

MINO-0252 ATAP Funding and the NLTP 2021-24

21 June 2021

The Mayor of Auckland has written to the Minister of Transport seeking clarity on funding in the next National Land Transport Programme (NLTP) 2021-24. The office has asked for more detail and a path forward ahead of a meeting this evening to discuss the matter.

Waka Kotahi NZ Transport Agency's response:

Introduction

Noting the NLTP affordability issues outlined below and that Waka Kotahi has not been able to fully fund maintenance programmes, the significant majority of Councils' will be revising their investment and infrastructure planning for the 2021-31 LTP period.

While Waka Kotahi cannot make a commitment to Auckland Council or a representation to the Office of the Auditor General (OAG) that ATAP will be fully funded to the levels described in the LTP, we can clarify that:

- This NLTP accounts for three years of a 10-year view;
- That Waka Kotahi acknowledges the criticality of Auckland, and its transport networks;
- The potential for additional NLTF revenue through a sustained economic recovery, (economic strength), which may allow for additional funding through time;
- Likely increases in Public Transport services given the safety and carbon benefits of this mode of transport;
- A requirement for Waka Kotahi to continue maintenance programmes;

The actual funding provided to Auckland for the Public Transport and Maintenance continuous programmes is a significant (18%) increase on the previous 2018-21 NLTP.

Issue description

The Auckland Council Long Term Plan (LTP) was consulted on and approved by elected members on the basis of its continuous programme NLTP bids being fully funded. Following an assessment process from Waka Kotahi, the Indicative Allocations were \$170-\$180m less than what AT bid for, for the 21-24 period.

A high-level breakdown of those bids is as follows:

- Public Transport: \$62,828,000 lower than bid (funded to 92% of bid)
- Maintenance: \$120,608,000 lower than bid (funded to 79% of bid)

ATAP and the NLTP

The 2021-24 NLTP will help deliver the first three years of the 10-year Auckland Transport Alignment Project (ATAP) package, which was agreed by Cabinet and Auckland Council in March 2021.

ATAP is an agreed \$31.4 billion 10-year investment package for Auckland. It is funded by:

- \$16.3 billion from the National Land Transport Fund (NLTF),
- \$10.2 billion from Auckland Council (through rates, borrowing and the Auckland regional fuel tax), and

- \$4.9 billion from the Crown.

ATAP does not identify how NLTF expenditure should be allocated within each NLTP and there is no agreement as to a minimum annual spend for each of the ten years.

Waka Kotahi will continue to work on the development of the 2021-24 National Land Transport Programme (NLTP) which will recognise the Government's commitment to funding ATAP. Decisions on a number of activity classes will not be made until August (Local Road improvements, State Highway improvements, Public Transport Infrastructure and Road to Zero). We cannot commit funds ahead of this process, beyond those items already approved in earlier NLTP's.

ATAP in the 2021-24 NLTP

- The 2021-24 NLTP also supports planning for the next generation of major investments in Auckland included in the ATAP package. This work includes planning and designing light rail and other rapid transit corridors, major bus and cycle lane programmes, and significant investment to support growth in both new and existing urban areas.
- With the current funding constraints, much of the funding needed to meet ATAP's 10-year investment expectations will be deferred until 2024 and beyond.
- Waka Kotahi's contribution towards delivering ATAP will need to ramp up in years 4-10 and additional funding may need to be made available.

Wider NLTF/NLTP funding & affordability issues

As advised previously (BRI-2181 refers), there is limited discretionary funding for the 2021-24 NLTP. Forecast revenue is close to the sum of the bottom of each activity class range. The Land Transport Management Act 2003 requires Waka Kotahi to give effect to the GPS and therefore not to 'plan' to spend less than the minimum funding range for any activity class.

The constraints on the programme were widely communicated to our stakeholders and funding recipients.

Allocations to the continuous programmes prioritised the available discretionary spend to fund PT services, local road and state highway maintenance, to above the bottom of the range.

Waka Kotahi is not able to spend more than the discretionary allocation and also meet the bottom of the activity class ranges.

See Figure 1 over the page for a breakdown by activity class.

Figure 1: Indicative Allocations for the 2021-24 NLTP

Activity Class GPS 2021 (\$million)	GPS lower range	Discretionary allocation	Total funding allocation	vs. GPS lower range
Public Transport Services	\$1,220	\$93m	\$1,313	108%
Public Transport Infrastructure	\$1,270		\$1,270	100%
Walking and Cycling	\$290		\$290	100%
LR Improvements	\$300		\$300	100%
SH Improvements	\$2,400		\$2,400	100%
Road to Zero	\$2,530		\$2,530	100%
SH Maintenance	\$2,260	\$204m	\$2,464	109%
LR Maintenance	\$2,000	\$181m	\$2,181	109%
Investment Management	\$220	\$22m	\$242	110%
Rail	\$360		\$360	100%
Coastal shipping	\$30		\$30	100%
Sum of lower GPS ranges	\$12,880	\$500	\$13,380	104%
Estimated regulatory "top-slice"	\$120		\$120	
Base revenue	\$13,000	\$500	\$13,500	