Note: The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

**Tira Kāwana / Governing Body**

**OPEN ATTACHMENTS**

**ADDITIONAL ATTACHMENTS UNDER SEPARATE COVER**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Summary of Governing Body information memos and briefings - 24 May 2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Mayors Report on Visit to Hong Kong, April 2018</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>B. Auckland Transport Alignment Project and Regional Fuel Tax Briefing - 27 April 2018</td>
<td>13</td>
</tr>
</tbody>
</table>
Report on Visit to Hong Kong by Mayor Phil Goff
8 – 11 April 2018

From 8 – 11 April I visited Hong Kong on a Sponsored Visitor Programme. Under the Programme the Government of Hong Kong invites and fully funds individuals from around the world to visit the Hong Kong Special Administrative Region to better understand developments taking place in the territory and the bilateral opportunities it offers. No costs were incurred by Auckland Council for either travel or accommodation.

The visit gave me access to top officials in areas of interest to me in my role as Mayor.

I had discussions with the following people:
- Stanley Ying, Permanent Secretary for Transport and Housing
- Wong Kam-Sing, Secretary for the Environment
- Bernadette Linn, Permanent Secretary for Development
- Roy Tang, Permanent Secretary for Constitutional and Mainland affairs
- Wesley Wong, Solicitor General, Department of Justice
- Philip Yung, Permanent Secretary for Commerce and Economic Development

I was fortunate to be accompanied at each of the visits by Mr Carl Worker and Mr Shannon Tau, Consul General and Deputy Consul of New Zealand.

I also met with key members of the New Zealand business community in Hong Kong and others with an investment and commercial interest in Hong Kong and New Zealand. These included David Whitwam - President NZ Chamber of Commerce in Hong Kong, Anna Mowbray - Chief Executive Zuru, Brett Butcher - Chief Executive for Langham Hotels, Peter Churchose - Property market economist consultant and investor, Rob Kaiwai - General Manager Sino Hotels, Kenny Lau - Investment New Zealand, Hong Kong, Rachel McGuckian - NZ Trade Commissioner, Jim Thompson - Founder and Owner Crown Worldwide, John Mortensen - Regional Director Education and Healthcare for Jones Lang LaSalle, Jamil Anderlini - Financial times Asia Editor in Hong Kong, Melanie Nutbeam - Director International Financial Planning at Ipac, SG Lim Managing Director, e-Kong Group Companies and others.

With a particular interest in infrastructure build for transport and housing, I visited the following sites:

- Kai Tak Mass Transit Railway and tunnels. This is a new station located on the old airport site and adjoining cross-harbour tunnels connecting Kowloon and Hong Kong Island.
• The Hong Kong Zhuhai Macao Bridge due to open shortly. This is one of the world’s longest bridges and connecting tunnels, some 43 Kilometres long with the Hong Kong share of the costs in excess of $21 billion (NZ). It creates connectivity with Mainland China and has an architecturally spectacular border crossing facility constructed on a reclaimed island next to the airport.

• West Kowloon terminus of the Guangzhou – Shenzhen – Hong Kong express rail link. This is also due to open this year and provide greater connectivity with the Mainland. It is the world’s largest underground railway station with 15 lines. Trains travel at up to 350km per hour, connecting with Shenzhen through 26 kilometres of tunnel in 23 minutes and Guangzhou in 48 minutes, a trip which previously took over 2 hours. The station and tunnel (26 kilometres) cost around $84 billion.

• Happy Valley Underground Stormwater Storage Plant. Under the Hong Kong racecourse, the storage plant holds over 60,000 cubic metres of water and eliminates flooding in the area.

• On Tat Housing Estate. This housing estate built and operated by the Hong Kong Housing Authority has 11 towers of up to 44 storeys high, providing over 9300 units for 23,000 people. It provides subsidised public housing with rents as low as less than $100(nzd) a week. By New Zealand standards the units are tiny, between 21m2 and 37m2, for between 2 and 5 people per unit. That is roughly the size of a single garage. These units are new and well maintained but few New Zealanders could conceive of living in such a confined space. It is a reflection of the different challenges and expectations of people living in this part of the world.

**Housing**

Housing was one focus of my visit. While of little consolation to Auckland families struggling to buy their own homes, our housing problems are much less severe than those in Hong Kong. Hong Kong is the least affordable housing market in the world with average prices now topping NZD$2.5 million per apartment and annual price rises in double digits. This price is over 15 times the average gross household income with an average mortgage to household income of 67%. There is a market failure to match demand for housing with supply. The Hong Kong government provides over 2 million people (out of a 7.3 million population) with subsidised public rental housing and also has programmes for subsidised home ownership. It is endeavouring to implement both supply and demand side interventions to deal with housing shortages and unaffordability.
Foreign ownership of housing is discouraged by up to a 30% stamp duty surcharge imposed on non-residents so that locals are not competing in the market with non-residents.

Immigration from the mainland runs at around 50,000 people a year based on family reunification which adds to pressure on the market. The number is determined by the Peoples Republic of China (PRC) government and not Hong Kong.

Housing will continue to be a critical issue for the Hong Kong government with the potential for popular discontent.

Infrastructure
On infrastructure build the financial position of the Hong Kong Government in an enviable one.

Billions of dollars are being spent, in particular on transport infrastructure and progress in this area is spectacular. While Hong Kong has a low maximum tax rate of 15% on income and no GST, it has been able to pay cash for its infrastructure projects without recourse to borrowing.

The explanation for this is that despite being a capitalist economy all land is owned by the government and the income return from leasing land is enormous.

With every infrastructure project the Hong Kong government captures the full value uplift from the land it services.

Its strong financial and services economy also helps fill the government’s coffers. It is generally embarrassed by posting much larger surpluses than it budgets for, which are returned in bonuses to the population.

One Country, Two Systems
Twenty years after Britain as the colonial ruler of the territory passed it back to PRC sovereignty, the basic precepts of one country, two systems have been upheld. Hong Kong runs a free market economy, one of the most competitive and easiest in which to do business in the world. There is a free flow of capital and a flexible currency which is independent of China.

It enjoys the rule of law based on its British heritage, and its judiciary maintains full independence.

Hong Kong upholds basic human rights consistent with UN conventions and freedom of expression and association and other rights are guaranteed.

China has the power in practice to influence the laws of Hong Kong and it clearly influences the appointment of the territory’s Chief Executive Officer. However, it has honoured the agreement reached with the United Kingdom in the 1980’s to uphold Hong Kong’s autonomy in running its own affairs in areas other than foreign policy and defence which are controlled by the PRC.
Democratic elections take place to half of the Legislative Council's (Legco) membership with the other half appointed by functional constituencies. The chief executive position remains a non-elective one.

The Basic Law allow for both the Chief Executive and LegCo to be fully elected but a political stalemate within LegCo prevents this from occurring. There are entrenched divisions within LegCo between conservative (pro-Mainland) and ‘democratic’ factions who want to push the limits of Hong Kong's autonomy.

PRC has a military garrison in Hong Kong (in the old Prince of Wales barracks) but its presence is unobtrusive. China in upholding its commitment to one country, two systems clearly has an eye to the future integration of Taiwan under the same concept and is careful not to send the message to Taiwan and the world that this guarantee is fragile.

The Independent Commission Against Corruption is an effective and genuinely independent body which in conjunction with the rule of law Hong Kong results in it being the least corrupt territory in Asia.

Relationship with Auckland
There are good reasons for Auckland to continue to develop its relationship with Hong Kong. Hong Kong is making strong efforts to integrate itself in a Greater Bay Area with Macao and Guangdong. As the fastest growing economic area in China, this is an attractive area for Auckland business in which to become active. Our sister city links with Guangzhou assists business in developing this relationship.

English is the second official language. Together with the rule of law, lack of corruption and free market system, this makes Hong Kong an attractive launching pad for Auckland businesses to enter the North Asian market.

Hong Kong is a significant investor in Auckland with investments in areas such as the Langham Group, Envirowaste, Mission Hills and Goodman Fielder and we should continue to promote Hong Kong investment in infrastructure, retail and hotels. It is also a significant tourist market with over 46,000 visitors a year to New Zealand. In the premium visitor area where tourists spend more than $68,000 a visit, it is one of our most important source countries. There are key opportunities for Auckland tourism industry next year which has been named officially as the New Zealand – China year of Tourism.

With a robust legal and financial institutional framework to support commercial enterprise, Auckland companies can use Hong Kong as a strategic launch pad into the mainland China market.

ATEED is pushing Hong Kong as a region of particular interest in the Golf, Equine, Marine and Screen production areas.

I would like to finish by expressing my gratitude to the Hong Government and the New Zealand Consul General in Hong Kong for facilitating my visit and programme.
Border crossing facility: HK-Macao-Zhuhai Bridge

The 44km long Hong Kong-Macao-Zhuhai Bridge. One of the longest in the world
The West Kowloon Terminus of the Guangzhou-Shenzhen-HK Express rail link under construction

Inside the West Kowloon Terminus
The On Tat Housing Estate

Standard apartment – On Tat Housing Estate (roughly 25m2)
On the H.K-Mainland Border – HK-Zhuhai-Macao Bridge
Tira Kāwana / Governing Body Briefing: ATAP

MINUTES

Minutes of a briefing of the Governing Body held in the Meeting Room, Level 26, 135 Albert Street, Auckland on Friday 27 April 2018 at 9.38am.

PRESENT

Mayor Phil Goff
Deputy Mayor Bill Cashmore
Cr Josephine Bartley Until 11.32am
Cr Ross Clow Until 11.32am
Cr Richard Hills
Cr Penny Hulse
Cr Desley Simpson, JP Until 11.41am
Cr Sharon Stewart, QSM
Cr Wayne Walker From 10.10am, until 11.11am
Cr John Watson

APOLOGIES

Cr Dr Cathy Casey
Cr Fa’anana Efeso Collins
Cr Linda Cooper, JP On council business
Cr Chris Darby
Cr Alf Filipaina
Cr Christine Fletcher For Leave of absence
Cr Daniel Newman, JP
Cr Dick Quax For Leave of absence
Cr Greg Sayers
**Purpose of briefing:**
To brief the Governing Body on the Auckland Transport Alignment Programme Draft Proposal for a Regional Fuel Tax.

**Apologies**
Cr C Casey, Cr E Collins, Cr C Darby Cr A Filipaina, Cr D Newman and Cr G Sayers for absence and Cr L Cooper for absence on council business, were noted.

**Declarations of Interest**
No declarations of interest.

**Briefing notes:**

**Auckland Transport Alignment Programme (ATAP)**
Josh Arbury, David Hawkey and Cynthia Gillespie

A PowerPoint presentation was given and is attached to the minutes.

*Cr W Walker entered the meeting at 10.10am.*

**Draft Proposal for a Regional Fuel Tax**
Theresa Stratton, Michael Burns, Cynthia Gillespie, Mark Fleming

A PowerPoint presentation was given and is attached to the minutes.

**Communication and engagement campaign**
Dan Lambert, Tim Aitken, Kenneth Aiolupotea

A PowerPoint presentation was given and is attached to the minutes.

The workshop closed at 11.56am.
Auckland Transport Alignment Project
Update

Briefing for Governing Body

27 April 2018
What is ATAP?

- Non-statutory process to improve alignment between Council and Government about how Auckland’s transport system should develop
- ATAP does not replace existing statutory processes but seeks to inform them
- ATAP takes a long-term policy approach and also provides guidance to 10 year investment priorities
What is the 2018 ATAP update?

Original ATAP
Year long project in 2015/16 to agree an aligned 30 year strategic approach to transport.

Also included an “indicative package” of key investments on a decade by decade basis.

2017 ATAP Update
Update to the 10 year indicative package to reflect faster than expected growth.

Faster growth means a greater need for investment, increasing the funding gap to $5.9 billion (in 2015 dollars)

2018 ATAP Update
Further update to the 10 year package.

Within planned funding levels of $28b
Focused on ensuring the package aligns with the priorities of the new government and Council’s refreshed Auckland Plan
Project governance

Political Oversight

- Ministers of Transport and Finance
- Mayor Goff, Deputy Mayor Cashmore & Planning Committee Chair Cr Darby

Governance Group

- Chief Executives of MOT, AC, AT, KiwiRail, NZTA
- Deputy Secretaries of Treasury and State Services Commission

Project Team

- Senior officials from participating organisations
Project purpose

The purpose of the 2018 ATAP update is to:

1. Ensure ATAP reflects council’s and the new Government’s transport priorities
2. Help inform upcoming statutory plans:
   - The revised 2018 Government Policy Statement on land transport and the National Land Transport Programme
   - The 2018 Regional Land Transport Plan, the 10 Year Budget and the Regional Fuel Tax proposal
   - The final Auckland Plan

ATAP does not replace any statutory processes or decision making but seeks to inform these processes
Project objectives

Updating the indicative package to place greater weight on the following priorities:

- 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 improvements in health, safety, the environment and access, including disability access
- ensuring the indicative package delivers the best possible value for money, including broader non-monetary costs and benefits.
Approach

Revision, testing and reprioritisation of potential investments to understand what could be achieved at two funding levels:

- The best mix of investments within current funding levels (the ATAP Package)
- The highest priority further investments as transport funding and financing work progresses

The following information was used to updating the indicative package:

- Auckland Transport’s project prioritisation tool (with updated weighting)
- Strategic transport modelling tools Project specific analysis and information, including from business cases
- Information on dependencies between different investments (e.g. aligning with timing of greenfield growth areas).
Assumed Revenue 2018-28

Planned & Assumed Revenue (inflated to year of spend)

- Rates, Borrowing & DCs: $8.45 billion
- Regional Fuel Tax: $1.5 billion
- National Land Transport Fund: $16.3 billion
- Crown contribution to City Rail Link: $1.4 billion
- Crown Infrastructure Partners: $0.36 billion

Funding totals (excluding fees & charges):
- Auckland Council: $10 billion
- Government: $18 billion

Funding increase from previous plans:
- $1.5 billion from Regional Fuel Tax (slightly offset by lower Council borrowing)
- $364m from Crown Infrastructure Partners
- $2.8 billion more from National Land Transport Fund

Total: $4.6 billion extra funding
## ATAP package

### 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

### Investment Area

<table>
<thead>
<tr>
<th>Investment Area</th>
<th>2018-28 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>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>
Rapid Transit

**Committed Projects**
- City Rail Link
- Northern Busway extension to Albany
- Additional Electric Trains

**New Projects**
- Light rail (City-Airport and Northwest corridors)
- Eastern Busway (Panmure-Botany)
- Airport-Puhinui bus improvements
- Pukekohe electrification, third main, other rail network upgrades
- Further new electric trains
- Albany-Silverdale bus shoulder lanes
Strategic Road Projects

Committed Projects
- Puhol-Warkworth motorway
- Northern Corridor (SH1/SH18)
- Southern motorway widening (Manukau-Papakura)
- Northwest motorway widening (Lincoln Rd-Westgate)

New Projects
- Eastern Airport Access (State Highway 20B upgrade)
- Revised East West Link
- Southern Motorway widening (Papakura to Drury)
- Mill Road (phase one)
- Penlink Toll Road
Outcomes

Note: modelling outputs relate to slightly larger investment programme than ATAP Package and are based on a “fixed land use”. Taken together, the modelling outputs are not expected to be substantially different. Further modelling will be undertaken in the near future.
## Outcomes (cont.)

<table>
<thead>
<tr>
<th>Outcome Area</th>
<th>Performance</th>
</tr>
</thead>
</table>
| Supporting growth  | • Enhance the potential for growth around rapid transit by accelerating key corridors  
                             • Enabling greenfield growth for 32,000 more homes over next 10 years |
| Cycling mode share | • Increases from 1.2% to around 4% over next ten years                       |
| Safety             | • 60% reduction in deaths & serious injuries from around 800 to no more than 325 by 2027 |
| Environmental      | • Reduced pollutants compared to current levels                             
                             • Reduced carbon emissions compared to previous ATAP                      |
| Value for money    | • Weighted cost-benefit ratio of 2.6                                        |
Recommendations & Next Steps

1. Align statutory documents with the direction of ATAP.
2. Continue to work with government on key implementation actions:
   - Establish a joint Government-Council workstream to consider transport funding and financing options.
   - 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.
Questions
Regional Fuel Tax Proposal

Governing Body Workshop

27 April 2018
## Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Today</td>
<td>ATAP briefing and RFT proposal discussion</td>
</tr>
<tr>
<td>30 April</td>
<td>GB meeting to endorse ATAP report and adopt draft RFT proposal for consultation</td>
</tr>
<tr>
<td>1-14 May</td>
<td>Public consultation of RFT proposal</td>
</tr>
<tr>
<td>29 May</td>
<td>Workshop on feedback and changes to RFT proposal</td>
</tr>
<tr>
<td>31 May</td>
<td>GB decision-making on final RFT proposal to go to Ministers</td>
</tr>
<tr>
<td>Late June</td>
<td>Government passes legislation and approve Auckland scheme</td>
</tr>
<tr>
<td>1 July</td>
<td>Regional Fuel Tax introduced</td>
</tr>
</tbody>
</table>
Attachment B

RFT Proposal - Changes since last workshop

- Updates to first 4 pages
- Draft GPS language
- ATAP language
- Intro makes clear what the RFT proposal is
- Projects added following ATAP discussions (pages 6-20)
- Wish to exclude Great Barrier Island noted (page 21)
Projects

- 14 projects now included (refer hand out)

- Within the proposal each has a description, a costs and benefits table, and a value for money statement

- Continued work over next couple of weeks on consistency of tables and value for money
Public consultation overview

- Short four page overview
- Demonstrates where benefits lie
- Available electronically and hard copy (along with full proposal)
Have Your Say on Transport

Comms and engagement overview

27 May, 2018
Leverage what we already have
<table>
<thead>
<tr>
<th>We need ...</th>
<th>We have ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>Build on awareness of <em>Have Your Say</em></td>
</tr>
<tr>
<td>Call-to-action</td>
<td>Repurpose <em>Have Your Say</em></td>
</tr>
<tr>
<td>Campaign collateral</td>
<td>Evolve creative approach for <em>Have Your Say</em></td>
</tr>
<tr>
<td>Feedback</td>
<td>Leverage those who have given feedback to Have Your Say</td>
</tr>
<tr>
<td>An online destination</td>
<td>redirect ‘AK Have Your Say’</td>
</tr>
<tr>
<td>Budget efficiencies</td>
<td>Leverage March close-the loop communications and budget</td>
</tr>
</tbody>
</table>
Attachment B

Item 14

Phase 1.

Phase 2.

Creative look and feel

Governing Body
24 May 2018

Attachments
Page 38
Website; update content, same experience

- Positioned (and featured) within Have Your Say section of website
- Landing page customised to show all consultations
- Dedicated page for each consultation + additional page for documents
- All documents available to download or print
- Combined feedback form
- Related links from Auckland Council website pages
Building an audience

Closing the loop communication
- Email approx. 30,000 submitters.

Direct communication with Auckland Council and Auckland transport stakeholder groups

News and op-ed coverage
- print, online and radio media coverage across Auckland Council, Auckland Transport, local board and elected member channels.

Print Advertising
- 15 local newspapers

Auckland Transport screens and other activity across the public transport network

Radio ads in the peak morning and evening travel periods
Building an audience - cont.

Online video

Auckland Council channels

- Our Auckland online, Council screens, posters and flyers (libraries, service centres and local board officers),

- Social media across Auckland Council, Auckland Transport, local board and elected member channels.
Engagement approach

Collaborate with AT on all aspects of engagement to deliver an effective engagement approach within constraints

- Directly contact all those who have already had their say by providing feedback and their contact details (c.15,000), plus those who started but didn’t finish online feedback (3000k).
- Encourage Aucklanders to have their say online with minimal hard copies available due to timeframes for production and distribution.
- Organise drop-in sessions for general public (x4) across the region (EM attendance optional).
- Hold one regional stakeholder event (councilors to attend) - hearing style event.
- Work with community partners to encourage feedback from their communities by leveraging their own networks and events. Including social media campaign with Maori communities/mataawaka.
Engagement approach - *cont.*

*Collaborate with AT on all aspects of engagement to deliver an effective engagement approach within constraints*

- Supporting individual mana whenua entities and the Kaitiaki Forum to prepare feedback.
- Dependent on availability of final material, translation of summaries and feedback forms into key languages (starting with Chinese, Korean and Te Reo).
- Liaise with Advisory Panels on best way for them to provide their feedback on the topics.