

**BOARD PAPER**

<b>Paper no:</b>	16/05/1016
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<b>Recommended by:</b>	Dave Brash, Group Manager, Planning and Investment
<b>Board function:</b>	Significant planning, investment and operational matters
<b>Subject:</b>	<b>Auckland Central Access Plan – Programme Business Case</b>



## PURPOSE

1. To seek support for the preferred programme for Auckland's Central Access Plan, and agreement that this should be progressed for development under indicative business cases, subject to detailed further work on forecast demand and options for high capacity public transport (including both light rail and bus rapid transit) under a collaborative arrangement between the Transport Agency and Auckland Transport, with involvement from Auckland Council, the Ministry of Transport and the Treasury.



## SUMMARY

2. We have worked with Auckland Transport to develop a programme business case for Auckland's Central Access Plan. We recommend that you support all six elements of the preferred programme being progressed via indicative business cases, which will include:
  - Further work to model future demand for high capacity public transport to ensure that preferred options are future proof and fit for purpose
  - Further comprehensive and comparative analysis of bus and light rail options
3. The indicative business cases will be developed in a collaborative approach being agreed and implemented by the Transport Agency and Auckland Transport, with involvement from Auckland Council, the Ministry of Transport and the Treasury.



## RECOMMENDATIONS

4. That the New Zealand Transport Agency Board:
  - a. **Supports** the six components of the preferred programme under the Auckland Central Access Plan Programme Business Case – which are:
    - i. Optimisation of current plans for the 'New Network' of central Auckland public transport services – including introduction of high capacity buses and reallocation of bus services to make better use of available capacity;
    - ii. Taking all possible measures to improve the efficiency of the bus network;
    - iii. Fast tracking/bringing forward the existing public transport programme;
    - iv. Further support to enable active modes (walking and cycling) within and accessing the Auckland city centre, as well as investigation and use of further practical demand management tools;
    - v. Refining/developing a higher capacity rapid transit programme that can use Queen Street and Dominion Road; and
    - vi. Assessing the possibility of a second high capacity line on Sandringham Road and/or a metro rail spur from the Western line to Mt Roskill
  - b. **Subject** to:
    - vii. Further work to model future demand for high capacity public transport to ensure that preferred options are future proof and fit for purpose;
    - viii. A comprehensive comparative analysis of bus and light rail options being developed as part of the indicative business case stage; and

- ix. A collaborative approach being agreed and implemented by the Transport Agency and Auckland Transport, with involvement from Auckland Council, the Ministry of Transport and the Treasury to develop the case and detailed options around high capacity public transport components of the preferred programme.
- c. **notes** that the reasons for the decision are set out in Attachment 1, that the indicative profile for the activity has been assessed as H (strategic fit), M (effectiveness) with a BCR of between 0.7 and 1.9; and
- d. **notes** that analysis of options under the programme and indicative business cases will inform next steps and recommendations under the Auckland Transport Alignment Project and does not imply any commitment to implementation at this stage.



## BACKGROUND

- 5. Auckland Transport led work on a City Centre Future Access Study (CCFAS) in 2012. The Ministry of Transport, the Treasury and the Transport Agency were involved in development of the study, which found that Auckland's city centre will face significant access issues across all entry points from as early as 2021. The study concluded that a multimodal programme comprising the proposed City Rail Link and surface bus improvements to bus facilities on Wellesley and Symonds Streets would effectively address these issues over the next 30 years.
- 6. Between 2013 and September 2015, Auckland Transport undertook an independent stream of work seeking to address this need. This resulted in Auckland Transport including light rail as a preferred solution in a variation to Auckland's Regional Public Transport Plan in April 2015; and allocating \$1.9 million for staff to carry out engagement, further work on technical

investigations, delivery options, the economic case, timing, risks and trade-offs, and funding for light rail.

7. Auckland Council contributed to, and the Transport Agency supported, Auckland Transport's Central Access Strategic Business Case in late 2015. This identified that Auckland's current public transport system is under pressure, particularly in the CBD. It found that the proposed City Rail Link will greatly add to the capacity of the network but will not address existing and predicted bus capacity issues. Broadly, increases in demand are forecast to result in increasingly congested city centre corridors, which will worsen travel times and access to employment, with adverse urban amenity and environmental effects.
8. Since completing the strategic business case, Auckland Transport has continued to work with us and Auckland Council to develop the programme business case. The programme business case builds the evidence base then compares 6 different programme options to arrive at a preferred, seventh programme. The preferred seventh programme comprises six components.
9. The Government and Auckland Council have agreed to work together on the Auckland Transport Alignment Project (ATAP) to identify an aligned strategic approach for the development of Auckland's transport system (see Board paper 16/04/0999). As part of this work ATAP is testing different approaches to improve transport outcomes for Auckland. These approaches have different packages associated with them i.e. different combinations of projects, demand management and spatial/temporal focus.
10. The programme business case and more detailed analysis to be carried out under the indicative business cases will inform ATAP. The strategic approach recommended by ATAP will then provide guidance on how central access issues will be prioritised under ATAP's next milestone report, which is anticipated to be completed in August 2016.

11. On 29 April, Auckland Transport received its Board's endorsement for the preferred programme outlined in this paper, and support for the development of indicative business cases for demand management and public transport infrastructure/asset investment. The Board noted our signalled requirement that this work will include further exploration and analysis of possible rapid bus transit solutions in addition to light rail.



## SUMMARY OF PREFERRED PROGRAMME

12. The programme business case has been developed in line with the Transport Agency's principle-based business case process. The initial long list of options was grouped into six programmes. These included the two high cost programmes of Light Rail Network (5 lines) and a comprehensive Bus Rapid Transit programme. Based on performance against the objectives, a seventh programme emerged as the preferred programme, comprising the following 6 components:
- i. Optimisation of current plans for the 'New Network' of central Auckland public transport services – including introduction of high capacity buses and reallocation of bus services to make better use of available capacity, eg:
    - a. more express services
    - b. more bus lanes/extended times
    - c. maximum use of high capacity buses
  - ii. Taking all possible measures to improve the efficiency of the bus network, such as:
    - a. use of dynamic lanes

- b. realignment of minor or peak-only services at interchanges outside the city
  - c. changes to fare structures to move demand towards the shoulders of the peak – rather than the peak itself
- iii. Fast tracking/bringing forward the existing public transport programme, eg:
  - a. new interchanges for the Wynyard/Learning Quarter
  - b. reconfiguration of Britomart terminals
  - c. Wellesley Street bus lanes
  - d. Fanshawe Street bus lanes
- iv. Further support to enable active modes (walking and cycling) within and accessing the Auckland city centre, as well as investigation and use of further practical demand management tools, eg:
  - a. parking management
  - b. higher quality pedestrian environments
  - c. greater priority for cycling and pedestrians
  - d. use of more minor roads as laneways and active mode routes, extending linkages for cyclists, in particular to the city centre
- v. Refining/developing a higher capacity rapid transit programme that can use Queen Street and Dominion Road (Auckland Transport expect this to be light rail)
- vi. Assessing the possibility of a second high capacity line on Sandringham Road and/or a metro rail spur from the Western line to Mt Roskill.



## ASSESSMENT OF THE PREFERRED PROGRAMME

***We recommend that all six components of the preferred programme are progressed to IBC stage***

13. We consider that the case for the first four elements of the preferred programme (i-iv above) is well made out, and that these should be progressed through indicative business cases regardless of decisions or progress on the remaining two elements. We expect that indicative business cases for these components can be progressed quickly through the IBC stage, and are working with Auckland Transport on how these can be packaged.
14. The remaining two elements (v and vi above) concern high capacity (or mass) public transport and will be analysed further as part of the indicative business case stage.
15. In asking you to support component v being progressed to indicative business case stage, this is with the express caveat that the Transport Agency does not support light rail as the only preferred option at this time.
16. The indicative business case will include robust comparison of the implications of different investments, assist with development of timing and scenarios for any preferred interventions, and ensure that preferred options are future proof and fit for purpose.
17. Further detailed work will include developing options for bus and light rail rapid transit. Auckland Transport has already commissioned further research into emerging technologies and comparisons between options for bus and light rail rapid transit. Further independent advice and review may be sought in the development of the business case.
18. The process and timetable for the indicative business case is yet to be discussed and agreed with Auckland Transport and other parties, but it's very likely to extend into Q1 2016/17.



However, we will work with Auckland Transport to ensure that analysis of various options can be carried out to a level that can inform next steps and recommendations under the ATAP process – i.e. to a level that is sufficient to support recommendations in ATAP's August report.

***The central access plan needs to be prioritised within Auckland's wider transport programme***

19. Auckland Council has indicated that existing transport commitments use up all of their available funding for the next 10 years. Additionally, the indicative regional programme is likely to exceed what would be available via the National Land Transport Fund (NLTF). While central access issues are significant, many other issues are also competing for priority and funding within a tightly constrained funding environment.
20. There are constant changes on Auckland's transport network. In particular the CBD will bear the brunt of significant disruption for the next 7 years as construction of the City Rail Link progresses. Careful planning and analysis is being undertaken to balance existing issues, construction, and mobility needs in the CBD. This will continue to be very challenging.
21. If a preferred central access programme is to be agreed and funded in future, there needs to be close alignment across central and local government transport agencies and their planning and investment frameworks.



## RISKS

22. Land Use: While the Proposed Auckland Unitary Plan sets the scene for land use over the coming decades, the final Unitary Plan and the actual outcomes may be different. There may be different employment and population outcomes both inside the CBD and in adjacent areas

that may impact upon public transport performance. This will be addressed by having a flexible programme that ties in interventions to what is actually occurring (employment, population, behaviours, pricing).

23. Other Corridors: Auckland Transport is currently investigating public transport improvements to both the North Shore and the airport, which may impact on patronage and/or design. This includes analysis of the public transport needs on an Additional Waitemata Harbour Crossing. This will be addressed by ongoing inter-agency collaboration and ensuring that stakeholders work together to ensure that any wider network improvements are integrated with the central access plan.
24. Financial: Costs will be significant. There is risk that costs may be over- or under-stated. This will be addressed by rigorous peer review of economics, incremental analysis and costing. It is likely that the costs will exceed money available from the NLTF. This will be addressed by ensuring the programme is flexible and that stakeholders are aligned on what interventions are required and when, through existing mechanisms such as the Regional Land Transport Plan and ATAP prioritisations.
25. Stakeholders/public: Consultation on the Regional Land Transport Plan revealed strong support for light rail. This may change over time as public awareness grows of implications of a new mode. Additionally, stakeholders may not be aligned in their understanding of the urgency and timing or detail of the programme. This will be addressed by considered communications with the public and ongoing, active inclusion of affected stakeholders.
26. Reputational: This may arise if there is misalignment between central and local government over timing and need. This will be addressed by ensuring sound governance, especially through ATAP, and wider Government representation to ensure good collaboration during ongoing investigations.



## FINANCIAL IMPLICATIONS

27. We do not require you to make any funding decisions at this time. If you agree to support the preferred programme to its next stage of development, indicative business case costs are likely to be in the order of \$500 to 600k – which will be approved through delegations. Auckland will also seek funding for further analysis, additional public transport services, and construction of programme elements over time.
28. The total indicative cost of the preferred programme is \$1.9-2.2 billion dollars over 30 years. The indicative cost of the first four components is \$337 million<sup>1</sup>. Potentially, support of one light rail route could lead to requests for additional light rail that could run into multiple routes - including to the airport and North Shore.



## COMMUNICATION AND ENGAGEMENT

29. Due to the strong public and political interest in light rail, there is likely to be considerable interest in your decision on whether to support the programme business case, and your rationale for this. We will immediately inform the Minister of Transport, Chief Executives of

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<sup>1</sup> May not include all accelerated infrastructure

Auckland Council and Auckland Transport of your decision so that all parties are aligned on key messages and next steps.

30. Should the public need to be notified by way of a press release, the key messages are that:
- The Transport Agency supports all six of the preferred programme components being progressed for further development subject to further work to model demand for, and options around, high capacity public transport.
  - In particular, the Transport Agency is looking to see detailed comparison of options around bus and light rail rapid transit.
  - In order to ensure alignment on options and strategy on these issues, and to ensure they are appropriately prioritised within wider plans for Auckland, there will be close collaboration between central and local government to progress the preferred programme through its next stage of analysis.



## ATTACHMENTS

31. There is one attachment: Reasons for recommendation.
32. The Central Access Plan Programme Business Case and Assessment are available on the Board Books Resource Centre.



## ATTACHMENT 1: REASONS FOR RECOMMENDATION

The assessment profile for this Programme Business Case has been determined as being of **High strategic fit, medium indicative effectiveness and Low benefit cost appraisal**. The programme business case provides clear evidence of the need for further work to address central access issues, and therefore has been evaluated as High strategic fit.

Although the Transport Agency agrees that the case is made out for the first four components of the preferred programme, we consider that further analysis is needed to more accurately determine sequencing and confirm the preferred mode or modes for high capacity public transport.

Due to the potential cost and significance of interventions, all parties need to work together on the scope of future analysis and development of solutions. For these reasons, at this stage, a profile of Medium (indicative) effectiveness is supported.

The benefit cost ratio is presented as an indicative range between 0.7 and 1.9 that will be refined as part of the indicative business cases. As yet it is a coarse assessment and will be subject to change.

Overall, we agree with the scale and definition of the problem, and broadly agree on the need to progress assessment of the case and options for high capacity public transport as part of the preferred programme. We do not agree that any particular mode has been confirmed at this stage but expect that further detailed analysis in the indicative business case stage, under a closely-proscribed collaborative approach between relevant local and central government agencies, will enable identification of effective solutions and timing.