



MINISTERIAL BRIEFING NOTE

Subject	Transport portfolio investment in Auckland
Date	31 May 2024
Briefing number	BRI-3056

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 st contact
Brett Gliddon	Group General Manager – Transport Services	s 9(2)(a)	s 9(2)(a)	✓

Action taken by Office of the Minister

- Noted
- Seen by Minister
- Agreed
- Feedback provided
- Forwarded to
- Needs change [please specify]
- Withdrawn
- Overtaken by events

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31 May 2024

Hon Simeon Brown – Minister of Transport

TRANSPORT PORTFOLIO INVESTMENT IN AUCKLAND

Purpose

1. On 17 May 2024, you met with Steve Mutton, Director Regional Relationships (Northland/Auckland) to discuss the Auckland Regional Land Transport Plan 2024-2034 (RLTP), which was released for consultation later that day. In that meeting, you requested a briefing to inform you of the figures regarding government investment in Auckland from the transport portfolio.

Background

2. The first priority for investment in Auckland Transport's (AT) RLTP is ensuring that existing assets are maintained and renewed to an appropriate level and that there is enough funding to continue to expand public transport services.
3. Beyond this, AT is proposing choices about which 'discretionary' projects receive investment. The ranking process shows that Public Transport Investment Projects are generally the highest priority. However, AT does note that these projects appear most at risk of not receiving National Land Transport Fund (NLTF) funding, given the available funding and competition among public transport projects.
4. Walking and Cycling and Local Road Infrastructure Projects have also emerged as relatively high priorities but may have some risk depending on final allocations.
5. State Highway Improvements are generally ranked lower than other discretionary projects, using the Auckland RLTP ranking and scoring.
6. Based on the RLTP scoring and to better deliver on regional priorities, AT states that more funding needs to be allocated to Public Transport Infrastructure projects. The RLTP points out that this is critical to support the region's plans for improved productivity, lower emissions and compact city development.

Funding bids and approved allocation for Local Road Pothole Intervention and Operations classes

7. Letters will be sent out to the Chief Executives of Councils in the week of 3 June 2024, providing the NLTP indicative allocation for continuous programs only. The NLTP allocation for state highway activities will not be available until the Government Policy Statement on Land Transport (GPS) and NLTP are finalised later this year.

8. Over the last two NLTP periods, we have allocated increasing amounts to AT for maintenance and operations, with \$773 million and \$940 million in the 2018-2021 and 2021-2024 periods respectively.
9. s 9(2)(j) [REDACTED]
10. s 9(2)(j) [REDACTED]

Direct Crown funding for Auckland

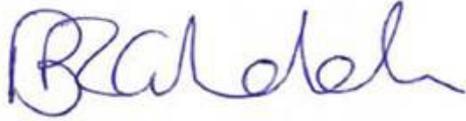
11. For the next 3-year NLTP period (2024-2027) there will be significant funding across all Crown sources, estimated to be between s 9(2)(g)(i) [REDACTED] for the Auckland region (dependent on the State Highway 1 Dome Valley resilience works receiving Crown funding), as illustrated in Appendix 2.
12. The Crown has already contributed approximately \$632 million for the Roads of Regional Significance (formerly part of NZUP) programme, to deliver State Highway and arterial road projects, exclusive of the NZUP investment in rail.
13. Other direct investment from central government in addition of the s 9(2)(g)(i) [REDACTED] includes the COVID-19 Response and Recovery Fund, the Infrastructure Acceleration fund (IAF), the Housing Infrastructure fund (HIF), Housing Acceleration Fund (HAF), funding administered by the Energy Efficiency Conservation Authority and past Crown 'top-ups' for bus driver wages.

For State Highway Improvements, list the Auckland RLTP 3- and 10-year total bid against the NLTP approved allocations

14. Moderation of the funding bids across the improvement activity classes including State Highway Improvements is still ongoing. We are working towards providing the NZTA Board with recommendations regarding the final funding level and lists of activities for inclusion in the 2024-27 NLTP in July.
15. Appendix 3 provides the total funding bid by NZTA under the State Highway Improvements Activity Class in the State Highway Investment Proposal (SHIP) 2024-34, for the Auckland Region. This details the NZTA bids for State Highway funding for both committed and new projects of s 9(2)(g)(i) [REDACTED] (3-year) and s 9(2)(g)(i) [REDACTED] (ten-year total).

It is recommended that you:

1. **Note** the contents of this briefing



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Brett Gliddon

Group General Manager – Transport Services

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Hon Simeon Brown, Minister of Transport

Date: 2024

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Appendix 1 – Allocations for Maintenance, Operations, and Renewals:

Please see below the 2024-27 indicative allocations for local roads Maintenance, Operations and Renewals (MO&R) as split by the draft GPS activity classes.

For 2024-27 the recommendation from NZTA was s 9(2)(g)(i) than AT’s bid. However, due to funding availability for the NLTF, it has been necessary to include a further s 9(2)(g)(i) the recommended amount, i.e., an overall s 9(2)(g)(i)

Table 1: Auckland Transport 2024-27 Local Road Pothole Prevention and Operations funding (\$)

Activity Class	2024-27 AT bid	NZTA 2024-27 funding recommendation	2024-27 Indicative Allocation from NLTF	Difference between 24-27 AT bid and Indicative Allocation from NLTF
Local road improvements	s 9(2)(g)(i)			
Local road operations				
Local road pothole prevention				
Walking & Cycling*				
Total				

*Please note, the Walking & Cycling allocation still to be determined

To provide assurance to AT’s bid recommendation:

- There were two NZTA peer reviewers - Principal Investment Advisor for Auckland /Northland and Asset Management Lead Advisor.
- There was a drive over on site with AT on their Forward Works Programmes in January 2024 with NZTA’s Planning & Investment Manager, Principal Investment Advisor Auckland/Northland and Principal Investment Advisor Waikato/ Bay of Plenty.

- AT’s annual technical audit was held between 25 and 28 March 2024, which found that the overall network is in a poor to average condition and the large, pavement and surfacing renewals programme proposed as part of the 2024-27 bid would be appropriate.

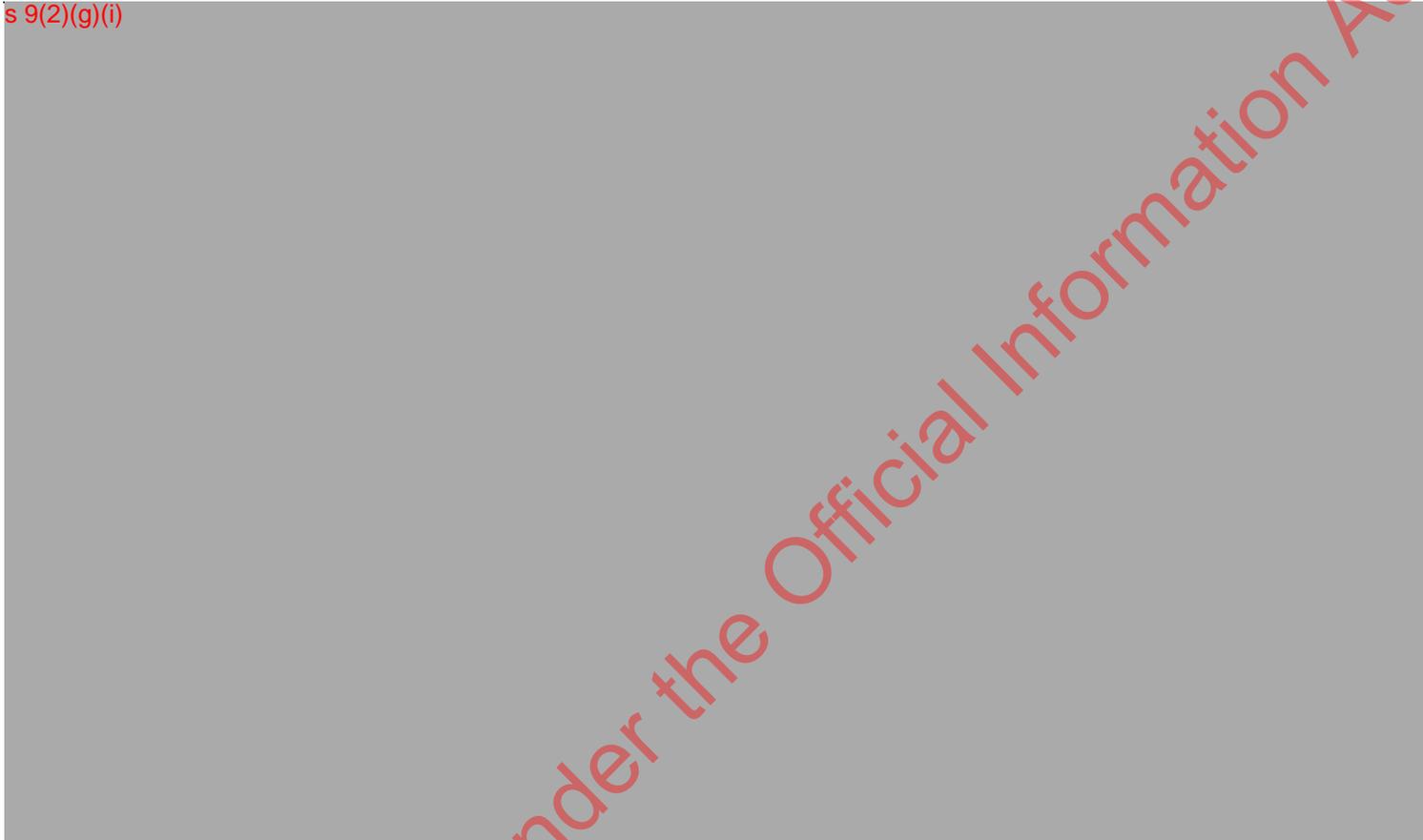
AT has a 2021-24 MO&R programme with a co-funded value of \$940.1 million. AT are forecasting to spend a further \$117 million on eligible MO&R activities at 100 percent local share. This would bring AT’s total MO&R programme cost for 2021-24 to approximately \$1.06 billion.

Table 2: Auckland Transport 2015-2024 Local Road Pothole Prevention and Operations funding (\$)

Activity Class	2015-18 allocation at NLTP adoption <i>*WC 216, WC125, WC224 and WC225 were not specified</i>	2018-21 AT bid <i>* WC 216, WC224 and WC225 were not specified</i>	2018-21 allocation at NLTP adoption <i>* WC 216, WC224 and WC225 were not specified</i>	2021-24 AT bid	2021-24 allocation at NLTP adoption	2021-2024 Current reallocation by AT (August 23)
Local road improvements	Not applicable	Not applicable	Not applicable	8,693,825	8,693,825	8,693,825
Local road operations	231,422,626	321,685,738	243,703,682	379,948,919	332,901,629	324,740,381
Local road pothole prevention	381,605,090	474,059,445	465,803,233	618,502,121	521,327,674	538,721,164
Walking & Cycling	516,993	66,300,911	63,968,879	95,595,088	77,178,543	67,946,301
Total	613,544,709	862,046,094	773,475,794	1,102,739,953	940,101,671	940,101,671

Appendix 2: Crown Investment in Auckland

s 9(2)(g)(i)



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Appendix 3: Funding identified in the State Highway Investment Proposal (SHIP) for Auckland

s 9(2)(g)(i)



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