

Property Council New Zealand

Submission on

Draft Auckland Regional Land Transport Plan 2024-2034

11/06/2024

For more information and further queries, please contact
Katherine Wilson Katherine@propertynz.co.nz 0278708150

11 June 2024
Auckland Transport
Auckland 1142

Email: atengagement@at.govt.nz

Auckland Council Long Term Plan 2024-2034

1. Summary

- 1.1 Property Council New Zealand Auckland Region (“Property Council”) welcomes the opportunity to submit on [Auckland Regional Land Transport Plan 2024-2034](#) (“RLTP”). It is vital that Auckland Council implements a RLTP that can improve our current public transport network both locally and regionally.
- 1.2 Property Council broadly supports most of the direction set out in the RLTP, including the prioritisation of projects.

2. Recommendations

- 2.1 At a high level, we recommend that the RLTP:
 - Adopts ‘fast and connected’ as the single most important transport priority for Auckland;
 - Adopts ‘public transport improvements’ as the number one funding priority for Auckland;
 - Focus on new projects such as the Northwest Rapid Transit alongside core smaller public transport projects that will deliver a better, faster, and more reliable network for years to come;
 - Does not focus on small, short-term, ‘band-aid’ projects – unless absolutely necessary;
 - Support the Mayor’s Proposal to increase funding for Auckland Transport’s programme, particularly in relation to increase operational funding to retain current services;
 - Investigate new co-investment opportunities with central government (e.g. city and regional deals) and/or the use of alternative funding and financing tools (e.g. Value Capture, IFF Act);
 - Investigates a city and regional deal for a large-scale transport project that will unlock housing opportunities and be funded by a mixture of taxes, rates, and targeted rates (such as Value Capture); and
 - Revise the population growth numbers based on latest Census data (May 2024).

3. Introduction

- 3.1 Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive”.
- 3.2 The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand.
- 3.3 Property is Auckland’s largest industry. Property provides a direct contribution to Auckland’s GDP of \$12 billion (12 percent) and employment for 71,940 Auckland residents.

- 3.4 Property Council is the collective voice of the property industry. We connect property professionals and represent the interests of 398 Auckland based member companies across the private, public and charitable sectors.
- 3.5 This document provides Property Council's submission on Auckland Regional Land Transport Plan 2024-2034. Comments and recommendations are provided on issues relevant to Property Council's members.

4. Top five challenges

- 4.1 The RLTP identified the top five challenges as follows:

- **Access and connectivity:** *Easy and equitable access to work, education, and fun leisure locations is made more difficult by weak spots in our transport system and increasing demand as our population grows.*
- **Asset condition:** *Cost increases and past under-investment in renewing our roads and other assets is leading to the deterioration of our existing transport assets, which impacts levels of service and leads to greater costs over time.*
- **Climate change and environment:** *Greenhouse gas and pollution, particularly from private vehicle use, are contributing to climate change, and creating air and water quality issues.*
- **Safety:** *Transport-related deaths and serious injuries remain unacceptably high, and there are limited opportunities for Aucklanders to support better health outcomes through walking and cycling.*
- **Travel choices:** *A lack of options and high levels of car dependency as the city grows makes it difficult for Auckland to grow as a city and a region.*

- 4.2 We support the top five challenges and provide more detail below.

Access and connectivity

- 4.3 Public transport that connects key areas of the city is of paramount importance to everybody. Transport options need to be reliable and frequent for users to switch from their private vehicles to public transport and/or to provide for alternative options of transport. As Auckland grows, it is important to ensure that connectivity between the region is not lost.

- 4.4 Property Council has long supported congestion charging as an alternative funding tool. Thus, we support Auckland Transport's time-of-use programme as a way to incentivise different travel times across Auckland and reduce congestion, which in turn will have flow on effects of increases access and connectivity.

Asset condition

- 4.5 We are concerned with Auckland Transport's admission that 17.4 per cent of the current network is poor or very poor condition and has exceeded its design life. This is estimated to be extended to 27 per cent if they continue the rate of maintenance and renewals for another ten years. What is clear is the shortfall in funding required.
- 4.6 Our submission on the Government Policy Statement for land transport supported the State Highway Pothole Prevention and Local Road Pothole Prevention activity classes funds and in particular support these funds being ringfenced to ensure that asset management is occurring.

Climate change and environment

- 4.7 We strongly support the RLTP's focus on addressing climate change issues. However, it is important to note that with the imminent increase of electric vehicle uptake, comes potential issues around electricity network capacity. Ultimately, the success of our city depends on better planning for infrastructure development across power, three waters, and transport to support both commercial and residential development in a collaborative way.
- 4.8 Given the above, we recommend increased co-ordination with other Council Controlled Organisations, central government agencies, power companies, technology providers and other stakeholders for the provision, development and delivery of key infrastructure (transport, water and electricity) across Auckland.

Safety

- 4.9 While the previous Land Transport Plans focused on reduction of speed, it is important to note that lowering speed limits alone will not produce safe areas. Other factors such as the streetscape, available amenities (walking and cycling routes), ease of access and safety all come into play. Therefore, we recommend Auckland Transport continue to engage with Aucklanders to identify appropriate and future areas to improve positive safety outcomes for all.

Travel choices

- 4.10 We agree with the RLTP that a lack of travel options and high car dependency is limiting the ability to achieve growth in Auckland. We support multiple public transport modes including trains, buses and ferries. We also support larger regional public transport projects such as dedicated public transport routes. A more coordinated approach to regional transport and supporting infrastructure will help allow the city to grow and stay connected.

5. Top five transport priorities

- 5.1. The RLTP identifies maintaining and renewing roads and other transport assets and finishing committed projects as the top transport priorities.
- 5.2. Auckland Transport, KiwiRail, New Zealand Transport Agency and Auckland Council have identified five criteria to prioritise additional transport projects. The priorities are:
- 1** ***Fast & connected** – Improvements that make public transport faster, more accessible, and more reliable, e.g. Quicker and more reliable journeys on buses, trains, and ferries. Providing more options and choice when it comes to public transport across the city.*
 - 2** ***Resilient** – Investments that ensure our network is ready for challenges, e.g. Protecting roads and other infrastructure to ensure they are less vulnerable to storms and flooding.*
 - 3** ***Productive** – Projects that support regional growth and productivity, e.g. Rolling out technology to better manage traffic flow and make journeys quicker and more reliable at peak times. Delivering cost-efficient cycleways and walking routes to give people more choices on how they want to travel.*
 - 4** ***Safe** – Investments that support a network that gets everyone home safely, e.g. Continuing the road safety programme to prevent deaths or serious injuries over the next 10 years.*

5 *Sustainable – Investments that help us reduce our transport emissions, e.g. Continue the roll-out of our electric bus fleet and deliver the first phase of electric ferries. Supporting and encouraging behaviour changes around how we travel.*

- 5.3. The single most important transport priority for Property Council New Zealand members is having a fast and connected network. Property Council has long advocated for public transport services across Auckland to be more reliable, connected, and frequent.
- 5.4. Our regional priority is “A region that plans for its future – focused on building existing and new communities that are supported and connected by sustainable investment in infrastructure and transport.”
- 5.5. Public transport access across Auckland needs to better connect individuals from their home to their work or desired destination. To have a fast and connected network, detailed planning with clear prioritisation between Auckland Council, Auckland Transport, KiwiRail and New Zealand Transport Agency is required. We congratulate the RLTP on completing this document and having a detailed proposal.

6. Funding challenges

Prioritisation of projects – large public transport projects is critical to Auckland’s future

- 6.1 The RLTP has identified a \$63b programme of investment in renewals, maintenance and operations, public transport services and new projects. However, due to the costs of the programme outweighing the funding Auckland is likely to receive, the RLTP is seeking feedback on prioritisation of projects.
- 6.2 The five high-level projects are; public transport improvements, state highway improvements, local road improvements, safety improvements, walking and cycling improvements.
- 6.3 Property Council supports public transport improvements as the number one priority for Auckland. Public transport is critical to the success of Auckland. We must improve Auckland’s transport system, to ensure that people and freight can move around the city faster and more efficiently. Auckland’s transport system does not deliver the outcomes that should be expected in a major city. This has negative consequences across a range of areas such as city-wide productivity, transport emissions, and housing supply.
- 6.4 New Zealand is facing a housing crisis, with Auckland being the most expensive city to purchase a house in New Zealand. Common problems to increasing housing supply is the availability of land, zoning, and transport connectivity. Great public transport routes are either planned in conjunction with housing projects or will provide the opportunity for housing developments to follow suit. For example, well-planned housing developments that link to transport in Auckland include Northcote (bus link), Hobsonville Point (ferry) and Sylvia Park (train). From these examples, connectivity to public transport is critical to increasing housing supply.
- 6.5 We are concerned that only prioritising smaller public transport projects will be a ‘band-aid’ approach to the necessity of larger rapid transit projects that will provide new high-speed public transport links across Auckland. Smaller projects will not deliver the necessary housing that Auckland needs. Short-term solutions will not serve Auckland’s future well.
- 6.6 We recommend focusing on new projects such as the Northwest Rapid Transit alongside core smaller public transport projects that will help deliver a better, faster, and more reliable network for years to come. (Noting that this comment is not in relation to renewals or asset management which should be a bottom line).

Auckland Council LTP and increased funding

- 6.7 Property Council submitted on Auckland Council's Long Term Plan and recommended that Auckland Council increase their proposed investment in transport. We are therefore, pleased to see that on 16 May 2024, the Mayors Proposal to increase funding for Auckland Transport's programme was adopted by Governing Body, particularly in relation to increase operational funding to retain current services.
- 6.8 Future investment in transport could be funded through new co-investment with central government or the use of alternative funding and financing tools, as per below.

Alternative funding and financing options

- 6.9 Property Council strongly supports the use of alternative funding and financing tools, such as targeted rates, public-private-partnerships, or Special Purpose Vehicles ("SPVs") as enabled under the Infrastructure Funding and Financing Act. We recommend that Auckland Council investigates the use of alternative funding and financing tools for infrastructure.
- 6.10 For example, SPVs are an important tool for funding and financing infrastructure in a fair and equitable manner. SPVs are advantageous as they sit off a Council's balance sheet and do not impact debt levels. Property Council has previously support Tauranga City Council's use of their use of SPVs for the Transport System Plan and Civic Precinct project, as well Wellington City Council's use of SPVs for the Moa Point sludge minimisation project.
- 6.11 All these additional tools are transparent, beneficiary pays funding models for local government, that are more equitable to ratepayers and better meet the legislative principles of transparency and objectivity for funding local government set out in both the Local Government Act 2002 and Local Governing (Rating) Act 2002.

Role for central government funding

- 6.12 There is also an important role for central government in helping fund new infrastructure across Auckland. Property Council strongly supports continued advocacy from Auckland Transport and Auckland Council to unlock additional co-investment from central government, through mechanisms such as City and Regional Deals or other initiatives and revenue streams.
- 6.13 In Auckland, we believe that there is a real opportunity to consider a city and regional deal for a large-scale transport project that will unlock housing opportunities and be funded by a mixture of taxes, rates, targeted rates, as well as potentially through new tools such as a value capture funding model.
- 6.14 Value Capture is an infrastructure funding mechanism that is used internationally. Value Capture seeks to collect revenue from the private 'value' that public investment in infrastructure generates. When the government builds new infrastructure that unlocks development opportunities, there is typically an uplift in property value, the benefit of which goes to private landowners. There are multiple Value Capture methods which are adopted at various stages of the development process, where government looks to receive a contribution from properties that have received value from public investment.
- 6.15 Property Council New Zealand, in conjunction with our members and stakeholders have developed the below Value Capture principles. We would support the introduction of a Value Capture system that incorporated the below principles:

Property Council New Zealand – Value Capture Principles

1. As a funding tool, Value Capture must only be applied to large scale infrastructure projects, that unlock significant new development opportunities and housing supply.
2. Value Capture must only apply to properties with a clear geographic link to the new infrastructure and be applied to properties that have seen an increase in value and/or their development capacity (e.g., zoning).
3. Value Capture must differentiate between property types (e.g., commercial, office, industrial and residential) to reflect value received.
4. Value Capture should not detrimentally impact the financial feasibility of future developments and should not be used to wholly fund any particular project.
5. To prevent unintended and perverse outcomes, Value Capture should be the result of meaningful engagement with all sectors (including the private sector), signalled well in advance, and not be retrospectively applied.

6.16 We recommend the Regional Transport Committee investigate a city and regional deal for a large-scale transport project that will unlock housing opportunities and be funded by a mixture of taxes, rates, and targeted rates (such as a value capture funding model). We would like to signal our interest in continuing this conversation with Auckland Transport in the future.

7 Population estimates need to be revisited

7.1 The Regional Transport Committee estimates that Auckland's population will increase by an additional 220,000 people by 2034. This is inconsistent with Auckland Council's Future Development Strategy which estimated 520,800 people in 30 years. Auckland Council's population growth estimates of 173,600 additional people every ten years is much lower than the Auckland Regional Land Transport Plan estimate of 220,000 additional people by 2034.

7.2 At the time the Future Development Strategy was released, Property Council questioned Auckland Council's proposed population growth, believing that the Council had severely underestimated growth in Auckland.

7.3 However, we are still concerned that the Regional Land Transport Plan numbers are underestimating population growth and should be updated within this plan, following the May release of census results.

7.4 Census 2023 shows Auckland has had 240,936 additional people in the last 10 years. Noting, that the majority (156,168) occurred from 2013-2018, due to COVID slowing down migration numbers in the five years from 2018-2023. We should be overestimating to better plan for future transport in Auckland. We want to avoid scenarios of finishing a project and having the new transport system reach capacity on opening day.

8 Conclusion

8.1 Property Council welcomes the RLTP. We believe that access and connectivity is the main challenge, which can be resolved by a more efficient and effective public transport system.

8.2 Property Council members invest, own, and develop property in Auckland. We wish to thank Auckland Transport for the opportunity to submit on the Draft Auckland Regional Land Transport Plan 2024-2034 and congratulate Auckland Transport, Auckland Council, KiwiRail and

New Zealand Transport Agency for the work that has gone into producing the RLTP. We would welcome any opportunity to continue the discussion.

- 8.3 For any further enquiries, please do not hesitate to contact Katherine Wilson, Head of Advocacy, Property Council New Zealand via email: katherine@propertynz.co.nz or phone: 0278708150.

Yours Sincerely,



Martin Cooper

Auckland Committee Chair