

Date: Thursday 13 February 2025
Time: 10.00am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

**Te Komiti mō te Tūnuku, mō te Manawaroa me te
Tūāhanga /
Transport, Resilience and Infrastructure
Committee**

OPEN ATTACHMENTS

**ADDITIONAL ATTACHMENTS
UNDER SEPARATE COVER**

ITEM	TABLE OF CONTENTS	PAGE
15	Summary of Transport, Resilience and Infrastructure Committee information memoranda, workshops and briefings (including the forward work programme) - 13 February 2025	
B.	Memorandum - Luke Combs Concert and Rail Network Closure January 2025	3
C.	Memorandum: Tāmaki Makaurau Recovery Office monthly update	5
D.	Memorandum: CRRC Digital Rapid Transit vehicle demonstration update	13
E.	Memorandum: Time of use charging enabling legislation	15
F.	Memorandum: Increasing the Private Revenue Ratio for public transport operating expenditure	17

Memorandum



To: Transport, Resilience and Infrastructure Committee
From: Simon Buxton, Director of Customer & Network Performance, Auckland Transport
Subject: Luke Combs Concert and Rail Network Closure January 2025

Purpose

The Luke Combs Concert is being held at Eden Park over the weekend of 17 and 18 January 2025. This is a major event which will have an impact on customer experience of access to the venue and travel to/from the event during a planned rail closure which was pre-informed to Eden Park.

This memo sets out the steps we are taking to manage customer impacts, including our expectations of Eden Park as the event manager.

Overview

The rail network will be **closed from 27 December 2024 to 27 January 2025** to enable critical upgrades including replacing ageing foundations under the tracks, fitting out new stations and integrating, testing and commissioning new systems for the City Rail Link (CRL).

Auckland Transport (AT) informed Eden Park on 15 January 2024 of the planned rail closure dates (at the time the dates were planned for 27 December 2024 to 18 January 2025). On 3 September 2024, Eden Park informed AT of a concert taking place on 17 and 18 January 2025, which was later confirmed to be Luke Combs, an American country singer.

The Luke Combs Concert is expected to sell out, with more than 50,000 patrons attending each night. Without rail provision, there are significant transport and health and safety risks, including potential wait times to get home of more than 3 hours, patrons missing the start of the concert or being left behind afterward. Severe pedestrian congestion after the event is also highly probable, based on other major concerts when there is an absence of rail services.

Whilst additional special event buses can be procured, there are limitations in their ability to reduce wait times due to the number required to replace rail, and the time required to load each bus.

Eden Park requested AT move the rail closure to accommodate the Luke Combs Concert. This request was considered and escalated internally. For a range of reasons outlined below, this option was not pursued:

- The nature of rail maintenance, particularly the works occurring in January, means that rail services cannot be temporarily reinstated in the middle of the works period. KiwiRail must lift the rails and sleepers, replace the foundations, improve drainage and put the rails and sleepers back down.
- These next stages of the Rail Network Rebuild are the final push to get Auckland's rail network ready for CRL. AT has worked closely with KiwiRail to deliver a huge scale of work as efficiently as possible to reduce disruption to customers.
- Ending the rail closures early for this concert would mean 11 days of rail closures that need to be scheduled at another time, likely impacting more than 50,000 daily boardings. AT has worked hard with KiwiRail to retain weekday peak services as much as possible so Aucklanders can still rely on the train for their weekday routines and reduce the number of weekend closures.

AT appreciates the importance of major concerts and events to the Auckland economy and the important role that train travel plays in getting people to and from these locations.



Memorandum



AT remains committed to facilitating efficient transport to and from major events and will continue to support our major venues with services including integrated ticketing and standing up special event teams at the Auckland Transport Operation Centre to monitor and optimise transport in real time, including ensuring safe ingress and egress at major venues.

Special event teams continue to innovate and trial the provision and promotion of additional modes of transport. For example the recent Coldplay concerts were the largest ever held at Eden Park, with over 50,000 attendees each night. Several successful initiatives were put in place by AT, including a Fan Trail with events and activations to encourage attendees to walk to Eden Park. The longest wait time to get transport home from the concert was 40 minutes.

Promoting alternative transport options like the Fan Trail also provides an opportunity to proactively advise attendees of transport risks and manage expectations of wait times.

Next steps

AT advised Eden Park well in advance of the rail line closures and the associated risks of running major concerts during these periods. AT has requested Eden Park provide a Transport Plan, Crowd Management Plan and Traffic Management Plan, for the approval of AT and Auckland Council, that include the following mitigations:

- Additional special event and rail replacement buses (including supplementation of costs by Eden Park)
- Promotion of alternative modes of transport including walking, cycling, taking the bus, and using e-scooters
- Additional marketing and communications to inform customers and the media, giving them realistic expectations of transport challenges and expected post-event wait times
- Additional pick up/drop off areas
- Additional police support and security
- Pre and post event activations including extended food and beverage operating hours
- Partnerships and promotions with local venues to promote arriving early and staying later in the local area, and
- Additional on ground support including digital signage, wayfinding and ambassadors.

Discussions with Eden Park are ongoing, and AT will continue to provide support to help mitigate these risks as best as possible.





Memorandum

17 December 2025

To: Transport, Resilience and Infrastructure Committee and all local board members

Subject: Tāmaki Makaurau Recovery Office monthly update

From: Mace Ward, Group Recovery Manager

Contact information: electedrepsrecovery@aucklandcouncil.govt.nz

Purpose

1. To provide elected members with an update on property categorisation and other Recovery Office activities that occurred from 18 November – 9 December 2024.

Summary

1. At 9 December 2024, we have provided final categories for more than 80% of those registered for the categorisation scheme. A final total of 3529 properties have registered for categorization and registrations are closed.. Of these, 2871 properties have received their final category.
2. As we reported to the Transport, Resilience and Infrastructure Committee earlier this month, we expect the number of Category 3 homes to reach over 1200. This number exceeds the initial estimate of 900 homes to receive a council-Crown funded buy-out.
3. We now have the keys for 395 homes; 127 houses are under contract with a removal company, 37 houses are in the removal process, and 77 houses have been removed. Around 30% of the Category 3 homes are forecast to be relocated.
4. Expressions of interest opened on 13 December 2024 for homeowners with property access impacted by slips within road reserves, following the Transport, Resilience and Infrastructure Committee voting for a \$5 million support scheme last month.
5. Our main communication priorities in the past month have been a summer readiness briefing for elected members, promoting the road reserves scheme and working with media on the reforecast categorisation numbers.
6. Two major stormwater projects at Harania and Te Ararata in Māngere will begin in the first quarter of 2025 and are expected to be completed around mid-2026. We have started confirming categories for homes in this position, including eight Category 2Cs in the Harania catchment. Flood modelling to confirm the benefits of the final design for Te Ararata is being re-run to confirm flood resilience benefits to properties from the project in that catchment, following final infrastructure design.
7. Nearly 200 residents attended a meeting about the Wairau catchment in Milford. The information was well received by all in attendance. Healthy Waters gave a presentation on the reasons why the area is prone to flooding and Blue-Green (flood resilience) project options.
8. As of 27 November 2024, 744 whānau are being supported by a Storm Recovery Navigator (149 in the south, 166 in the north, 203 in central, and 226 in the west).
9. The [Wellbeing Recovery Tāmaki Makaurau Progress Report](#) is now available, providing an update on the progress of the Wellbeing Recovery Plan approved by the Auckland Regional Leadership Group in June 2024.

Page 1



10. A learning review has been conducted for the Mental Wellbeing Fund with the recipients of this fund, including three focus groups aimed at identifying the most effective community-based wellbeing services for recovery. The findings will help guide the Recovery Office and its partners to provide continued wellbeing support for current recovery efforts and preparing for future events.
11. Enabling mana whenua and communities to lead their own recovery is a key priority of the Tāmaki Makaurau Recovery Plan, and through the plan we are committed to supporting local recovery planning.

Progress on residential properties

12. As at 09 December 2024, 3529 properties have registered for categorisation by completing a Flood and Landslide Registration Form. Of these, 2871 properties have received their final category.
13. The Recovery Office responded to concerns from elected members around ensuring that anyone who was eligible had the opportunity to opt into the categorisation scheme. Before the 30 September deadline, an extensive campaign was undertaken which saw an increase in homeowners opting into the scheme, with 370 additional owners registered in September 2024 including 119 high risk properties.
14. We are forecasting the following anticipated numbers in each category.

Table 1. Number of properties categorised

Categories confirmed	2871
Category 1	1666
Category 2P	119
Category 2C	9
Category 3	957
Ineligible	120

15. In addition, 785 Category 3 property owners had received a valuation from council. Of these, 535 have accepted the council's offer, with 439 sale and purchase transactions completed.
16. A small number of properties that have registered for the programme are ineligible because they do not have a legal residential dwelling on the land. This includes vacant land, commercial properties and properties owned by public service providers.
17. The Recovery Office has received 285 requests for review (dispute). 234 cases have been resolved and 51 cases remain open.
18. There has been an increase in consideration of special circumstances reviews and the re-categorisation from Category 1 to Category 2P continues to be a common request. (i.e. seeking financial assistance from the council for repairs under the Category 2P grants scheme)
19. Fortnightly updates on categorisation are published on the recovery section of OurAuckland (ourauckland.aucklandcouncil.govt.nz/recovery) which includes a suburb breakdown. This data is also shared via the fortnightly recovery newsletter.



Removal of Category 3 homes

20. We have now removed nearly 80 Category 3 homes, with approximately 30 per cent of the homes being relocated.
21. The council's panel of removal companies are currently working on clusters of homes in Muriwai, Rānui/Henderson/Swanson, Piha, Titirangi, Mt Eden, Epsom, Pukekohe, Grey Lynn, Kumeu and Waiwera, while work continues at one-off sites across the city. In early 2025 we will start on homes in Avondale and Murrays Bay/Browns Bay.
22. We update relevant elected members, community groups, immediate neighbours and the former homeowners before starting work in each area.
23. By 9 December, we had contracts with removal companies for 127 homes, with 37 removals in progress. Relocating homes is the preferred option to reduce waste to landfill and to provide new homes for other families. Deconstruction is the second preference, with most of the materials going to community recycling centres to be reused by local residents.
24. The costs to remove the homes so far have been higher than budgeted, largely due to challenging sites and the presence of asbestos. We are currently reviewing the pricing schedules and removal methodologies of the contracting companies, and will bring a report to the Transport, Resilience and Infrastructure Committee in February which outlines options to changes to the procurement approach that would help bring the average cost down.
25. We have also undertaken urgent maintenance of some Category 3 sections in Rānui, and have put in place a maintenance plan with existing council contractors to maintain.

Road reserves support scheme

26. Expressions of interest opened on 13 December 2024 for homeowners with property access impacted by slips on road reserves, following the Transport, Resilience and Infrastructure Committee voting for a \$5 million support scheme last month.
27. The one-off scheme is limited to properties where access to their home is impacted by a slip on a road reserve, and the slip must have occurred during the weather events in January and February 2023. A road reserve is the strip of land between a property's boundary and the road or footpath.
28. Affected homeowners are being asked to go to www.ourauckland.nz/roadreserves to see if they meet the criteria and to register their interest. Expressions of interest are open until 10 February 2025. Applications will be evaluated in late February and the funding allocation decided in March/April 2025.

Resilience projects

Confirming Category 2C properties in Māngere

29. Two major stormwater projects at Harania and Te Ararata in Māngere will begin between July – September 2025 (Q1FY2025/2026) and are expected to be completed around mid-2026.
30. While the Order in Council enables an accelerated consenting process, Healthy Waters and Flood Resilience will continue working alongside the community and elected members to keep them informed, including regular engagement via the project working groups.
31. Most of the homes registered for categorisation in Māngere are in the stormwater project areas and have required an additional level of flood modelling analysis to understand how the projects will reduce the risk at each property.
32. We have started confirming categories for homes in this position, including eight Category 2Cs in the Harania catchment to date.



Milford community meeting about the Wairau catchment

33. Nearly 200 residents attended a meeting about the Wairau catchment hosted by North Shore MPs Simon Watts and Dan Bidois in Milford on 6 December.
34. Councillor Hills and Healthy Waters' Nick Vigar spoke at the meeting, with Nick outlining the reasons behind the flooding (essentially rocks – the geology of the area, and roads – the motorway) and the proposed Blue-Green project solutions.
35. Questions from the floor focused on the possible solutions, necessary maintenance, changes to planning rules, the buy-out scheme and Government policies.

External communications

36. Our main priorities this month have been a summer readiness briefing for elected members, communicating about the road reserves scheme, and working with media on the reforecast categorisation numbers.
37. We continued to deliver our fortnightly recovery newsletter that goes to more than 2700 subscribers (and still has a high open rate of around 65%), we produced the following OurAuckland stories and supported media in their reporting on the region's recovery.
38. The Recovery Office was also recognised at the annual Emergency Media and Public Affairs (EMPA) awards in Wellington, winning the recovery section. The award recognised the proactive approach to addressing homeowners' diverse needs, refining content and communication channels based on homeowner feedback, and equipping frontline teams and elected members to engage effectively with impacted homeowners.

OurAuckland

[Categorisation update – 5 December](#)

[A third of storm-damaged homes being relocated](#)

[More Auckland homes with serious flooding and landslide risk](#)

[Day in the life: Navigator Lorelle White](#)

Media

[Rangitoto Observer – Milford has the most Category 3 homes](#)

[NZ Herald – More damaged homes qualify for buy-out](#)

[NZ Herald – Huapai Category 1 homeowners amidst Category 3 homes](#)

[Radio NZ – Muriwai sculpture using salvaged materials](#)

Elected member engagement in 2024

39. More than 950 emails and phone calls were received by the Recovery Office from elected members and their staff enquiring about recovery-related issues during 2024. All enquiries have been actioned and closed.
40. We recognise the work of elected members supporting the Recovery Office and their communities, and appreciate that it has been a collaborative process. We look forward to working closely with elected members as we continue the recovery work in 2025.



Council committee meetings

41. On 5 December the Recovery Office reported to the Transport, Resilience and Infrastructure Committee on revised forecasts for property categorisation. We have so far identified 940 Category 3 homes with an intolerable risk to life from future storms, exceeding the initial estimate of 900 homes that would receive a council-Crown funded buy-out. With a further 800 homes yet to be categorised, we expect the number of Category 3 homes to reach over 1200.
42. A paper will go to the Transport, Resilience and Infrastructure Committee in February on the Future Land Use policy and will provide options for cost minimisation and revenue maximisation.
43. A secondment is being formalised for a Local Interests Lead who will be implementing a policy for the interim use of Category 3 buildings and land owned by council, as well as considering future land use decisions.

Community and Social Recovery

Storm Recovery Navigation Service

44. As of 27 November 2024, 744 whānau are being supported by a Storm Recovery Navigator (149 in the south, 166 in the north, 203 in central, and 226 in the west), a decrease of 45 whānau since we last reported. On average, each navigator is managing a caseload of 25 whānau.
45. The service is continuing to implement its transition plan, focusing on providing intensive case management to ensure consistency and continuity of service as we extend the service at a reduced capacity. This approach is critical to ensure no whānau are overlooked. It also helps navigators better understand the needs of affected whānau, which will guide our ongoing review of resources through to December 2025.

Wellbeing Recovery Tāmaki Makaurau Progress Report

46. The [Wellbeing Recovery Tāmaki Makaurau Progress Report](#) is now available, providing an update on the progress of the Wellbeing Recovery Plan approved by the Auckland Regional Leadership Group in June 2024. This report highlights the key actions and priorities set by the Wellbeing Recovery Working Group across seven focus areas, including access to services, social connection, and mental health support. It outlines progress made, key risks, and issues, and provides a summary of ongoing efforts to coordinate recovery initiatives across government agencies, NGOs and service providers.

Mental Wellbeing Fund Learning Review

47. The Mental Wellbeing Fund, administered by the Recovery Office in partnership with MSD and Te Whatu Ora, has supported various mental wellbeing activities throughout the region. A learning review has been conducted with the recipients of this fund, including three focus groups aimed at identifying the most effective community-based wellbeing supports and services for recovery. The findings of this review will help guide the Recovery Office and its partners in providing continued wellbeing support for current recovery efforts and preparing for future events. The findings are now available on Knowledge Auckland.

Local Recovery Planning Programme

48. Enabling mana whenua and communities to lead their own recovery is a key priority of the Tāmaki Makaurau Recovery Plan and through the plan we committed to supporting local recovery planning. Progress is outlined in the table below:



Table 3. Tāmaki Makaurau Recovery Plan progress

Communities	Purpose	Progress
Mana whenua	To resource and enable iwi to exercise kaitiakitanga within their rohe to address the impacts of the severe weather events and to respond to the changing climate.	<p>Phase one: we have extended our relationships with existing iwi partners Ngāti Tamaoho, Ngāti Tamatera and Te Kawerau ā Maki. We are currently working with iwi to scope projects and further information will be provided in future updates.</p> <p>Phase two: 14 iwi have submitted expressions of interest for three-year outcomes-based funding agreements. The team is meeting with iwi representatives to discuss next steps, and further information will be provided in future updates.</p>
Impacted communities	To resource and enable impacted communities across the region to design and deliver locally-led activities that support their recovery.	<p>Funding agreements are now in place with 18 communities, an increase of two from last month: Kaukapakapa-Dairy Flat (via Kaipara Bible Chapel) and Sandringham-Balmoral (via SPiCE: Sandringham Project in Community Empowerment). Other areas we are supporting are included here.</p> <p>Community-led Recovery Specialists are supporting affected residents to engage in the planning process within their communities, building community capacity and providing an interface between council and community on council work within their areas.</p>
Priority communities	To provide long-term resourcing and support for those communities who were already disadvantaged prior to the weather events, recognising that in these communities it will take more time, effort and investment to recover well.	<p>A Local Governance/Recovery Ropū has been set up in Mt Roskill-Wesley to lead the development and delivery of local recovery plans.</p> <p>This diverse group includes Kāinga Ora tenants, impacted homeowners, key community organisations such as ARK, Wesley Whānau Hub, Oasis Roskill Community hub, Ethnic Women’s Trust, Stoddard Rd Mosque, Wesley Primary School, Global Hope Missions and Roskill Community Association.</p> <p>Additionally, two students from Mt Roskill Grammar School are involved, bringing a youth perspective to the recovery process. An engagement planning workshop is scheduled for the end of January/February 2025.</p> <p>The Rānui Accord and McLaren Park Henderson South (MPHS) Community Trust have agreed to take the lead in setting up the Local Governance/Recovery Ropū in Rānui and Henderson, respectively, to develop leadership within their specific area. The Convenor will continue to assist with community mapping and engagement to ensure diverse representation in the groups when they are formed next year.</p> <p>In our July update, we shared that a hui was held in Māngere to bring together faith, church, and</p>



Communities	Purpose	Progress
		<p>community leaders offering recovery support after the floods. It was the first hui of its kind in the area, and faith leaders expressed interest in more frequent hui.</p> <p>Following up on this, the Convenor facilitated a second hui in November with a wider range of participants from faith and community sectors. The hui discussed creating a Local Governance/Recovery Ropū, and invitations have been sent out to gauge interest.</p>

Next steps

- 49. The next monthly update on Recovery Office activities for all elected members will be provided in February 2025.
- 50. A report will go to the Transport, Resilience and Infrastructure Committee in February 2025 on Future Land Use Policy and will provide options for cost minimisation and revenue maximisation.
- 51. Healthy Waters and Flood Resilience will also be providing an update to the Transport, Resilience and Infrastructure Committee on the Blue-Green Network Resilience Projects in February 2025, seeking in principle support for priority catchment areas.
- 52. A report will go to the Transport, Resilience and Infrastructure Committee in February 2025 proposing changes to the procurement approach for home removals, to manage cost.



Memorandum

To: Cr Andy Baker, Transport, Resilience and Infrastructure Committee chair
From: Stacey van der Putten, Director Public Transport & Active Modes
Date: 11 December 2024
Subject: CRRC Digital Rapid Transit vehicle demonstration update

Purpose

This is to update the Transport, Resilience and Infrastructure Committee (TRIC) on developments for a demonstration of the China Rail (CRRC) Digital Rapid Transit (DRT) vehicle.

Background

As you will recall, in May 2024 CRRC presented on the DRT vehicle at TRIC and offered to bring a vehicle to Auckland for a demonstration (*Resolution number TICCC/2024/43*).



Above: An image of the DRT vehicle proposed for the demonstration

The key benefits of the DRT vehicle in an Auckland context may include:

- Improved capacity: the DRT vehicle could carry >200 passengers, compared to a double-decker bus which can carry around 80-100 passengers
- Improved operations: the DRT vehicle, with a cab at each end, does not require a turnaround at the termination point, which would particularly benefit routes running into constrained environments such as the city centre and Auckland Airport.

Following the TRIC meeting, AT staff opened conversations with CRRC and their local representatives and in June provided written confirmation of our interest in a demonstration.

Update

Since May 2024, AT staff have provided considerable staff time and held weekly working group meetings with CRRC's local representatives and NZTA to develop the scope of demonstration, including:

- drafting a comprehensive project plan identifying the range of requirements, interests and responsibilities

- liaison with Australian and NZ-wide colleagues to gain and share learnings, to save time/money and refine the scope
- co-ordination with NZTA on vehicle certification and licencing processes, to assist with bringing the vehicle to NZ
- identifying a location for the vehicle's storage and operation, as well as charging equipment
- arranging for an independent vehicle and pavement assessment by Auckland University
- scoping customer surveys and a special event day for media and stakeholders.

An indicative date (March/April 2025) and location (North Harbour Stadium) were arranged, and a wide range of supporting activities were scoped, following advice from Perth colleagues who undertook a similar trial in 2023. The supporting activities included insurances, maintenance, charging equipment and power costs, cleaning, security, shipping from the port, translation staff, construction of a temporary platform, etc.

The overall costs of the activities listed above are expected to be over \$1.5million. As part of this, a moderate amount of AT funding was expected to be required (beyond staff time) to pay for activities which were considered to need to be AT-led, such as the independent assessment, managing media and stakeholders at the special event day, and managing and surveying users. The cost of this to AT was estimated to be in the order of \$300,000. Although AT has no dedicated funding available for the demonstration, it was anticipated that budgets could be reprioritised to cover this scale of cost.

CRRC and their local representatives have recently advised that their expectation is that AT would be responsible for many more of the costs of the demonstration and, critically, the purchase or leasing of the DRT vehicle upon completion of the demonstration.

AT has never offered to acquire the vehicle and in fact this approach does not align with NZ's public transport procurement model, where bus operators own the fleet and then tender for AT service contracts. AT staff have reiterated this many times to CRRC and their local representatives.

Way forward

AT now considers the situation at the point where work on the demonstration should not continue. CRRC require AT to acquire the vehicle or heavily invest in the demonstration (which was unsolicited) and we do not consider this reasonable to the Auckland ratepayers.

We wish to draw this situation to your attention, so that you are aware the demonstration will not progress under CRRC's requirements. AT has advised CRRC and their local representatives of this, and offered to re-engage at a future date if their situation changes.

AT continues to monitor the development of vehicle technology and remains interested in solutions that improve operations and/or capacity of the rapid transit system.



Memorandum

7 January 2025

To: Mayor of Auckland, Councillors, Local Board members, Houkura members, Auckland Transport Board

Subject: Time of use charging enabling legislation

From: Megan Tyler, Director Policy, Planning and Governance
Mark Lambert, Executive Programme Director, AT

Contact information: Michael Roth, Lead Transport Advisor
michael.roth@aucklandcouncil.govt.nz

Purpose

1. To inform elected members, members of Houkura Independent Māori Statutory Board and the Auckland Transport (AT) Board of the recently released Land Transport Management (Time of Use Charging) Amendment Bill. The Bill seeks to enable Time of Use Charging (TOUC) in New Zealand. It is awaiting First Reading in Parliament and will then be referred to the Transport and Infrastructure select committee.

Summary

2. The Government has introduced a Bill to Parliament to enable Time of Use Charging (TOUC) in New Zealand.
3. Providing a submission on this enabling legislation is an opportunity for Auckland Council (council) to influence how TOUC schemes can be implemented, it does not commit the council to implementing a scheme.
4. In 2024 a joint Auckland Council / Auckland Transport project team have been undertaking work on the pros and cons of TOUC schemes in Auckland. This work forms a useful evidence base to inform a council submission that advocates for policy settings that would provide for a successful scheme in Auckland.
5. At its meeting on 5 December 2024, the Transport, Resilience and Infrastructure Committee requested staff prepare a submission on this draft bill. Auckland Council and Auckland Transport are working collaboratively to prepare this submission.

Context

6. In November 2023, AT was requested by the Auckland Council Transport and Infrastructure Committee to establish a TOUC programme. A work programme was established by AT and council to understand what the benefits and disbenefits of a TOUC scheme would be in Auckland.
7. The work programme built upon work done over recent years, particularly “The Congestion Question” report by the Ministry of Transport from 2020 and the Select Committee inquiry into congestion pricing in Auckland in 2021.
8. In parallel to the AT and council programme, the government has been advancing work to enable TOUC in New Zealand. On 8 July 2024, a Cabinet paper was tabled which set out the government’s policy direction for TOUC. This included an instruction to the Parliamentary Counsel Office to draft the legislation to put this into effect.
9. The Land Transport Management (Time of Use Charging) Amendment Bill was introduced to Parliament on 17 December 2024. It has not been through its First Reading and we do not yet

know the timeline for submissions. The draft bill can be found here: [Land Transport Management \(Time of Use Charging\) Amendment Bill 113-1 \(2024\), Government Bill – New Zealand Legislation](#)

10. At its 5 December 2024 meeting, the council Transport, Resilience and Infrastructure Committee (TRIC) requested staff to prepare a submission to future draft legislation when released. We are now preparing this submission to advocate for policy settings that would provide for a successful scheme in Auckland.

Discussion

11. The Cabinet paper set out the Government's policy direction for TOUC in New Zealand. This direction is generally reflected in the Bill.
12. This legislation will enable the implementation of TOUC schemes in New Zealand, which has previously not been permitted. Providing a submission on this is an opportunity to influence how TOUC schemes can be implemented in a way that is beneficial for Auckland. It does not commit the council to implementing a TOUC scheme.
13. The council/AT TOUC work programme has regularly reported and taken guidance from the AT Design and Delivery Committee and the council TOUC Political Reference Group. Through this work, an evidence base and insights into the settings for a successful scheme in Auckland have been developed. This solid base will inform a council submission to the select committee.
14. There is alignment between what the TOUC programme has identified as being necessary for enabling legislation, and what the Bill proposes. The government's policy objectives are broadly aligned with those identified by the TOUC programme. For example, we agree that:
 - the purpose of a charge should be to improve network productivity and not to primarily generate revenue
 - revenue from a scheme should be used for land transport activities within the region where charges apply.
15. However, there are some aspects of the Bill that are not consistent with the view of the council/AT TOUC programme, particularly regarding scheme governance, mitigations and revenue.
16. In our submission we will advocate for amendments using the work done by the council/AT TOUC programme since November 2023 as our evidence base. We propose advocating for flexibility within the legislation. This will ensure local conditions can be reflected and does not preclude opportunities that are identified for further analysis or public consultation for a scheme to be successful.

Next steps

17. The programme team will prepare a draft council submission to the select committee. Submissions from local boards will be appended to the council submission.
18. Engagement with the AT Board, TOUC Political Reference Group, local boards, Houkura and iwi, along with a proposed TRIC workshop, will be undertaken prior to seeking approval for the submission at a TRIC meeting.
19. Due dates have not yet been established.



Memorandum 28 January 2025

To: Transport, Resilience and Infrastructure Committee, members of Houkura - Independent Māori Statutory Board and members of the Auckland Transport Board

Subject: Increasing the Private Revenue Ratio for public transport operating expenditure

From: Stacey Van Der Putten, Director Public Transport and Active Modes, Auckland Transport
Michael Roth, Lead Transport Advisor, Auckland Council
Robert Simpson, Manager Transport Strategy, Auckland Council

Contact information: Stacey Van Der Putten, Stacey.VanDerPutten@at.govt.nz

Purpose

1. To provide an overview of:
 - a. the New Zealand Transport Agency Waka Kotahi's (NZTA's) recent discussion document, which proposes a new approach to calculating the operating costs of public transport and seeks an increase in the portion of public transport costs funded by private sources (including fares),
 - b. Auckland Transport's (AT's) initial response to the discussion document and planned next steps.

Summary

2. The *Government Policy Statement on land transport 2024* (GPS) signalled that Public Transport Authorities (PTAs) need to increase revenue from private sources over both the short and long-term. It included a focus on cost effectiveness, value for money, and greater commerciality from public transport services.
3. In November 2024, NZTA provided AT with a memo proposing interim Private Revenue Ratio (PRR) targets for the proportion of public transport costs covered by 'private share' (e.g. fares and advertising revenue). All PTAs in the country received such a memo. If confirmed and applied the proposed interim PRR targets will require a substantial increase in public transport fares and/or a reduction in costs and services.
4. NZTA also issued a discussion document entitled *Increasing the private share of public transport operating expenditure* (Discussion Document), which sets out a new methodology for calculating the PRR targets and discusses ways to increase the private share. The PRR uses a different calculation than the Farebox Recovery Ratio which AT has been using to measure and report the share of public transport costs covered by fares.
5. NZTA initially sought feedback on the interim PRR targets by 19 December. However, after strong feedback, they extended the timeline and sought council officer's feedback by the end of January 2025, followed by governance endorsed feedback by 31 March 2025. NZTA also appears to be putting less emphasis on their original interim PRR targets from their November memo.
6. AT, working with Auckland Council officers, are now discussing the issues around private share with NZTA. We will advise NZTA in late January that any future private share targets for public transport services will need to align to the revenue and costs (aligned to their PRR calculation methodology) that the 2025/26 Annual Plan will set out.
7. We will also work with NZTA to explore constraints and opportunities around private share. This will include:

- a. highlighting anticipated long-term improvements in the private share as we start to see significant patronage gains from an initial bow-wave of investment in the City Rail Link and new bus services coming online,
 - b. investigating options for increased third-party revenue and reduced operating costs, including opportunities that might arise from changes to NZTA's contracting requirements.
8. We anticipate briefing the Transport, Resilience, and Infrastructure Committee in February before seeking any decisions in March.

Background

Ministerial and NZTA PRR direction

9. The GPS signalled the need for an increase in the contribution that revenue from private sources (such as fares and advertising) makes towards meeting the overall cost of delivering public transport services. It cited an increased focus on cost effectiveness, value for money, and greater commerciality as a means of achieving this objective. Underpinning this change in approach is the significant increase in Central Government's share of overall funding for public transport services over the past five years (including the COVID period during which patronage decreased drastically).
10. NZTA advised that, as a condition for funding through the *2024-2027 National Land Transport Programme*, PTAs (including AT) need to:
 - a. actively work towards increasing public transport private share by 30 June 2027 by, setting targets each year, operating within approved funding levels for public transport continuous programmes, reviewing services that are delivering low farebox recovery, and considering fares.
11. In November, NZTA sent AT the Discussion Document and the memo outlining the process for setting new PRR targets, including potential interim targets. These reinforced the GPS and National Land Transport Programme messaging, and directed AT to:
 - a. actively work towards increasing the private share of public transport expenditure on an annual basis (e.g. ensuring passenger fares and third-party revenue covers a greater portion of public transport expenditure),
 - b. actively engage with NZTA to agree and set interim PRR targets for 2024/25 and 2025/26 and indicative targets for 2026/27.

Private Revenue Ratio vs Farebox Recovery Ratio

12. AT currently uses the Farebox Recovery Ratio methodology to monitor and report the contribution that fares make toward the cost of providing public transport services. The proposed changes will mean that AT, and other PTAs around the country, will instead report using the more broadly defined PRR.
13. The proposed PRR methodology to calculate the proportion of public transport costs covered by private share includes the following components:
 - a. **revenue:** passenger fares, private fare substitute (e.g. corporate, tertiary and Health NZ fare schemes), commercial revenue, and enforcement fees,
 - a. **expenditure:** passenger services and operations, maintenance and management of public transport services and infrastructure (e.g. Track Access Charges, as well as bus stop and rail station maintenance).
14. NZTA has also proposed interim PRR targets for each region, including Auckland. The interim PRR targets NZTA initially proposed for Auckland are set out in the table below.

Table 1: Proposed PRR targets for Auckland

PTA region	Private share 2018/19 Actual	Private share 2023/24 Actual	Proposed private share 2024/25 Interim Target	Proposed private share 2025/26 Interim Target	Proposed private share 2026/27 Indicative Target
Auckland	33.2%	23.5%	30%	34%	42%
National	33.0%	20.5%	24-26%	28-33%	35-40%

15. Note that these interim targets reflect an initial NZTA calculation. AT is engaging with NZTA to finalise the targets, better understand the extent of their application, and any consequences of not meeting them. Initial discussions suggest there is a possibility that NZTA may place less emphasis on the targets than the discussion document implies. However, AT is still to confirm this.
16. AT is working to calculate the PRR ratios for the next ten years based on the current 2024/27 Long-Term Plan. The initial view of AT is that, if NZTA confirm these interim PRR targets, meeting them would require significant changes to PT services, including a potential mix of the following:
 - a. increasing fares beyond what councillors approved for rollout in February,
 - b. removing existing fare concessions,
 - c. reducing the level of public transport services,
 - d. exploring further commercial revenue opportunities.
17. Work on the potential implications of the application of these targets, and the current performance of Auckland's public transport services relative to them, is still progressing within AT. This work is wide ranging and covers PT administrative and procurement processes, infringement, third party revenue, and service provision. AT will provide further verbal advice to the February and March 2025 Transport and Infrastructure Committee (TRIC) meetings as part of the Auckland Transport monthly update.

Current AT Farebox Recovery Ratio strategic settings

18. While the previous Government discontinued enforcing the Farebox Recovery Ratio in 2018, several PTAs, including Auckland, still use their own versions of the Farebox Recovery Ratio to report on self-set targets. These seek to:
 - a. promote increased patronage,
 - b. assess the effectiveness of services,
 - c. improve operational efficiency and value for money from services,
 - d. grow third-party revenue tools to reduce the reliance on Council and NZTA subsidies.
19. AT's public transport operating budget was determined in the 2024/34 Long-Term Plan. The Farebox Recovery Ratio targets from the 2024/34 Long-Term Plan are in AT's current *Statement of Intent 2024/27* and include the December 2024 amendment. Although using a different calculation to the PRR, these reflect the greater share of private revenue expected over time as patronage increases. The table below shows these targets.

Table 2: Farebox Recovery Ratio targets in the 2024/27 SOI

We will measure success by:

Measure	2023/24 actual result	2024/25 target	2025/26 target	2026/27 target
Farebox Recovery Ratio The percentage of the total PT operating cost recovered through fares*	31.0%	34%	36%	37%

20. By 2030/31, we project the Farebox Recovery Ratio to rise to 48-51% due to patronage growth. We also expect the PRR to grow significantly (though final calculations are pending as discussed above).

21. Overall, public transport services in Auckland are likely to perform less well against the PRR methodology compared to the current Farebox Recovery Ratio. The key differences between the PRR and the current Farebox Recovery Ratio are that:
 - a. the PRR includes other private revenue sources that can help fund public transport expenditure and reduce pressure on ratepayers and taxpayers. These include private fare substitutes, commercial revenue, and enforcement fees. The Farebox Recovery Ratio only considered passenger fares, and not wider third-party revenue,
 - b. in addition to service contract costs, the PRR now includes costs associated with the operation and maintenance of public transport facilities, such as train stations, ferry terminals and bus stops/stations,
 - c. NZTA will now set specific targets for each PTA to achieve, reflecting individual regional circumstances – this may see Auckland having a higher PRR target than other regions.

Emerging NZTA viewpoint

22. NZTA initially sought revised PRR targets by December 19 of 2024. However, after strong feedback from PTAs, NZTA has revised their request to 31 January 2025 for initial feedback by officials, followed by 31 March 2025 for approved councillor feedback from PTAs.
23. This extension gives councillors and AT time to better understand the implications of changing to PRR targets. Particularly, in relation to the bow-wave of investment costs from the City Rail Link and new bus services coming online in the short to medium term.
24. NZTA signalled they see the PRR as a tool to deliver the Minister's expectations for public transport investment, enable a stronger focus on commercial revenue opportunities to cover a larger share of public transport investment costs, and look for efficiencies in the delivery of services, but not explicitly cut public transport services.
25. NZTA is also seeking feedback on broader system challenges creating constraints in delivering services. We are engaging with other PTAs to provide feedback on system inefficiencies.

Broader public transport considerations

26. Significant investment into public transport infrastructure and services have either come online recently or are coming online. These include the City Rail Link, the purchase of new rolling stock, Eastern Busway, improved bus drivers' wages and conditions, and transport system technology improvements. Other key investments include the rail network Level Crossing Removal Programme, and service improvements through the Climate Action Transport Targeted Rate.
27. AT expects an increase in operating costs, over the short term, while it beds these improvements into the public transport network, and before the forecasted patronage increases eventuate.
28. AT believes there are limited opportunities for savings. 85% of bus service direct costs relate to operator contracts. Other investments, like the Level Crossing Removal Programme, are necessary to deliver network performance benefits for rail passengers and vehicles.

Next steps

29. AT, working alongside Council officers, will brief councillors at the February TRIC meeting as part of the Auckland Transport monthly update, before seeking any decisions at the March meeting.
30. To provide councillors with this advice, and to meet the NZTA 31 March 2025 timeline, AT will undertake the following work over the coming weeks to:
 - a. calculate the PRR based off the current public transport services and infrastructure budget for the next 10 years (including the current financial year). This data will provide a baseline of how AT is tracking under the new calculation,
 - b. brief NZTA on the makeup of the current public transport budget (including revenue and expenditure actuals and forecasts). We plan to provide the NZTA with a proposed set of PRR targets that are consistent with the budgets in the *2024/34 Long-Term Plan*. These will reflect an improving PRR ratio over time, but would not require changes in fares or services,

- c. take stock of the current strategic settings and operating environment that will influence the PRR and understand how this is different to the Farebox Recovery Ratio. This will help AT support NZTA in understanding the constraints and opportunities for Auckland in increasing the PRR,
- d. develop scenarios to test with councillors the potential impacts of the PRR targets on fares and service provision.

Item 15

Attachment F