 30 April 2018  
**Time:** 9.30am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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**Governing Body**  
**OPEN ADDENDUM AGENDA**

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**MEMBERSHIP**

**Mayor**  
Hon Phil Goff, CNZM, JP  

**Deputy Mayor**  
Cr Bill Cashmore  

**Councillors**  
Cr Josephine Bartley  
Cr Dr Cathy Casey  
Cr Ross Clow  
Cr Fa’anana Efeso Collins  
Cr Linda Cooper, JP  
Cr Chris Darby  
Cr Alf Filipaina  
Cr Hon Christine Fletcher, QSO  
Cr Richard Hills  
Cr Penny Hulse  
Cr Mike Lee  
Cr Daniel Newman, JP  
Cr Dick Quax  
Cr Greg Sayers  
Cr Desley Simpson, JP  
Cr Sharon Stewart, QSM  
Cr Sir John Walker, KNZM, CBE  
Cr Wayne Walker  
Cr John Watson  

(Quorum 11 members)

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**Sarndra O'Toole**  
Team Leader Governance Advisors  

**27 April 2018**

Contact Telephone: (09) 890 8152  
Email sarndra.otoole@aucklandcouncil.govt.nz  
Website: www.aucklandcouncil.govt.nz

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
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<td>Adoption of Regional Fuel Tax proposal</td>
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<td>11</td>
<td>Contributions Policy 2018 Consultation</td>
<td>95</td>
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</tbody>
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Te take mō te pūrongo / Purpose of the report
1. To seek support for the updated Auckland Transport Alignment Project (ATAP) and endorsement of implementation work.

Whakarāpopototanga matua / Executive summary
2. The Auckland Transport Alignment Project (ATAP) is a non-statutory joint transport planning exercise between the Council and the Government, to reach and maintain alignment on the best way to develop Auckland's transport system.
3. In late 2017 the new Government requested that an update of ATAP be undertaken to ensure that it reflects their transport priorities. Officials from the Council and the Government (including their respective transport agencies) have been working since December 2017 to update ATAP. The Mayor, Deputy Mayor and Planning Committee Chair have guided the Council's involvement in this work.
4. The Government's transport priorities are articulated in the recently released draft Government Policy Statement on land transport and align strongly with the direction of the draft Auckland Plan. In particular Auckland Council and the Government share a commitment to improving travel choices, safety and environmental outcomes. Updating ATAP provides an opportunity to ensure this alignment is reflected in pending updates of a number of key statutory transport planning and funding documents.
5. The updated ATAP report (Attachment A) details a $28 billion, ten year transport investment package (the "ATAP Package"). Full implementation of the ATAP Package would substantially improve Auckland's transport system by:
   - accelerating large parts of the rapid transit network
   - progressing key roading projects
   - enabling major improvements to cycling, safety, bus priority and network optimisation
   - supporting a faster rate of housing development.
6. The ATAP Package is designed to reflect the best mix of investments within the $28 billion of transport funding that is planned or assumed to be available over the next decade. This represents an increase of around $4.6 billion on 2015 funding plans. This increase is from the proposed Regional Fuel Tax, Crown Infrastructure Partners and extra funding from the National Land Transport Fund. Because the ATAP Package fits within this planned and assumed funding level, there is no funding gap to deliver it.
7. Strategic transport modelling and detailed analysis from project business cases suggests the ATAP Package performs strongly across a wide variety of key outcomes, especially in relation to safety, public transport access, supporting housing growth along the rapid transit network and cycling mode share. Modelling also indicates that the proportion of travel in congested conditions during the morning peak by car is projected to remain around 2016 levels, despite population growth of around 300,000 people.
8. Cabinet has agreed to the direction set out in the ATAP update and the package of investments needed to enable it. The high level of alignment between the Government and the Council reflected in this ATAP update represents a major milestone for Auckland's transport future. To deliver the ATAP Package, ongoing work with Government is required in relation to:

- funding and financing options
- transport planning and project evaluation processes
- exploring options to help focus Auckland's growth around the rapid transit network.

**Ngā tūtohunga / Recommendation/s**

That the Governing Body:

a) support the update to the Auckland Transport Alignment Project (Attachment A of the agenda report)
b) agree to the following implementation actions:
   i) ensure the Auckland Transport Alignment Project update is a key input to decisions on the final Auckland Plan, the Ten Year Budget (Long-term Plan) and the Regional Fuel Tax proposal
   ii) continue to work with the Government to identify and consider transport funding and financing options
   iii) work with the Government to consider whether changes to transport planning and funding processes, and project evaluation tools, are required to deliver the strategic direction for transport in Auckland
   iv) continue to work with the Government to investigate opportunities to maximise the growth and city shaping benefits of investment in rapid transit.

**Horopaki / Context**

**Introduction**

9. ATAP was established in 2015 to improve alignment between Auckland Council and Central Government on the future of Auckland’s transport system. The ATAP long-term strategic approach and an accompanying ‘indicative investment package’ were supported by the Governing Body in September 2016.

10. In August 2017 ATAP was updated in response to faster than expected population growth, which necessitated the earlier completion of some projects.

11. In late 2017 the new Government requested an update to ATAP to ensure it reflected their transport priorities, which place greater weight on public transport (especially rapid transit), walking and cycling, improving safety, and broad environmental, health and growth outcomes.

12. Around the same time Auckland Council approved the draft Auckland Plan, which reflected the long-term strategic approach of the original ATAP, but with a greater focus on improving travel choices (public transport, walking and cycling) and reducing harm to people and the environment.
13. The ATAP update therefore provides an opportunity to ensure transport investment priorities reflect the increasingly aligned transport vision of both the Government and Auckland Council. To do this, officials from Auckland Council, Auckland Transport, Treasury, Ministry of Transport, New Zealand Transport Agency, KiwiRail and the Ministry of Business, Innovation and Enterprise (MBIE) have been working since December 2017 to develop an updated indicative package (the “ATAP Package”).

14. The Terms of Reference for the ATAP update (Attachment B) established a governance group jointly chaired by the chief executives of the Auckland Council and the Ministry of Transport. The governance group was charged with delivering a final report to the Ministers of Finance and Transport; and the Mayor, Deputy Mayor and Chair of the Planning Committee (the “Parties”).

**Strategic Direction**

15. The original 2015 ATAP process identified four critical transport challenges:

- enabling a faster rate of housing growth
- addressing projected declines in access to jobs for people living in large parts of the west, and some parts of the south
- addressing increasing congestion on the motorway and arterial road network
- increasing public transport mode share.

16. This ATAP update seeks to address these challenges by giving greater emphasis to the Government and Auckland Council’s shared transport priorities of (as set out in the Terms of Reference):

- accelerating the development of Auckland’s rapid transit network, particularly to unlock housing and urban development opportunities;
- encouraging walking and cycling and making these active modes safer for Aucklanders;
- delivering health, safety and environmental improvements, including disability access; and
- ensuring the indicative package delivers the best possible value for money, including broader non-monetary costs and benefits.

17. There is very strong alignment between these priorities and the draft Auckland Plan, particularly in terms of the focus areas in the Transport and Access outcome, and the Development Strategy.

**Revenue**

18. The ATAP Package is based around $28 billion of planned and assumed transport funding for Auckland over the next ten years. This funding level is drawn from the draft Ten Year Budget and the draft Government Policy Statement on land transport. It is around $4.6 billion more than was available for the 2015 round of statutory planning documents. This extra revenue is comprised of:

- $2.8 billion additional contribution from the National Land Transport Fund to reflect an appropriate share of funding for Auckland as signalled in the draft Government Policy Statement on land transport
- $1.5 billion from the proposed Regional Fuel Tax
- $360 million from Crown Infrastructure Partners (which will need to be repaid by landowners through funding agreements)
19. The $28 billion of assumed planned and proposed revenue is made up as follows:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Funding Amount (inflated to year of spend)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland Council</td>
<td></td>
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<tr>
<td>Rates, development contributions and borrowing</td>
<td>$8.45 billion</td>
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<tr>
<td>Regional Fuel Tax</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>Government</td>
<td></td>
</tr>
<tr>
<td>National Land Transport Fund</td>
<td>$16.3 billion</td>
</tr>
<tr>
<td>Crown contribution to City Rail Link</td>
<td>$1.4 billion</td>
</tr>
<tr>
<td>Crown Infrastructure Partners (repaid by landowners through funding agreements)</td>
<td>$0.36 billion</td>
</tr>
<tr>
<td>Total:</td>
<td>$28.0 billion</td>
</tr>
</tbody>
</table>

The ATAP Package

20. The ATAP Package represents the best mix of investments within available funding to deliver on the strategic direction over the next ten years. Compared to the previous ATAP, it places a greater focus on public transport (especially rapid transit), walking and cycling, safety and broader health, environmental and growth outcomes.

21. The ATAP Package provides direction to the more detailed project prioritisation process that will be undertaken through the development of the Regional Land Transport Programme (RLTP). It does this by recommending major projects for inclusion in pending statutory transport funding plans and by allocating the available funding of $28 billion across several broad investment areas.

22. The major projects included in the ATAP Package are:

**Committed Projects**
- City Rail Link
- Puhoi-Warkworth motorway
- Additional electric trains
- Manukau-Papakura motorway widening
- Northern corridor improvements and Northern busway extension to Albany

**New Projects**
- Light rail (City-Airport and Northwest corridor)
- Eastern busway (Panmure-Botany)
- Airport-Puhinui state highway upgrade, bus/rail interchange and bus priority improvements
- Lower cost East West Link
- Pukekohe electrification, third main Westfield-Wiri and further new electric trains
- Papakura-Drury motorway widening
- Mill Road (first phase)
- Penlink toll road and Albany-Silverdale bus improvements
- Significant safety programme
- Enhanced walking and cycling, bus priority and network optimisation programmes
- New infrastructure to enable greenfield growth
23. The ATAP Package allocates funding across broad investment categories in the following way:

<table>
<thead>
<tr>
<th>Investment Area</th>
<th>Investment (inflated to year of spend)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid Transit (rail, light rail, busway)</td>
<td>$8.4 billion</td>
</tr>
<tr>
<td>Strategic &amp; local roads</td>
<td>$3.8 billion</td>
</tr>
<tr>
<td>Supporting greenfield growth</td>
<td>$1.3 billion</td>
</tr>
<tr>
<td>Safety programmes</td>
<td>$0.9 billion</td>
</tr>
<tr>
<td>Walking, cycling and local board priorities</td>
<td>$0.9 billion</td>
</tr>
<tr>
<td>Bus &amp; ferry</td>
<td>$0.7 billion</td>
</tr>
<tr>
<td>Optimisation &amp; technology</td>
<td>$0.7 billion</td>
</tr>
<tr>
<td><strong>Total new projects</strong></td>
<td><strong>$16.7 billion</strong></td>
</tr>
<tr>
<td>Asset renewals</td>
<td>$3.3 billion</td>
</tr>
<tr>
<td>Operations (net of revenue)</td>
<td>$8.1 billion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$28.0 billion</strong></td>
</tr>
</tbody>
</table>

24. The funding for rapid transit includes an initial allocation of $1.8 billion for light rail. This will be used to leverage third party funding and financing sources to progress light rail delivery over the next ten years, with the priority being the City to Airport and Northwest corridors.

25. Delivery of the ATAP Package will substantially improve the effectiveness of Auckland’s transport system. The ATAP report identifies the need for more joint work into funding and financing options. As this work progresses and more funding becomes available, additional investment should first be targeted to the following priorities in order to deliver a transformational transport programme:

- more extensive cycling and walking programmes
- further bus priority initiatives
- more support for greenfield growth
- more extensive network optimisation programmes
- additional public transport service improvements
- rail network upgrades to support express trains within Auckland and regional services between Auckland and Waikato.

**ATAP Package outcomes**

26. Key outcomes expected from the ATAP Package include:

- significant housing and business growth around corridors where the delivery of rapid transit infrastructure will be accelerated. Realising the potential of the rapid transit network to unlock significant additional housing is key to the effective functioning of the transport network as Auckland grows to around two million people by 2028
- initial support for transport infrastructure that enables growth in greenfield areas, where around 30 percent of growth is forecast to occur
- increased peak time public transport and cycling mode share - public and active transport share of morning peak travel is expected to grow from its current level of one quarter of all trips, to around a third of all trips by 2028. Annual public transport ridership is expected to grow from 93 million boarding in 2018 to 170 million by 2028. This will have significant safety, environmental, health and congestion benefits
• improved access to employment by both car and public transport by 2028. Congestion levels for car users to remain around 2016 levels, despite forecast population growth of around 300,000 people over the next decade. Congestion is expected to improve for public transport users over the next decade as a higher proportion of services travel along corridors separated from general traffic

• improved safety outcomes with an expected 60 percent reduction in deaths and serious injuries from 813 in 2017, to no more than 325 in 2027

• improved health and environmental outcomes through increased take up of public transport, walking and cycling, and reduced reliance on single occupant vehicles.

27. Given the scale of planned investment it is critical that the ATAP package delivers good value for money. The weighted average benefit cost ratio across the entire package was calculated as around 2.6. This suggests the package represents good value for money.

28. Value for money analysis will be conducted on a project by project basis for all potential investments proposed in the ATAP Package as part of the process for determining whether to proceed with each of them.

Tātaritanga me ngā tohutohu / Analysis and advice

29. Transport is a partnership between the Council and the Government. There is now strong alignment between both parties on how best to develop Auckland’s transport system. The ATAP Package details how this alignment translates into a 10 year investment programme.

30. Since Auckland Council was formed in 2010 the need to accelerate transport investment has been clear. Substantial steps have recently been made to increase transport funding, with an extra $4.6 billion over the next 10 years now expected from a combination of the planned Regional Fuel Tax, likely Crown Infrastructure Partners funding and increased revenue from the National Land Transport Fund.

31. Supporting the ATAP update and endorsing key implementation actions around funding, reviewing transport planning processes and shaping Auckland’s growth, will be critical to its successful implementation. As a key partner in these areas, it is critical for Council to participate in this ongoing work.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

32. The updated ATAP will have significant local impacts not just in terms of the timing and location of specific projects throughout Auckland, but also as a result of the overall impact of its recommended strategic direction.

33. ATAP, including the updated ATAP Package, does not have statutory standing. The ATAP strategic direction must be agreed to and then reflected in statutory planning documents such as the Auckland Plan, RLTP and the Ten Year Budget, before it is given effect to. These are all currently under development and there are well established processes to facilitate Local Board input into these documents.

34. Local Boards will also have opportunities to input into the development and implementation of specific projects, depending on their location, through standard business case, project design and consenting processes.

35. The ATAP Package also recommends that $240 million be allocated to Local Board priorities, through the Local Board capital programme. This is almost double the amount suggested in previous ATAP work. Local Boards would work with Auckland Transport to determine how this fund is allocated.
Tauākī whakaaweawe Māori / Māori impact statement

36. As with all Aucklanders, Māori will benefit considerably from the forecast improvement in access, safety, environmental outcomes and transport choice offered by the ATAP Package. While the specific impact of ATAP will vary between individuals and iwi depending on a myriad of factors, some aspects of the strategic direction are of particular relevance for Māori - most notably the focus on improving access for those living in the West and South.

37. Māori will have considerable opportunities through established processes to input into the statutory documents that will give effect to the ATAP strategic direction. Iwi groups will also be consulted as key stakeholders throughout the planning, design and implementation of specific projects.

38. The ATAP report flags an update to the design standards for transport infrastructure as one of the complementary (to the proposed level of transport investment) interventions required to ensure its strategic direction is given effect to. Ensuring that new transport infrastructure reflects Auckland’s unique Māori identity is a pivotal element of this.

39. Māori have been over-represented in Auckland’s deaths and serious injuries statistics and thus the planned increase in funding to improve safety is likely to be of particular benefit to Māori. More specifically, the ATAP Package also includes a dedicated fund to improve safety around marae and papakāinga.

Ngā ritenga ā-pūtea / Financial implications

40. Transport is Auckland Council’s largest area of investment, with transport funding decisions made through Ten Year Budget and Annual Plan processes. ATAP is a non-statutory document that helps to inform these funding decisions, as well as guide transport funding decisions made by Auckland Transport, the Government and the NZ Transport Agency.

41. Greater alignment between Council and the Government on transport should translate into a higher level of New Zealand Transport Agency co-funding for activities funded by the Council. This means that more will be able to be delivered for the same level of Council investment.

42. The implementation work recommended by the report can be delivered within existing budgets.

Ngā raru tūpono / Risks

43. Given ATAP’s ten year horizon there is a degree of uncertainty inherent in its projected outcomes, costs, revenue sources and the growth assumptions on which they are based. This uncertainty is mitigated to a significant extent by the fact that the statutory documents which give effect to ATAP are updated on a frequent basis and can be adjusted as any of these factors change.

44. In addition to this there are specific risks around funding for ATAP. The ATAP Package relies on funding sources that are proposed but not yet confirmed, specifically the Regional Fuel Tax. The $1.5 billion of forecast Regional Fuel Tax revenue supports around $4 billion worth of investment once the government co-funding and the development contributions contingent upon that revenue are accounted for.

45. Should the Regional Fuel Tax proposal not be confirmed by Council, the ATAP Package will need to be cut back by around $4 billion. This would leave almost no funding available for Auckland Transport projects other than those that are already underway or committed.

Ngā koringa ā-muri / Next steps

46. The immediate next step is to align statutory planning documents with the ATAP strategic direction. The RLTP, Regional Fuel Tax Proposal, Development Contributions Policy and the Ten Year Budget must all be confirmed by the end of June 2018.
47. While acknowledging the substantial increase in transport funding the ATAP report also recognizes that more funding will be required if the shared transport vision of the Government and Auckland Council is to be realised. The report recommends that urgent work be undertaken to address this and identify both short and long term funding solutions. As a first step, the report recommends that a joint Government-Council funding and finance work stream be established to consider options in this respect.

48. In addition, the ATAP report identifies other implementation actions:

- consider what changes may be required to transport planning and funding processes and project evaluation tools to achieve the Government and Council’s direction for transport in Auckland
- develop plans to communicate key goals and targets
- streamline business case processes to better recognise the strategic direction provided through ATAP
- investigate opportunities to maximise the growth and city-shaping benefits of investment in rapid transit.

49. Council staff will continue working with colleagues from central government agencies on these matters and will make recommendations to the Governing Body in due course.

Ngā tāpirihanga / Attachments

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<td>Auckland Transport Alignment Project - Terms of Reference</td>
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</table>

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Authors</th>
<th>Robert Simpson - Principal Transport Advisor, Transport Strategy Joshua Arbury – Lead Transport Advisor, Transport Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Jacques Victor - GM Auckland Plan Strategy and Research Jim Quinn - Chief of Strategy Stephen Town - Chief Executive</td>
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Foreword

I welcome the advice provided by the Auckland Transport Alignment Project (ATAP). The ATAP package is a transformative transport programme. Investment in transport shapes our city’s development and is a key contributor to economic, social and environmental goals. The direction signalled in this update is shared by Government and Auckland Council and demonstrates our commitment to working together for a better Auckland.

Auckland is facing unprecedented population growth, and over the next 30 years a million more people will call Auckland home. Growth brings opportunities but when combined with historic under-investment in infrastructure the strain on the Auckland transport system is unrelenting. Existing congestion on our roads costs New Zealand’s economy $1.3b annually.

We need to do things differently to what has been done in the past.

Auckland needs a transport system that provides genuine choice for people, enables access to opportunities, achieves safety, health and environmental outcomes and underpins economic development. Our aspiration must be to make sure Auckland is a world class city. Auckland’s success is important not just for Aucklanders, but for our country’s long-term growth and productivity.

The Government and Auckland Council have agreed to a transformative and visionary plan. ATAP is a game-changer for Auckland commuters and the first-step in easing congestion and allowing Auckland to move freely.

I believe this ATAP package marks a significant step in building a modern transport system in Auckland. ATAP accelerates delivery of Auckland’s rapid transit network, with the aim of unlocking urban development opportunities, encourages walking and cycling, and invests in public transport, commuter and freight rail and funds road improvements.

The projects in ATAP will be integrated with this Government’s work on Kiwibuild, infrastructure financing, and the Urban Growth Agenda. Transport investment should drive Auckland’s urban form and not follow it.

I recognise that while this work has focused on investment in capital projects it needs to be complemented by work and new thinking on service levels, land-use planning and demand management tools.

The ATAP package recommended is fully funded through current funding sources. However, I am also actively exploring new financing tools that will enable us to bring forward additional projects and better enable Auckland to pay for the infrastructure it needs.

The partnership between Government and Auckland Council through ATAP is essential to progressing a transformative transport programme for Auckland. I am pleased with the point we have reached and look forward to continuing to work with the transport agencies and stakeholders to build a 21st century transport system for Auckland.

Hon Phil Twyford
MINISTER OF TRANSPORT
Foreword

Auckland is growing by 3% adding another 45,000 people to our city each year. Auckland is projected to receive 55% of New Zealand’s total growth over the next decade and will reach 2 million people by 2028.

Yet for decades we have not been building infrastructure to cope with that growth. After years of underinvestment, Auckland is rapidly becoming more congested and facing gridlock.

That congestion undermines the quality of our lives as Aucklanders and imposes a huge productivity cost of billions of dollars on New Zealand.

New Zealand needs Auckland to be its successful international city. To achieve that, both Government and Council need to invest adequately in its infrastructure.

Council funds for infrastructure come from rates and from borrowing. With rapid increase in investment in infrastructure, Auckland is limited in how much it can borrow by a tight debt to revenue ratio which it has almost reached. That is why the regional fuel tax is so critical to Auckland’s future, allowing it to increase spending on transport infrastructure by over $4 billion over the next decade.

The Auckland Transport Alignment Project represents Council and Government’s agreement to spend around $28 billion over the 2018-2028 period. A lot of that is the cost of running and renewing our existing transport system. Money still has to be spent on roads, opening up new as well as more intensive brownfields housing developments and building and improving major arterial routes and new transport corridors.

This ATAP is also transformational. It reflects the fact that a global city can’t just keep adding more cars to the roads. It needs an effective and accessible public transport system, new busways and bus lanes, a city rail link and a third rail track, better ferry services and a light rail system to provide mass transit across the city.

We need more cycle and walkways to reduce congestion, for health and environmental reasons and to provide alternatives to travel by car, including for children getting to school.

Reducing our rapidly rising death and serious injury road toll and optimizing use of our existing transport networks are also critical objectives.

The new ATAP document represents a significant increase in long term investment in Auckland’s transport system. More will still have to be done to find innovative ways to secure additional investment.

ATAP’s aim is not just to reduce congestion but to create a world class transport system. It sets out to make travel safer, more accessible and more environmentally friendly, with more choice in transport modes.

It aims to support an accelerated rate of housing construction and help create a vibrant and inclusive city.

Phil Goff
MAYOR OF AUCKLAND
Executive summary

Introduction

Over the past three years Auckland Council and the Government have developed an aligned strategic approach on transport through the Auckland Transport Alignment Project (ATAP).

This report provides advice on recommended transport investment priorities (called the "ATAP Package") for the 2018-2028 decade to reflect the Government's and Auckland Council's shared direction for transport in Auckland. The ATAP Package provides direction to statutory planning processes including the Regional Land Transport Plan (RLTP) and the National Land Transport Programme (NLTP).

The ATAP direction is set out in the Terms of Reference for the project and further detailed in the draft Government Policy Statement on land transport (GPS) and the draft Auckland Plan. It places greater weight on public transport (especially rapid transit), walking and cycling, improving safety, and realising environmental, health and growth outcomes.

Context

Auckland is a rapidly growing city with a population approaching 1.7 million. Over the next 30 years Auckland is projected to grow by up to another million people, while in the next decade nearly 55 per cent of New Zealand's population growth is expected to be in Auckland.

To unlock the benefits of this growth, Auckland needs a transport system that provides safe, reliable and sustainable access. This means transport that:

- Easily connects people, goods and services to where they need to go
- Provides high quality and affordable travel choices for people of all ages and abilities
- Seeks to eliminate harm to people and the environment
- Supports and shapes Auckland’s growth
- Creates a prosperous, vibrant and inclusive city.

The role of transport in enabling and shaping the way Auckland grows is also critical to addressing our housing challenges.

The ATAP Package takes a significant step towards achieving a safe, reliable and accessible transport system that supports and shapes Auckland’s development. However, how we optimise existing infrastructure and make the most of new technologies, as well as policies such as road pricing are also critical.

The ATAP package has been developed by assessing project-specific information, transport modelling and considering possible land use responses to investment in rapid transit corridors.
ATAP Package

The ATAP package is a significant step towards a transformative programme for Auckland’s transport system.

The ATAP package contains around $28 billion worth of investment in Auckland’s transport over the next decade. This is based on planned and assumed funding including an expected increase of $4.6 billion on previous funding plans from the following sources:

- An additional $2.8 billion from the National Land Transport Fund
- $1.5 billion from the proposed Regional Fuel Tax
- $360 million from Crown Infrastructure Partners.

This level of funding enables substantial progress towards improving Auckland’s transport system. Key investment priorities have been identified and available funding has been broadly allocated (assuming a flexible approach to funding arrangements) across major investment areas. This will help guide the Regional Land Transport Plan (RLTP).

Major projects included in the ATAP Package are:

<table>
<thead>
<tr>
<th>Committed Projects</th>
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<tbody>
<tr>
<td>City Rail Link</td>
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<th>New Projects</th>
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<tr>
<td>Light rail (City-Airport and Northwest corridor), initial investment to leverage further funding</td>
</tr>
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<tr>
<td>New infrastructure to enable greenfield growth</td>
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The ATAP package seeks an appropriate balance that supports transformational change while also addressing the critical transport challenges Auckland faces today. This is summarised below:

<table>
<thead>
<tr>
<th>The ATAP Package</th>
<th>Cost (inflated to year of spend)</th>
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</thead>
<tbody>
<tr>
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</tr>
<tr>
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<td>$3.3 billion</td>
</tr>
<tr>
<td>New projects</td>
<td></td>
</tr>
<tr>
<td>Rapid transit (busway, rail &amp; light rail)</td>
<td>$8.4 billion</td>
</tr>
<tr>
<td>Strategic &amp; local road network</td>
<td>$3.8 billion</td>
</tr>
<tr>
<td>Greenfield transport infrastructure</td>
<td>$1.3 billion</td>
</tr>
<tr>
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</tr>
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<td>Optimisation &amp; technology</td>
<td>$0.7 billion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$28.0 billion</strong></td>
</tr>
</tbody>
</table>

Given the potential opportunities for leveraging funding and financing arrangements to progress light rail, we have allocated around $1.8 billion of funding (within the "rapid transit" total in the table above) that will be used to leverage funding and financing to progress the city-airport and northwest corridors over the next decade.

While our work has focused on capital improvements, it is important these improvements are complemented by supportive regulatory, land-use and operational policies. Rapid transit needs land use policies that unlock growth around the transit corridors and investment in public transport infrastructure needs to be complemented by service improvements to encourage ridership growth.

We have also identified further priority investments that should be progressed as funding becomes available.

Further bus priority investments are recommended as the highest priority for additional funding.

In addition, more investment for walking and cycling, a more extensive optimisation programme, increased funding for greenfield growth and further rail network upgrades are all important for Auckland.

To progress these initiatives, we recommend a specific workstream be established to consider transport funding and financing options. Planning and investigation work into these projects will continue in the meantime.
Outcomes

Key outcomes we expect from implementing the ATAP Package include:

- Supporting substantial growth in key rapid transit corridors, especially where these are now being accelerated or being provided with a higher capacity and more permanent mode. This investment greatly enhances the potential for further housing growth around rapid transit corridors, and realising this growth potential will be critical to ensure the whole transport network can function effectively as Auckland grows to around two million people by 2028.
- Initial support to enable greenfield development, where around 30 per cent of Auckland’s growth is forecast to occur.
- Support for an increase in public transport and cycling mode-share in Auckland, with flow-on benefits for health, safety, the environment and congestion.
- Improved access as a result of the provision of more congestion-free alternatives for travel and changes in land use enabled by rapid transit investment.
- A 60 per cent reduction in deaths and serious injuries on Auckland’s transport network, from 813 in 2017 to no more than 325 by 2027.
- Improved environmental outcomes through the provision of lower carbon alternatives for travel and by encouraging less single-occupant vehicle travel.

The ATAP package focusses on capital improvements. Achieving a step-improvement in outcomes requires complementary measures such as road pricing and making the most of developing transport technologies.

Conclusions and next steps

The ATAP Package provides a clear direction for transport investments in Auckland with an emphasis on public transport (especially rapid transit), walking and cycling, improving safety and broader environmental, health and urban growth outcomes.

The immediate next step is to align the Regional Land Transport Plan and National Land Transport Programme with the direction of this report.

We have also identified the following areas for further work:

- Establishing a joint Government-Council workstream to consider transport funding and financing options.
- Considering what changes may be required to transport planning and funding processes and project evaluation tools to achieve the Government and Council’s direction for transport in Auckland.
- Developing plans to communicate key goals and targets.
- Streamlining business case processes to better recognise the strategic direction provided through ATAP.
- Investigating opportunities to maximise the growth and city-shaping benefits of investment in rapid transit.
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   a. Context
   b. Vision
   c. The Auckland Transport Alignment Project
   d. The 2018 ATAP update

2. Investment priorities
   a. Approach
   b. Package summary
   c. Rapid transit
   d. Strategic and local road network
   e. Greenfield transport infrastructure
   f. Safety programmes
   g. Walking, cycling and local board priorities
   h. Bus and ferry improvements
   i. Optimisation and technology
   j. Operating costs and asset renewals

3. Expected outcomes
   a. Growth
   b. Travel choice
   c. Congestion and access
   d. Safety, health and the environment
   e. Value for money

4. Next steps
1. Background

The Auckland Context

Since 2010, Auckland’s population has increased by over 250,000. In recent years, annual growth has risen to more than 40,000 people per year, one of the fastest growth rates in the developed world. While this very high rate of growth may tail off over time, Statistics NZ projections suggest that over the next 30 years, up to a million more people may call Auckland home.

Ongoing growth brings great opportunities and much progress has been made over the past 10-15 years to support Auckland’s evolution into a modern, world-class city. This includes a sustained increase in investment for transport and a willingness of Aucklanders to change the way they live and travel. Use of public transport has tripled since the mid-1990s, the city centre is New Zealand’s fastest growing residential neighbourhood and, most recently, Aucklanders are rapidly taking up cycling where quality infrastructure is provided.

However, a combination of the sheer scale and pace of growth, a history of under-investment and insufficient housing construction means that, despite this progress, Auckland faces significant transport and housing challenges.

The transport challenge is not just one of congestion, but also:

- Poor travel choice beyond private vehicles, especially in lower income areas
- A near doubling of deaths and serious injuries on roads since 2012
- Growing recognition of the need to reduce the transport system’s environmental impact
- Enabling and supporting a rapid acceleration in the rate of housing construction
- The need for streets to play a growing role in creating vibrant and inclusive places.

Vision

Through the Government Policy Statement (GPS) on land transport and the Auckland Plan, the Government and Auckland Council both recognise the critical role of transport in delivering a successful Auckland. This report reflects a view shared by Government and Auckland Council that transport investment decisions must deliver broad economic, social, environmental and cultural benefits to Auckland and New Zealand by providing safe, reliable and sustainable access to opportunities. This means:

- Easily connecting people, goods and services to where they need to go
- Providing high quality and affordable travel choices for people of all ages and abilities
- Seeking to eliminate harm to people and the environment
- Supporting and shaping Auckland’s growth
- Creating a prosperous, vibrant and inclusive city.
The Auckland Transport Alignment Project (ATAP)

Over the past three years, Auckland Council and the Government have worked together to develop an aligned strategic approach to the development of Auckland’s transport system over the next 30 years. In 2016 a recommended strategic approach was agreed, based on three integrated components:

- Making better use of existing networks
- Targeting new investment to the most significant challenges
- Maximising new opportunities to influence travel demand.

An indicative package of investment was developed in 2016 to deliver this strategic approach. This package identified the timing of major projects over the next 30 years, but particularly focused on improving the road network to ease congestion and improving public transport along congested corridors in the first decade (2018-28).

In 2017 the indicative package was updated to reflect faster than expected population growth. This was the starting point for the 2018 ATAP work.
2. ATAP 2018 Investment Priorities

Introduction

In late 2017 the new Government requested an update to ATAP. Around the same time, Auckland Council approved the draft Auckland Plan, which reflects the long-term strategic approach of the 2016 ATAP, but with a greater and earlier focus on improving travel choices and reducing harm to people and the environment.²

The 2018 ATAP package ensures transport investment priorities reflect the increasingly aligned transport vision of both the Government and Auckland Council. The following objectives from the ATAP Terms of Reference place greater weight on the following priorities:

i. Accelerating the development of Auckland’s rapid transit network, particularly to unlock housing and urban development opportunities

ii. Encouraging walking and cycling and making these active modes safer for Aucklanders

iii. Delivering improvements in health, safety, the environment and access, including disability access

iv. Ensuring the indicative package delivers the best possible value for money, including broader non-monetary costs and benefits.

While transport investment priorities are an essential part of achieving transformational change, they need to be complemented by a series of other interventions.

These include:

- Updating land-use plans to enable and foster growth around key rapid transit corridors and housing developments, including those led by the public sector, into areas close to rapid transit corridors.

- Implementing road pricing to manage travel demand, make better use of existing infrastructure and encouraging a modal shift to public transport, walking and cycling. Road pricing is being investigated as part of the Congestion Question project³.

- Improving safety through placing greater emphasis on minimising harm in project design and evaluation, and through policy decisions such as regulation and enforcement.

- Continuing to update design standards to better reflect Auckland’s unique Māori identity, ensuring access for people of all ages and ability, and placing greater weight on creating safe and attractive pedestrian environments.
Approach

The key task was to translate the direction in the project's Terms of Reference into an updated set of investment priorities, focusing on the next ten years. Potential investments were reviewed, tested and reprioritised to understand the best mix of investments within current funding levels. Further investments were also identified as priorities for when funding becomes available as transport funding and financing work progresses.

Both the Government and Auckland Council need to consider existing and new funding sources for future investment priorities.

The following information is used to prioritise potential investments:

- Auckland Transport's project prioritisation tool (with updated weighting)
- Strategic transport modelling tools (an initial version of the updated package was modelled and then refined)
- Project specific analysis and information, including from business cases
- Information on dependencies between different investments (e.g. aligning with timing of greenfield growth areas).

A group of stakeholders provided valuable input to the process (see Appendix A for a list of participating stakeholders).

In developing this work individual projects and programmes were considered, the interaction between projects as well as the needs of the total regional system. For example, developing the rapid transit network cannot be considered in isolation from improvements to bus services or to walking and cycling networks.

Revenue Assumptions

The ATAP package contains around $28 billion worth of investment in Auckland’s transport over the next decade. This is based on planned and assumed funding including an expected increase of $4.6 billion on previous funding plans from the following sources:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Funding Amount (inflated to year of spend)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland Council</td>
<td></td>
</tr>
<tr>
<td>Rates, development contributions and borrowing</td>
<td>$8.45 billion</td>
</tr>
<tr>
<td>Regional Fuel Tax</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>Government</td>
<td></td>
</tr>
<tr>
<td>National Land Transport Fund</td>
<td>$16.3 billion</td>
</tr>
<tr>
<td>Crown contribution to City Rail Link</td>
<td>$1.4 billion</td>
</tr>
<tr>
<td>Crown Infrastructure Partners (repaid by landowners through funding agreements)</td>
<td>$0.36 billion</td>
</tr>
<tr>
<td>Total:</td>
<td>$28.0 billion</td>
</tr>
</tbody>
</table>

This revenue is around $4.6 billion more than what was available in previous funding plans. The sources of this additional revenue are:

- A further $2.8 billion contribution from the National Land Transport Fund, reflecting an assumed share of the funding signalled in the draft Government Policy Statement on land transport that may be allocated to Auckland
• $1.5 billion from the proposed Regional Fuel Tax
• $364 million from Crown Infrastructure Partners.

The assumed National Land Transport Fund (NLTF) revenue is a reasonable assumption based on the draft GPS. It is, however, subject to the “on merit” allocation process of the National Land Transport Programme.

Further assumptions have also been made that NLTF revenue can be allocated to the best performing projects, including rail network upgrades. This would require changes to current funding arrangements, including a more flexible approach to GPS activity class limits, and funding assistance rates (FARs).

The only Crown rail funding we have assumed is the Government’s 50 per cent contribution to the City Rail Link (CRL). The Government has signalled an interest in developing a sustainable funding pathway for other rail network upgrades, which will affect how these investments are funded into the future. A Ministry of Transport-led review of rail and an update to the Government Policy Statement on land transport over the next year will provide more clarity on rail funding.

ATAP 2018 has assumed rail network upgrades (aside from CRL) will be fully funded from the NLTF.

**ATAP Package Summary**

The ATAP Package represents the mix of investment within current funding levels for Auckland over the next decade that best meets the direction set in the ATAP 2018 Terms of Reference. It is aimed at delivering broad economic, social, environmental and cultural benefits to Auckland and New Zealand by providing safe, reliable and sustainable access to opportunities.

<table>
<thead>
<tr>
<th>The ATAP Package</th>
<th>Cost (inflated to year of spend)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Area</strong></td>
<td></td>
</tr>
<tr>
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<td><strong>Total</strong></td>
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</tr>
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</table>

The following sections provide an explanation of the ATAP Package’s key components.
ATAP Package Detail

Rapid transit

| Funding allocated in ATAP Package | $8.4 billion |

Introduction

Rapid transit forms the backbone of Auckland’s public transport network, providing fast, frequent, high capacity services along corridors separated from general traffic and unaffected by road congestion.

Rapid transit can also have a particularly significant impact on shaping urban form and development. The speed and reliability of rapid transit delivers a long-lasting step-change in the accessibility of an area. For example, the City Rail Link reduces travel times from locations along the Western Line to much of the city centre by up to 20 minutes. This will mean, for instance, that travel times from New Lynn to the city centre will be reduced to match current travel times from Mt Eden.

A decade ago, Auckland had a very limited rapid transit network, but sustained investment has increased annual boardings on the Northern Busway and the rail network from 6.8 million in 2008 to 26 million today. However, major parts of Auckland are still not served by the rapid transit network, while existing parts of the network need substantial capacity improvements to meet current and future demand.

City Rail Link, an extension to the Northern Busway and the purchase of additional electric trains are already committed or underway:

<table>
<thead>
<tr>
<th>ATAP Package</th>
<th>Key Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed Projects</td>
<td></td>
</tr>
<tr>
<td>City Rail Link</td>
<td>• More than doubles the rail network’s potential capacity by removing the Britomart bottleneck, allowing an increase in train frequencies</td>
</tr>
<tr>
<td></td>
<td>• Brings more of the city centre within easy walking distance of the rail network</td>
</tr>
<tr>
<td></td>
<td>• Reduces rail travel times to the city centre, particularly from the west</td>
</tr>
<tr>
<td>Northern Busway extension (Constellation Station to Albany)</td>
<td>• Reduces travel times and improves reliability for bus travel between Constellation Station and Albany</td>
</tr>
<tr>
<td></td>
<td>• Supports growth in Albany and areas further north</td>
</tr>
<tr>
<td>New electric trains</td>
<td>• Allows six car trains to operate on the western, southern and eastern lines at peak time, reducing overcrowding</td>
</tr>
<tr>
<td></td>
<td>• Maximises the rail network’s capacity prior to City Rail Link completion</td>
</tr>
</tbody>
</table>
Work has been done to consider the most appropriate timing and funding sources for projects that further expand Auckland’s rapid transit network. These include projects in the ATAP Package, as well as future priorities.

### ATAP Package continued

<table>
<thead>
<tr>
<th>New Projects</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Light rail (City-Airport and Northwest corridors)</td>
<td>Detailed in pages 17-19</td>
</tr>
<tr>
<td>Eastern busway (Panmure-Botany)</td>
<td></td>
</tr>
<tr>
<td>Airport to Botany (Airport-Puhinui section)</td>
<td></td>
</tr>
<tr>
<td>Rail network upgrades (Pukekohe electrification, third main rail line, rail level crossing and pedestrian crossing improvements)</td>
<td></td>
</tr>
<tr>
<td>New electric trains</td>
<td></td>
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</tbody>
</table>

### Future Priorities

| Further rail network upgrades to enable express and inter-city trains          | Detailed in pages 20-21   |
| North Shore (Orewa to City, including Takapuna connection)                    |                           |
| Upper Harbour (Westgate to Albany)                                            |                           |
| Cross Isthmus (New Lynn to Onehunga)                                         |                           |

These investment priorities are highlighted in the map below and discussed further in this section.
Light rail

Light rail is proposed on two major rapid transit corridors over the next decade:

- Airport-City
- Northwest

Delivering light rail on these corridors will require significant investment, but also provides a substantial opportunity to explore third party funding and financing arrangements. As a result, an allocation of $1.8 billion is proposed that will be used to leverage funding and financing to progress both corridors over the next decade.

Airport-City Corridor

Introducing light rail on the Airport to City corridor is expected to:

- Alleviate current and forecast bus capacity constraints in the city centre. A substantial increase in public transport capacity and efficiency is required. Without this, travel times to and around the city centre will negatively impact Auckland’s productivity
- Improve access to growing employment areas, particularly at and around Auckland Airport. Without a major increase in the number of people accessing the airport by public transport, the road network will not be able to function effectively and the success of this critical employment area will be placed at risk
- Unlock significant growth potential along the corridor, especially around Mangere, Onehunga and Mt Roskill. Providing a step-change in improved access along this corridor will encourage redevelopment, particularly of major public landholdings, and assist in addressing Auckland’s housing challenges
- Provide an attractive and reliable “one seat journey” between the city centre and airport for travellers. While a relatively small proportion of trips along this corridor (approximately 4% in the morning peak) are projected to be passengers accessing the airport terminals, rapid growth in airport passengers (from 14 million in 2014 to nearly 20 million in the year to January 2018) is placing substantial pressure on the transport network which serves the airport.

Auckland Transport and NZ Transport Agency board decisions in early 2017 confirmed the long-term mode for the Airport to City Corridor as light rail. Finalisation of exact timing, alignment and technical specifications will occur as design work progresses.

Investigation and design work on the Mt Roskill to City section of the route is the most advanced. Ongoing growth in public transport demand means this section of light rail should be progressed as quickly as possible.

Investigation and design for the Mt Roskill to Airport section is less advanced. The route is currently planned to follow State Highway 20 and State Highway 20A but is yet to be confirmed. It will be important for the next stages of investigation and planning to find the best balance between travel times, support for growth and urban development opportunities, and cost. Some sections of this route overlap with an existing rail designation, requiring careful design to ensure both forms of rail can be accommodated.

Overall, there are significant benefits from delivering the whole Airport to City route in the first decade – especially to enable growth and shape Auckland’s urban form. The greater focus placed on the role of rapid transit in supporting growth outcomes has also been a major contributor to confirming the choice of mode as light rail.
Northwest

The Northwest rapid transit corridor was identified in 2015 funding plans as a second decade project. The 2018 ATAP Package has identified the corridor as priority for completion over the next ten years, based on:

- Supporting substantial growth along the corridor and in the broader northwest part of Auckland
- Addressing the projected decline in employment access in the west
- Providing an opportunity for travellers to avoid projected congestion along State Highway 16 and to improve the productivity of this corridor
- Improving poor existing public transport in this part of Auckland, which has contributed to the northwest having a relatively low share of trips made by public transport
- Supporting a more efficient overall public transport system in this part of Auckland.

Auckland Transport and the NZ Transport Agency have been progressing investigation work over the past couple of years, considering options for mode (busway or light rail) and the sequencing of different sections. Key findings are:

- Light rail is likely to cost more than a busway (especially in the short-term as it requires delivery of the whole corridor), but would provide a longer-term solution to bus congestion in the city centre and is likely to support stronger land-use change
- A busway is easier to stage over time, utilising existing motorway shoulder lanes and on-street bus lanes. This can substantially reduce first decade investment requirements while still delivering a significant improvement to public transport travel times and reliability along the corridor. However, staging the delivery of a corridor over decades results in longer-term disruption and does not provide the same level of benefits and community certainty.

There are a range of options of how the rapid transit corridor could be staged, such as completing sections of light rail infrastructure used by buses in the interim while the rest of the corridor is completed. It is recommended that Auckland Transport and the NZ Transport Agency undertake further investigation to inform decisions on how to best develop the corridor.

Eastern Busway (Panmure-Botany)

Formerly known as AMETI (the Auckland-Manukau Eastern Transport Initiative), the Eastern Busway is a long planned critical project that expands Auckland’s rapid transit network from Panmure to Botany. This will improve travel choices to a part of Auckland that has been (and remains) highly dependent on private vehicles.

Through providing an urban busway that allows buses to avoid congestion, travel times, reliability and corridor throughput will all be improved along Ti Rakau Drive, through Pakuranga town centre and then over the Panmure bridge. The busway also provides an excellent opportunity to unlock significant growth potential along this corridor, particularly at Botany (a metropolitan centre in the Auckland Unitary Plan), Pakuranga and Panmure (both town centres with significant growth potential).

Investigation work is well advanced, particularly for the Panmure to Pakuranga section, enabling an early start on this critical piece of Auckland’s rapid transit network.
Airport to Botany via Manukau

The rapid transit corridor from Airport to Manukau and on to Botany links together southern and eastern Auckland and will provide an important link to the rail network at Puhinui.

A fast, frequent and reliable rapid transit service would deliver the following benefits:

- Improve access to southern Auckland’s two major employment areas (Manukau and the airport)
- Provide a link for air passengers to the city centre and the south via a transfer to rail at Puhinui
- Improve transport options for the highly car dependent southeast Auckland
- Support major growth opportunities at key locations along the route, particularly around Manukau, Puhinui and Botany.

Auckland Transport and NZ Transport Agency investigations have identified the highest priority section of this corridor is between the airport and a major new interchange at Puhinui train station. The planned State Highway 20B upgrade provides additional lanes dedicated to buses, high-occupancy vehicles and freight, delivering the first stage of this priority section. It is recommended these improvements are accelerated to deliver reliability and travel time improvements by the time Auckland hosts major events including APEC and the America’s Cup in 2021.

For this investment to be effective, it will need to be complemented by upgrades to the transport network within the airport (which is owned and operated by Auckland International Airport Ltd.).

Extending this immediate upgrade further east to connect Puhinui, Manukau and Botany is a future priority, although some targeted bus priority measures in the nearer term are likely to be required to provide fast and reliable travel.

Projected demand levels and fewer space constraints on this corridor mean bus rapid transit appears to be the most appropriate mode – at least for the next 30 years.

Rail network upgrades

The most critical rail network upgrades are focused on realising the benefits of the City Rail Link, providing for growing freight demand and extending rail electrification to Pukekohe. These improvements are essential to accommodate increased train frequencies and reduce conflicts between passenger and freight services.

Major investments in this programme include:

- Extending rail electrification to Pukekohe to support growth, improve network efficiency and reduce train travel times
- Track upgrades between Wiri and Quay Park, including a third main rail line, upgrades to Westfield junction and access improvements to the Port
- Rail network resilience improvements
- Britomart station remodelling
- Rail level crossing and pedestrian crossing improvements
- New electric trains.

These projects have a combined cost of around $940 million.
Future Priorities

The above investments would complete much of Auckland’s rapid transit network. Further improvements to Auckland’s rapid transit network over the medium to longer term are also expected to be required in the following corridors:

- Further rail network upgrades to enable express and inter-city trains
- North Shore (Orewa to City, including Takapuna connection, upgrade of the Northern Busway and new harbour crossing)
- Upper Harbour (Westgate to Albany)
- Cross Isthmus (New Lynn to Onehunga).

The most important of these future priorities is to continue to upgrade Auckland’s rail network, particularly so it can play a much greater role in meeting the current and future travel needs of the south, where substantial greenfield growth is planned and where public transport patronage has been historically low.

This will require a range of improvements to better match the public transport network with the travel patterns in Auckland’s south, including improved access to the rail network and a major reduction in travel times along the southern rail line through the introduction of express services that can overtake trains servicing all stations.

KiwiRail has advised that fully supporting express rail services would require around $800 million of investment in track upgrades. This investment would deliver the following projects:

- Fourth main rail line between Westfield and Wiri
- Third and ultimately Fourth Main between Wiri and Papakura
- Third Main between Papakura and Pukekohe.

As further funding becomes available it is recommended that investigating the acceleration of these investments into the first decade will substantially increase the southern line’s capacity and flexibility. By helping to accommodate a larger number of trains and different stopping patterns, these improvements will:

- Increase employment access for growing areas in the far south of Auckland’s urban area by reducing journey times on express services
- Create a stronger connection between areas served by the rail network and Auckland Airport (via an interchange at Puhinui)
- Support the progressive implementation of inter-regional rail passenger services between Auckland and the Waikato, which will also help to unlock growth opportunities around the rail network in the Waikato.

Other rapid transit improvements address challenges that are projected to emerge in the medium and longer term, or are relatively undeveloped concepts. These include:
• The North Shore corridor is being enhanced over the next decade through committed projects extending the Northern Busway from Constellation to Albany improvements, providing bus shoulder lanes between Albany and Orewa and making bus priority improvements on Fanshawe Street in the city centre. Projected future demand on this corridor is high and detailed investigation by Auckland Transport suggests upgrading the Northern Busway to a higher capacity mode (likely to be light rail) may be required by the mid-2030s, earlier than previously anticipated. This would require a new rapid transit crossing of the Waitematā Harbour on an alignment that connects with the City-Airport light rail corridor at Wynyard Quarter. There is an urgent need to confirm the rapid transit corridor’s future mode and alignment, including how it integrates with a potential future road crossing.

• The Upper Harbour corridor will be improved over the next decade through the construction of rapid transit stations and service improvements to align with the timing of growth. Projected demand along this corridor is relatively low, meaning further work is required to understand the optimal timing and scale of future investment.

• The Cross Isthmus corridor is relatively undeveloped but connects a number of major growth areas across the southern isthmus: New Lynn, Avondale, Mt Roskill, Three Kings, Royal Oak and Onehunga. Developing this corridor further, with a particular focus on how it can support growth and integrate with the City-Airport corridor, is a key priority.

The combination of first decade and future priorities provides more clarity about how Auckland’s long-term rapid transit network may develop, with exact routes and modes to be confirmed through business case processes. An indication of how the rapid transport network may develop is shown in the map below:
Strategic and local road network

| Funding allocated in ATAP Package | $3.8 billion |

Introduction

With the completion of the Waterview Connection, the main components of Auckland’s road network are largely in place. Committed projects are focused on optimising the Western Ring Route or extending the motorway further north.

Looking ahead, investment will need to focus on improving the safety and efficiency of existing corridors and targeting key bottlenecks. Investment is also required in new connections that improve network resilience and inter-regional freight movements, as well as those that support greenfield growth areas by diverting through traffic away from town centres to improve their amenity.

The ATAP package prioritises projects which address the most critical challenges and can be progressed cost effectively.

<table>
<thead>
<tr>
<th>ATAP Package</th>
<th>Key Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed Projects</td>
<td></td>
</tr>
</tbody>
</table>
| Northern Corridor improvements | • Completes the final section of the Western Ring Route by providing a new, continuous motorway route between the Northern Motorway (SH1) and the Upper Harbour Motorway (SH18)  
• Reduces through-traffic from local roads in the North Harbour industrial estate area. |
| Southern Corridor improvements | • Optimises the southern end of the Western Ring Route by addressing a major bottleneck where the Southwestern Motorway (SH20) meets the Southern Motorway (SH1)  
• Widens the Southern Motorway between Manukau and Papakura to address existing bottlenecks and improve reliability and safety |
| Lincoln to Westgate (SH16) | • Widens the Northwestern Motorway as part of the Western Ring Route improvement to provide more reliable travel times and get the most out of other investments to the corridor  
• Provides a dedicated bus shoulder lane on the motorway to improve bus travel times |
| Puhoi to Warkworth (SH1) | • Extends the Northern Motorway by 18 kilometres to improve travel reliability and safety  
• Provides a bypass of Warkworth, addressing a major bottleneck |

New projects

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<td>Mill Road (phase two)</td>
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Detailed in pages 27-28

The location of these projects is shown in the map below:
Eastern Airport Access (State Highway 20B)

The State Highway 20B corridor, which provides access to Auckland Airport from the east, was identified as a high priority in earlier ATAP work. This corridor currently experiences severe congestion and because there are no bus lanes, buses also experience substantial delays and poor reliability. Further significant development in the corridor is also included in land use plans.

This upgrade will provide an additional lane in each direction between Puhinui and the Airport, which is likely to be a bus/carpool/freight lane to maximise the productivity of the corridor and provide reliable travel for the most critical users. An upgrade to the SH20/SHP20B interchange is also likely to be required.

It is important for improvements along this corridor to be progressed as quickly as possible. Integration with the planned Puhinui bus/rail interchange is important to provide for reliable travel to and from the airport for parts of Auckland served by the rail network.

East West Link

The Government is reviewing East West Link. While the exact form of this investment is not yet known, it will generally focus on addressing the most significant congestion and freight access problems in the area in a way that better optimises existing infrastructure.

The ATAP Package has assumed approximately $800 million will be invested in this corridor, representing a reduction of around $950 million from the earlier proposal.

Southern Motorway Widening (Papakura to Drury)

Earlier ATAP work highlighted that widening of the Southern Motorway between Papakura and Drury is one of few locations where additional capacity will generate enduring benefits. The upgrade passes through a large greenfield growth area and will help ensure Auckland’s key link with the Waikato can continue to function effectively as this area urbanises and travel demand on the Southern Motorway increases.

Modelling work completed as part of the ATAP 2018 analysis highlighted the importance of both the Southern Motorway and the Mill Road corridor in providing access to employment across a broad part of southern Auckland. This reinforced the recommendation to include this project in the ATAP Package and to progress the most important parts of the Mill Road corridor.

The NZ Transport Agency’s investigation work has identified a long-term need to upgrade the motorway all the way to the Bombay Hills, but the first decade priority should be on the section between Papakura and Drury.

Mill Road

The proposed Mill Road corridor provides an additional strategic north-south corridor for southern Auckland, connecting Manukau and Drury to the east of the Southern Motorway. It connects future residential development in the south with employment in the north, particularly around Manukau. Once complete, it will also improve access to new employment opportunities in Drury South.

Even with the public transport network absorbing around 20 percent of new trips and the Southern Motorway widening discussed above, major forecast increases in car travel are expected to create chokepoints on roads around Papakura and Drury unless there is investment in the Mill Road corridor.
Added capacity along the Mill Road corridor also helps other key routes in this part of Auckland:

- Less pressure on the Southern Motorway allows it to be the key route for inter-regional freight movements and other longer trips
- Less pressure on Great South Road assists plans to reallocate existing road space to bus lanes.

It is clear that some improvements need to be made along the Mill Road corridor over the next decade, to improve the resilience of Auckland’s transport system and to support growth areas along the route. While further work needs to be done to identify where these improvements should be targeted, key priority areas for investment include:

- Improve intersections to address the most severe congestion
- Improve parts of the northern end to address the most severe safety issues
- Construct sections that pass directly through former Special Housing Areas at the time these areas grow
- Construct the new Drury South interchange
- Undertake route protection and land purchase of the southern section.

Auckland Transport has advised that these improvements will cost around $500 million.

Penlink

The Penlink project provides a new connection between the Northern Motorway and the Whangaparāoa Peninsula, bypassing the constrained Silverdale interchange. It was signalled as a second decade project in 2015 funding plans as well as in some of the earlier ATAP work.

Faster than expected growth and major planned development around the Silverdale interchange has accelerated the need to progress Penlink. The project is suitable for a toll road, as it provides significant time savings for users and an alternative route exists. Transport modelling suggests that with a toll in place, Penlink has sufficient capacity as a two-lane road to meet foreseeable future demand, although it will be designed in such a way that it is future proofed for four lanes.

The project should be complemented by public transport improvements (for example the planned bus shoulder lanes between Albany and Orewa) to encourage mode shift in the area and avoid adding more vehicles to congested parts of the Northern Motorway.

Future priorities

The above investments would continue the targeted development of Auckland’s strategic road network by the early 2030s. Key remaining corridors include:

- Upgrade to the State Highway 16 and State Highway 18 interchange
- Additional Waitemata Harbour Crossing
- Improved access to Port / Grafton Gully
- Capacity upgrades on outer parts of the motorway network
- New strategic roads to Kumeu and Pukekohe
- Mill Road (phase two).
These corridors address future challenges:

- An upgrade to the interchange between the Northwestern (SH16) and Upper Harbour (SH18) motorways, providing for direct motorway-to-motorway links in all directions. It also includes a new motorway interchange at Northside Drive, improving access to Westgate - a major growth node. Completing the motorway interchange will remove through-traffic from local roads and help to improve the amenity and liveability of Whenuapai, a major greenfield growth area. Auckland Transport and the NZ Transport Agency have been investigating this project in parallel and in conjunction with Northwest rapid transit investigations. There are opportunities for components of the projects to be progressed together through consenting and delivery.

- Current investigation work into an additional Waitemata Harbour Crossing needs to be completed to provide more certainty about the optimal timing, modal mix, configuration and operation of the crossing. Consistent with earlier ATAP work construction is not anticipated to commence until at least the late 2030s. The Auckland Harbour Bridge forms a critical part of the national transport network as the main connection between the North Shore, the city centre and locations further south, meaning an additional crossing would improve network resilience. The structural capacity of the Auckland Harbour Bridge has also been maximised, with projected growth meaning future heavy vehicle restrictions are likely to be required. In determining optimal timing, these restrictions will need to be weighed against the very high cost of an additional road crossing. Further development of this project should ultimately enable delivery of a multi-modal corridor across the harbour, with flexibility for rapid transit and road to potentially be delivered in separate tunnels at separate times.

- Access to the Port of Auckland through Grafton Gully is a significant bottleneck. The ATAP Package allocates some funding for targeted road improvements and has rail improvements that should enable greater use of rail. A more substantial upgrade of road access to the Port will be a challenging project as it passes through a geographically constrained part of the city. Any major roading upgrade also needs to be informed by decisions around the long-term location of the Port. Given these considerations it is important to increase the share of freight travelling to and from the Port by rail.

- Ongoing projected growth in travel means the motorway network will remain under significant pressure and targeted upgrades to outer parts of the motorway network are likely to be required over time to relieve bottlenecks as they emerge. While inner parts of Auckland’s motorway network have the highest traffic volumes in the country and are projected to experience the most congestion, these areas are physically constrained and capacity additions generally appear to shift bottlenecks and congestion points rather than address them.

- New strategic roads to Kumeu and Pukekohe are likely to be required in the second decade to direct through-traffic away from newly urbanising areas, improving their liveability and amenity. Current investigation to protect the routes for these projects should be completed.
Greenfield transport infrastructure

| Funding allocated in ATAP Package | $1.3 billion |

Introduction

Over the next decade around 32,000 new homes housing up to 100,000 people are expected to be built in major greenfield growth areas to the north, northwest and south.\(^4\)

To enable this growth, encourage use of public transport and active modes and provide a reasonable level of service, significant investment in transport infrastructure will be needed. Investment falls into three broad areas:

i. Local and collector roads and footpaths. These roads are constructed and funded by developers and are built at the time of development. The costs are not included in the analysis because there is no public funding requirement.

ii. Major projects or upgrades of strategic transport networks to better connect growth areas with the rest of Auckland (e.g. Pukekohe rail electrification, Northwest rapid transit, Penlink, Mill Road etc.) These investments have been discussed earlier in this report.

iii. Arterial roads and footpaths (including bus and cycle lanes where required) and public transport stations within greenfield growth areas. Wherever possible, agencies seek to ensure that the public cost of these projects is the net cost between the collector road a developer would build and fund, and the arterial road considered necessary to meet future demand.

This section relates to investments that fall within the third category (iii) above.

Most locations where greenfield growth will occur over the next 30 years are zoned “Future Urban” in the Auckland Unitary Plan, with the timing of their development sequenced in the Future Urban Land Supply Strategy.\(^5\) More detailed planning for some of these areas is currently underway but actual development may take a number of years. However, some greenfield growth areas in the north, northwest and south were “live zoned” in the Unitary Plan, meaning that development can occur in the near future. Supporting growth in “live zoned” areas must be the priority for investment and route protection work.

The ATAP Package

Available funding for greenfield projects in the ATAP Package includes:

- The $510 million Local Residential Growth Fund,\(^6\) which is predominantly raised from development contributions and directed to new development areas in smaller dispersed locations
- Around $360 million from Crown Infrastructure Partners for projects around Silverdale and Drury, which will be repaid by landowners through funding agreements
- A $300 million greenfield transport infrastructure “seed fund” that is aimed at unlocking private funding to support greenfield growth
- $190 million for committed projects, route protection work and the Matakania Link Road.
This level of funding will not be able to fully support all projects required in major greenfield growth areas. Additional developer funding, an expansion of the Crown Infrastructure Partners programme or the creation of other new funding mechanisms will therefore be required.

This is considered appropriate because the benefits of investing to enable and support greenfield growth are largely enjoyed by landowners in the form of higher value land, as it can be urbanised. Further analysis, often on a case-by-case basis, will be required to agree the funding arrangements for these investments between landowners and the general public.

The level of growth and key investment priorities (in addition to the major strategic corridors discussed in earlier sections) for each major greenfield area are:

- In Warkworth, around 4,600 new homes are expected to be built over the next 30 years, of which 1,000 are expected over the next decade. Key investments include the Matakana Link Road and the Western Collector.
- In Silverdale-Dairy Flat, around 15,000 new homes are expected to be built over the next 30 years, with 6,000 of these built over the next decade. Key investments include the Argent-Curley Ave extension and the Wilks Road to Penlink arterial.
- In the Northwest, around 30,000 new homes are expected to be built over the next 30 years, with 13,600 of these built over the next decade. Key investments include Northside Drive East, an upgrade to Fred Taylor Drive, a new arterial road network in Redhills and rapid transit stations along State Highway 18.
- In the South, around 25,000 new homes are expected to be built over the next 30 years, with 11,300 of these built over the next decade. Key investments include an upgrade to Rangi Road that removes road/rail level crossings in Takanini, an extension to Bremner Road and new southern train stations.

The allocation to strategic and local improvements above also includes investments such as Glenvar Road in Long Bay and Hill St in Warkworth that contribute to enabling greenfield growth.
Safety programmes

| Funding allocated in ATAP Package | $900 million |

Introduction

There has been a near-doubling in deaths and serious injuries on Auckland’s transport network over the past 5 years, from 421 in 2012 (the lowest point in many decades) to 813 in 2017. This far outweighs growth in population and vehicle kilometres travelled over the same period, a substantial reversal of what had previously been a long-term improvement in road safety. 2017 was the worst year for road safety in Auckland since 1996.

The economic and social cost of road deaths and serious injuries is around $1.14 billion per year – broadly equivalent to the cost of congestion. Around 70 per cent of transport related deaths and serious injuries over the last two years took place in 50 km per hour zones with pedestrians, cyclists and motorcyclists disproportionately at risk.

Every element of the transport system has an important role in improving safety, therefore reversing this trend will require a combination of interventions, including:

- Increased investment into dedicated safety projects
- Greater emphasis on safety in project design and evaluation processes, and in general street design standards
- Regulatory changes (for example, investigating targeted speed limit reductions in centres, around schools or on dangerous roads)
- Appropriate enforcement
- Ongoing education and public awareness campaigns.

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**Investment options**

The level of funding dedicated to road safety improvements has been relatively low in recent years. Auckland Transport has developed a series of options for increasing investment in road safety initiatives, targeted to address high-risk intersections and corridors, speed management, and creating safe communities. Increased investment in this area has the potential to substantially reduce deaths and serious injuries and help to reverse the recent increase.

The ATAP Package proposes a $910 million investment for safety-related projects and programmes. This investment will be targeted to:

- Upgrading 10-12 high-risk intersections and 200 kilometres of high risk routes per year through improvements like high friction surfacing, new roundabouts, edge treatments, road realignment, reducing high speeds at intersections, traffic signal improvements and placemaking in town centres.
- Providing more safe crossing opportunities and making progress on a programme of removing road/rail level crossings, including some grade separations.
- Improving rural road safety through better signage, surface improvements and markings.
- A roll-out of speed management changes across 10 per cent of the network, including lower speed limits, gateway treatments and safety cameras (speed cameras and red light cameras).
Walking, Cycling and Local Board Priorities

| Funding allocated in ATAP Package | $900 million |

Walking

Walking journeys account for 14 per cent of the trips taken in Auckland. A poor quality and frequently unsafe pedestrian environment is the key barrier to increasing the number of walking trips. Efforts should be focused on encouraging walking for short journeys: for people who live close to the city centre or are near public transport stations, for school journeys and trips to local centres.

To date, walking improvements have typically been delivered as part of other investments – including general street upgrades and safety programmes. A dedicated walking programme would enable a more proactive approach to targeting improvements. Current approaches are generally reactive and constrained by a very small budget of around $4 million a year for new footpaths. Increased investment would support:

- Higher quality environments in town centres that create safe and attractive places for people to sit, gather, frequent local businesses, connect with their neighbours and partake in recreational and cultural activities
- More trips being made to local centres on foot, easing pressure on the road network and reducing the need for valuable land to be used as parking
- Increased numbers of children walking to school through targeted pedestrian safety improvements, particularly through providing safe places to cross busy roads.

The draft Government Policy Statement on land transport places a higher priority on encouraging walking, including supporting projects previously funded outside transport budgets (e.g. town centre upgrades). Further work is required to understand the financial implications of these changes.

Ensuring our street design standards focus on providing safe and attractive facilities for pedestrians is also key to improving walkability. These standards have been updated recently to place greater priority on pedestrians, but now need to be fully integrated into business-as-usual activities like road maintenance and renewals if they are to truly drive change and create more walkable environments.

Cycling

Over the past few years investment into cycling (including the Urban Cycleway Fund) has increased substantially, from under $20 million a year in 2013 to around $40 million in both 2016 and 2017. Most investment has focused on providing safe and protected cycling infrastructure, which previously only existed along a very limited number of corridors in Auckland (e.g. the Northwestern Cycleway next to State Highway 16).

Despite this recent increase, Auckland’s safe cycling network is still very undeveloped and will take sustained investment and effort to be completed. International evidence shows that many American, Canadian and European cities with historically low levels of cycling have been able to dramatically increase ridership through sustained investment in high quality infrastructure.
A number of investment areas will contribute to implementing this network over time, including dedicated cycling improvements and those built as part of other projects. The investment levels discussed in this section relate to dedicated cycling infrastructure delivered by either Auckland Transport or the NZ Transport Agency.

A programme business case to guide the next 10 years of investment in cycling was approved by Auckland Transport and the NZ Transport Agency in 2017. The analysis undertaken as part of this work emphasised the need to provide complete networks and improve cycling infrastructure in an area-focused way to achieve the greatest gains. This work fed into developing the ATAP Package.

Some significant cycling investments along state highway corridors have been included in the ATAP Package. These include SeaPath, SkyPath and a new walking and cycling crossing of the Manukau Harbour between Onehunga and Mangere Bridge.

Overall, around $640 million of investment in cycling infrastructure has been included in the ATAP Package.

The business case work also suggests additional investment in cycling continues to provide strong value for money. Substantial further increases in cycling investment may create delivery and affordability challenges, but the business case highlights how accelerating the implementation of Auckland’s cycling network provides value and is worth progressing if these challenges can be overcome.

It is recommended that as further funding becomes available, strong consideration be given to increasing the cycling programme.

Local board priorities

The ATAP Package includes around $240 million of investment over ten years for local board priorities. The projects to be funded by this investment are determined by Auckland’s 21 local boards, who work with Auckland Transport to develop and implement their priorities. This level of investment in local board priorities is a significant increase on previous versions of ATAP. Historically most of this funding has been used for walking, cycling and safety improvements.
Bus and ferry improvements

| Funding allocated in ATAP Package | $700 million |

Bus

Buses make up just over 70 per cent of public transport boardings in Auckland. Although the share of public transport trips made by rail and light rail will increase over time, the majority of public transport trips are likely to continue to be made by bus.

A series of city centre bus investments are required to address current and future bus congestion on corridors that serve areas outside the rail network and planned light rail network. Other targeted investments to improve bus facilities around Auckland are also included in the ATAP Package. These include investment to support the deployment of electric buses, double decker mitigation works, a Carrington Road upgrade and Sylvia Park bus improvements.

Beyond these specific improvements and the new or upgraded bus rapid transit corridors discussed in earlier sections, the major area of proposed investment to improve the speed, reliability and efficiency of the bus network is through bus priority measures. These include bus lanes, T2 / T3 transit lanes and providing buses with a “head start” at intersections. They provide a number of benefits, including:

- Enhanced overall network throughput
- Improved bus network reliability and punctuality, and reduced travel times and
- Reduced operational costs.

The ATAP Package includes around $215 million of investment into a comprehensive bus priority programme. This investment will enable ‘whole of route’ bus priority improvements for the most critical bus routes across Auckland. This investment will help realise operational savings through more efficient bus operations and increased ridership and fares.

Building on this programme is seen as the highest priority if additional funding becomes available.

Ferry

Ferries make up around seven per cent of public transport ridership in Auckland and will also continue to play an important niche role in the public transport system, particularly in serving locations where travel by sea is much shorter (or in the case of Waiheke the only option) than travel by land.

Auckland Transport is in the process of completing a ferry strategy that will guide the long-term approach to developing Auckland’s ferry network. In the meantime, the most critical ferry investment is an upgrade of the downtown ferry terminal, to address current passenger delays and enable wider changes to Auckland’s waterfront.
Park and ride

Expanding Auckland’s park and ride network in appropriate locations is an important part of increasing the use of public transport. Park and rides are most suitable in outer urban areas where access to public transport via walking, cycling or feeder bus services is less viable and land is also cheaper. The ATAP Package supports some new or expanded park and ride facilities in outer urban areas, particularly in the eastern part of Auckland where few facilities currently exist.
Network optimisation and technology

| Funding allocated in ATAP Package | $700 million |

Introduction

Making better use of existing networks is critical in meeting the transport needs of a fast-growing city and is one of the three key components of the ATAP strategic approach. A combination of high land costs and severe community impacts make large-scale corridor widening less feasible to meet growing travel demand.

Alongside a strong shift to public transport, walking and cycling, it will be increasingly important to take all possible steps to optimise existing networks through small-scale initiatives that can be implemented quickly and can be shown to have a high return on investment. Demand management measures, such as road pricing, are also integral to optimising the existing network.

Network optimisation

Optimisation initiatives are likely to include traffic light optimisation, dynamic lanes – as recently implemented on Whangaparāoa Road – freight lanes and other priority measures, intersection improvements such as roundabout metering, and improvements to support bus priority or higher vehicle occupancy, such as T2 and T3 lanes.

Planning is underway to guide a more comprehensive approach to network optimisation and needs to be completed urgently. This work will detail where and how investment should be targeted to maximise benefits for all transport network users. Alongside the planned increase in investment, a successful network optimisation programme will require support for initiatives that often deliver substantial benefits but can be controversial within some local communities (e.g. removing on-street parking).

There is potential for substantial gains to be achieved through increased investment in network optimisation and it is recommended a much greater focus on these projects be considered.

Technology

Maximising the benefits of new and emerging technologies has the potential to generate significant improvements to the performance of Auckland's transport system. However, there remains substantial uncertainty about the timing, nature and full effects of these changes.

In the short term, increased investment in intelligent transport systems offers the potential to more effectively and dynamically manage traffic. In the longer term, connected and autonomous vehicles have the potential to help increase vehicle throughput (particularly on motorways), reduce traffic accidents, and improve travel time reliability. Work to investigate and remove barriers to the uptake of these technologies should continue.
Operational costs and asset renewals

<table>
<thead>
<tr>
<th>Funding allocated in ATAP Package (net of revenue)</th>
<th>$8.1 billion (op cost)</th>
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<tbody>
<tr>
<td></td>
<td>$3.3 billion (asset renewals)</td>
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</table>

Operational costs ($8.1 billion)

The main areas of operating costs are public transport services and maintaining roads and other assets. Key cost drivers are:

- The amount of public transport services that are provided
- The extent to which public transport fares and other charges (e.g. parking charges) cover the cost of providing services
- The size of the overall asset base (which determines maintenance costs over time).

The ATAP work has largely focused on changes to the capital investment programme rather than service-based improvements. One example of this is public transport operating costs. Currently around $340 million (net of fares) is invested into public transport operations annually. Over the next decade this level of investment is projected to grow, to ensure service provision meets growing demand.

Additional investment into public transport could be used to either increase services or reduce fares. International best practice suggests additional investment should generally be targeted to improving services. High priorities for increased investment in public transport services include:

- Improving services on new and existing rapid transit routes to maximise benefits from capital investment
- Expanding the frequent public transport network (where services operate at least every 15 minutes at most times) to more routes
- Increasing service frequencies to address overcrowding
- Increasing off-peak and weekend rail frequencies so the rail network can fulfil its required role as a core part of the frequent public transport network.

A larger capital investment programme will also translate into increased consequential operating costs. Further work is also needed to refine additional operational cost estimates in light of government intentions to accelerate public transport services and increase mode share.

Asset renewals ($3.3 billion)

Renewing existing assets efficiently and effectively is a key non-discretionary area of transport investment. The level of expenditure required for renewals is guided by detailed asset management planning.

In previous versions of ATAP agreement on the appropriate level of investment in renewals had not yet been reached, meaning that not all of Auckland Transport's investment in this area received NZTA co-funding. Since that time substantial progress towards reaching agreement has occurred and funding levels will be finalised in the next few months.
3. Expected outcomes

Introduction
The ATAP Package will deliver a substantial improvement to Auckland’s transport system over the next decade.

This includes:
- Enabling and supporting Auckland’s growth
- Improving travel choice
- Congestion and access
- Safety, health and the environment
- Value for money.

Enabling and supporting Auckland’s growth

Transport and growth are inextricably linked. Transport investment is essential to enabling urbanisation of greenfield areas and encouraging redevelopment of existing urban areas. Similarly, where and when growth occurs will impact on the location of future travel demand and the investment required to meet that demand.

Growth around rapid transit

Auckland’s transport history has shaped the city’s growth over time, initially through trams in the early 20th century and then through motorways after the Second World War. More recently, redevelopment to higher densities has often been focused around rail stations and key bus corridors. This mirrors what has happened in a number of successful cities around the world, which have used rapid transit to shape their urban form over recent decades.12

Given the large scale of investment required to deliver build and operate high quality rapid transit corridors, it is critical to support this investment through supportive land-use policies that enable and support substantial growth around these corridors.

To help understand the scale of potential growth in areas within reasonable walking distance of the City-Airport, Airport-Botany and Northwest rapid transit corridors, we undertook a high-level analysis of their existing Auckland Unitary Plan capacity13 as well as an initial consideration of possible interventions to both realise this existing capacity and potentially increase the capacity further.

The key finding of this work was confirmation of substantial capacity that exists under the current Unitary Plan in residential, business mixed use and centre zones along these corridors:

<table>
<thead>
<tr>
<th>Growth in City-Airport, Airport-Botany &amp; Northwest corridors</th>
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</thead>
<tbody>
<tr>
<td>Current number of dwellings</td>
</tr>
<tr>
<td>Assumed dwelling growth in transport model over next 30 years</td>
</tr>
<tr>
<td>Capacity for extra dwellings in Unitary Plan</td>
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</tbody>
</table>
ATAP has used Auckland Council growth projections which already assume the number of homes within walking distance of these rapid transit corridors to more than double over the next 30 years. Within current Unitary Plan provisions a much greater amount of growth is possible – with up to 531,000 more dwellings. Further rezoning or master planning of key strategic areas could increase these figures further, but the main intervention to unlock growth in these rapid transit corridors will be to realise capacity that already exists.

Beyond these three corridors, there are also opportunities around most stations on the rapid transit network for development – particularly along the Western railway line.

Fully unlocking housing and urban growth opportunities will require more interventions than just changing Unitary Plan provisions. The Government and Council have both taken more active roles in urban development in recent years and this process will need to continue and accelerate to truly unlock the benefits of large-scale investment in rapid transit.

**Supporting greenfield growth**

The ATAP Package helps to unlock funding that will enable around 30,000 more homes to be built over the next decade in major greenfield growth areas to the north, northwest and south.

<table>
<thead>
<tr>
<th>Major Growth Area</th>
<th>Projected Growth</th>
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<tbody>
<tr>
<td>Warkworth</td>
<td>1,000 more homes</td>
</tr>
<tr>
<td>Silverdale/Dairy Flat</td>
<td>6,000 more homes</td>
</tr>
<tr>
<td>Northwest</td>
<td>13,600 more homes</td>
</tr>
<tr>
<td>South</td>
<td>11,300 more homes</td>
</tr>
</tbody>
</table>

These investments will also seek to provide each area with travel choices, so they grow in ways that are not highly dependent on private vehicles.

**Improving travel choice**

Fast, frequent and reliable public transport will be extended into most major parts of the city and major progress can be made towards creating a connected and safe cycling network.

These improvements are expected to support a substantial increase to the share of travel by public and active transport modes, from around a quarter of all morning peak trips at the moment to approximately a third of trips by 2028. Public transport ridership is expected to grow substantially, increasing from 93 million annual boardings to around 170 million by 2028.

**Congestion and access**

Access to employment is projected to improve, by both car and public transport. This means that Auckland's growth is translating into better access to employment opportunities, which is a critical factor in improving economic productivity.

The proportion of travel in congested conditions during the morning peak by car is projected to remain around 2016 levels, despite population growth of around 300,000 people. The level of congestion faced by public transport users is expected to decline as an increased proportion of services operate either in the own right-of-way (for busways, rail and light rail) or with bus lanes that separate them from general traffic.
The proportion of interpeak travel in congestion is also projected to remain around 2016 levels despite Auckland’s growth. Ensuring interpeak congestion does not worsen is critical to supporting the efficient movement of goods and services around Auckland, which makes an important contribution to Auckland and New Zealand’s economic success.

For Auckland to be a truly accessible city, people of all ages and abilities including people with reduced mobility levels, need to be able to go about their daily lives and get from one place to another easily, affordably and safely. This will depend on continued improvements to street design standards.

**Safety, health and the environment**

**Safety**

The increase in road deaths and serious injuries in recent years is projected to be reversed, with the ATAP Package (and associated regulatory, enforcement and promotional activities) expected to deliver a 60 per cent reduction in deaths and serious injuries from 813 in 2017 to no more than 325 in 2027.14

Improving real and perceived safety is also key to increasing the use of active transport modes, especially in encouraging more walking and cycling to school.

**Health**

The transport system affects health outcomes in two main ways:

- Harmful vehicle emissions contribute to respiratory diseases
- Physical activity can help prevent a number of chronic diseases.

Strategic modelling tools can be used to estimate total discharge of various vehicle emissions. These projections are based on estimated levels of travel, how much of that travel is in congested conditions and a series of assumptions about future engine efficiency levels.

Modelling suggests that most harmful pollutants are expected to decline over the next decade, predominantly from improved vehicle standards, supported by modal shift to public transport, walking and cycling.

A substantial increase in active transport modes (walking and cycling) is anticipated to generate at least $500 million of health and environmental benefits, which makes up around a third of total benefits from investment in cycling infrastructure.15

**Environment**

A combination of vehicle engine efficiency improvements and a greater mode shift to public transport, walking and cycling means that fuel consumption by private vehicles is projected to decrease slightly over the next decade, despite population growth. Some changes to vehicle technology, like the rate of electric vehicle uptake, is challenging to project and is not included in these projections. If the proportion of the vehicle fleet that is electric greatly increases, fuel consumption and therefore total emissions would decrease.
Most growth in future transport emissions are from heavy vehicles, trips that are less able to shift to another mode and where engine efficiency gains are projected to be less significant. Reducing emissions from heavy vehicles will need to be an area of focus to achieve substantial progress in this area.

**Value for money**

The ATAP Package's total estimated cost of $28 billion represents a substantial public investment into improving Auckland’s transport system. Ensuring value for money is obtained from every part of this investment will require ongoing work and rigorous analysis as the funding for each project is considered. The Terms of Reference for the project required consideration to be given to monetary and broader non-monetary costs and benefits. Value for money was considered through the outcomes discussed above as well as through benefit-cost analysis.

A weighted average benefit cost ratio (BCR) was developed that draws on existing project business cases (where a BCR was available) and weights these by the cost of the project. A BCR for the ATAP Package has been calculated at around 2.6. This suggests it will deliver good value for money.

Investment-specific value for money analysis will be required to confirm whether specific components of the updated package will provide sufficient value to warrant public investment.
4. Next steps

The ATAP package provides a clear direction for transport investment in Auckland with an emphasis on public transport (especially rapid transit), walking and cycling, improving safety and broader environmental, health and urban growth outcomes. It is central to a transformational programme that over time will include an urban development plan, making the most of new technologies and successfully implementing demand management initiatives like road pricing.

Immediate next steps are to align statutory documents including the Regional Land Transport Plan and the National Land Transport Programme with the direction of this report.

The following areas of further work have been identified:

- Establishing a joint Government-Council workstream to consider transport funding and financing options
- Considering what changes may be required to transport planning and funding processes and project evaluation tools to achieve the Government and Council's direction for transport in Auckland
- Developing plans to communicate key goals and targets
- Streamlining business case processes to better recognise the strategic direction provided through ATAP
- Investigating opportunities to maximise the growth and city-shaping benefits of investment in rapid transit.
APPENDIX A – ATAP DEVELOPMENT

The ATAP work was given direction through the Terms of Reference agreed by Hon Minister Twyford, Hon Minister Robertson, Mayor Goff, Deputy Mayor Cashmore and Councillor Darby.

The advice was developed by a cross-agency project team with governance oversight provided by a group of Chief Executives and senior officials.

Stakeholders provided valuable input to the work with the following groups participating:

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<tr>
<th>Auckland Business Forum</th>
<th>Landcare Research</th>
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<tr>
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<td>Bike Auckland</td>
<td>New Zealand Council of Trade Unions</td>
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<td>NZ Property Council – Auckland Branch</td>
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<td>Ports of Auckland</td>
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<td>Employment Manufacturers Association</td>
<td>Road Transport Forum</td>
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<td>Environmental Defence Society</td>
<td>Tourism Industry Association Aotearoa</td>
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<td>Generation Zero</td>
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<td>Greater Auckland</td>
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<td>Infrastructure New Zealand</td>
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Endnotes:

1. This advice was put together by a cross-agency project team with a governance group comprising the chief executives of the Ministry of Transport, Auckland Council, NZ Transport Agency, Auckland Transport and KiwiRail, and deputy secretaries of Treasury and the State Services Commission.


4. Auckland Council Growth Projections


6. The Local Residential Growth Fund (LRGF) provides Auckland Transport the ability to respond quickly to evolving growth and development needs in Auckland. The LRGF supports infrastructure cost sharing arrangements and is predominantly funded through development contributions.

7. NZTA Crash Analysis System, (MoT2016), Social costs of road crashes and injuries 2015 update


9. Auckland Transport walking and cycling memo

10. http://www.cityclock.org/urban-cycling-mode-share/ For example:
   - Washington DC increased from 0.5% to 4.1% between 2000 and 2012,
   - Seattle increased from 1.1% to 4.1% between 2000 and 2012
   - Seville increased from 2% to 6% between 2007 and 2012
   - Portland increased from 1.8% to 6.1% between 2000 and 2012
   - Stockholm increased from 1% to 10% between 2001 and 2006
   - Helsinki increased from 6% to 11% between 2003 and 2013

11. Jarrett Walker "Should we cut fares or increase service, an advocacy parable" http://humantransit.org/2013/12/should-we-cut-fares-or-increase-service-a-portland-parable.html


13. The Auckland Unitary Plan guides the level of additional growth that is likely to be possible on a particular site through a series of provisions, generally based on different "zones"

14. Auckland Transport

Find out more:
transport.govt.nz/atap
aucklandcouncil.govt.nz/atap
Auckland Transport Alignment Project indicative package update

Terms of Reference
1 Parties

1.1 The Minister of Transport, the Hon Phil Twyford

1.2 The Minister of Finance, the Hon Grant Robertson

1.3 The Mayor of Auckland, Phil Goff

1.4 The Deputy Mayor of Auckland, Bill Cashmore

1.5 The Planning Committee Chair, Auckland Council, Chris Darby

2 Background

2.1 The Auckland Transport Alignment Project (ATAP) was a successful exercise in aligning the priorities of both central government and Auckland Council. It developed a recommended long-term strategic approach for the development of Auckland's transport system that delivers the best possible outcomes for Auckland and New Zealand.

2.2 There were two main parts to ATAP:
   i. a long-term strategic approach that is based on three integrated components: making better use of existing networks, targeting investment to the most significant challenges and maximising new opportunities to influence travel demand
   ii. an 'indicative package' that illustrates how the strategic approach will be delivered over time, focused on identifying priority investments for the next ten years.

3 Purpose of the project

3.1 The purpose of the project is to update the ATAP indicative package to ensure it reflects the new government's priorities. This update will be undertaken within the ATAP strategic framework as outlined in paragraph 2.2(i).

3.2 These Terms of Reference record the intention and understanding of the Parties for this project and agree its governance arrangements.

3.3 This project will help to inform the revised 2018 Government Policy Statement on land transport and the 2018 Regional Land Transport Plan.

4 Objectives for the project

4.1 The original ATAP report identified four critical transport challenges for Auckland over the next decade, namely:
   i. enabling a faster rate of housing growth, particularly in Special Housing Areas and greenfield areas live-zoned in the Auckland Unitary Plan
   ii. addressing projected declines in access to jobs for people living in large parts of the west, and some parts of the south
iii. addressing increasing congestion on the motorway and arterial road network during peak periods, and increasingly at other times of the day, which adversely affects the efficient movement of freight and services

iv. increasing public transport mode share, particularly along high volume, congested corridors.

4.2 The ATAP indicative package has been prioritised to address these challenges. These challenges remain critical to the development and performance of Auckland’s transport system, but there is an opportunity to ensure that the ATAP indicative package delivers against the transport objectives of the new government.

4.3 The project is an opportunity for government, in partnership with Auckland Council, to reframe the thinking behind Auckland’s future transport network to ensure that transport plays a critical role in shaping the region’s urban form and development. The project will take into account Auckland Council’s draft development strategy and inform the joint government and Auckland Council work on a spatial development strategy.

4.4 The objective of this project is to update the ATAP indicative package to take into account the four critical transport challenges identified above and give effect to the government’s intention for its transport priorities to shape Auckland’s urban form and development. This means placing greater weight on the following government transport priorities:

i. accelerating the development of Auckland’s rapid transit network, particularly to unlock housing and urban development opportunities

ii. encouraging walking and cycling and making these active modes safer for Aucklanders

iii. delivering improvements in health, safety, the environment and access, including disability access

iv. ensuring the indicative package delivers the best possible value for money, including broader non-monetary costs and benefits

5 Governance of the project

5.1 The project will be led by the Secretary for Transport and the Chief Executive of Auckland Council.

5.2 This project will not replace the statutory decision making responsibilities of Auckland Transport regarding the activities within the Auckland Regional Land Transport Plan or the NZ Transport Agency regarding the National Land Transport Programme.

5.1 The Parties agree to establish a governance structure comprising:

i. a Governance Group consisting of the Secretary for Transport, Deputy Secretary Treasury, the State Services Commission Deputy Commissioner Auckland, and the Chief Executives of Auckland Council, the NZ Transport Agency, Auckland Transport and KiwiRail

ii. a senior level Working Group consisting of officials from the Ministry of Transport, the Treasury, Auckland Council, the NZ Transport Agency
Auckland Transport, the Ministry of Business, Innovation and Employment, and KiwiRail.

5.2 The Governance Group will:
   i. consider the key findings of the project and provide advice to the Parties as required
   ii. ensure the project is delivered to the agreed scope and timeframes
   iii. ensure that the project is aligned and integrated with other cross-agency and Auckland related work as appropriate (as set out in paragraph 8.2).

6 Project scope

6.1 The project will update the ATAP indicative package to place greater emphasis on the new government’s transport priorities, with a ten-year horizon.

6.2 The project will consider how an updated indicative package addresses the key challenges identified in the original ATAP report (outlined in paragraph 4.1) and contributes to the new government’s transport priorities (outlined in paragraph 4.4).

6.3 The project will identify the estimated cost of the updated indicative package, and advise on what can be achieved within a range of funding envelopes, but it will not consider how these costs could be funded or financed.

6.4 The project will not include specific consideration of pricing measures for demand management purposes as this is being addressed separately by the Auckland Smarter Transport Pricing Project.

6.5 The project will involve engagement with a targeted group of stakeholders to receive feedback as appropriate.

7 Project output and timing

7.1 The Governance Group will provide a final report to the Parties at the end of March 2018.

8 Interdependencies

8.1 The project will inform consideration of transport expenditure in Auckland as part of the 2018 Government Policy Statement on land transport and the transport programme detailed in the 2018 Regional Land Transport Plan.

8.2 The project will also have strong links with other cross-agency work in Auckland around urban development, land use and funding including the joint spatial development strategy, and broader urban growth agenda.

8.3 The Governance Group will need to agree how these interdependencies are managed.

9 Protocols for the project

9.1 Parties agree to participate in the project in good faith.
9.2 Parties acknowledge the sensitivities involved in this project and agree to ensure information is only released by agreement or in accordance with statutory duties.
   i. The Governance Group is delegated responsibility for ensuring there is joint agreement for the proactive release of any information.
   ii. Parties recognise that Ministers and agencies are subject to the Official Information Act 1982 and Auckland Council and Auckland Transport are subject to the Local Government Meetings and Official Information Act 1987.

10 Amending the terms of reference

10.1 If required, the Governance Group may recommend changes to this document to the Parties for consideration.

10.2 Ministers will need to refer any substantive proposed changes to the terms of reference to Cabinet for agreement.

Hon Phil Twyford
Minister of Transport
Date: 25.2.18

Phil Goff
Mayor of Auckland
Date: 15.03.18

Hon Grant Robertson
Minister of Finance
Date: 14/3/18

Bill Cashmore
Deputy Mayor of Auckland
Date: 15.3.18

Chris Darby
Planning Committee Chair, Auckland Council
Date: 15 March 18
Adoption of Regional Fuel Tax proposal

File No.: CP2018/04866

Te take mō te pūrongo / Purpose of the report

1. To seek approval of a draft proposal for Regional Fuel Tax (RFT), as the basis of public consultation.

Whakarāpopototanga matua / Executive summary

2. Council has recently completed consultation on its 10-year Budget (LTP). The Consultation Document signalled the Council’s proposal to fund additional transport infrastructure through a Regional Fuel Tax subject to legislation providing the basis for this.

3. At the time of the 10-year Budget consultation the Government Policy Statement (GPS) on Land Transport and the Auckland Transport Alignment Project (ATAP) were still under review so the projects for funding by a Regional Fuel Tax could not be identified.

4. Since then the Land Transport Management (Regional Fuel Tax) Amendment Bill has been introduced and the draft GPS and ATAP have been released.

5. A draft Regional Fuel Tax proposal has been prepared, based on the draft legislation, for consideration by the Governing Body. The approved proposal would form the basis of public consultation.

6. Public consultation will run for two weeks from 1 May 2018 – 14 May 2018. It will be predominantly digitally based but will endeavour to reach as widely as possible in that period and provide for those who wish to use hard copy alternatives.

Ngā tūtohunga / Recommendation/s

That the Governing Body:

a) approve the draft Regional Fuel Tax proposal appended in Attachment A of the agenda report.

b) approve public consultation on the draft Regional Fuel Tax proposal and the Overview document appended in Attachment B of the agenda report, from 1 May 2018 to 14 May 2018.

c) authorise the Mayor and Deputy Mayor to make any minor amendments to the draft Regional Fuel Tax proposal or Overview document prior to the commencement of the public consultation period.

Horopaki / Context

7. In preparing the 10-year Budget 2018-28 (LTP), the Council considered a range of funding options for its activities. The consultation on the 10-year Budget signalled that in order to achieve the level of investment that Auckland needs to address its transport issues, new funding mechanisms for transport were required. A RFT of 10 cents per litre plus GST was proposed, subject to central government providing a legislative basis for such a tax.

8. While the RFT, as a funding mechanism, was the subject of consultation, there was no ability to identify the projects that might be funded from the RFT at that time. The GPS and ATAP were still under review at the time of the 10-year Budget consultation, leading to some uncertainty about project priorities.
9. In the intervening weeks:
   a) The government has initiated the Land Transport Management (Regional Fuel Tax) Amendment Bill, which is currently progressing through the Parliamentary process. If passed, this will enable Auckland to levy a RFT of up to 10 cents per litre, plus GST, from 1 July 2018.
   b) The draft GPS has been released for consultation and ATAP has been updated in light of the new government priorities. This has enabled development of the Regional Land Transport Plan (RLTP) and guided the identification of the highest priority projects which are proposed to be funded by the RFT.
   c) The Governing Body set up a Political Advisory Group to work with staff on developing a proposal for Regional Fuel Tax, as required by the draft legislation.

Tātaritanga me ngā tohutohu / Analysis and advice
10. A draft Regional Fuel Tax proposal has been developed based on the requirements of the draft legislation. While the legislation is still to progress through the full Parliamentary process, the transitional provisions in the legislation mean that Auckland Council can develop a draft proposal, consult with the public, and submit to the responsible Ministers for consideration, once the legislation has been passed.
11. The selection of projects in the proposal was guided by the government’s priorities, as expressed through the draft GPS and ATAP, and by the criteria agreed by the Political Advisory Group.
12. The Regional Transport Committee meeting of 27 April 2018 considered the Draft RFT Proposal. Their views will be conveyed to the Governing Body at this meeting.
13. The draft proposal (Attachment A) now requires consideration and adoption by the Governing Body for public consultation. Also included with this report is the proposed public consultation overview (Attachment B) which summarises the draft RFT proposal and indicates where the benefits of each of the projects will fall across the region.
14. The draft proposal and overview document signal the council’s intent to exclude Great Barrier Island from the RFT, in line with council’s submission on the draft legislation and subject to the legislation being amended accordingly. The overview document also signals council’s advocacy in support of rebates being enabled for fuel that is purchased for off-road use.

Communication and Consultation
15. Due to the very compressed timetable for this process, public consultation will run for two weeks from 1 May 2018 – 14 May 2018 and concurrent with consultation on the RLTP and Development Contributions Policy. Consultation will primarily be digitally focused (using the akhaveyoursay.nz website) although hard copy material and feedback forms will be available at libraries and service centres.
16. Translated summaries will be available and will be shared with community partners who staff will work with to encourage feedback from their communities. A social media campaign will also be facilitated with Maori communities/ mataawaka including two Radio Waatea live-streamed hui and ‘Q and A sessions’ to run with Maori communities in the south and west.
17. Awareness of the consultation and promotion of the public events will be via Auckland Council and Auckland Transport social media channels and proactive media engagement. Print, radio and digital advertising will be the primary focus of the media engagement.
18. OurAuckland will be delivered during the consultation process but due to print deadlines will not have details of the draft proposal, however a more generic awareness article will point readers to the akhaveyoursay website. A range of features will also appear on the online version of OurAuckland.
19. Four public drop in events will be held during the consultation period which will be combined Auckland Transport and Auckland Council events:
   - Takapuna 7 May 2018
   - Manurewa 8 May 2018
   - New Lynn and Grey Lynn 12 May 2018

   In addition three other events will be held:
   - Mana whenua briefing 1 May and Have Your Say event 15 May 2018
   - Regional Stakeholder event 11 May 2018

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

20. Early engagement took place with Local Boards on the development of the RLTP and the views of the boards have been considered through that process. The RLTP priority projects are reflected in the draft RFT proposal, along with a few specific Local Board priorities.

21. Local Boards have been invited to attend a briefing on the draft RLTP on 30 April 2018 and the draft RFT proposal will also be covered at this briefing.

22. Local Boards will have the opportunity to provide formal feedback to the Governing Body for consideration in the final decision making on the RFT proposal.

Tauākī whakaaweawe Māori / Māori impact statement

23. The introduction of a RFT will negatively impact some lower socio-economic communities who do not have access to alternative transport options and rely on their private vehicles. Maori tend to represent a high proportion of these communities. However, many of the projects that will be funded by the RFT are targeted at improving transport access to jobs and education for these communities as well as providing greater public transport alternatives. In the longer term this should have a positive impact for these communities.

Ngā ritenga ā-pūtea / Financial implications

24. The 10-year Budget consultation clearly signalled to the community the need to invest more heavily in transport infrastructure and the options for funding this. The RFT was the council preferred option for addressing the funding shortfall.

25. Without a RFT, Council would need to either:
   a) Utilise another of the currently available funding mechanisms (general rates or an Interim Transport Levy); or
   b) Fund transport at the level of renewals and committed projects only.

26. The rating options would result in ratepayers facing significant increases (10-11%) in addition to the general rates increase and paying according to their property value rather than based on their use of the transport system. To fund the transport budget at the level of renewals and committed projects only will have significant impacts on the growth and economy of Auckland.

27. The impact of the proposal on the council’s overall finances will be considered through the LTP process ahead of the Governing Body making decisions on a final RFT proposal.

Ngā raru tūpono / Risks

28. The risks associated with this proposal are:
   a) Timing – the draft legislation and the proposal are working in parallel to achieve an implementation date of 1 July 2018. There can be no slippage in either process.
b) Financial – as set out above a significant proportion of the Auckland Council transport budget relies on the ability to provide a RFT as a funding mechanism.

c) Strategic Alignment – significant effort has gone into aligning the RFT proposal with ATAP, the draft GPS, the RLTP and the Auckland Plan. This alignment needs to be maintained going forward.

Ngā koringa ā-muri / Next steps

29. Following the adoption of the draft Regional Fuel Tax proposal:

- Consultation on the proposal will take place for two weeks from 1 May 2018
- On 29 May 2018 Councillors will have a workshop / briefing on public feedback and Local Board views on the proposal
- On 31 May 2018 the Governing Body will consider adoption of a proposal for submission to government.

Ngā tāpirihanga / Attachments

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Ngā kaihaina / Signatories

| Authors                                      | Theresa Stratton - Senior Business Analyst  
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<tr>
<td></td>
<td>Kenneth Aiolupotea - Head of Citizen Insights &amp; Engagement</td>
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<td>Authorisers</td>
<td>Matthew Walker - Acting Group Chief Financial Officer</td>
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<td></td>
<td>Stephen Town - Chief Executive</td>
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DRAFT PROPOSAL FOR A REGIONAL FUEL TAX

Introduction
The unprecedented growth of Auckland and a history of underinvestment in transport infrastructure, particularly public transport, are key contributors to existing issues of congestion with the Auckland transport system.

Addressing the transport issues has been a major focus of Auckland Council since its formation in 2010. Progress has been made in some areas and one of the key success factors is the shift to public transport of many commuter journeys. However, congestion of all major arterials continues to grow with the consequent cost to the economy and, without major new investment, the existing public transport network will struggle to provide increased capacity. Road safety also continues to deteriorate with a 65% increase in road deaths and serious injuries in Auckland since 2013.

To unlock the benefits of its growth Auckland needs a transport system that provides safe, reliable and sustainable access. This means:

- Easily connecting people, goods and services to where they need to go
- Providing high quality and affordable travel choices for people of all ages and abilities
- Seeking to eliminate harm to people and the environment
- Supporting and shaping Auckland’s growth
- Creating a prosperous, vibrant and inclusive city.

The role of transport in enabling, supporting and shaping the way Auckland grows is also critical to addressing the housing challenge.

Achieving this vision for transport in Auckland will require transformational change, not just to our investment priorities, but also to where and how the city grows, and how we optimise existing infrastructure – including through policies like road pricing and making the most of new technology.

Through the Auckland Transport Alignment Project (ATAP), agreement has been reached between Auckland Council and government on the key outcomes, focus areas and a package of projects and programmes to achieve those outcomes. Auckland Council’s existing funding tools constrain the ability to deliver the package identified by ATAP. It is proposed to introduce a Regional Fuel Tax for Auckland of 10 cents per litre (plus GST) for 10 years, raising an estimated total of $1.5 billion. The Regional Fuel Tax enables a significant increase in the funding available to Auckland Council to realise the ATAP outcomes.

This proposal is prepared conditional on the enactment of the Land Transport Management (Regional Fuel Tax) Amendment Bill which is currently progressing through the Parliamentary process. Following public consultation, the final proposal will be submitted to the relevant Ministers for approval, once the legislation has been passed.
Proposed transport programme

The proposed transport programme has been developed following the reviews of the Auckland Transport Alignment Project (ATAP) and the Draft Government Policy Statement (GPS) on land transport. These strategic documents have guided the development of a programme that will create a step-change improvement to transport in Auckland.

Through prioritisation of the projects in the Regional Land Transport Plan and identification of those that could not be implemented without the additional funding enabled by a Regional Fuel Tax, a programme of projects has been developed. The key objectives of this programme are to:

- Support substantial growth in key rapid transit corridors, especially where these are now being accelerated. This investment greatly enhances the potential for further housing growth around rapid transit corridors, and realising this growth potential will be critical to ensure the whole transport network can function effectively as Auckland grows to around two million people by 2028.
- Provide for and encourage a step-change in public transport and cycling mode-share in Auckland. This mode shift will deliver significant safety, environmental, health and congestion benefits and leave Auckland much better placed for the introduction of road pricing over time.
- Continue to enable growth in greenfield areas, where around 30% of new homes are forecast to be located over the next decade.
- Improved access as a result of the provision of more congestion-free alternatives for travel and changes in land use enabled by rapid transit investment.
- Improve safety outcomes with an expected significant reduction in deaths and serious injuries each year.
- Reducing the transport system’s environmental impacts by improving the attractiveness, reliability and safety of more sustainable travel options (walking, cycling, public transport, carpooling).

The key elements of the programme are to:

- increase capacity and use of the existing public transport network, with particular focus on the high growth areas of the south and east
- continue to encourage active transport options through the extension of the walking and cycling network
- increase the capacity of the existing road network to improve overall performance
- increase investment in road safety initiatives
- support key growth areas with appropriate transport infrastructure

Summary of projects in the overall programme

The table below summarises the projects included in the overall programme. Some of these projects are already planned but at a much lower level of investment e.g. Road Safety initiatives, Walking and Cycling infrastructure. The table sets out the total cost of each project along with the direct contribution of the Regional Fuel Tax and additional investment that will be enabled by that direct contribution. The additional funding comprises development contributions collected by Auckland Council for growth related infrastructure and subsidies received from NZTA.

While this is based on the best information currently available, it is likely as time progresses and projects are developed that both the costs and timing could change. Similarly, the council will continue to explore commercial opportunities to partially fund some projects where appropriate.
### Strategic Alignment

The strategies and plans that guide investment in transport include: ATAP, the GPS, the Auckland Plan and the Regional Land Transport Plan (RLTP).

The recent review of both the GPS and ATAP have enabled the development of a programme for Auckland that aligns the policy objectives of the draft GPS with an agreed programme of transport investment for both Government and Auckland Council, which is captured in ATAP. The ATAP programme has directly influenced the prioritisation of projects in the RLTP. The base, currently funded programme in the RLTP delivers only committed projects (such as City Rail Link) and renewals of existing assets.

The additional transport programme enabled by the Regional Fuel Tax contributes to the key strategies and plans as follows:

**GPS**

**Safety** – The GPS seeks a significant reduction in deaths and serious injuries in the 10 year period, with an overall objective of a system that is free of death and serious injury. The Regional Fuel Tax programme has a specific project focused on safety on both rural and urban roads with a target of reducing deaths and serious injuries by 60% by the end of the 10 year period. In addition a number of the other projects such as Road Corridor improvements will improve safety.

**Access** – The GPS objectives are to provide increased access for economic and social opportunities, enabling greater transport choice (including a shift from private vehicles to public transport and active transport) and greater network resilience. The Regional Fuel Tax programme has a significant emphasis on improving public transport, particularly in those areas that are poorly served currently, are forecast for significant housing growth; and also with a focus on improved access to employment and education opportunities. The Road Corridor project and Network Capacity and Performance improvement projects are also focused on improving travel times on major routes, while Active Transport is a key project with an initial focus on improved cycling networks.
Environment – The GPS objectives are focused on reducing the impact of transport on the global climate, local environment and public health. A major shift to public transport and active transport is the focus of the investment in a number of the projects in the Regional Fuel Tax programme. The consequent reduction in private vehicle use will be a significant contributor to the positive impacts on climate, environment and public health. Improvements to the efficiency of the road network through several other projects in the programme will also help in the reduction of congestion and its negative environmental and health impacts.

Value for money – The GPS seeks to ensure best value for money from investment decisions and improved returns from investments. The projects in the Regional Fuel Tax programme are at different stages of development but usual business case practices, including value for money review, will apply as part of project approval. In addition several of the projects in the programme are focused on extending the capacity and efficiency of existing infrastructure.

ATAP and the RLTP

As already mentioned above, work on ATAP has been underway for several months and has resulted in agreement between government and Auckland Council on the key transport outcomes, focus areas and a package of projects and programmes for the next 10 years. That agreed programme has directly guided the prioritisation of projects in the RLTP. Delivery of the RLTP programme is constrained by current council funding. The Regional Fuel Tax is Auckland Council’s opportunity to deliver the outcomes and projects of ATAP and the RLTP by raising $1.5 billion and thereby enabling an additional $4.3 billion of investment in transport. Essentially the Regional Fuel Tax proposal represents the otherwise unfunded, priority projects of the RLTP and ATAP.

Auckland Plan

The programme also supports the Council’s long-term outcomes (Auckland Plan review 2018) in the focus areas of:

- Make better use of existing transport networks, including a greater focus on influencing travel demand
- Target new transport investment to the most significant challenges
- Move to a safe transport network, free from death and serious injury
- Develop a sustainable and resilient transport system.

Positive and Negative effects

The proposed programme has been designed to achieve a number of positive outcomes i.e.

- Improved road safety with a corresponding reduction in deaths and serious injuries
- Increased availability and use of public transport which results in improved economic, environmental and social outcomes from less pollution and people and business traffic spending less time in congestion
- More active transport options (walking and cycling) with resultant health benefits and a positive impact on congestion
- Improving access to employment areas which will enable improved economic and social outcomes
- Enabling growth and housing development to address the current shortfall in housing stock.

However, while the overall impact of the programme will be positive, individual projects are likely to have negative impacts (primarily in the immediate area) both during construction and ongoing i.e.
• Noise of construction and/or additional traffic
• Impact on the amenity or character in the local area
• Disruption of services or traffic flows during construction
• Increases in property value in certain areas leading to affordability issues
• Increased fuel prices leading to more costly travel for private and commercial vehicles.

Why a Regional Fuel tax should be a funding source
Auckland Council’s usual approach to funding investment in long-life assets, such as transport infrastructure, is from borrowing. However, the capacity to borrow sustainably is limited, as we reach our prudential limits.

Without additional funding sources the Council will be delivering a 10 year transport programme that will include only renewals of existing assets and currently committed projects.

The expected revenue from a regional fuel tax ($1.5 billion over 10 years) can be used by the council to enable an additional $4.3 billion of transport capital investment. This programme includes a number of high priority transport projects that would qualify for NZTA subsidies and development contribution funding but would not be able to be delivered as the council cannot support the remaining funding required.

The Council has considered other options for funding transport such as:
• Continuing with the Interim Transport Levy (ITL), which is due to expire in June 2018. However, there are two issues with this approach – firstly the funding raised is far short of what is needed, and secondly the ITL costs fall equally on all ratepayers regardless of how much they use the transport system.
• Increasing general rates. This option would require rate increases of 10% to 11% (on top of any other general rate increases) to fund a similar level of investment as a Regional Fuel Tax. Based on previous public consultations this would be unacceptable to Auckland ratepayers. The amount paid by each ratepayer would be in proportion to their property value and bear no relationship to their use of the transport system.

Of the current options available, the Council believes that the Regional Fuel Tax is the fairest as transport users would pay for the additional transport investment according to the amount they travel rather than every ratepayer – some of whom may be very low users of the transport system.
Projects

Information on the projects that make-up the overall programme is detailed below. Some projects represent a collection of initiatives that, together, contribute to an overall outcome.

Project 1: Bus Priority Improvements

Description

To cope with forecast growth in the population of Auckland, public transport needs to become a preferred transport choice for more Aucklanders. Increasing bus patronage will assist in reducing congestion, and the impacts resulting from congestion, and will lead to greater utilisation and productivity of arterial corridors.

The most important enablers of increased patronage are; reliability, frequency and coverage. To attract more people to choose public transport the service offering needs to provide:

- convenience and minimal stress from uncertainty: customers turn-up-and-go without reliance on a timetable enabled by high frequency services that turn up on time
- a personal time saving for customers: the service needs to be reliable and arrive when it is expected, and the service needs to offer a combination of one or both of:
  - reduced travel times relative to alternatives; and/or
  - improved utilisation of personal time

The roll-out of AT’s public transport ‘New Network’ seeks to provide an effective public transport option, through delivery of modern, reliable and integrated public transport services. A key component of the new bus network is the delivery of the Frequent Service Network (FSN): a core network of about 30 high frequency bus services designed so that customers do not need to rely on timetables for most of the day, and that work together to provide easy service connections.

The implementation of bus priority improvements (including bus lanes, T2 / T3 transit lanes and signal pre-emption) are essential bus priority mechanisms that enhance overall road network usage, increase bus network reliability, improve bus travel times, and reduce bus operating costs. The funding provided in this proposal will allow Auckland Transport to begin capital works required to roll out a new ‘whole of route’ bus priority programme. The investment is designed to deliver a step change in bus priority along selected FSN routes. It aims to deliver greater corridor productivity (i.e. carrying capacity and average speed) through the provision of enhanced bus priority and resilience. Immediate routes that have been prioritised in the first five years are: Sandringham Road, New North Road, Mt Eden Road, Remuera Road and Manukau Road.

Double decker buses are also being introduced on a number of key and well-patronised bus routes due to the need to increase capacity on the network. Prior to the buses operating, the routes are surveyed to identify obstacles within the road corridor, such as trees, verandas and poles, which may compromise safety and the mitigation capital works required are part of the project.

In addition, the bus priority improvements project will deliver a new bus station and route at Sylvia Park. The new bus station will be located adjacent to the Sylvia Park rail station and provide convenient and direct transfers between services. A new route will also be provided to the station which allows buses to avoid the more congested Mt Wellington Highway intersections.

The Regional Fuel Tax will also provide operational funding to enable improved and more frequent bus services to be run on these improved routes.
Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole of route bus priority improvements</td>
<td>$135 million</td>
<td>2018-2028</td>
<td>Bus travel time savings of up to 30% on completed routes</td>
</tr>
<tr>
<td>Double decker mitigation works</td>
<td>+/- 10%</td>
<td></td>
<td>Increased patronage</td>
</tr>
<tr>
<td>Sylvia Park bus improvements</td>
<td></td>
<td></td>
<td>Improved service reliability</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reduced operating costs through more efficient use of the bus fleet</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Double deckers provide increased passenger capacity without increasing vehicle numbers and the frequency of services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Improved transfer and waiting environment at Sylvia Park</td>
</tr>
</tbody>
</table>

Value for money

Bus priority improvements, double decker mitigation and the new Sylvia Park bus station are designed to increase productivity of the public transport network. These initiatives are intended to provide faster and more reliable bus services, provide additional capacity on busy routes and improve transfer and customer service levels at Sylvia Park. The improvements are expected to drive patronage growth, which results in increased revenue.

Project 2: City Centre Bus infrastructure

Description

The city centre is currently the destination (or interchange point) for approximately 80,000 commuters each morning. This is expected to grow to 130,000 by 2046. Bus travel is a significant component (at least 31%) of all journeys during peak times and much of the investment in public transport over the next 10 years will increase the number of bus patrons e.g. the rollout of the new bus network across the region and initiatives such as the AMETI Eastern busway. This growth will place significant pressure on city centre bus infrastructure.

While light rail, when implemented, will provide an alternative to bus in some parts of the city, there will still be significant growth in bus journeys into the city centre and two key focus areas have been identified for investment: Downtown and the Wellesley Street corridor.

In the Downtown area, two components are required – a bus interchange in Lower Albert Street for the North Shore busway, and a similar bus interchange in Quay St East for Isthmus and Eastern services. These initiatives will allow for ongoing growth in bus customers connecting with nearby ferry and rail services, as well as the extensive commercial and residential development in the area. A key outcome is the ability to bring in significant volumes of people to the area by bus from around the region during major waterfront events, which from time to time result in the closure of the core of Quay St and Lower Queen St.

The Wellesley Street bus improvements initiative specifically serves the significant demand for bus travel to the two universities in the Learning Quarter. Currently 69% of students travel by public transport, mostly by bus, and there is strong bus travel growth expected in the Midtown area due to the New Network roll out, private developments and the opening of the City Rail Link. This initiative will include improvements for bus operations and customer facilities (primarily for North Shore and Eastern services) along Wellesley Street between Victoria Park and Grafton Gully. There will also be improved provision for people walking and cycling along Wellesley.
Street. A station in the vicinity of Grafton Gully is being investigated, to be integrated into the surrounding land uses and with further development potential, providing a regionally significant passenger interchange.

Downtown bus improvements (Quay Street, Lower Albert Street) will be delivered by 2020 so they are complete prior to the Americas Cup AC36. Midtown bus improvements (Wellesley Street, Learning Quarter / Grafton Gully) are scheduled for delivery later in the ten year period.

### Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown bus infrastructure</td>
<td>$62 million +/- 10%</td>
<td>2018-2027</td>
<td>Enables increasing numbers of buses from across Auckland to effectively access, circulate and terminate in the city</td>
</tr>
<tr>
<td>Wellesley Street bus corridor</td>
<td></td>
<td></td>
<td>Faster and more reliable travel times through provision of city centre bus priority initiatives</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Improved customer transfer and waiting environments</td>
</tr>
</tbody>
</table>

### Value for money

The need for these initiatives is driven by the ongoing increase in public transport mode share into the city centre (which is now starting to exceed private vehicle mode share) and resultant requirement for bus and customer facilities. Other options for dealing with this growth were evaluated, however no additional traffic capacity is possible (or desirable) and alternative public transport modes are supplemental rather than replacements. The selected options have been extensively workshopped with stakeholders, and are considered to be both the most cost effective and integrated with other city centre plans.

### Project 3: Improving Airport access

#### Description

Auckland Airport and the surrounding area play an important part in the economy of Auckland and New Zealand. The airport’s activities are projected to grow substantially (Auckland Airport Masterplan 2014). Within 10 years passenger numbers are predicted to almost double to 24 million passengers per year; and almost double again to 40 million passengers by 2044. It is projected this will enable up to 27,000 more jobs and result in an increase of daily trips to/from the area from 63,000 currently to around 140,000 in the next 30 years.

Currently, journeys to the airport are unreliable and getting worse for all transport modes. A long term programme has been developed with a number of interventions. Some of the short term, implementable initiatives are already underway (e.g. improved bus services, improved information at airport terminals, staff parking alternatives). The next significant projects focus on improved access from across the city but with particular focus on the east and south of Auckland. East Auckland has one of the lowest levels of public transport usage in the region due to a lack of viable public transport options and South Auckland, as one of the most socio economically deprived areas of Auckland, would be offered significantly better access to employment and education opportunities at Manukau and the Airport.

The initiatives to be delivered in this programme include:

- Airport access public transport improvements – a range of medium term capital improvements to support the provision of enhanced bus services from New Lynn, Mt Roskill, Onehunga and Botany to the airport precinct. Improvements are designed to be in place by 2021/22
• Puhinui bus/rail interchange – provision of a new interchange at Puhinui Station to provide a high quality connection between the rail network and buses accessing Auckland International Airport. This initiative complements NZTA’s airport to Puhinui link project.

Public transport airport access improvements and the Puhinui bus/rail interchange have both been scheduled for completion by 2021.

### Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport access public transport improvements</td>
<td>$26 million</td>
<td>2018-2021</td>
<td>Improved public transport access and services to the airport from the Isthmus, West, and East Auckland by 2020/21</td>
</tr>
<tr>
<td>Puhinui Bus-Rail interchange upgrade</td>
<td>+/- 10%</td>
<td></td>
<td>New high quality bus/rail interchange at Puhinui Station to substantially improve airport access from the rail network by reducing transfer times</td>
</tr>
</tbody>
</table>

### Value for money

These initiatives complement and maximise the benefits from recent and planned investment in infrastructure, including AMETI Eastern Busway and Manukau bus interchanges, and the proposed upgrade of SH20 by the New Zealand Transport Agency. Collectively they provide a significant improvement in access to the education and employment opportunities for communities in east and south Auckland.

### Project 4: AMETI Eastern Busway

#### Description

The Eastern suburbs of Auckland have grown rapidly and currently have a population of 130,000 – similar to the size of Dunedin. Based on 2013 census information, the area has the highest level of trips to work by car and the lowest level of public transport use. This is partly due to low density land use but also poor bus reliability as the buses are caught in the same congestion as general traffic. The lack of cycle facilities and low urban amenity on main roads also makes cycling and walking unattractive.

The Auckland Manukau Eastern Transport Initiative (AMETI) project is focused on developing an integrated multi-modal transport system to support population and economic growth in east Auckland. By investing in public transport and walking and cycling infrastructure, these options will become more viable and attractive to commuters. Increased use of public and active transport by commuters will, in turn, free up road capacity for freight and business traffic. However, the project also recognises that some key congestion points along primary vehicle routes still need to be unlocked via targeted road improvements or new connections.

While the AMETI project is primarily focused on delivering transport solutions it also presents significant opportunities for transport investment to drive land-use change through high-quality redevelopment along the busway and around the new stations.

The Regional Fuel Tax would enable stages 2, 3 and 4 of the AMETI project to be accelerated. These stages consist of several major pieces of infrastructure including completing the urban busway between Parnure and Botany; associated key stations at Pakuranga and Botany; the Reeves Road flyover at Pakuranga town centre;
and new / improved pedestrian and cycle facilities. The Regional Fuel Tax will also provide operational funding to enable improved and more frequent bus services to be run on the new AMETI Eastern Busway.

The Panmure to Pakuranga stage of AMETI is scheduled for completion in 2021. The remaining components (Reeves Road Flyover, Ti Rakau Busway, Botany Bus Interchange) will be delivered over the remaining period.

### Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panmure to Pakuranga busway</td>
<td>$201 million +/- 10%</td>
<td>2018-2025</td>
<td>Increase public transport usage from 5.8% to 13% of journeys</td>
</tr>
<tr>
<td>Pakuranga bus station and Reeves Road flyover</td>
<td></td>
<td></td>
<td>Reduce bus journey time (Panmure to Botany) by approximately 15 minutes at peak times</td>
</tr>
<tr>
<td>Ti Rakau busway</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Botany bus station and Park’n’Ride</td>
<td></td>
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</tr>
</tbody>
</table>

### Value for money

The AMETI programme was initiated in 2006. In the intervening period it has been though many iterations and option refinement to deliver the best value set of initiatives to achieve the objectives of the project.

### Project 5: Park and Rides

#### Description

Park and Ride facilities are an integral part of the public transport network. They provide access to the Rapid Transit Network and Frequent Transit Network, along with feeder bus services, walking and cycling. Auckland currently has approximately 5,500 park and ride carpark spaces across the network which provides for approximately 16% of the daily 39,000 peak commuters on the network. Approximately 85% of available Park and Ride car parks are occupied by 7.30am and nearly 100% by 8.30am. At least half of the facilities have a significant overflow onto surrounding streets affecting amenity and accessibility of town centres and residential areas. The lack of sufficient capacity in some locations can lead to users driving to other locations and creating additional road traffic.

Although overall the demand for Park and Ride facilities significantly exceeds supply, there are some facilities that are over capacity and others that could be replaced or complemented by improvements to feeder bus services or improved walking and cycling infrastructure. The Park and Ride project seeks to take a systematic approach to investment in new facilities which will maximise access to the Rapid Transit Network and Frequent Transport Network, particularly in rural-urban fringe locations which are less likely to be well served by feeder bus services and have limited opportunities for walking and cycling.

The project is expected to add approximately 1900 new parking spaces and deliver benefits associated with increased public transport and lower private vehicle usage, including:

- improved safety through a reduction in private vehicle trips / kms travelled;
- reduced emissions from fewer private vehicle trips / kms travelled;
- increased economic productivity from a more effective/efficient transport system.

Park and ride improvements will be delivered at a number of sites across the Auckland Region using the funding provided by the Regional Fuel Tax. The specific location and timing of new and improved Park and Ride
facilities will be the subject of future business cases, and are part of the wider transport system that supports access to the rapid transit network. Sites currently under consideration include:

- North – Hibiscus Coast area
- Northwest – Westgate / Kumeu area
- South – Drury and/or Paerata areas

The Matiatia initiative is considered separately to the more integrated approach of the other Park and Rides. Matiatia is the primary transport gateway for Waiheke, serving residents, tourists, freight movements, and services. However, growth is now making it difficult to accommodate these alternative users and the proposal aims to improve transport provision at Matiatia to accommodate this continued growth.

The bulk of the improvements are scheduled for delivery later in the ten-year period.

**Costs and benefits**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park and Ride programme</td>
<td>$24 million +/- 10%</td>
<td>2018-2027</td>
<td>Enables 31,000 additional PT passenger kms per day</td>
</tr>
<tr>
<td>Matiatia</td>
<td></td>
<td></td>
<td>Improved public transport accessibility in areas difficult to service using feeder buses or walking and cycling infrastructure</td>
</tr>
</tbody>
</table>

**Value for money**

The Park and Ride programme will be focused on those areas where parking facilities will provide access to public transport for a significant number of commuters more cost effectively than feeder bus services and/or walking and cycling infrastructure and where additional public transport patronage will have the most impact on optimising the transport system.

**Project 6: Electric trains and stabling**

**Description**

The heavy rail network forms the backbone of the current Rapid Transit Network in the west, inner east and south of the region. Past local and central government investment has succeeded in delivering the objectives of rail business cases developed in the early 2000’s and, combined with historically high population growth, has generated sustained growth in patronage at unprecedented levels (approximately 20% per annum).

The Unitary Plan envisages significant greenfield growth in the south of Auckland and assumes maximum use of the rail corridor to provide greater access to jobs and services and relieve pressure on already congested State Highways. This will lead to continued growth in rail patronage. In addition, the opening of the City Rail Link (CRL) will significantly improve accessibility to the city centre and enable increases in train frequencies that will in turn generate more demand for rail services.

To accommodate this growth prior to CRL opening a further 15 electric trains are on order. Post CRL opening and along with other significant rail improvements such as the electrification to Pukekohe, further capacity will be required to run more frequent and longer train services. The Regional Fuel Tax would be used to fund an
additional 20 units in this project. New facilities to stable (house) and maintain these units will be required. A new heavy maintenance facility to overhaul the existing fleet is also required. The Regional Fuel Tax will provide funding to purchase and operate the additional electric trains in Auckland.

The exact timing of these requirements will depend upon future rail patronage growth.

Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric trains and stabling</td>
<td>$213 million +/- 10%</td>
<td>2021-2026</td>
<td>- Approximately 30% increase in total fleet capacity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Supports development and population growth in the Southern Growth Area</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Enables more and longer train services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Generates additional rail patronage growth, reducing congestion and emissions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Provides necessary facilities to house and maintain the trains.</td>
</tr>
</tbody>
</table>

Value for money

This project seeks to optimise usage of the existing rail network and maximise the benefits achieved from current and planned investments (e.g. City Rail Link, extension of electrification to Pukekohe, Pukekohe bus/rail interchange etc).

Project 7: Downtown Ferry Redevelopment

Description

Ferry services form a key part of the public transport network. They are essential to commuters from the gulf islands but also offer a direct and reliable alternative to commuters from coastal suburbs to the CBD. Auckland has a mature ferry network, where the majority of essential and complementary ferry routes are already operating. The demand for ferry services continues to grow (more than 20% over the last 3 years).

Ongoing growth is expected to result in increased demand from areas such as Beachlands, Gulf Harbour, Hobsonville and West Harbour. The Downtown Ferry Terminal (DTFT) is nearing capacity in the peak based on its current configuration and use. To facilitate growth in peak ferry services the supporting infrastructure will need upgrading. DTFT is one of the busiest public transport hubs within the Auckland public transport network along with the adjacent Britomart Transport Centre. It is the hub for ferry services and part of the gateway into Auckland for visitors arriving on cruise ships.

Currently, all berths at DTFT are utilised during both the morning and evening peaks. There is little capacity for the expected 40% growth in services over the next 10 years. There is an opportunity to upgrade the ferry terminal through a design which:

- Increases capacity of the terminal
- Increases the ease and speed at which vessels can berth
- Improves the customer experience
- Enhances revenue protection capability through the placement of additional Auckland Transport HOP ticketing controls
- Reduces congestion in the ferry basin by providing efficient, standardised berthing infrastructure.
The upgrade of piers three and four is scheduled to be delivered in 2020 to provide immediate improvements. The wider redevelopment of the Downtown Ferry Basin is scheduled for completion after the conclusion of Americas Cup AC36.

**Costs and benefits**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>DTFT Piers 3 and 4</td>
<td>$28 million +/- 10%</td>
<td>2018-2024</td>
<td>Reduction in end-to-end journey times</td>
</tr>
<tr>
<td>Downtown Ferry Basin Redevelopment</td>
<td></td>
<td></td>
<td>Provision of additional capacity to allow for increases in service provision and increased patronage</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Provision of infrastructure redundancy to allow for service disruption</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>A purpose built facility which delivers an improved customer experience for users</td>
</tr>
</tbody>
</table>

**Value for money**

Value for money will be ensured through the normal better business case process, including development and testing of procurement and commercial models.

**Project 8: Road Safety**

**Description**

The Road Safety Programme 2018/28 includes expenditure to deliver both transformational and low cost safety projects at high-risk locations to reduce road deaths and serious injuries (DSI) in Auckland. It is an important part of an overall approach to improving safety outcomes that also includes vehicle safety, enforcement, education and regulation.

Improving road safety is one of the key strategies for ensuring increased public and active transport in urban areas, as well as supporting significant health, access and environmental benefits. Speed management and safe walking facilities in town centres, neighbourhoods and schools are central to this, as are improvements to high speed, high-risk rural roads.

In the last five years (2013 to 2017) Aucklanders have experienced a 65% increase in road deaths and serious injuries. In 2017 this equated to 64 deaths and 749 serious injuries, a level of road trauma that was last seen twenty years ago in 1996. The social cost for 2017 road deaths and injuries in Auckland is estimated at $1.13 billion and does not include the considerable congestion-related costs from increasing peak-hour crash delays.

The Auckland Road Safety Programme 2018/28 will use proven designs to build a protective road network that prevents death and serious injury when inevitable human error occurs. Existing Auckland Transport safety engineering investment is at a level of approximately $13 million per annum and currently addresses two to three of the 300 high-risk intersections and 10kms of the 1,000kms of high-risk roads per annum. It is clear from the last three year DSI results that this existing level of funding has been unable to make an impact on growing road trauma.

Additional investment of $500m over 10 years is proposed. This will enable safety improvements to a larger number of high-risk intersections and routes, including:

- Roundabout construction
- Pedestrian and cycling crossing grade separation
- Red Light Camera installation

In the Rodney, Franklin and Waitakere areas, additional funding will improve high-risk rural routes and will deliver:
- Signage and lane marking improvements
- Skid resistance road surface upgrades
- Roadside and median barriers

The speed management programme will also be expanded to cover more of the network, in particular on routes to and from schools, public transport facilities and town centres. Funding will be applied to:
- Speed limit changes and signage
- Traffic calming measures, including speed humps
- Safety cameras
- Crossing safety improvements

The combined impact of these accelerated programmes is estimated to reduce DSIs by 60% over ten years from the 2017 baseline, as well as contribute towards additional congestion reduction benefits and increased health and environment benefits. This project is part of a wider, multi-agency approach to road safety and two key elements of the project are enabling investigation resource of $30 million over ten years as well as the ability to install and operate a greater number of safety cameras.

The accelerated road safety programme will be delivered across the ten years covered by this proposal.

### Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety cameras</td>
<td></td>
<td>2018-2028</td>
<td>Road deaths and serious injuries reduced by 488 over ten years or 60% from the 2017 baseline</td>
</tr>
<tr>
<td>Rural Road Safety Programme</td>
<td>$225 million</td>
<td>+/- 10%</td>
<td>congestion reduction from reduced crash-delays</td>
</tr>
<tr>
<td>Safer communities and speed management</td>
<td></td>
<td></td>
<td>Health and environmental benefits from increased active transport and reduced emissions</td>
</tr>
<tr>
<td>Minor Safety Improvements</td>
<td></td>
<td></td>
<td>10 to 12 High-risk intersections treated per annum</td>
</tr>
<tr>
<td>Urban Road Safety Programme</td>
<td></td>
<td></td>
<td>200km high-risk routes treated per annum</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10% of the high-risk speed network addressed per annum</td>
</tr>
</tbody>
</table>

### Value for money

This project is part of a wider, multi-agency approach to road safety. The accelerated safety programme has been informed by international best practice and successful implementation in similar jurisdictions. On this basis, it is considered that the programme will deliver high value for money.

### Project 9: Active Transport

#### Description

A very small proportion of people in Auckland have access to a completed part of the cycle network to take them safely and comfortably to the places they travel the most often. As a result just 1.2% of people ride to
work and just 3% cycle to school. The lack of connectivity in the network means that cycling does not currently play the significant role it could in moving people around Auckland. Nearly half of peak time vehicle trips are less than six kilometres, a distance that can be travelled in 25 minutes by bike. Over half of Aucklanders live within a 15 minute bike ride of Auckland’s rapid transport network. While there has been an increase in investment in the cycling network in recent years, only a small proportion of the protected cycle network is in place.

The initial focus of the ten year walking and cycling programme is to complete the current Urban Cycleways Programme. The Regional Fuel Tax will enable the Orakei shared path to also be completed by 2021. Investigation, design and pre-implementation work on the next generation of projects will also be undertaken during this time so that construction can begin from 2021.

The walking and cycling programme will focus on supporting short trips to the city centre, public transport interchanges, schools and local and metropolitan centres. By the end of the ten-year period, major improvements will have been delivered in the following locations across Auckland:

- Isthmus - city centre, city fringe, inner west, Glen Innes, Onehunga, central isthmus and Sandringham
- West – Henderson and Te Atatu Peninsula
- North – Devonport, Northcote
- South – Manukau, Mangere East, Mangere Bridge

### Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walking and cycling programme</td>
<td>$112 million +/- 10%</td>
<td>2018-2028</td>
<td>Ongoing delivery of the next generation of walking and cycling improvements</td>
</tr>
<tr>
<td>Orakei shared path</td>
<td></td>
<td></td>
<td>Increase cycling as a share of peak time travel from 1.2% to 4.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Improved health and environmental outcomes through increased active trips and fewer private vehicle trips</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Improved safety outcomes</td>
</tr>
</tbody>
</table>

### Value for money

By focusing on short trips to the city centre, public transit interchanges, schools and local and metropolitan centres, maximum impact on the overall transport system is achieved for the investment made.

### Project 10: Penlink

#### Description

The Penlink project provides a new connection between the Northern Motorway at Redvale and the Whangaparāoa Peninsula, bypassing the constrained Silverdale interchange.

Faster than expected growth and major planned development around the Silverdale interchange has accelerated the need to progress Penlink. The new route will reduce traffic through the Silverdale interchange, thereby reducing congestion on the transport network for the communities of Wainui, Silverdale, Millwater, Te Atatu, Stillwater and the Whangaparāoa Peninsula. Reduced pressure on the Silverdale interchange will free up transport capacity to support planned housing and business development in the area.
Penlink is proposed as a toll road, as it provides significant time savings for users and an alternative route exists. It is expected that with a toll in place, there will be sufficient capacity as a two-lane road to meet foreseeable future demand.

The project will be complemented by public transport improvements (for example the planned bus shoulder lanes between Albany and Orewa) to encourage mode shift in the area and avoid adding more vehicles to the congested Northern Motorway.

Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penlink project</td>
<td>$66 million +/- 10%</td>
<td>2025-2028</td>
<td>• Travel time savings of 12-18 minutes for Penlink toll road users, and 5 minutes for commuters who continue to use the free alternative</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Travel time savings of 20+ minutes for bus passengers commuting from the Whangaparāoa Peninsula</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Provision of pedestrian and cyclist facilities between Whangaparāoa and Stillwater</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Reduced congestion at the Silverdale interchange and along the Hibiscus Coast Highway and Whangaparāoa Road</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Supports economic activity and planned growth in the Hibiscus Coast</td>
</tr>
</tbody>
</table>

Value for money

As a toll road project, Penlink will require seed funding but a significant proportion of the costs will be funded from tolls. The project has a high benefit cost ratio due to the significant travel time savings it provides Whangaparāoa residents, and its overall impact on congestion in the Hibiscus Coast area.

Project 11: Mill Road corridor

Description

The Mill Road corridor provides an additional strategic north-south corridor for southern Auckland, connecting Manukau with Drury through a new and improved corridor to the east of the Southern Motorway. It connects future residential development in the south with employment in the north, particularly around Manukau. Once complete, it will also improve access to new employment opportunities in Drury South and provide resilience in Auckland’s transport network.

The full corridor will be delivered in stages over the next few decades. Funding provided by the RFT will allow the highest priority components of the corridor to be progressed over the next ten years. Key priority areas for investment include:

- Improved intersections to address the most severe congestion
- Improved parts of the northern end to address the most severe safety issues
- Construction of sections that pass directly through former Special Housing Areas at the time these areas grow
- Undertaking route protection and land purchase of the southern section.

The project is required as forecast growth in South Auckland will create chokepoints on roads around Papakura and Drury - even with the public transport network absorbing a significant share of new trips and the current /
proposed Southern Motorway widening. This will reduce the area’s attractiveness for growth and disrupt freight movements.

In addition to providing capacity to reduce congestion and support growth, investing in the Mill Road corridor also helps other key routes in this part of Auckland function more effectively:

- Less pressure on the Southern Motorway means that it can function more effectively as the key route for inter-regional freight movements and other longer trips
- Less pressure on Great South Road assists plans to reallocate existing road space to bus lanes

### Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill Road corridor</td>
<td>$102 million, +/- 10%</td>
<td>2024-2028</td>
<td>More efficient inter-regional freight movements</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Supports future residential and business growth in the south</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Allows improved public transport provision on Great South Road</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Provides resilience for the Southern Motorway</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Safety improvements along one of Auckland’s current high-risk routes</td>
</tr>
</tbody>
</table>

### Value for money

The Mill road project unlocks housing and business growth in the southern development area, improves network resilience and safety, and releases pressure on the Great South Road and Southern Motorway corridors.

### Project 12: Road Corridor Improvements

**Description**

This is a collection of initiatives to improve capacity, safety, amenity and connectivity of the existing road corridors.

The Lincoln Road initiative is focused on improving safety and congestion. It includes: widening the road to provide an additional bus and transit lane on each side; installation of an on-road cycleway segregated from the transit lane on both sides of the road; upgrades of existing intersections and building a solid raised and planted median to replace the existing painted median.

The Glenvar Road and Matakana Link Road initiatives will both provide improved connectivity and access to development areas. Matakana Link Road will reduce congestion in central Warkworth by connecting Matakana Road and State Highway 1, bypassing the busy Hill Street intersection. The Glenvar Road / East Coast Road project will support the Long Bay development area and complement the current Glenvar Ridge Road project by making improvements to East Coast Road, Glenvar Road and delivering intersection improvements along the route.

The Smailes / Allens intersection upgrade delivers improvements to a key bottleneck in the East Tamaki area which will, in particular, have benefits for freight movements and other business related traffic. The intersection of Smailes, Allens, Springs and Harris roads will be upgraded, and Smailes and Allens roads will be widened near the intersection. The project has a very high Benefit Cost Ratio (BCR) as it delivers sizeable travel time benefits for a relatively small level of investment.
The Lake Road Improvements project aims to increase the efficiency and reliability of travel along Lake Road between Takapuna and Devonport. Lake Road is the single arterial connecting the Devonport peninsula with the rest of the North Shore and Auckland. Current congestion and travel time unpredictability is the number one issue for people living in the area, both for those in private vehicles and those using buses, also caught in the congestion. The proposal is to provide extended transit lanes along Lake and Esmonde roads and change intersections to improve traffic flow along these corridors.

Also included in this group of initiatives is funding to progress the sealing of currently unsealed roads. This will primarily address issues of dust and amenity but also has a positive benefit for motorists with improved ride quality and reduced vehicle maintenance.

The Lincoln Road and Matakana Link Road projects are due for completion by 2022, with the remaining initiatives to be delivered over the remaining years. Seal extensions are an ongoing programme and will be delivered across all ten years covered by this proposal.

### Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lincoln Road</td>
<td>$87 million</td>
<td>2018-2028</td>
<td>Reduced congestion and improved reliability</td>
</tr>
<tr>
<td>Matakana Link Road</td>
<td></td>
<td></td>
<td>Improved safety and network resilience</td>
</tr>
<tr>
<td>Glenvar Road/East Coast Road</td>
<td></td>
<td></td>
<td>Supporting current development at Long Bay</td>
</tr>
<tr>
<td>Smales / Allen’s intersection upgrade</td>
<td></td>
<td></td>
<td>Improved walking and cycling infrastructure</td>
</tr>
<tr>
<td>Lake Road Improvements</td>
<td></td>
<td></td>
<td>Significant increase in funding for the seal extension programme</td>
</tr>
<tr>
<td>Seal extensions</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Value for money

These initiatives leverage the existing investments in road infrastructure and provide value for money by addressing capacity constraints and improving safety and connectivity.

### Project 13: Network Capacity and Performance Improvements

**Description**

In addition to new investment to provide additional transport infrastructure, there is also the need to increase the ability of people and goods to access opportunities and markets on a day-to-day basis through small to medium-scale network capacity and performance improvements. These improvements deliver value for money opportunities to improve the return on larger scale infrastructure improvements such as City Rail Link. The project will more effectively manage congestion through capital investments to make better and more appropriate use of the existing network, and enable transport choice and access that facilitates increased mode shift to walking, cycling, public transport and sustainable modes of travel on a day-to-day basis.

For public transport this would be achieved by provision of:

- On demand services to enhance access to public transport
- First and last leg services to provide support a more connected, accessible and liveable system
- Public Transport priority movements (eg bus priority) to increase public transport access on key movement corridors and wider network
• Public Transport hub connectivity improvements to enable public transport access, and facilitate walking and cycling access to key termini/hubs and intersections

The reliability of the transport network will be improved by investment in:

• Real time signage and travel information to better inform travel choice opportunities
• Real-time active network management to better facilitate, intervene and prioritise appropriate access and movement of people and goods on the network
• Intersection traffic flow improvements to improve network resilience and performance
• Intelligent transport systems to support active network monitoring, efficient network management and improved customer travel choice information
• Signalling system upgrade to improve network management capabilities

Road capacity can be significantly improved through the implementation of:

• Dynamic lanes where appropriate
• T2/T3 lanes on key people movement links to increase access, enable transport choice and reduce congestion
• Freight priority on key freight connections to increase access to economic markets
• City Centre/metropolitan/town centre connectivity improvements to provide connected, accessible and liveable areas that support social prosperity and economic productivity

These initiatives would be rolled out over the 10 year period and have the advantage that, because they leverage off existing investment, they achieve improvements more quickly than some other projects.

### Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT access</td>
<td>$99 million</td>
<td>2018-2028</td>
<td>Travel time savings of up to 500,000 hrs/year, including improved bus travel times</td>
</tr>
<tr>
<td>Network reliability</td>
<td></td>
<td></td>
<td>Reliable journey times including retaining good and reliable travel times for freight routes year to year</td>
</tr>
<tr>
<td>Repurposing existing road space</td>
<td>+/- 10%</td>
<td></td>
<td>Increased people and goods movement productivity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Enforcement of dedicated bus and transit lanes to increase people movement throughput at peak times</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Improved customer information being available allowing the ability to make informed travel choices</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Improved mode share and increase network capacity</td>
</tr>
</tbody>
</table>

### Value for money

This project enables capacity improvements to existing public transport and road networks ensuring maximum value is extracted from investments made.
Project 14: Growth related transport infrastructure

Description

Auckland is New Zealand’s largest city - home to about a third of the nation’s population - and continues to be the country’s fastest-growing region. An additional 700,000 to one million people are expected to call Auckland home over the next 30 years, growth that will require about 400,000 new homes and create 277,000 new jobs.

While most of Auckland’s growth will take place within the existing urban areas, around 15,000 hectares of greenfield (mainly rural) land has been identified for development in the Auckland Unitary Plan (Operative in part). This includes areas zoned ‘future urban’ (rural land zoned for future urban development), as well rural land that has been ‘live zoned’ (zoned for immediate urban development).

The majority of this growth will be located in:

- Pukekohe, Drury, Paerata, and Takanini in the south
- Silverdale, Dairy Flat, Wainui, and Warkworth in the north
- Kumeu, Redhills, and Whenuapai in the north west.

Over the next 30 years, it is expected that there will be around 110,000 new homes and 50,000 new jobs in these growth areas. To enable this growth, encourage use of public transport and active modes and provide a reasonable level of service, significant investment in transport infrastructure will be needed. Auckland Transport, Auckland Council, and the New Zealand Transport Agency have collaborated to develop the transport network plan needed to support these future urban areas. The funding provided in this proposal will enable the highest priority projects to be progressed over the next ten years.

The $300 million in this programme is forecast to be spent over the whole ten-year period.

Costs and benefits

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Indicative RFT contribution</th>
<th>Timing of project</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth related transport projects</td>
<td>$126 million (+/- 10%)</td>
<td>2018-2028</td>
<td>• Enabling PT services to growth areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Improve arterial road connections to future urban areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Ensure transport networks are in place to enable urban</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>development</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Ability to partner with developers and leverage off their</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>investment</td>
</tr>
</tbody>
</table>

Value for money

The cost of the full Supporting Growth preferred programme has an indicative benefit cost ratio between 3.3 and 4.8. The funding provided in this proposal allows the highest priority initiatives from the full programme to be progressed over the next ten years.
Proposed Regional Fuel Tax scheme and application of revenue

The Regional Fuel Tax is proposed to apply to sales of petrol and diesel by retailers within the boundaries of Auckland Council (excluding Great Barrier Island)\(^1\) starting on 1 July 2018 and expiring on 30 June 2028.

The amount of the tax is proposed at 10 cents per litre plus GST for a 10 year period.

The amount of revenue forecast to be realised from the Regional Fuel Tax is $150 - $170 million per annum.

The following information and assumptions formed the basis of the forecast revenue calculations.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel volumes</td>
<td>Volume is based on submitted returns for Local Authority Fuel Tax over recent years, plus growth of 1.2% per annum for petrol and 4.5% for diesel. The growth is based on long-term averages.</td>
</tr>
<tr>
<td>Impact of electric vehicles</td>
<td>Ministry of Transport estimates project 15% of the vehicle fleet to be electric by 2028. A higher take-up of 30% by 2028 has also been modelled.</td>
</tr>
<tr>
<td>Rebates</td>
<td>Based on Ministry of Transport analysis of national rebate levels under existing Fuel Excise Duty and Road User Charges schemes, rebates have been estimated at 2% of petrol and 30% of diesel sales.</td>
</tr>
<tr>
<td>Impact on demand of RRT</td>
<td>A small reduction (0.12%) in demand has been assumed in response to the increased costs of RFT and signalled increases in central government excise tax. This reduction has only been applied to petrol vehicles as generally there is more ability to change travel behaviours and modes.</td>
</tr>
<tr>
<td>Costs of administration</td>
<td>Estimates of the deductions by NZTA to cover costs of administering the RFT schemes are based on fixed costs of $500,000 per annum and 5% of the rebates.</td>
</tr>
</tbody>
</table>

Fuel consumption projections

\(^{1}\) While the current draft legislation does not have provision to exclude a geographic area, a submission to allow for this has been made by Auckland Council. Great Barrier Island residents rely on fuel for power generation, already pay very high rates for their fuel and will not directly benefit from the proposed transport projects. Should the legislation be amended as requested, Auckland Council proposes to exclude Great Barrier Island from the Regional Fuel Tax.
Revenue projections

Net RFT revenue paid to Auckland Council

Financial year

$ million

2019 2020 2021 2022 2023 2024 2025 2026 2027 2028

Low EV take-up  High EV take-up  Proposal projection
INTRODUCTION OF A REGIONAL FUEL TAX FOR AUCKLAND-OVERVIEW

We are proposing a Regional Fuel Tax of 10 cents per litre (plus GST).

Background
Transport continues to be one of the top concerns of Aucklanders. It is estimated congestion costs our economy between $1 and $2 billion per annum in lost productivity. Congestion impacts the entire community - commuters on their way to and from employment, students travelling to and from education, small businesses, tradespeople and the wider freight industry. All rely on an efficient transport system to keep Auckland productive.

As our population grows and housing and businesses expand, the demand for new transport infrastructure increases. The investment we have made in public transport and walking and cycling infrastructure, to give Aucklanders more choice, has resulted in record growth in public transport usage since 2013. Despite this Auckland continues to add hundreds of extra cars to our roads every week.

Unless we address congestion we will see a significant increase in economic costs and a reduction in the liveability of Auckland.

In recent years the government has partnered with Auckland to align our transport investments through the Auckland Transport Alignment Project (ATAP). The new government has worked with Auckland Council to review the priorities of ATAP and we now have an agreed direction for both the government’s and Auckland Council’s investments in transport for the next 10 years.

A Regional Fuel Tax is being proposed because current funding is not enough to deliver the level of investment in transport that Auckland needs. Without extra funding Auckland will suffer increasing congestion along with its negative social, environmental and safety impacts.

Why a Regional Fuel Tax
Recently we consulted you on our 10-year Budget including the options for funding more transport investment. At that stage we could not tell you what the priority projects would be as we were still in discussion with the government on those priorities through the ATAP process. However, it was clear that we needed to invest more than our current funding tools allowed.

We proposed a Regional Fuel Tax as the fairest option compared to the alternatives of:
1. The existing targeted rate – the Interim Transport Levy – which expires at 30 June 2018; or

A Regional Fuel Tax, unlike any rating option, ensures that those who use the transport system more will pay more for the additional transport investment.
The government has now started the legislative process to enable a Regional Fuel Tax and we have agreed with them the transport priorities through ATAP. Based on those priorities we have developed a transport programme which we would fund from a Regional Fuel Tax and drafted a proposal for government.

Summary of Proposal

A Regional Fuel Tax of 10 cents per litre (plus GST) is proposed to apply to sales of petrol and diesel within the boundaries of Auckland Council (excluding Great Barrier Island) starting on 1 July 2018 for a period of 10 years.

Great Barrier Island is proposed to be excluded because they rely on fuel for power generation, the price of fuel is already very high and they will not directly benefit from the proposed transport projects. At the moment the draft legislation does not allow us to exclude any geographic area so we have asked the government to amend the legislation accordingly.

We are also strongly advocating to the government that rebates be available for fuel purchased for off-road use (such as horticulture, power generation etc.)

The transport programme that we are proposing:

- increases the capacity of the existing public transport network, with particular focus on the high growth areas of the south and east,
- continues to encourage walking and cycling by expanding the network of walking and cycling tracks
- improves the overall performance of the existing road network
- increases the investment in road safety initiatives
- supports key growth areas by providing transport infrastructure

The attached table sets out a summary of the projects in our proposal – showing the amount of the Regional Fuel Tax contributions and also which parts of Auckland benefit from the project. (The location of a project is not necessarily where the benefit lies e.g. upgrading the Downtown Ferry Terminal benefits ferry users from the north, east and central areas)

If you would like to see more detail on these individual projects, you can read the full proposal here [LINK].

How to have your say

We would like your feedback on this proposal and in particular on the projects that we are proposing to fund from the Regional Fuel Tax.

Visit akhaveyoursay.nz to give your feedback, or find out about our drop-in sessions, which will be held across the region from 1 May to 8pm 14 May.

We are also consulting the Regional Land Transport Plan (RLTP) which includes these projects as well as the full programme of transport projects for Auckland.

More information about the Regional Land Transport Plan [LINK]
## Summary of RFT Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Indicative RFT funding</th>
<th>Where improvement will happen</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus Priority Improvements</td>
<td>$135 million</td>
<td>North: 1</td>
<td>The Frequent Service Network is a core network of about 30 high frequency bus services. The bus priority improvements are essential components of this network, implementing further bus lanes, T2/T3 transit lanes and signal pre-emption to increase overall speed and reliability of buses.</td>
</tr>
<tr>
<td>City Centre bus infrastructure</td>
<td>$62 million</td>
<td>North: 1</td>
<td>Major new bus projects such as AMETI Eastern busway and other bus improvements will add to the already increasing the number of buses into the city centre. This project provides additional bus interchanges in the Downtown area and improved provision along the Wellesley St corridor.</td>
</tr>
<tr>
<td>Improving Airport Access</td>
<td>$26 million</td>
<td>North: 1</td>
<td>A long term programme of initiatives has been developed to address the unreliable journey times (all modes) to the airport. This project includes improved bus services from New, Lynn, Mt Roskill, Onehunga and Botany along with a new bus/rail interchange at Puhinui.</td>
</tr>
<tr>
<td>AMETI Eastern Busway</td>
<td>$201 million</td>
<td>South: 1</td>
<td>The AMETI project will deliver an integrated, multi-modal transport system to support the growth of east Auckland. Stages 2, 3 and 4 will include an urban busway between Panmure and Botany, associated stations (including Park and Ride) at Pakuranga and Botany, improved walking and cycling facilities and the Reeves Road flyover at Pakuranga.</td>
</tr>
<tr>
<td>Park and Rides</td>
<td>$24 million</td>
<td>North: 1</td>
<td>Demand for Park and Ride facilities significantly exceeds supply. This project will add approximately 1900 new parking spaces to the existing approximately 5500 spaces. The focus will be on areas that are less well served by feeder buses.</td>
</tr>
<tr>
<td>Electric trains and stabling</td>
<td>$213 million</td>
<td>North: 1</td>
<td>Once the City Rail Link is operational there will be increased demand on train services. 15 new electric trains have been ordered but growth and rail improvements such as electrification to Pukekohe will require a further 20 electric trains along with maintenance and stabling facilities.</td>
</tr>
<tr>
<td>Downtown ferry redevelopment</td>
<td>$28 million</td>
<td>North: 1</td>
<td>The Downtown Ferry Terminal is one of the busiest public transport hubs in Auckland. All berths are used during morning and evening peaks. This project will increase the capacity of the terminal as well as improving the customer experience.</td>
</tr>
<tr>
<td>Project</td>
<td>Indicative RFT funding</td>
<td>Where improvement will happen</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------------</td>
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<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8 Road Safety</td>
<td>$225 million</td>
<td>North West South East Central</td>
<td>This project is expected to reduce deaths and serious injuries by 60% over 10 years through a range of measures in both urban and rural areas e.g. red-light cameras, addressing high risk intersections, speed management, improved skid resistance and roadside barriers.</td>
</tr>
<tr>
<td>9 Active Transport</td>
<td>$112 million</td>
<td>North West South East Central</td>
<td>There are a number of barriers to increasing walking and cycling as a mode of transport. This project addresses improvements and connectivity in the cycling network, and improved safety and amenity for walking focusing on short trips to city/town centres, schools and public transport hubs.</td>
</tr>
<tr>
<td>10 Penlink</td>
<td>$66 million</td>
<td>North East Central</td>
<td>Faster than expected growth and planned development requires the constraints around the Silverdale interchange to be addressed. Penlink is proposed as a toll road that will provide a new connection between the Northern Motorway Redvale and the Whangaparaoa Peninsula.</td>
</tr>
<tr>
<td>11 Mill Road Corridor</td>
<td>$102 million</td>
<td>North West Central</td>
<td>Mill Road corridor provides an additional north-south corridor for southern Auckland, connecting Manukau with Drury through a new and improved corridor to the east of the Southern Motorway. It provides for growth in both residential and business sectors.</td>
</tr>
<tr>
<td>12 Road corridor improvements</td>
<td>$87 million</td>
<td>North West South East</td>
<td>This project is a collection of initiatives to improve capacity, safety, amenity and connectivity of existing road corridors. It covers improvements to Lincoln Rd, Glenvar Rd, Matakanaka Link Rd, Lake Rd and intersection improvements to Smales/Allen Rd.</td>
</tr>
<tr>
<td>13 Capacity Improvements</td>
<td>$99 million</td>
<td>North West South East</td>
<td>This project is focused on maximising the efficiency of the existing transport network through initiatives such as traffic signal optimisation, improving key congestion points and using technology to monitor and actively manage the network in real time.</td>
</tr>
<tr>
<td>14 Growth related transport infrastructure</td>
<td>$126 million</td>
<td>North West South East</td>
<td>Provision has been made in the second half of the decade for transport infrastructure to support the expected growth in the south (Pukekohe, Paerata and Takapuna), north (Silverdale, Dairy Flat, Wainui and Warkworth) and north-west (Kumeu, Redhills, and Whenuapai).</td>
</tr>
<tr>
<td>Total</td>
<td>$1,506 million</td>
<td></td>
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</tr>
</tbody>
</table>

Auckland Council
To Kākāpōrae i te Tini o Te Moana

Adoption of Regional Fuel Tax proposal Page 94
Contributions Policy 2018 Consultation

File No.: CP2018/05183

Te take mō te pūrongo / Purpose of the report
1. To adopt a draft Contributions Policy 2018 for consultation.

Whakarāpopototanga matua / Executive summary
2. The Council is required to review its Contributions Policy, adopted in 2015, by 1 July 2018. Officers have reviewed the Contributions Policy 2015 and recommend a number of changes which are included in the draft Contributions Policy 2018 in Attachment A based on the:
   - capital expenditure programme in the draft Long-term Plan 2018-2028 (LTP)
   - proposed Regional Land Transport Plan (RLTP) capital expenditure, including projects to be part funded by the proposed Regional Fuel Tax (RFT)
   - provision for investment to support potential Housing Infrastructure Fund (HIF) and Crown Infrastructure Partnership (CIP) developments.
3. The capital expenditure to be funded by growth under the draft Contributions Policy 2018 is $1.4 billion higher than under the current policy. While the majority of the increase is transport related, this also includes an additional $322 million capital expenditure on community infrastructure and parks. As a result of changes to the capital expenditure programme the average urban development contribution price (DC) will rise from $21,000 to $27,000 (excl GST).
4. The draft policy extends the time for DCs payment by at least six months for residential developments.
5. The draft Contributions Policy 2018 also includes changes to:
   - funding areas for transport to reflect the Crown Infrastructure Partnership and Housing Infrastructure Fund investment areas
   - the level of charging for some types of development to better reflect the demand they place on infrastructure.
6. Consultation on the draft Contributions Policy 2018, the RLTP and the Regional Fuel Tax will occur at the same time. Advice regarding the adoption of the final Contributions Policy 2018 will reflect any changes to LTP Capex programme as a result of consultation on these issues.
7. Officers propose to work with central government on a longer term (30 year) capex programme to reflect costs to support greenfield development. Officers would report progress by the end of September 2018.

Ngā tūtohunga / Recommendation/s
That the Governing Body:

a) agree to consult on the attached draft Contributions Policy 2018
b) delegate responsibility for finalising consultation material to the Chair of the Finance and Performance Committee and the Group Chief Financial Officer
c) request officers to report back by the end of September 2018 on progress on capital expenditure and development contributions for greenfields areas.
Horopaki / Context

8. The current Contributions Policy 2015 was adopted alongside the Long-term Plan 2015-2025. Development contributions have generated approximately $400 million of income for growth projects in the last three years.

9. The Council’s Contributions Policy must be reviewed at least once every three years, and therefore Council must review its Contributions Policy by 1 July 2018. Officers have reviewed the Contributions Policy 2015 and recommend that it be amended to reflect changes to capital expenditure in the draft LTP 2018-2028, the RLTP and the proposed RFT.

10. The council must consult on and adopt an amended policy by 1 July 2018. If this timeframe is unable to be met, then an extension to the existing policy will need to be agreed.

11. Decisions on the LTP 2018-2028, any RFT proposal and the Contributions Policy will be made concurrently on 31 May 2018. This will allow any changes to capital expenditure following consultation to be incorporated into the Contributions Policy 2018.

12. The policy has been reviewed in accordance with the following principles:

- purpose and principles of development contributions under the Local Government Act 2002
- equitable sharing of costs of growth between ratepayers, developers and other members of the community having regard to such matters as who causes the costs and who receives the benefits
- equitable sharing of costs of growth between different types of development and different funding areas
- revenue certainty for the council and cost certainty for developers
- alignment with outcomes sought in the Unitary Plan
- administrative simplicity
- ensuring legislative compliance.

Tātaritanga me ngā tohutohu / Analysis and advice

Capital expenditure and funding for Auckland’s growth

Capital investment

13. Over the next ten years, council will need to fund $9.9 billion of infrastructure to enable the construction of 120,000 dwellings to house an expected 300,000 additional Aucklanders. The growth component of this is $3.4 billion. The draft LTP 2018-2028 provides for additional projects (including RLTP, RFT and potential HIF and CIP projects) with a growth component $1.4 billion higher than the LTP 2015-2025. This includes an additional $1 billion in transport and $322 million investment in community infrastructure and parks.

Funding Community Infrastructure

14. Central government has recently introduced the Local Government (Community Well-being) Amendment Bill which would restore the Council’s ability to use DCs to fund public swimming pools and libraries. It is not certain when this legislation will be passed so provision for the inclusion of public swimming pools and libraries has not been included in the draft Contributions Policy 2018. Once the legislation has been passed the council can consider amending the policy to include the growth component of any qualifying expenditure or to prioritise within the expenditure programme for community infrastructure.
Contributions pricing

15. With Auckland Council’s current financial constraints, the ability to debt-fund growth infrastructure is constrained. DC prices need to rise to allow this investment to proceed. Without an increase in prices general ratepayers will continue to subsidise growth or investment will be delayed or halted. This will impact on the ability to maintain service levels in response to growth and to support housing development.

16. The average urban DC will rise from $21,000 (excl. GST) to $27,000 (excl GST). DC prices vary across the region depending on the infrastructure investment required to support growth e.g.
   - Albany - new DC price will be $33,800 to reflect increase in transport infrastructure
   - Howick - new DC price will be $21,000 as there is capacity available in existing network infrastructure.

17. Officers have updated the Contributions Policy to reflect the growth capex programme in the draft LTP 2018-2028.

Impact of increasing DC price

18. Increasing the DC price does not generally increase house prices, as these are set by the market, not developers. Commercial real estate agency CBRE highlighted that announcing and then building infrastructure increases land prices massively across Auckland. This allows large unearned windfall gains by the original land owner. Increasing the DC price will result in lowering of prices for developable land, as the market adjusts to the true cost of infrastructure being incorporated into what developers can pay for land.

19. Raising the price of DCs:
   - reduces the subsidy from general ratepayers to greenfield developments
   - better aligns DCs with actual cost of infrastructure
   - increases certainty that infrastructure will be delivered
   - encourages developers to more accurately price land purchased for development to reflect future DC costs, thus reducing the windfall to the original land owner
   - negatively impacts developers who have overpaid for land based on the assumption that needed infrastructure will be subsidised by ratepayers.

Other proposed changes to the Policy

Funding areas

20. The draft Contributions Policy 2018 includes four additional funding areas for transport. These funding areas allocate the cost of transport infrastructure to the priority growth areas in Kumeu/Whenuapai/Redhills, Dairy Flat/Wainui/Silverdale (supporting development related to HIF and CIP initiatives), Greater Tamaki and Albany. An additional funding area has also been created for reserves and community in Greater Tamaki.

Development Types

21. Officers also recommend amendments to the following development types to better reflect the demand they place on infrastructure or clarify definitions.

Student accommodation

22. Create a new ‘student accommodation units’ category for student accommodation (administered by schools/universities). Student accommodation is closer to their residents primary travel destination and these institutions generally provide some open space. This category will have a lower price for transport and open space than residential development.
Aged care rooms

23. Reduce the DCs payable for Aged Care Rooms by removing the requirement to pay for Community Infrastructure. Officers consider that the nature of the persons occupying these units makes it unlikely that they would use Community Infrastructure such as play grounds, toilets or community halls.

Small ancillary dwelling units

24. Change the 'size' definition of small ancillary dwelling units to those with a gross floor area less than or equal to 65m². This aligns the Contributions Policy with the definition in the Unitary Plan to avoid customer confusion.

Retirement villages

25. Amend the definition of a 'Retirement Village' to align with the Unitary Plan to avoid customer confusion.

Accommodation units for short term rental

26. Amend the definition of Accommodation Units to clarify that they include properties used for short term rental. Long-term rentals will continue to be treated as dwelling units.

Payment timing

27. Residential developments are currently required to pay DCs when the building consent is issued. Officers propose to adjust the payment timing for residential developments as follows:

- developments that create five or more dwelling units will be classified as non-residential developments. This will allow the DCs assessment to be invoiced at time the Code Compliance Certificate (CCC) is applied for. This will extend the time until council receives payment by an average of 9-18 months.
- all other residential developments will be charged six months after building consent is issued.

28. This change will support residential developers by better aligning the requirement to pay DCs with developers’ cash flows. Reducing the amount of capital investment required prior to construction will make it easier for developers to finance and progress residential projects. Under this option, the timing of payment for residential DCs is more closely aligned to the time at which the increase in demand for infrastructure occurs.

Reserve pricing

29. Councillors have also requested consideration of a move to funding Parks through charges on land values rather than on Household Unit Equivalents (HUEs). Changing the reserve pricing tool will not raise additional funds for parks. This is because council can only charge for planned investment.

30. Officers do not recommend the use of land value pricing for reserves. Moving to land value based charging requires council to fund the cost of valuing the land. It also increases the risk to council’s future revenue due to the uncertainty of future land prices. While land value pricing aligns charges to the cost of park land purchases in the local area, the same affect can be achieved through the use of funding areas for HUE based charges.

Alternative options considered

31. There are two alternatives to the proposed increase in development contributions;

- defer or halt proposed capital projects supporting growth
- increase ratepayer funding of these projects.
32. The increase in development contributions price over the 10 years of the LTP 2018-2028 is forecast to provide an additional $800 million of revenue. Without this revenue the council would need to reduce its proposed capital expenditure by between $1 billion and $3 billion depending on which projects were prioritised. This sum may exceed the loss in revenue because development contributions make up varying proportions of the funding of individual projects\(^1\). Officers do not recommend this option as these investments are vital to:

- maintaining service levels in the face of growth pressures
- supporting making land available for new development in both the greenfields and brownfields.

33. To maintain the proposed level of investment without increasing development contributions would require an increase in rates funding of between $50 million and $150 million per annum. This is equivalent to an additional general rates increase of between 3 and 10 per cent. Land owners, developers and the owners of new construction are the beneficiaries of the portion of investment in infrastructure that supports growth. Officers do not recommend this option as it is appropriate that the growth share of funding comes from the beneficiaries via development contributions not general ratepayers.

34. The council’s draft Revenue and Financing Policy (consulted on at the same time as the LTP 2018-2028) provides for the use of targeted rates to fund growth infrastructure. However, no proposals have been consulted on as part of the Long-term Plan 2018-2028. As rates can only be struck as part of an Annual or Long-term Plan this is not a practical option for the 2018/2019 year. The council may consider targeted rates to fund growth infrastructure in the future.

35. Officers have also considered not making changes to the policy noted in the other changes section above and maintaining the status quo. These options were rejected for the reasons set out in the table below.

<table>
<thead>
<tr>
<th>Proposed change</th>
<th>Reason for rejection of status quo as an option</th>
</tr>
</thead>
<tbody>
<tr>
<td>New funding areas</td>
<td>Contributions for development in these areas would be below their share of the cost. The additional cost would fall on other developers</td>
</tr>
<tr>
<td>Amend demand factors for:</td>
<td>Contributions for these developments would pay a share of costs in excess of the demand they place on infrastructure</td>
</tr>
<tr>
<td>• student accommodation</td>
<td></td>
</tr>
<tr>
<td>• aged care rooms</td>
<td></td>
</tr>
<tr>
<td>Definition amendments for:</td>
<td>Ongoing confusion for customers dealing with different definitions in council policies and additional administration costs to resolve</td>
</tr>
<tr>
<td>• small ancillary dwelling units</td>
<td></td>
</tr>
<tr>
<td>• retirement villages</td>
<td></td>
</tr>
<tr>
<td>• accommodation units for short term rental</td>
<td></td>
</tr>
<tr>
<td>Payment timing for residential developments</td>
<td>Does not support residential developments by aligning payments with cashflows.</td>
</tr>
</tbody>
</table>

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\(^1\) The proportion of DC funding differs for different projects i.e. reserve acquisitions are primarily DC funded whereas transport projects have a mix of general rates, NZTA and DC funding. Lower DC funding for parks would reduce capex by a similar amount. Lower DC funding for transport would remove projects of a higher value as we would lose access to the associated NZTA funding.
Future Urban Land Supply Strategy and a long-term view of growth costs

36. The Auckland Transport Alignment Project and the RLTP reflect the government’s medium term priorities for transport investment. The priorities are public transport and safety with limited provision for roading. Timing challenges have meant only preliminary consideration has been given to future transport needs to support greenfields development. Therefore the draft Contributions Policy 2018 only includes additional investment in infrastructure in a few priority development areas. As a result the proposed average greenfields DC price is $27,000 (GST excl), which is at the same level as the proposed average urban DC price.

37. However, the investment in infrastructure to support the council’s Future Urban Land Supply Strategy identifies the cost per house in greenfields as around $150,000. This includes the cost of the government’s investment in state highway upgrades, NZTA’s contribution to council roading investment and Watercare’s Infrastructure Growth Charge. The proportion of the overall cost that would be recovered from development contributions is approximately $70,000.

38. In the medium term it is important that DC prices set for greenfields reflect the longer term overall cost of the required infrastructure. This will ensure that development in greenfields:
   - is not subsidised by general ratepayers
   - is priced appropriately in comparison to brownfields intensification
   - does not allow early movers to pay lower prices and shift the burden to later developers
   - ensures more cost-effective infrastructure procurement. For example, it is likely to be cheaper if a 30-year view is taken from the onset when delivering the infrastructure needed to service the ultimate population of greenfield areas. Securing land for future roads and parks prior to development, or initially constructing bridges that provide for future road widening, is more cost-effective than retrofitting infrastructure

39. Officers will work with central government to determine longer term investment plans for the roading to support greenfields development. This will provide a foundation for planning the capital expenditure programme to be funded from development contributions. Progress on this work will be reported on by the end of September.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

40. The DC price varies by location depending on the cost of infrastructure required to support development in an area. The funding areas are set out in the attached policy documents.

41. Boards will be able to provide feedback during the consultation period (1 May to 14 May 2018).

Tauākī whakaaweawe Māori / Māori impact statement

42. Council does not hold information on the ethnicity of developers. The impact on Maori will be similar to the impact on other residents and ratepayers.

43. The Council’s Māori cultural initiatives fund provides grants to support marae and Papakāinga development. These grants can be used to fund DCs as well as other development costs.

44. The Contributions Policy treats Kaumatua Housing the same as retirement villages.
45. Kaumatua housing generally places the same lower demands on council services as retirement villages. Research shows the typical characteristics of Kaumatua housing are good access to on-site social and cultural connections, close proximity to direct family (Papakāinga) and the wider Maori community, an onsite health clinic and transport often coordinated through communal people movers rather than individual car ownership and use.

46. Feedback from iwi on the draft Contributions Policy 2018 will be sought at hui to be held on 2 May 2018.

Ngā ritenga ā-pūtea / Financial implications
47. The financial implications are set out in the report.

Ngā raru tūpono / Risks
48. Investment in DC funded growth related infrastructure carries the risk of growth targets, and therefore DC revenue, not being met. These risks will be managed through accurate forecasting and regular reviews of the investment strategy.

Ngā koringa ā-muri / Next steps
49. Public consultation on the draft Contributions Policy 2018 will be aligned with the consultation on the RLTP and RFT. Consultation will be held from 1 May to 14 May 2018. A Have Your Say Event targeted to developers will be held on 7 May to provide an opportunity for face to face feedback. Feedback on DCs will also be received at the RLTP and RFT events. The Proposal for consultation is in Attachment B.

50. Feedback will be considered and then a decision on a final policy for adoption will be made at the 31 May meeting of the Finance and Performance Committee. The Governing Body will then adopt the policy on 27 June, to take effect from 1 July 2018.

Ngā tāpirihanga / Attachments

<table>
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<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
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<td>A</td>
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<td>B</td>
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Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Authors</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beth Sullivan - Principal Advisor Policy</td>
<td></td>
</tr>
<tr>
<td>Andrew Duncan - Manager Financial Policy</td>
<td></td>
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<tr>
<td>Felipe Panteli - Senior Policy Advisor</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorisers</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Matthew Walker - Acting Group Chief Financial Officer</td>
<td></td>
</tr>
<tr>
<td>Stephen Town - Chief Executive</td>
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</tbody>
</table>
Financial Policies
Contributions Policy 2018

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1 Overview and purpose

The purpose of development contributions are:

- to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

The purpose of this policy is to:

- provide predictability and certainty to stakeholders in how infrastructure for growth, including major transformational infrastructure, is to be funded and provide transparency of what is to be funded and what has been delivered
- provide for those involved in development to make fair payments to the council to reflect the expected demand their developments will have on council infrastructure and the expected benefits residents and businesses occupying these developments will derive from council infrastructure
- set contribution charges at levels that help achieve the scale, type, quality and location of development that the Auckland Plan vision aspires to.

1. The contribution charges are derived by dividing the capital expenditure for growth in the Long Term Plan (LTP) 2018-2028 by the estimated number of new residential and non-residential developments.

2. Auckland is expecting 120,000 new residential dwellings and 5.1 million square metres of non-residential floor space over the next 10 years.

3. Council’s capital planning anticipates a mixture of both public and private intervention. Development contributions only recover the growth portion of capital expenditure projects incurred by Council.

4. Council sets expectations that private works through condition of consents are not included in the setting of the development contributions price.

5. Capital expenditure projects funded by contributions are set out in schedule 4 and schedule 8.

6. The contribution charges are dependent on which funding area development is occurring, as well as the type and size of development being carried out.

7. The Contributions Policy, in line with the Auckland Plan, promotes particular types of development because of the lower marginal cost of infrastructure provision through a more compact future Auckland. This policy uses a range of demand factors to reflect the lower demand expected from these forms of development.

8. Charges differ dependent on the size of a development and are set to reflect its typical capacity to house occupants or level of business activity. Developments with larger capacity or more activity will place higher demand on new growth infrastructure.

9. The contribution charges are set out clearly and unambiguously in the policy, assisting those undertaking development to assess the financial viability of their projects early in the process. An online estimation tool is available for all to use at www.aucklandcouncil.govt.nz.

10. Payment timing varies depending on the type of consent and is described in Attachment A of this policy.

11. There are no charges for water supply and wastewater infrastructure under this policy. The cost of this infrastructure is charged directly by Watercare Services Limited or Veolia Water.

12. The Contributions Policy has been developed in accordance with the purpose and principles in Section 197AA and 197AB of the Local Government Act 2002 (LGA 2002).
## 2 Definitions

13. The following definitions are used throughout the policy and highlighted in bold and italic:

### Table 1

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation units</td>
<td>a) Defined in section 197 of the LGA 2002 as:</td>
</tr>
<tr>
<td></td>
<td>&quot;means units, apartments, or rooms in 1 or more buildings for the purpose of providing overnight, temporary, or rental accommodation&quot; For clarification &quot;rental accommodation&quot; above refers to short term rental purposes, long term rental accommodation will be treated as a dwelling units.</td>
</tr>
<tr>
<td></td>
<td>b) includes cabins and other residential structures on a camp ground</td>
</tr>
<tr>
<td>Activity</td>
<td>A grouping of council functions required for development contributions as listed in Schedule 1.</td>
</tr>
<tr>
<td>Aged care room</td>
<td>Any dwelling unit in a “rest home” or “hospital care institution” as defined in section 58(4) of the Health and Disability Service (Safety) Act 2001</td>
</tr>
<tr>
<td>Allotment</td>
<td>Defined in section 218 of the Resource Management Act 1991 as:</td>
</tr>
</tbody>
</table>
|                                   | "(a) any parcel of land under the Land Transfer Act 1952 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not: (i) the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted, under another Act; or (ii) a subdivision consent for the subdivision shown on the survey plan has been granted under this Act; or (b) any parcel of land or building or part of a building that is shown or identified separately; (i) on a survey plan; or (ii) on a licence within the meaning of Part 7A of the Land Transfer Act 1952; or (c) any unit on a unit plan; or (d) any parcel of land not subject to the Land Transfer Act 1952."
| Attached dwelling unit - low rise | A dwelling in a development of up to four levels and three or more attached dwelling units                                                                                                                    |
| Attached dwelling unit - medium to high rise | A dwelling in a development of five or more levels and three or more attached dwelling units                                                                                                               |
| Camp Grounds                      | Defined in section 2 of the Camping-Grounds Regulations 1985 as:                                                                                                                                              |
|                                   | "means any area of land used, or designed or intended to be used, for rent, hire, donation, or otherwise for reward, for the purposes of placing or erecting on the land temporary living places for occupation, by 2 or more families or parties (whether consisting of 1 or more persons) living independently of each other, whether or not such families or parties enjoy the use in common of entrances, water supplies, cookhouses, sanitary fixtures, or other premises and equipment, and includes any area of land used as a camping ground immediately before the commencement of these regulations"
| Commercial                        | Land use associated with (but not limited to):                                                                                                                                                              |
|                                   | a) communication services                                                                                                                                                                                   |
|                                   | b) finance                                                                                                                                                                                                |
|                                   | c) insurance                                                                                                                                                                                               |
|                                   | d) services to finance and investment                                                                                                                                                                      |
|                                   | e) real estate                                                                                                                                                                                             |
|                                   | f) business services                                                                                                                                                                                        |
|                                   | g) central government administration                                                                                                                                                                         |
|                                   | h) public order and safety services                                                                                                                                                                          |
|                                   | i) local government administration services and civil defence                                                                                                                                               |
|                                   | j) commercial offices                                                                                                                                                                                       |
| Community facilities              | Defined in section 197 of the LGA 2002 as:                                                                                                                                                                  |
|                                   | "reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199"
<p>| Community infrastructure          | Defined in section 197 of the LGA 2002 as:                                                                                                                                                                  |
|                                   | &quot;means the following assets when owned, operated, or controlled by a territorial authority:                                                                                                                  |
|                                   | a) community centres or halls for the use of a local community or neighbourhood, and the community facilities and community infrastructure...&quot;                                                                  |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>Auckland Council, including, where necessary, one or more of its council controlled organisations (CCOs)</td>
</tr>
<tr>
<td>Community outcomes</td>
<td>Defined in section 5 of the LGA 2002 as:</td>
</tr>
<tr>
<td></td>
<td>“the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions”</td>
</tr>
<tr>
<td>Detached dwelling unit</td>
<td>A stand-alone or duplex dwelling in a development (maximum of two dwelling units)</td>
</tr>
<tr>
<td>Development</td>
<td>a) Defined in section 197 of the LGA 2002 as:</td>
</tr>
<tr>
<td></td>
<td>“any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but does not include the pipes or lines of a network utility operator”</td>
</tr>
<tr>
<td></td>
<td>b) includes an application for certificate of acceptance (see section 199(4A) of the LGA 2002)</td>
</tr>
<tr>
<td>Development Agreement</td>
<td>Defined in section 197 of the LGA 2002 as:</td>
</tr>
<tr>
<td></td>
<td>“means a voluntary contractual agreement made under sections 207A to 207F between 1 or more developers and 1 or more territorial authorities for the provision, supply or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or part of a district”</td>
</tr>
<tr>
<td>Development contribution objection</td>
<td>Defined in section 197 of the LGA 2002 as:</td>
</tr>
<tr>
<td></td>
<td>“means an objection lodged under clause 1 or Schedule 13A against a requirement to make a development contribution”</td>
</tr>
<tr>
<td>Development contribution commissioner</td>
<td>Defined in section 197 of the LGA 2002 as:</td>
</tr>
<tr>
<td></td>
<td>“means a person appointed under section 199F”</td>
</tr>
<tr>
<td>Dwelling or dwelling unit</td>
<td>Any building, or group of buildings, or any part of those buildings, that is used or designed to be used solely or principally for residential purposes by not more than one household.</td>
</tr>
<tr>
<td>Education and health</td>
<td>Land uses associated with (but not limited to):</td>
</tr>
<tr>
<td></td>
<td>a) Education</td>
</tr>
<tr>
<td></td>
<td>b) Health and community health services whether public or private</td>
</tr>
<tr>
<td>Emergency housing</td>
<td>Housing dwellings administered by Housing New Zealand that are designed to be temporarily on a site for no more than 10 years.</td>
</tr>
<tr>
<td>Funding area</td>
<td>A geographical area used to accumulate the cost of activities and define a part of Auckland for development contribution purposes. For stormwater this includes any future development which extends the area served by a stormwater network</td>
</tr>
<tr>
<td>Gross development area [or GDA]</td>
<td>Gross development area equals:</td>
</tr>
<tr>
<td></td>
<td>1) The total floor area of any building measured from the outer faces of the exterior walls, or the centre line of walls separating two abutting buildings</td>
</tr>
<tr>
<td></td>
<td>2) The area of any part of the allotment used solely or principally for the storage, sale, display, movement or servicing of goods or the provision of services on the allotment.</td>
</tr>
<tr>
<td></td>
<td>The gross development area does not include:</td>
</tr>
<tr>
<td></td>
<td>a) vehicular parking ancillary to the primary development, manoeuvring, loading and landscaping areas, and areas used only for primary production purposes (such as quarry workings, farm lands and orchards) the conversion of which to another use would require resource consent or building consent; and</td>
</tr>
<tr>
<td></td>
<td>b) the area of plant equipment servicing the site and network infrastructure including pipes, lines installations, roads, water supply, wastewater and stormwater collection and management systems</td>
</tr>
<tr>
<td></td>
<td>For the avoidance of doubt, the gross development area includes the areas occupied by network utility operators for carrying out their normal business, including offices, workshops warehouses</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Gross floor area [or GFA]</td>
<td>The gross floor area is the total internal floor area of a dwelling measured:</td>
</tr>
<tr>
<td></td>
<td>• from the exterior faces of the exterior walls, or</td>
</tr>
<tr>
<td></td>
<td>• from the centre lines of walls separating two buildings or tenancies excluding parking and garage areas</td>
</tr>
<tr>
<td>Household</td>
<td>A household consists of one or more persons who live in the same dwelling and share living accommodation and kitchen facilities.</td>
</tr>
<tr>
<td>Household unit</td>
<td>The unit of demand representing one average detached dwelling unit</td>
</tr>
<tr>
<td>Household unit equivalent [or HUE]</td>
<td>The unit of demand that creates an equivalency factor between a type of development and one average detached dwelling unit (household unit)</td>
</tr>
<tr>
<td>Impervious surface area [or ISA]</td>
<td>The area of any site which is not capable of absorbing rainwater</td>
</tr>
<tr>
<td>Kaumātua Housing</td>
<td>Housing for Māori over the age of 55 years situated on Māori land administered under the Te ture Whenua Māori Act 1993 and on the same site as Marae or Papakāinga</td>
</tr>
<tr>
<td>Lawfully established</td>
<td>Any: a) <em>allotment</em> for which a title has been issued; or</td>
</tr>
<tr>
<td></td>
<td>b) dwelling, or non-residential unit or building authorised under the Resource Management Act 1991 and with a building consent and, where required, a code compliance certificate</td>
</tr>
<tr>
<td>Lodged</td>
<td>The point in time at which an application that complies with all the requirements in section 88(2) of the Resource Management Act 1991 or section 45 of the Building Act 2004, has been received by the council</td>
</tr>
<tr>
<td>Network infrastructure</td>
<td>Defined in section 197 of the LGA 2002 as:</td>
</tr>
<tr>
<td></td>
<td><em>the provision of roads and other transport, water, wastewater, and stormwater collection and management</em></td>
</tr>
<tr>
<td>Objector</td>
<td>Defined in section 197 of the LGA 2002 as:</td>
</tr>
<tr>
<td></td>
<td><em>means a person who lodges a development contribution objection</em></td>
</tr>
<tr>
<td>Production and distribution</td>
<td>Land uses in which goods are manufactured, fabricated, processed, converted, repaired, packed, assembled, stored, distributed or served including (but not limited to):</td>
</tr>
<tr>
<td></td>
<td>a) horticulture, agriculture, mining, quarrying, forestry, fishing, services to agriculture, oil and gas exploration and extraction, water supply and wastewater processing, electricity generation and supply</td>
</tr>
<tr>
<td></td>
<td>b) meat and meat product manufacturing, dairy product manufacturing</td>
</tr>
<tr>
<td></td>
<td>c) food, beverage, malt and tobacco manufacturing, textile and apparel, wood product, paper and paper product manufacturing</td>
</tr>
<tr>
<td></td>
<td>d) printing and publishing</td>
</tr>
<tr>
<td></td>
<td>e) petroleum and industrial chemical, rubber, plastic and other chemical product manufacturing</td>
</tr>
<tr>
<td></td>
<td>f) metal, structural, sheet, and fabricated metal product manufacturing</td>
</tr>
<tr>
<td></td>
<td>g) transport equipment, machinery and equipment manufacturing</td>
</tr>
<tr>
<td></td>
<td>h) furniture manufacturing</td>
</tr>
<tr>
<td></td>
<td>i) construction, wholesale trade, road transport, water and rail transport, air transport, services to transport and storage</td>
</tr>
<tr>
<td></td>
<td>j) <em>unmanned infrastructure</em></td>
</tr>
<tr>
<td>Retail, hospitality, recreation and personal services</td>
<td>Land use associated with (but not limited to):</td>
</tr>
<tr>
<td></td>
<td>a) Retail trade</td>
</tr>
<tr>
<td></td>
<td>b) Restaurants and bars</td>
</tr>
<tr>
<td></td>
<td>c) Cultural and recreational services</td>
</tr>
<tr>
<td></td>
<td>d) Personal and other community services</td>
</tr>
<tr>
<td></td>
<td>e) Campsites and non-residential structures on a camp ground</td>
</tr>
<tr>
<td>Retirement unit</td>
<td>Any dwelling unit in a retirement village (other than an aged care room)</td>
</tr>
<tr>
<td>Retirement village</td>
<td>Has the meaning in section 6 of the Retirement Villages Act 2003 and Auckland Unitary Plan</td>
</tr>
<tr>
<td></td>
<td>A managed comprehensive residential development used to provide accommodation for aged people:</td>
</tr>
<tr>
<td></td>
<td>Includes:</td>
</tr>
</tbody>
</table>

Auckland Council Contributions Policy 2018 DRAFT
### Term

<table>
<thead>
<tr>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>the use or development of any site(s) containing two or more units that provides accommodation, together with any services or facilities, predominantly for persons in their retirement, which may also include their spouses or partners; and</td>
</tr>
<tr>
<td>recreation, leisure, supported residential care, welfare and medical facilities (inclusive of hospital care) and other non-residential activities accessory to the retirement village.</td>
</tr>
<tr>
<td>Kaumātua Housing</td>
</tr>
</tbody>
</table>

**Excludes:**
- Single dwellings

### Service connection

Defined in section 197 of the LGA 2002 as:

*a physical connection to a service provided by, or on behalf of, a territorial authority*

### Small ancillary dwelling unit

The first dwelling unit ancillary to the primary dwelling unit on an allotment with a gross floor area of 65m² or less.

### Student Accommodation

Living accommodation, primarily used or designed to be used by registered students or guests of a tertiary education facilities or education facilities and which is served by one or more communal living areas, including kitchens.

### Unmanned infrastructure

Any infrastructure provided by a network utility operator (as defined by section 166 of the Resource Management Act 1991) that is not intended to be staffed by employees, agents or contractors on a permanent basis and includes, but is not limited to substations, pump stations, dams and reservoirs, plant and machinery, storage yards, cell-phone towers, roads, railways, wharfs, and runways.

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**3 Transition between policies**

14. This policy applies to applications lodged on or after 1 July 2018.

15. Development contribution per unit of demand prices as per Schedule 3 will apply to applications based on applicable lodgement dates.

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**Further transition provisions affecting the Franklin chapter of the Interim Policy**

16. Section 15.2 of the Interim Policy promotes early payment of development contributions by requiring payment of the amounts set in the policy in effect on the date of payment. Any assessment subject to this part of the Interim Policy, that remains unpaid on 1 July 2018, will be calculated at the amount applicable at 30 June 2012.

---

**4 Use of development contributions or financial contributions**

17. The council considered the options available to it for funding the capital expenditure it is planning to incur in connection to the growth of Auckland. The council considered the purposes of and reasons for development and financial contributions and other funding sources and determined that:

   a) development and financial contributions are the primary sources available to it for funding growth related infrastructure under current legislation
   
   b) development contributions should be used as the main funding tool for growth related infrastructure provided by the council, with financial contributions used as set out in Schedule 6
   
   c) the option of using and investigating other funding sources be retained.

18. Financial contributions that have been imposed in a resource consent will still be required to be paid as these are a condition of the consent.

19. The council generally requires development contributions to be paid in cash rather than land. For the avoidance of doubt this means that land identified for stormwater, roads and reserve purposes in structure plans and framework plans will not automatically be required as financial contributions payable in land.
5 Development contribution general provisions

Activities

20. The council has identified a number of activities that are appropriate for funding through contributions. These activities form the basic building blocks that enable new development to proceed.

21. It should be noted that under this policy there are no charges for water and wastewater infrastructure. The cost of this infrastructure is now charged directly by Watercare Services Limited and Veolia Water Auckland.

22. The council can require development contributions for the following broad classes as set out in section 199(1) of the LGA 2002:
   a) reserves
   b) network infrastructure
   c) community infrastructure.

23. The council has determined that within these broad classes it is appropriate to use development contributions as a funding source for capital expenditure related to activities listed in Schedule 1.

24. Section 106(2)(c) of the LGA 2002 requires the council to explain why, in terms of matters in section 101(3) of the Act, it has determined to use development contributions or financial contributions as a funding source for each of these activities.

25. The basis for the council’s consideration is set out in Schedule 5 of this policy and referred to in the council’s Revenue and Financing Policy.

26. Within these activities, development contributions will not be required to fund:
   a) operating and maintenance costs
   b) any part of capital expenditure projects that is funded from another source
   c) costs incurred by the council to fund renewal and/or to increase existing levels of service that are below the stated service standard.

Funding areas

27. Development contributions will be required from development across the whole of Auckland using regional and sub-regional geographic funding areas. Development occurring within each area will be required to pay contributions applicable in that funding area.

28. The funding areas underlying this policy are listed in Schedule 3 and indicated on the funding area maps available on the council’s website at: www.aucklandcouncil.govt.nz.

29. For the stormwater activity, the council considers that development not only creates a demand for infrastructure within the hydrological catchment it is located, but also creates demand (by the growth community within the development) for stormwater management and flood protection over a wider area.

Development types and units of demand

30. In meeting its requirements under Schedule 13(2) of the LGA 2002 to attribute units of demand to particular developments or types of development on a consistent and equitable basis, the council has considered:
   a) the need to separate residential and non-residential activities because of the different demands they place on activities of the council
   b) the range of residential development types and scales
   c) the range of non-residential development types and scales
   d) the future vision for Auckland set out in the Auckland Plan including the creation of a more compact city to make better and more efficient use of infrastructure
   e) the need for the contributions policy to align with Auckland Plan outcomes
   f) the complexity of trying to make the policy account for every different development type
g) the availability of data to support differential unit of demand factors for various types of development.

31. The Council considers that:
   a) there is data currently available to identify some average demand factors for a limited number of residential development types which enables the policy to support the compact urban form promoted by the Auckland Plan
   b) there is data currently available to identify some average demand factors for a limited number of non-residential development types
   c) using broad averages for a limited number of development types is sufficient to approximate the range of development likely to occur in Auckland
   d) it is important to use common, standard frameworks for the classification of non-residential developments.

32. Schedule 2 sets out the types of residential and non-residential development that have been identified, and provide the unit of demand factors applicable to each. It also sets out zero unit of demand factor for some forms of development that generate negligible demand or cannot at present be shown to generate a demand for infrastructure.

33. Stormwater demand may arise if there is an increase in peak flows or an increase in volume, duration or frequency through the development of a site. This may include where consent conditions require peak stormwater flow to be equal or less then predevelopment.

Position on existing allotments and land use

34. In attributing units of demand to a particular development or type of developments as required by Schedule 13 (2) of the LGA 2002, the council’s assessment using Schedule 2, will include the demand generated by existing lawfully established allotments or land use on the development site (refer to step 2).

35. Existing lawfully established allotments or land use are assumed to already be appropriately serviced with reserves, network infrastructure, or community infrastructure as per Schedule 2 and will place no additional demand for new or additional assets or assets of increased capacity. The council will deduct units of demand for existing development from the total units of demand expected to be generated by the proposed development.

Staged subdivision development

36. Where a staged subdivision development is undertaken under a single consent, the contribution calculated will be based on the contribution amounts applying on the date of consent lodgement and will continue to apply to each stage of the development.

37. Where a staged subdivision development is undertaken under multiple consents, each consent shall be subject to the policy applying at the time each separate consent is lodged.

6 Development contribution assessment

38. The council will endeavour to assess the contributions on a development’s first application for consent or connection authorisation, it may re-calculate a development for contributions on any subsequent application in relation to the same development.

39. If the council does not calculate development contributions on an earlier application for consent or authorisation, it may calculate development contributions on a subsequent application for the same development project.

Test for development

40. Under section 198 of the LGA 2002, Auckland Council may require a development contribution to be made when:
a) a resource consent is granted under the Resource Management Act 1991 for a development within the region
b) a building consent is granted under the Building Act 2004 for building work situated in the region
c) an authorisation for a service connection is granted
d) a certificate of acceptance is granted under the Building Act 2004.

41. However, development contributions can only be required where a development as defined by section 197 of the LGA 2002 is to occur.

42. Under section 197 of the LGA 2002, development means:
   *(a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
   (b) does not include the pipes or lines of a network utility operator*.

43. On receiving an application for subdivision consent, resource consent, building consent or service connection, the council will first:
   a) test that the application represents a development under section 197
   b) determine whether alone or in combination with other developments the application under consideration will have the effect of requiring new or additional assets or assets of increased capacity and, as a consequence, the council will incur capital expenditure to provide appropriately for this
   c) ensure that any development contribution that may be required, is provided for in this policy.

44. If the council is satisfied that the application meets the legal requirements above, it will assess contributions using the following steps:

**Step 1 – Proposed development, assessing the total units of demand**

45. The council will assess the demand from the development using the demand factors set out in Schedule 2.

46. The amount of development contribution payable under this policy depends on the demand the development is expected to place on reserves and infrastructure by virtue of its type and scale.

47. The policy uses the Household Unit Equivalent as a measure of demand.

48. Schedule 2 gives the units of demand expected from a defined range of different types and sizes of development as compared to that of an average sized single detached dwelling (Household Unit) with a demand of 1 Household Unit Equivalent. The demand for each different development type within the development will be assessed separately.

49. Development can be in the form of additional allotments or additional land use activity or a combination of both. Using Schedule 2 it is possible to calculate the units of demand from all allotments and land use expected after the development occurs and use the higher amount (allotment or land use) to determine the final demand on the site.

**Step 2 – Credits, assessing units of demand for allotments or land use currently on the development site**

50. The council will make a deduction of units of demand using Schedule 2, for the most recent lawfully established allotments or land use on the site up to a maximum of 10 years prior to the date of lodgement.

51. A deduction for existing units of demand:
   a) will not be used to reduce the units of demand on a development below zero;
   b) will only apply to existing units of demand on the development site; and
   c) will not be transferable to or from another development site
   d) will not be based on monetary value.

52. The council may require a development contribution to be paid for any lawfully established allotment that has previously been prevented from being developed by any legal restriction or was exempt from paying development or financial contributions in the past but is now able to be developed.
53. Using Schedule 2 it is possible to calculate the units of demand from all allotments and land use expected before the development occurs. The demand for each different development type within the development will be assessed separately.

54. The calculation of units of demand for existing allotments or land use will be undertaken on an activity basis and use the higher amount of allotment or land use not an addition of both.

55. If payment has been received for reserves on non-residential development, credits for these payments will be taken into account.

Step 3 - Contribution charge calculation

56. The assessed units of demand existing on the site (step 2) are deducted from the assessed units of demand proposed by the development (step 1) to calculate the additional units of demand on the site. The lowest value possible from this calculation is zero.

57. The additional units of demand value is then multiplied by the contribution unit price as set out in Schedule 3 for each relevant activity and funding area to calculate the contribution payable

Step 4 – Calculation of total contribution payable

58. The total development contribution payable is calculated by adding the contributions payable for each activity determined in steps 1 to 3.

59. Development contribution assessments are quoted exclusive of GST and do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985. A tax invoice will be issued at the time of supply in accordance with this policy.

60. The time of supply shall be the earlier of:
   a) The council issuing an invoice to the applicant; or
   b) The payment of the development contribution in accordance with this policy.

Adjustments for reserve acquisition and reserve development

61. The policy provides for adjustment of the contribution charge for reserves where the maximum reserve contribution is exceeded.

62. Both the reserve acquisition and reserve development activities are combined to create reserves as subject to the statutory maximum in section 203(1).

63. Section 203(1) of the LGA 2002 requires that a development contribution for reserves calculated under this policy must not exceed the greater of:
   a) 7.5 per cent of the value of the additional allotments created by a subdivision
   b) the value equivalent of 20 square metres of land for each additional household unit created by a development.

64. For purposes of section 201(1)(d) of the LGA 2002, the council will determine the value of additional allotments and land on the following basis:
   a) for compliance with 63a) using the most recent rateable land valuation for similar allotments in the vicinity of the development, those similar lots being identified at the discretion of the council. Where the contribution calculated exceeds the value calculated using the rateable value, the applicant will be required to obtain a market valuation; and
   b) for compliance with 63b), the council will use the average value equivalent of 20 square metres of land in the vicinity of the development. Where the contribution calculated exceeds the average rateable value of land within the vicinity of the development, council will undertake a valuation of a range of land in the vicinity.
Payment date and enforcement

65. The council considers the effect that early payment of contributions can have on the viability of a development and aims under the policy to require the contribution to be paid later in the development cycle without losing the ability to use statutory enforcement powers.

66. The council acknowledges that a later payment profile will delay the income forecast for contributions and increase the overall growth related borrowing cost that is included in the contributions price. The overall effect of this increase is expected to be offset by the benefit to developers of aligning the payment of contributions closer to the developments positive cashflow and thereby minimising their overall borrowing costs.

67. Invoices will be issued in accordance with Attachment A.

68. Invoices become due for payment immediately upon issue.

69. Where invoices remain unpaid beyond the payment terms set out in this policy, the council will invoke normal debt collection practices to recover outstanding debt. Attachment A details further action available to Council if debt remains unpaid.
7 Development contribution assessment review

Reconsideration of requirement for development contribution

70. The council will reconsider, at the request of the applicant, an assessment of the total contribution payable if the applicant considers that:
   a) the development contribution was incorrectly calculated or assessed; or
   b) the development contribution policy has been incorrectly applied; or
   c) the information used to assess the development against the development contribution policy, or the way this information has been recorded or used when requiring the development contribution was incomplete or contained errors.

71. A request for reconsideration must be made within 10 working days after the date on which the applicant receives notice from the council of the level of development contribution that the council requires.

72. An applicant may not apply for a reconsideration if the applicant has already lodged an objection under section 199C and Schedule 13A of the LGA 2002.

73. A request for reconsideration must be made in writing to the assessor who generated the requirement for development contributions and identify the basis on which the reconsideration is sought together with, as appropriate, the legal and evidential grounds in support of the application for reconsideration.

74. The council may, within 10 working days of receiving the request for reconsideration, request further information from the requester to support the grounds stated in the reconsideration.

75. The council will proceed to determine the request for reconsideration if:
   a) it has, in its view, received all required information relating to the request; or
   b) the requester refuses to provide any further information requested by the council (as set out above).

76. In considering the request for reconsideration, the council will make its decision without convening a hearing.

77. In all cases, the council will give written notice of the outcome of its reconsideration to the applicant within 15 working days after:
   a) the date the application for reconsideration is received, if all required information is provided in that application; or
   b) the date the application for reconsideration is received, if the applicant refuses to provide further information; or
   c) the date the further information is received from the applicant.

78. An application for reconsideration does not prevent the applicant from also filing an objection under section 199C of the LGA 2002.

Development Contribution Objections

79. A person may lodge an objection to the development contribution requirement on the grounds that council has:
   a) failed to properly take into account features of the objector’s development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development contribution on requirements for community facilities in the territorial authority’s district or parts of that district; or
   b) required a development contribution for community facilities not required by, or related to, the objector’s development, whether on its own or cumulatively with other developments; or
   c) required a development contribution in breach of section 200; or
   d) incorrectly applied its development contributions policy to the objector’s development.

80. The development contribution objection does not apply to challenges to the content of a development contributions policy prepared in accordance with section 102 of the LGA 2002.
81. An objection must be lodged within 15 working days after the date on which the objector received notice of the level of development contribution required.

82. If an objector has received notice on the outcome of a reconsideration under section 198B of the LGA 2002, the 15 working day period begins on the day after the date on which the objector received the notice of the outcome of the reconsideration.

83. The notice of objection under Schedule 13A(1) of the LGA 2002 must –
   a) be in writing; and
   b) set out the grounds and reasons for the objection, and
   c) the relief sought; and
   d) state whether the objector wishes to be heard on the objection.

84. If a development contribution objection is lodged, the council may still require the development contribution, but will not use it until the objection has been determined.

85. If the council does not require a development contribution pending the outcome of the objection, it may withhold consents or permissions in accordance with section 208 of the LGA 2002 until the objection has been determined.

86. The council may, in its discretion, allow an objection to be served on it after the 15 working days period specified, if satisfied that exceptional circumstances exist.

87. The cost for services of a development contributions commissioner(s), the hearing and administration support will be payable by the objector.

88. Applicable fees and allowances for a witness appearing at a development contribution hearing must be paid by the party on whose behalf the witness is called.

Exemptions

89. Development contributions will not be required under this policy where there is a relevant legislative exemption.

Conditions and criteria for remissions and postponement

90. Postponements of contributions may be allowed for substantial developments at the discretion of council with accepted criteria.

91. There are no remissions provided for within this policy.

92. The council will not consider applications for reductions of development contributions on the grounds of financial hardship, that the developer has a charitable purpose, or for any other reason.

93. The council may consider reductions for stormwater development contributions where the developer is required by the council to undertake work that will effect council's stormwater network. This will only be accepted if the development can be shown to reduce the need for council to deliver planned infrastructure.

Development Agreements

94. The council may enter into development agreements or other agreements in circumstances where there is a need to allocate responsibility between developers and the council for the construction and funding of public works associated with a development in order to support outcomes in the Auckland Plan.

95. Development agreements will not be used to reduce the amount of any contribution charge calculated under this policy.

96. Where an applicant undertakes work on behalf of the council, this will be done within normal procurement procedures and paid for under the terms of that engagement. Development contributions will still be payable by the applicant where they are required under this policy.

97. Sections 207A to 207F of the LGA 2002 sets out criteria to be included in a development agreement.
Conditions and criteria for refunds

98. The council will refund development contributions in accordance with section 209 and section 210 of the LGA 2002.

99. For the purposes of Section 210(1)(a) of the Act, the specified period for refunding a development contribution taken for a specified reserve purpose shall be 20 years.
8 Supporting Information

Calculation of schedule to development contributions policy

100. In accordance with Section 201(1) of the LGA 2002, this section contains, in summary form, an explanation of and justification for the way in which each development contribution in Schedule 3 is calculated.

101. Detailed cost allocation modelling is available on request.

102. In accordance with Section 106(3) of the Act, the full cost allocation methodology is kept available for public inspection on the council website at:
http://www.aucklandcouncil.govt.nz/EN/ratesbuildingproperty/developmentfinancialcontributions/Pages/home.aspx

103. In accordance with Section 201A(6) a copy of the schedule of assets (Schedule B) to be funded by development contributions is available on the council website at:

104. The charges in Schedule 3 are calculated in the following manner:
   a) Growth (measured in HUEs) divided by total cost of capital expenditure equals the development contribution charge
   b) The development contribution charge is determined in the funding model and calculated by activity and funding area
   c) Growth capital expenditure by activity and funding area is determined using the process identified in Table 17 Attachment B.
   d) Growth by funding area and type of development is determined using the process identified in Table 18 Attachment C.
   e) The outputs are used as an input into the funding model Table 19 Attachment C.

Auckland Council Development Contributions Cost Allocation Model (ACDCCAM)

105. The ACDCCAM contains all capital expenditure projects in the long-term plan and includes capital expenditure projects already delivered by the council in anticipation of growth.

106. The council records information for its capital expenditure projects and programmes in terms of their relationship to the following expenditure types:
   
   | Renewal | Maintains and continues the provision of services. Increases the physical integrity and remaining life of assets with no change to the asset base |
   | Level of service | Results in improved standards of quality, reliability, responsiveness, safety, comfort, flexibility, regulatory requirements or similar. May or may not result in new or additional assets |
   | Growth | Increased availability and capacity to cater for increased people, water, traffic or similar. Associated with an increase in the asset base – the number of assets, total area or length |

107. This initial categorisation and individual project and programme information inform the development contributions methodology but is not the sole basis for cost allocation.

108. The methodology uses a model which lists projects and programmes under each activity and funding area for which development contributions may be required. The calculation of the development contribution amounts (if any) payable for any project or programme line in the model is carried out in order to ensure compliance with legislation is explained in Attachment B.

109. The outputs from the ACDCCAM are passed to the ACDFCM which is used to calculate a schedule of contributions required by Section 201(2) of the Act.
Auckland Council Development Contributions Funding Model (ACDFCM)

110. The purpose of the development contributions funding model is to meet the requirements of Schedule 13 of the LGA 2002 in sharing the cost of growth amongst the forecast units of demand and to generate the schedule to development contributions policy.

111. The schedule to the development contributions policy (Schedule 3) sets out the various prices chargeable under each activity and within each funding area within Auckland.

112. The funding model enables a calculation of borrowing requirements to deliver the growth proportion of capital expenditure projects and interest cost to be incorporated in the unit prices. The cost of borrowing to provide infrastructure for growth is a cost of growth to be paid for by growth.

113. The model applies interest to both credit and debit balances as appropriate.

114. The funding model core inputs and actions are explained in Attachment C.

Financial contributions

115. There are a number of financial contribution provisions in the district plans and regional plans covering Auckland. Section 106(2)(f) of the LGA 2002, requires that this policy summarise the financial contribution provisions. These are set out in Schedule 6.

116. The council will not require a development contribution for community facilities if, and to the extent that it has under Section 108(2)(a) of the Resource Management Act 1991, imposed a financial contribution condition on a resource consent in relation to the same development for the same purpose.

117. Schedule 6 shows purposes for which the council:

   a) may require a financial contribution on a resource consent in relation to a development in cases where the development is exempt from paying development contributions for the same purpose

   b) requires financial contributions which are different from any purpose for which it requires development contributions under this policy.

118. Nothing in this policy diminishes from any requirement in the district plan and regional plans to carry out works associated with avoiding, remedying or mitigating the adverse effects of an activity on the environment.

Public inspection of contributions policy information

119. This policy and its supporting information is available on the council website at:

   http://www.aucklandcouncil.govt.nz/EN/ratesbuildingproperty/developmentfinancialcontributions/Pages/home.aspx

Adoption and amendment of this policy

120. This policy was adopted alongside the Auckland Council’s LTP 2018-2028 and will remain in effect until 30 June 2021.

121. The policy will be reviewed annually and may be amended earlier using the consultative procedure.
### Schedule 1 – Activities to be funded by development contributions

#### Table 2

<table>
<thead>
<tr>
<th>Class</th>
<th>Activity</th>
<th>Activity description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves</td>
<td>Reserves – Acquisition</td>
<td>Land acquisition for public open space of all types from small local parks to large regional parks</td>
</tr>
<tr>
<td></td>
<td>Reserves – Development</td>
<td>Development and improvement of local parks, local sports parks and other local open space areas (in some cases this may include playgrounds and public toilets)</td>
</tr>
<tr>
<td>Network infrastructure</td>
<td>Stormwater</td>
<td>Development and improvement of network infrastructure, flood protection and control works including man-made and natural assets</td>
</tr>
<tr>
<td></td>
<td>Transport</td>
<td>Development and improvement for the transport network including, walkways and cycle ways, public car parking facilities, public transport facilities and routes of all forms</td>
</tr>
<tr>
<td>Community infrastructure</td>
<td>Community Infrastructure</td>
<td>Development and improvement of local community halls, community centres, playgrounds, and public toilets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development and improvement of recreation facilities, libraries, aquatic centres and other public amenities to the extent permissible under clause 8(2) Schedule 1AA of the LGA 2002</td>
</tr>
</tbody>
</table>
### Schedule 2 – Development types and unit of demand factors

#### Land and building development

**Table 3**

<table>
<thead>
<tr>
<th>Development type</th>
<th>Activities</th>
<th>Units of demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached dwelling unit / duplex</td>
<td>Stormwater, All others</td>
<td>1.0 HUE per unit, 0.8 HUE per unit at 0m² - 99m² GFA, 1.0 HUE per unit at 100m² – 249m² GFA, 1.2 HUE per unit at 250m² – above GFA</td>
</tr>
<tr>
<td>Attached dwelling unit - low rise</td>
<td>Stormwater, All others</td>
<td>1.0 HUE per 292m² ISA, 0.7 HUE per unit at 0m² - 99m² GFA, 0.9 HUE per unit at 100m² – 249m² GFA, 1.1 HUE per unit at 250m² – above GFA</td>
</tr>
<tr>
<td>Attached dwelling unit - medium to high rise</td>
<td>Stormwater, All others</td>
<td>1.0 HUE per 292 m² ISA, 0.6 HUE per unit at 0m² - 99m² GFA, 0.75 HUE per unit at 100m² – 249m² GFA, 0.9 HUE per unit at 250m² - above GFA</td>
</tr>
<tr>
<td>Retirement unit</td>
<td>Transport, Stormwater, All others</td>
<td>0.3 HUE per unit, 1.0 HUE per 292m² ISA, 0.5 HUE per unit</td>
</tr>
<tr>
<td>Aged care room</td>
<td>Transport, Stormwater, All others</td>
<td>0.2 HUE per room, 1.0 HUE per 292m² ISA, 0.0 HUE per room</td>
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<tr>
<td>Small ancillary dwelling unit</td>
<td>Stormwater, All</td>
<td>0.2 HUE per unit, 0.6 HUE per unit</td>
</tr>
<tr>
<td>Accommodation units</td>
<td>Stormwater, Reserves acquisition and development, Transport, All others</td>
<td>1.0 HUE per 292m² ISA, 0.45 HUE per unit, 0.45 HUE per unit, 0.0 HUE</td>
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<tr>
<td>Student Accommodation</td>
<td>Stormwater, Reserves acquisition and development, Transport, All others</td>
<td>1.0 HUE per 292 m² ISA, 0.31 HUE per unit, 0.31 HUE per unit, 0.0 HUE</td>
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<tr>
<td>Any residential use not specified above</td>
<td>All</td>
<td>1.0 HUE per unit</td>
</tr>
<tr>
<td>Retail, hospitality, recreation and personal services</td>
<td>Stormwater, Transport, All others</td>
<td>1.0 HUE per 292m² ISA, 1.0 HUE per 215m² GDA, 0.0 HUE</td>
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<tr>
<td>Commercial</td>
<td>Stormwater, Transport, All others</td>
<td>1.0 HUE per 292m² ISA, 1.0 HUE per 271m² GDA, 0.0 HUE</td>
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<td>Education and health</td>
<td>Stormwater, Transport, All others</td>
<td>1.0 HUE per 292m² ISA, 1.0 HUE per 271m² GDA, 0.0 HUE</td>
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<tr>
<td>Production and distribution excluding unmanned infrastructure</td>
<td>Stormwater, Transport, All others</td>
<td>1.0 HUE per 292m² ISA, 1.0 HUE per 348m² GDA, 0.0 HUE</td>
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<tr>
<td>Production and distribution - unmanned infrastructure only</td>
<td>Stormwater, Transport, All others</td>
<td>1.0 HUE per 292m² ISA, 1.0 HUE per 438m² GDA, 0.0 HUE</td>
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<tr>
<td>Any non-residential use not specified above</td>
<td>Stormwater, Transport, All others</td>
<td>1.0 HUE per 292m² ISA, 1.0 HUE per 277m² GDA, 0.0 HUE</td>
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</table>
## Subdivision development

Table 4

<table>
<thead>
<tr>
<th>Development type</th>
<th>Activities</th>
<th>Units of demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>One residential <em>allotment</em> (vacant)</td>
<td>All</td>
<td>1.0 HUE per <em>allotment</em></td>
</tr>
<tr>
<td>One Non Residential <em>allotment</em> (vacant)</td>
<td>Stormwater Transport</td>
<td>1.0 HUE per <em>allotment</em></td>
</tr>
<tr>
<td></td>
<td>All others</td>
<td>0.0 HUE per <em>allotment</em></td>
</tr>
<tr>
<td>Subdivision around existing development</td>
<td>All</td>
<td>As per Land and Building Development unit of demand factors</td>
</tr>
<tr>
<td>(includes proposed developments)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One <em>allotment</em> that is/was prevented from being</td>
<td>All</td>
<td>0.0 HUE per <em>allotment</em></td>
</tr>
<tr>
<td>developed by any legal restriction or that is/was</td>
<td></td>
<td></td>
</tr>
<tr>
<td>exempt from paying development or financial contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One other <em>allotment</em></td>
<td>All</td>
<td>1.0 HUE per <em>allotment</em></td>
</tr>
</tbody>
</table>

These development types and their unit of demand factors are based on a range of sources. They reflect development types that are expected in Auckland and expected demands from these types of development.
## Schedule 3 – Schedule to development contribution policy

### Table 5

<table>
<thead>
<tr>
<th>Purpose for which contributions may be required</th>
<th>Part of Auckland (refer <a href="http://www.aucklandcouncil.govt.nz">www.aucklandcouncil.govt.nz</a> for maps)</th>
<th>Development contribution per unit of demand (excl GST) ($) 1 July 2018 – 30 June 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve Acquisition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warkworth</td>
<td></td>
<td>6,423</td>
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<tr>
<td>Silverdale / Dairy Flat</td>
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<td>6,423</td>
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<tr>
<td>Whenuapai / Redhills</td>
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<td>11,169</td>
</tr>
<tr>
<td>Kumeu / Huapai</td>
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<td>6,423</td>
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<td>Flatbush</td>
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<td>6,423</td>
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<tr>
<td>Takanini</td>
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<td>6,423</td>
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<tr>
<td>Opaheke / Drury</td>
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<td>6,423</td>
</tr>
<tr>
<td>Hingaia</td>
<td></td>
<td>6,423</td>
</tr>
<tr>
<td>Paerata / Pukekohe</td>
<td></td>
<td>6,846</td>
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<tr>
<td>Hibiscus</td>
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<td>4,935</td>
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<tr>
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<td>7,698</td>
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<td>West</td>
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<td>Reserve Development</td>
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<td>Warkworth</td>
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<td>1,996</td>
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<tr>
<td>Silverdale / Dairy Flat</td>
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<td>Whenuapai / Redhills</td>
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<td>Kumeu / Huapai</td>
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<td>1,996</td>
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<td>Flatbush</td>
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<td>Takanini</td>
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<td>1,996</td>
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<tr>
<td>Opaheke / Drury</td>
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<td>Hingaia</td>
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<td>1,846</td>
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<td>Paerata / Pukekohe</td>
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<td>Metro Manukau GPA</td>
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<td>NORSGA GPA</td>
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<td>Otahuhu GPA</td>
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</tr>
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<td>Waitakere Ranges</td>
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<td>Waitakere Central 1</td>
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<td>Waitakere Central 2</td>
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<td>Whenuapai / Redhills</td>
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</table>

| Transport            |
|----------------------|----------------|
| North                | 9,156          |
| Central              | 6,237          |
| West                 | 8,006          |
| South                | 7,639          |
| Drury South          | 24,929         |
| Hauraki Gulf Islands | 6,916          |
| Whenuapai / Kumeu / Redhills | 12,384 |
| Dairy Flat / Wainui / Silverdale | 9,910 |
| Greater Tamaki       | 10,916         |
| Albany               | 13,408         |

<table>
<thead>
<tr>
<th>Community Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warkworth</td>
</tr>
<tr>
<td>Silverdale / Dairy Flat</td>
</tr>
<tr>
<td>Whenuapai / Redhills</td>
</tr>
<tr>
<td>Kumeu / Huapai</td>
</tr>
<tr>
<td>Flatbush</td>
</tr>
<tr>
<td>Takanini</td>
</tr>
<tr>
<td>Opaheke / Drury</td>
</tr>
<tr>
<td>Hingaia</td>
</tr>
<tr>
<td>Paerata / Pukekohe</td>
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<tr>
<td>Hibiscus</td>
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<td>North Shore</td>
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</tr>
<tr>
<td>Rural South West</td>
</tr>
<tr>
<td>Rural South East</td>
</tr>
<tr>
<td>Rural Islands</td>
</tr>
</tbody>
</table>
Reserve acquisition, reserve development and community infrastructure include an Auckland wide charge and either a Greenfield or Urban charge.
Transport includes an Auckland wide charge, Albany includes transport north charge.
Stormwater includes an Urban Auckland charge.

For all development contributions required in this schedule, all or any of the following events will give rise to the requirement for a development contribution (subject to Test for Development section of the policy):

(i) granting a resource consent under the Resource Management Act 1991 or
(ii) granting a building consent under the Building Act 2004; or
(iii) granting a certificate of acceptance under the Building Act 2004; or
(iv) granting an authorisation for a service connection.
## Schedule 4 – Summary of capital expenditure for growth ($m)

**Table 6**

<table>
<thead>
<tr>
<th>LGA reference</th>
<th>106(2)(a)</th>
<th>106(2)(b)</th>
<th>106(2)(c)</th>
<th>106(2)(d)</th>
<th>106(2)(e)</th>
<th>106(2)(f)</th>
<th>106(2)(g)</th>
<th>106(2)(h)</th>
<th>106(2)(i)</th>
<th>106(2)(j)</th>
<th>106(2)(k)</th>
<th>106(2)(l)</th>
<th>Total amount of funding ($m) during the long-term plan period to be sought from:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose for which contributions may be required</td>
<td>106(2)(x)</td>
<td>106(2)(y)</td>
<td>106(2)(z)</td>
<td>106(2)(a)</td>
<td>106(2)(b)</td>
<td>106(2)(c)</td>
<td>106(2)(d)</td>
<td>106(2)(e)</td>
<td>106(2)(f)</td>
<td>106(2)(g)</td>
<td>106(2)(h)</td>
<td>106(2)(i)</td>
<td>106(2)(j)</td>
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<td></td>
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</tr>
<tr>
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<td>Total</td>
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<td>641.5</td>
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</tr>
</tbody>
</table>

**Notes:**

(i) – total cost of capital expenditure related to growth occurring from 2015 onwards (now – within 10 years; and future – beyond 10 years)

(ii) – includes interest relating to the cost of borrowing for growth occurring now (within 10 years; but excludes interest relating to growth expected to occur in the future (from year 11 onwards))

This is a schedule required by Section 106(2) which:

a) summarises and explains the total cost of capital expenditure identified in the long-term plan that the council expects to incur to meet the increased demand for community facilities resulting from growth; and

b) states the proportion of that capital expenditure that will be funded by—

i. development contributions

ii. financial contributions

iii. other sources of funding.
Section 100 of the Local Government (Auckland Council) Act 2009, enables Auckland Council to require development contributions to fund the council’s contribution to the total cost of capital expenditure by the Auckland Transport council controlled organisation.
Schedule 5 – Considerations of activity funding

Section 101(3) considerations

Each activity for which development contributions funding has been sought has been considered in terms of section 101(3) of the Local Government Act 2002.

First, the Revenue and Financing Policy identifies when it may be appropriate to use development contributions to fund, or partially fund, an activity. The activities identified in the R&F policy that have identified development contributions as an appropriate funding source have been condensed into five activities for the purposes of the Contributions Policy.

Secondly, each of these activities are assessed under section 101(3) of the LGA through the cost allocation methodology which identifies the total growth related capital expenditure that may be funded through development contributions for each activity.

Finally, the council reviews the data from the cost methodology and determines whether some or all of the development contribution growth costs should be subsidised by other funding sources.

Section 101(3)(a)(i) - Community outcomes to which the activity primarily contributes

Table 7

<table>
<thead>
<tr>
<th>Is a development contribution or financial contribution an appropriate source of funding for the activity considering this factor?</th>
<th>Reserves – Acquisition</th>
<th>Reserves – Development</th>
<th>Community infrastructure</th>
<th>Stormwater</th>
<th>Transport</th>
<th>Financial contributions for environmental protection not replaced by development contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A fair, safe and healthy Auckland</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
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<tr>
<td>A green Auckland</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td>Y</td>
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<tr>
<td>An Auckland of prosperity and opportunity</td>
<td></td>
<td></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>A well connected and accessible Auckland</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>A beautiful Auckland that is loved by its people</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A culturally rich and creative Auckland</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Development contributions, as a dedicated growth funding source, offer more secure funding for community outcomes that are affected by growth.

Section 101(3)(a)(ii) - distribution of benefits between the community as a whole, any identifiable part of the community, and individuals

Table 8

<table>
<thead>
<tr>
<th>Development contributions</th>
<th>Financial contributions for environmental protection not replaced by development contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development contributions allocate costs to the growth community and new residents or occupants who will benefit from the new assets, or the assets of additional capacity, that are funded out of the contributions.</td>
<td>Financial contributions enable the wider community to benefit from environmental protection measures funded by those responsible for creating adverse effects</td>
</tr>
</tbody>
</table>

Section 101(3)(a)(iii) - period in or over which those benefits are expected to occur
Table 9

<table>
<thead>
<tr>
<th>Development contributions</th>
<th>Financial contributions for environmental protection not replaced by development contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development contributions allow development related capital expenditure to be apportioned over time so that the partners associated with new developments only pay for the portion of infrastructure capacity they consume</td>
<td>Ongoing financial contribution monitoring costs can continue over time as long as environmental effects exist</td>
</tr>
</tbody>
</table>

Section 101(3)(a)(iv) - extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity

Table 10

<table>
<thead>
<tr>
<th>Development contributions</th>
<th>Financial contributions for environmental protection not replaced by development contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development contributions are a fair source of funding for each of these activities because they allow the capital costs of the activity to be allocated to those that create the need for capital expenditure (i.e. developer and new residents / businesses to whom development contributions may be passed on).</td>
<td>Financial contributions can be directly targeted at those causing environmental effects</td>
</tr>
</tbody>
</table>

Section 101(3)(a)(v) costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

Table 11

<table>
<thead>
<tr>
<th>Development contributions</th>
<th>Financial contributions for environmental protection not replaced by development contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each of these activities comprises a major part of the council’s overall capital expenditure and each is fundamental to new development being able to occur.</td>
<td>Financial contributions for specific purposes associated with particular developments are best funded distinctly from other council activities associated with development generally</td>
</tr>
<tr>
<td>The benefits of seeking to distinctly and transparently trying to fund a portion of the capital costs of each activity with development contributions, outweighs the costs of doing so and the potentially high costs that may fall to the ratepayer body if development contributions are not required.</td>
<td></td>
</tr>
<tr>
<td>Development contributions send clear signals to developers and the growth community about the true cost of growth to the council.</td>
<td></td>
</tr>
</tbody>
</table>

Section 101(3)(b) overall impact of any allocation of liability for revenue needs on the community
### Table 12

<table>
<thead>
<tr>
<th>Development contributions</th>
<th>Financial contributions for environmental protection not replaced by development contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>The council is aware of:</td>
<td>Financial contributions are likely to remain the most appropriate source of funding for the council in its environmental protection role. Financial contributions can be targeted at particular developments not affecting other development partners</td>
</tr>
<tr>
<td>• cost implications of its infrastructure funding decisions on development and the challenges developers face in getting their products onto the ground</td>
<td></td>
</tr>
<tr>
<td>• the potential implications of under-recovery of growth spending on the ratepayer body as a whole</td>
<td></td>
</tr>
<tr>
<td>• the costs and hurdles that existing residents and businesses face trying to develop and the effects on levels of service if barriers are too high</td>
<td></td>
</tr>
<tr>
<td>• the desirability for development contributions to support the council’s community outcomes and other objectives</td>
<td></td>
</tr>
<tr>
<td>• the effects of contribution prices on incoming residents and businesses trying to establish in Auckland.</td>
<td></td>
</tr>
</tbody>
</table>

Taking account of all these considerations and the challenges facing Auckland the council:

- considers that using development contributions set at the level in the schedule to development contributions will best advance the needs of the community
- considers that contributions set at a higher level to recover a greater share of the council’s growth related capital expenditure would adversely affect Auckland’s growth;
- considers that contributions set at a lower level to recover a lesser share of the council’s growth related capital expenditure would adversely the ratepayer communities and could compromise the environmental and other objectives in the Auckland Plan
- will incorporate and continue to investigate ways of using development contributions to incentivise and stimulate development in keeping with the Auckland Plan

---

1 Auckland Plan - Section D Auckland’s High-Level Development Strategy, paragraphs 172 and 173, Page 65

Auckland Council Contributions Policy 2018 DRAFT

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### Schedule 6 – Summary of financial contribution provisions

This table shows where financial contributions may apply:

<table>
<thead>
<tr>
<th>Former local authority</th>
<th>Plan section</th>
<th>Plan reference</th>
<th>Purpose (activity)</th>
<th>Can the council require a financial contribution for this purpose if the development is…</th>
<th>exempt from development contributions?</th>
<th>liable for development contributions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland City Council</td>
<td>Isthmus</td>
<td>4B 4.4</td>
<td>Reserves/Open space</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Auckland City Council</td>
<td>Isthmus</td>
<td>4B 6.4</td>
<td>Business public amenities</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Auckland City Council</td>
<td>Isthmus</td>
<td>4B 7.4</td>
<td>Environment and heritage</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Auckland City Council</td>
<td>Central</td>
<td>Part 8</td>
<td>Public spaces</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Auckland City Council</td>
<td>Central</td>
<td>Part 14.7</td>
<td>Public amenities</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Auckland City Council</td>
<td>Hauraki Gulf Islands</td>
<td>9.2.1</td>
<td>Environment / Access/ Open space/ Infrastructure</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Auckland Regional Council</td>
<td>Chapter 6</td>
<td>6.2.1.5</td>
<td>Operating costs in relation to dairy discharges</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Auckland Regional Council</td>
<td>Chapter 5</td>
<td>5.7</td>
<td>Remediying, mitigating or offsetting adverse effects on water quality</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Auckland Regional Council</td>
<td>Part 4</td>
<td>Chapter 8</td>
<td>Significant adverse effects on environment</td>
<td>Yes (once operative)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Auckland Regional Council</td>
<td>Chapter 38</td>
<td>38.2</td>
<td>Remediying or mitigating adverse effects on and values and features of coastal marine area Maintenance and enhancement of public access and public open space and recreation facilities</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>10.2.3</td>
<td>Contribution For District Roading</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>10.2.4</td>
<td>Contribution For District Reserves And Recreation</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>10.2.5</td>
<td>Contribution For Local Roading Impact</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>10.2.6</td>
<td>Contribution For Local Reserves Land</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>10.2.7</td>
<td>Water Supply</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>10.2.8</td>
<td>Sewerage Systems</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>10.2.9</td>
<td>Stormwater</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>10.2.10</td>
<td>Public Parking (Note proposed Plan Change 30 deletes this rule)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>10.2.1</td>
<td>Other Purposes (including protection, restoration or enhancement of any significant</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Former local authority</td>
<td>Plan section</td>
<td>Plan reference</td>
<td>Purpose (activity)</td>
<td>Can the council require a financial contribution for this purpose if the development is...?</td>
<td>exempt from development contributions?</td>
<td>liable for development contributions?</td>
</tr>
<tr>
<td>------------------------</td>
<td>--------------</td>
<td>----------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>Franklin District Council</td>
<td>Franklin</td>
<td>Part 54</td>
<td>Various Structure Plan financial contribution provisions for specific areas and purposes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Manukau City Council</td>
<td>Chapter 8</td>
<td>8.26</td>
<td>Transportation - Parking Cash in lieu provision based on schedule of parking standards, where it is not practical to provide parking on-site. Provides public parking in vicinity of developments</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Manukau City Council</td>
<td>Chapter 9</td>
<td>9.14.3</td>
<td>Public utilities (Passenger transport facilities)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Manukau City Council</td>
<td>Chapter 9</td>
<td>9.14.5</td>
<td>Public utilities (Roads, land drainage)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Manukau City Council</td>
<td>Chapter 15</td>
<td>15.15</td>
<td>Reserves contributions, esplanades Based on land or cash required to achieve planned areas of reserves</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Manukau City Council</td>
<td>Chapter 17</td>
<td>17.10</td>
<td>Flat Bush infrastructure and reserves</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Papakura District Council</td>
<td>Section 2 – Rural Papakura</td>
<td>Part 6 - Rule 6.7.9</td>
<td>Utility services, recreational and cultural facilities, and social and economic development District wide financial contributions</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Papakura District Council</td>
<td>Section 2 – Rural Papakura</td>
<td>Part 8 – Rule 8.9.1</td>
<td>Reserves and recreation facilities</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Papakura District Council</td>
<td>Section 3 – Urban Papakura</td>
<td>Part 10</td>
<td>Reserves/ roading/ stormwater within or adjacent to a development or in the case of for reserves, elsewhere in the District</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Rodney District Council</td>
<td>Chapter 22</td>
<td>22.1 to 22.16</td>
<td>Roading/ Stormwater/ Neighbourhood reserves/ Sports fields/ Community facilities Council resolution not to apply to consents received after 1 July 2009</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Rodney District Council</td>
<td>Chapter 22</td>
<td>22.17</td>
<td>Public parking</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Waitakere City Council</td>
<td>Waitakere</td>
<td>Financial Contributions</td>
<td>Reserves</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Waitakere City Council</td>
<td>Waitakere</td>
<td>Financial Contributions</td>
<td>Stormwater (Twin streams)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
**Schedule 7 – Significant assumptions**

Section 201(1)(b) of the LGA 2002 requires the policy to set out the significant assumptions underlying the calculation of the schedule to the development contributions policy, including an estimate of the potential effects if there is a significant level of uncertainty as to the scope and nature of the effects.

The following are the significant assumptions underlying the policy:

<p>| Table 14 |
|-----------------|-----------------|-----------------|
| <strong>Significant assumption</strong> | <strong>Estimate of potential effects</strong> | <strong>Level of uncertainty</strong> |
| The rate, level, location and type of residential and non-residential growth will occur as is forecast by the Auckland Regional Transport Model – Scenario 111 (June 2017) | If development is lower than that forecast by the growth model, the amount of revenue generated through this policy will be reduced. | Significant |
| The growth forecasts are based on a medium population and employment growth scenario over 20 years | The council may need to review the growth forecasts to reflect a longer take up period than anticipated in the medium scenario. This will affect the ability of the council to fund growth related infrastructure, which itself may need to be deferred. | |
| Growth can be influenced by a wide range of factors including: changes in demographics, changes in social and economic conditions, the performance of the economy and the effect of local, national and international forces | To minimise this effect, the council will use broad funding areas to provide a degree of flexibility to provide capital expenditure where it is needed to cater for growth. | |
| The proportion of capital expenditure projects for growth is based on the best available information and aligned with both the forecast growth, the Auckland Plan and Special Housing Areas | There is a significant likelihood that capital expenditure projects will alter over time due to a range of external factors. Where significant changes occur to capital expenditure projects through an annual plan, it may be appropriate for the council to determine whether to revise the schedule of charges within the policy. Provision of growth infrastructure in a period of low or uncertain growth can create a cost burden on the existing rating base as growth is not arriving to share the increased cost. The council will use broad funding areas to provide a degree of flexibility to provide capital expenditure where it is needed to cater for growth. | Significant |
| No significant changes to service standards are expected to occur other than those planned within asset management plans | Changes to service standards will affect both the level of on-site works required by those undertaking development and the scale and type of infrastructure provided by the council. If significant changes occur the council will need to reassess the effect on capital expenditure projects and determine the materiality of change to the schedule of charges within the policy. | Medium |
| The cost of growth incorporated in the contributions charge is calculated net of all third party income. This policy assumes that the level of third party funding will not change over the life of the LTP 2018-2028 | If the level of third party funding is reduced, the council will have understated the cost to be recovered through this policy. If the level of third party-funding is increased, the council will have overstated the cost to be recovered through this policy. In either case the council will be at liberty to assess the materiality of the difference and determine whether to revise the schedule of charges within the policy and provide for a lower or higher expectation of third party income. | Low |</p>
<table>
<thead>
<tr>
<th>Item 11</th>
<th>Financial Policies Contributions Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>That there is no significant difference between the actual rate of inflation and interest compared with that estimated in the LTP 2018-2028</td>
<td>Changes to inflation and interest are common variables in any policy of this nature. Where significant changes occur that materially affect the schedule of charges, the council can decide to adjust the policy accordingly.</td>
</tr>
<tr>
<td>Developments will in general exhibit common demand characteristics that enable the council to consider them as part of a simple overall classification of development types</td>
<td>All development will be attributed with the average demand as set out in Schedule 2 for the development type under which it is classified.</td>
</tr>
<tr>
<td></td>
<td>Developments individually may create a lower or higher demand on infrastructure than the average demand for their development type.</td>
</tr>
<tr>
<td></td>
<td>Development overall will create the demand levels required to recover the cost of infrastructure for growth.</td>
</tr>
<tr>
<td>Applicants are only required to pay development contributions on additional development that is the subject of a consent application. Any existing lawfully established allotments or land uses on the development site are assumed to have either:</td>
<td>The assumption that lawfully established allotments are deemed paid for development contributions purposes requires all new subdivisions to pay for one unit of demand at the point of subdivision.</td>
</tr>
<tr>
<td>• paid development or financial contributions under relevant legislation at the time; and/or • have been exempt from paying contributions.</td>
<td>This is likely to have limited effect given that the final built form or land use on the allotment will be equal to or higher than a single unit of demand for that development type.</td>
</tr>
</tbody>
</table>
Schedule 8 – Assets for which development contributions will be used

The schedule is too large to be included within the policy. A copy of this schedule is available on the council website at:

http://www.aucklandcouncil.govt.nz/EN/ratesbuildingproperty/developmentfinancialcontributions/Pages/home.aspx
Attachment A – Payment timing and enforcement

Payment Timing unless otherwise agreed in writing

Invoices become due for payment immediately upon issue and will be generated at the following points:

Table 15

<table>
<thead>
<tr>
<th>122. Type of consent</th>
<th>Issue of invoice / payment timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>a resource consent for subdivision</td>
<td>at the time of application for a certificate under section 224(c) of the Resource Management Act 1991</td>
</tr>
<tr>
<td></td>
<td>an invoice will be issued for each stage of the development for which a separate certificate under section 224(c) of the Resource Management Act 1991 is applied for, even where separate stages are part of the same consent</td>
</tr>
<tr>
<td>a resource consent for land use for:</td>
<td>at the time of a request for an invoice or immediately upon unauthorised commencement of the land use consent</td>
</tr>
<tr>
<td>a. any non-residential development for which a subdivision consent or building consent will not be necessary for the development to proceed; or</td>
<td></td>
</tr>
<tr>
<td>b. any residential development for which a subdivision consent will not be necessary for the development to proceed</td>
<td></td>
</tr>
<tr>
<td>a building consent for residential use</td>
<td>Six (6) months after the time of granting the building consent</td>
</tr>
<tr>
<td>a building consent for non-residential use</td>
<td>at the time a request is made for a code compliance certificate or a certificate of public use, or 24 months after granting, whichever is the earlier</td>
</tr>
<tr>
<td>a certificate of acceptance</td>
<td>at the time of granting of the certificate of acceptance</td>
</tr>
<tr>
<td>authorisation for service connection</td>
<td>at the time of approval for connection</td>
</tr>
</tbody>
</table>

- Any single building consent for residential use which contains five (5) or more dwelling units will be treated as non-residential use for issue of invoice / payment timing
- A request for invoice on a resource consent (not included above) must be done prior to commencement
- Payment may be made on any granted consent, however the earlier payment timing of any granted consents applies
- Where a customer requests an invoice before the timeframe stated in Table 15, the invoice is immediately payable.

Council Enforcement

Where invoices remain unpaid beyond the payment terms set out in this policy, the council will invoke normal debt collection practices to recover outstanding debt. The following are additional enforcement options council can use:

Table 16

<table>
<thead>
<tr>
<th>Type of consent</th>
<th>Enforcement options</th>
</tr>
</thead>
<tbody>
<tr>
<td>a resource consent for subdivision</td>
<td>withhold a certificate under section 224(c) of the Resource Management Act 1991 and may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land</td>
</tr>
<tr>
<td>a resource consent for land use for:</td>
<td>prevent the commencement of the land use consent under the Resource Management Act 1991 and may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land</td>
</tr>
<tr>
<td>a. any non-residential development for which a subdivision consent or building consent will not be necessary for the development to proceed; or</td>
<td></td>
</tr>
<tr>
<td>b. any residential development for which a subdivision consent will not be necessary for the development to proceed</td>
<td></td>
</tr>
<tr>
<td>a building consent / certificate of acceptance</td>
<td>withhold a code compliance certificate under section 95 of the Building Act 2004, withhold a certificate of acceptance under</td>
</tr>
</tbody>
</table>
| authorisation for service connection | section 99 of the Building Act 2004 and may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land

|          | withhold a service connection to the development and may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land |
### Attachment B – Cost Allocation

**Cost Allocation Methodology Explanation**

<table>
<thead>
<tr>
<th>Step</th>
<th>Explanation</th>
<th>Justification under LGA 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Allowing for costs to be included. <strong>Purpose:</strong> To ensure only capital costs that the council has incurred or expects to incur in its LTP, to meet the requirements of growth are included in the contribution calculation</td>
<td>Section 199(1) and (3), Section 197AB (a) + (b) – The council may only require contributions where it expects to incur capital expenditure. Section 199(2) - Development contributions may be used to pay in full or in part for capital expenditure already incurred by the Council in anticipation of development. Section 204(1), Section 197AB (d) – Contributions must only be used towards capital expenditure for the reserves and infrastructure for which they were required.</td>
</tr>
<tr>
<td>2.</td>
<td>Screening provisions. <strong>Purpose:</strong> To ensure certain costs are not included in contribution calculation.</td>
<td>Section 204(1), Section 200(1)(a),(b) and (c) – Operating and maintenance costs, subsidies, grants, the costs of works to be funded by developers and third parties and not paid for by the council and the costs of works expected to be recovered from financial contributions are excluded from the contribution calculation.</td>
</tr>
<tr>
<td>3.</td>
<td>Cost allocation between different sources of funding. <strong>Purpose:</strong> To ensure fair attribution of costs among sources of funding.</td>
<td>Costs of capital expenditure projects or programmes attributed initially between various sources of funding including the existing and growth communities and all of Auckland or parts of it, using Section 101(3)(a),(ii),(iv) and (v) considerations with equal weight given to each and Section 197AB (c).</td>
</tr>
<tr>
<td>4.</td>
<td>Cost allocation – intergenerational equity. <strong>Purpose:</strong> To ensure fair attribution of costs among sources of funding.</td>
<td>The portion of any capital project or programme to be funded by the growth community in any activity funding areas is allocated between “new” growth occurring in the 10-year long-term plan period and “future” growth occurring after year 10. This is to ensure compliance with Section 101(3)(iii) considerations and completes the considerations under Section 101(3)(a) of the Act.</td>
</tr>
<tr>
<td>5.</td>
<td>Assessing overall impact of cost allocation.</td>
<td>Section 101(3)(b) - the portion of capital costs of a project, programme or an activity allocated between different sources of funding (existing community, new growth and future growth communities in any funding area) may be reviewed and the council may deem it appropriate to shift the cost allocation burden between sources to address wider impacts.</td>
</tr>
<tr>
<td>6.</td>
<td>Totalling and attribution.</td>
<td>Schedule 13 (1) and Section 197AB (g) – the total costs of capital expenditure (at an activity level) attributable to new growth in the LTP period, within the whole city or parts of it (funding areas), is totalled. Attribution of costs to growth units of demand expected in the area over that period is carried out in the ACDCFMI.</td>
</tr>
<tr>
<td>7.</td>
<td>Declaration and reporting.</td>
<td>Section 106(1)(d) and (i) - the primary output from the cost allocation model comprises three tables of annual capital expenditure by activity that relates to: 1) the 10 year growth cost attributable to the “new” community 2) the growth costs attributable to the “future” community after year 10 3) the sum of the total growth capital expenditure. The portion of capital costs to be recovered through financial contributions (if any) are identified separately and extracted at Step 2.</td>
</tr>
</tbody>
</table>
### Attachment C – Funding Model

#### Funding Model Inputs

<table>
<thead>
<tr>
<th>Input</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>the Auckland Council Development Contributions Growth Model (ACDCGM) for both residential and non-residential growth</td>
<td>This provides the incremental annual growth forecasts that are used as the denominator in the calculation to generate the unit prices for development contributions.</td>
</tr>
<tr>
<td>the Auckland Council Development Contributions Cost Allocation Model (ACDCCAM)</td>
<td>This provides the growth proportion of the capital expenditure projects that provides capacity for the period of the long-term plan. This is used as the numerator in the calculation to generate the unit prices for development contributions. This includes both infrastructure already built (historic) and infrastructure planned as part of the long-term plan (future).</td>
</tr>
</tbody>
</table>

*activity* unit of demand factors for each identified type of development

This provides the model with the data to convert the growth forecasts (population and employment) into units of demand for each *activity*.

#### Funding Model Actions

<table>
<thead>
<tr>
<th>Action</th>
<th>Explanation</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Adjustment of Auckland Regional Transport Model – Scenario I11 (June 2017) <strong>Purpose:</strong> To convert the growth data into units of demand and to determine the likely payment profile for contributions</td>
<td>Growth units have variable units of demand associated with them (e.g. detached house = 1 unit of demand) and therefore the number of each type predicted by the AFGM must be converted to units of demand for the purposes of the funding model. Further adjustment of the growth data is required to more accurately forecast the likely occurrence of income arising from this policy. The timing of payment is a key determinant of the level of borrowing required by council.</td>
</tr>
<tr>
<td>2.</td>
<td>Separation of the 10 year growth costs (AC1n) from future growth costs beyond 10 years (AC1f) <strong>Purpose:</strong> To derive the costs to be recovered by contributions</td>
<td>To ensure the expenditure profile reflects the costs to be recovered through this policy from growth over the 10 years.</td>
</tr>
<tr>
<td>3.</td>
<td>Iteration of income expectation and borrowing cost arising from various unit prices <strong>Purpose:</strong> To derive a unit price that brings the year 10 closing balance to zero</td>
<td>Growth will generally pay for the cost of growth. Having identified the 10 year cost of growth and the number of units of demand and their likely payment timing - the growth units arising over 10 years should fully fund the total cost of growth attributed to them. Income profile and borrowing cost are the only components in the model that remain variable and inter-related in the model – income is a product of price multiplied by units of demand; price is a product of costs in the year (including interest) divided by growth; interest is a product of borrowing levels arising from a surplus of cost over income.</td>
</tr>
<tr>
<td>4.</td>
<td>Reporting contribution unit prices and summary of capital expenditure for growth</td>
<td>Requirements of legislation</td>
</tr>
</tbody>
</table>
Proposal to renew the Auckland Council Contributions Policy

Introduction
Auckland Council is required to review its Contributions policy by 1 July 2018. The Contributions Policy sets out the capital expenditure to be funded by development contributions (DCs) and the level of charge developers will pay.

DCs are paid by developers based on the size and location of their development. The DC charge is set so that each development pays an equitable share of the local and regional infrastructure required to support the development.

DCs do not determine what infrastructure projects are delivered or where they are delivered. Under the proposed policy DCs are set based on the capital expenditure for growth related projects in the Council’s Long-term Plan. DCs provide an alternative funding source to rates that is targeted to the beneficiaries of the council’s investment in growth infrastructure.

The Council has reviewed its Contributions Policy (adopted in 2015), and proposes a number of changes which are included in the draft Contributions Policy 2018, based on the capital expenditure programme in the draft Long-term Plan (LTP) 2018-2028 and proposed Regional Land Transport Plan (RLTP) capital expenditure.

Proposals
The following sections set out the changes proposed in the Contributions Policy 2018, the reasons for them and the alternatives considered.

1. LTP Investment
The draft LTP 2018-2028 and RLTP provides for additional projects with a growth component $1.4 billion higher than the LTP 2015-2025. While the majority of the increase is transport related, this also includes an additional $322 million investment in community infrastructure and parks. The additional investment in infrastructure will enable the construction of 120,000 dwellings to house an expected 300,000 additional Aucklanders.

As a result of the increased investment the average urban DC price will rise to $27,000 (excl GST). The draft policy extends the time for DCs payment by at least six months for residential developments.

With Auckland Council’s current financial constraints, the ability to debt-fund growth infrastructure is constrained. DC prices need to rise to allow this investment to proceed. Without an increase in prices general ratepayers would continue to subsidise growth or investment will be delayed or halted. This would impact on the ability to maintain service levels in response to growth and to support housing development.

Alternatives
The council considered two alternatives to the proposed increase in DCs;
- defer or halt proposed capital projects supporting growth
- increase ratepayer funding of these projects.

1. The proposed increase in DCs price over the 10 years of the LTP 2018-2028 is forecast to provide an additional $800 million of revenue. Without this revenue the council would need to reduce its proposed capital expenditure by between $1 and $3 billion depending on which projects were prioritised. This sum may exceed the loss in
revenue because DCs make up varying proportions of the funding of individual projects. Council does not recommend this option as these investments are vital to:

- maintaining service levels in the face of growth pressures
- supporting making land available for new development in both the greenfields and brownfields.

To maintain the proposed level of investment without increasing DCs would require an increase in rates funding of between $50 and $150 million per annum. This is equivalent to an additional general rates increase of between 3 and 10 per cent per year. Land owners, developers and the owners of new construction are the beneficiaries of the portion of investment in infrastructure that supports growth. Council does not support this option as it is appropriate that the growth share of funding comes from the beneficiaries via DCs not general ratepayers.

The council’s draft Revenue and Financing Policy (consulted on at the same time as the LTP 2018-2028) provides for the use of targeted rates to fund growth infrastructure. However, no proposals have been consulted on as part of the LTP 2018-2028. As rates can only be struck as part of an Annual Plan or LTP this is not a practical option for the 2018/2019 year. The council may consider targeted rates to fund growth infrastructure in the future.

2. Funding Areas
The draft Contributions policy 2018 includes four additional funding areas for transport. These funding areas allocate the cost of transport infrastructure to the priority growth areas in Kumeu/Whenuapai/Redhills, Dairy Flat/Wainui/Silverdale, Greater Tamaki and Albany. An additional funding area has also been created for reserves and community in Greater Tamaki.

The council rejected the option of keeping these developments within the current funding area framework as DCs for development in these areas would be below the actual cost. This would result in increased costs for other developers in the existing areas.

3. Development Types
The council currently separates different developments into distinctive types in order to accurately share the costs of providing growth infrastructure between developers. The council proposes to amend the following development types to better reflect the demand they place on infrastructure.

Student accommodation
Create a new “student accommodation units” category for student accommodation (administered by schools/universities). Student accommodation is closer to their residents primary travel destination and these institutions generally provide some open space. This category will have a lower price for transport and open space than residential development.

Aged care rooms
The DCs payable for Aged Care Rooms will be reduced by removing the requirement to pay for Community Infrastructure. Council considers that the nature of the persons occupying these units makes it unlikely that they would use Community Infrastructure such as playgrounds, toilets or community halls.

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1 The proportion of DC funding differs for different projects i.e. reserve acquisitions are primarily funded from DCs whereas transport projects have a mix of general rates, NZTA and DC funding. Lower DC funding for parks would reduce capex by a similar amount. Lower DC funding for transport would remove projects of a higher value as we would lose access to the associated NZTA funding.
Alternatives
Council considered retaining the status quo but rejected this option as it would mean these developments would pay a share of contribution costs in excess of the demand they place on infrastructure.

4. Clarifying definitions
The council proposes to make the following changes to the definitions of development type.

Small ancillary dwelling units
Change the ‘size’ definition of small ancillary dwelling units to those with a gross floor area less than or equal to 65m². This aligns the Contributions Policy with the definition in the Unitary Plan to avoid customer confusion.

Retirement villages
Amend the definition of a ‘Retirement Village’ to align with the Unitary Plan to avoid customer confusion.

Accommodation units for short term rental
Amend the definition of Accommodation Units to clarify that they include properties used for short term rental. Long-term rentals will continue to be treated as dwelling units.

Alternatives
The council considered retaining the current definitions but rejected this to avoid the ongoing confusion for customers dealing with different definitions in council policies and the additional administration costs incurred to resolve these.

5. Payment Timings
Residential developments are currently required to pay DCs when the building consent is issued. Council proposes to adjust the payment timing for residential developments as follows:

- developments that create five or more dwelling units will be classified as non-residential developments. This will allow the DCs assessment to be invoiced at time the Code Compliance Certificate (CCC) is applied for. This will extend the time until council receives payment by an average of 9-18 months.
- all other residential developments will be charged six months after building consent is issued.

Council has proposed this change to support residential developers by better aligning the requirement to pay DCs with developers’ cash flows. Reducing the amount of capital investment required prior to construction will make it easier for developers to finance and progress residential projects. Under this option, the timing of payment for residential DCs is more closely aligned to the time at which the increased demand for infrastructure occurs.

Alternatives
The current requirement for residential developments to pay DCs at the time building consent is issued could be retained. However this would not support residential developers, and would mean that payments would be made in advance of demand for infrastructure being generated.

Future work
The draft Contributions Policy 2018 only includes additional investment in infrastructure in a few priority development areas. This is based on the Auckland Transport Alignment Project and the RLTP which reflect the government’s medium term priorities for transport investment. The priorities are public transport and safety with limited provision for roading. Timing challenges have meant only preliminary consideration has been given to future
transport needs to support greenfields development. As a result the proposed average greenfields DC price is $27,000 (GST excl), which is at the same level as the proposed average urban DC price.

However, the investment in infrastructure to support the council’s Future Urban Land Supply Strategy identifies the cost per house in greenfields as around $150,000. This includes the cost of the government’s investment in state highway upgrades, NZTA’s contribution to council roading investment and Watercare’s Infrastructure Growth Charge. The proportion of the overall cost that would be recovered from development contributions is approximately $70,000.

In the medium term it is important that DCs set for greenfields reflect the longer term overall cost of the required infrastructure. This will ensure that development in greenfields:

- is not subsidised by general ratepayers
- is priced appropriately in comparison to brownfields intensification
- does not allow early movers to pay lower prices and shift the burden to later developers
- ensures more cost-effective infrastructure procurement. For example, it is likely to be cheaper if a 30-year view is taken from the onset when delivering the infrastructure needed to service the ultimate population of greenfield areas. Securing land for future roads and parks prior to development, or initially constructing bridges that provide for future road widening, is more cost-effective than retrofitting infrastructure.

The council will work with central government to determine longer term investment plans for the roading to support greenfields development. This will provide a foundation for planning the capital expenditure programme to be funded from development contributions. Progress on this work will be reported on by the end of September.

Process for Contributions Policy
Feedback on the draft Contributions Policy 2018 is welcome from 1 May and 14 May April 2018. This feedback will help inform council’s decisions on the Contributions Policy. The 30 May meeting of the Finance and Performance will then recommend a final policy for adoption. This policy will be adopted by the Governing Body on 27 June 2018. The amended Policy will take effect from 1 July 2018.

Ways to have your say on the Contributions Policy

Online
https://www.aucklandcouncil.govt.nz/have-your-say/topics-you-can-have-your-say-on/Pages/default.aspx

Keyword: Contributions

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