

MINISTERIAL BRIEFING NOTE

Subject	Meeting with National MPs – Briefing on Let's Get Wellington Moving
Date	8 August 2022
Briefing number	BRI-2521

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 st contact
Brett Gliddon	General Manager Transport Services		s 9(2)(a)	✓
Robyn Elston	National Manager System Design		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- ☐ Withdrawn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

8 August 2022

Hon Michael Wood – Minister of Transport

MEETING WITH NATIONAL MPS – BRIEFING ON LET'S GET WELLINGTON MOVING

Purpose

1. The purpose of this briefing note is to support your engagement with opposition MPs about the Let's Get Wellington Moving (LGWM) programme.
2. The note provides you with a high-level overview of the programme, the suite of projects that the LGWM is developing and delivering, and information about the programme's governance, health check and funding.

Background

3. Opposition MPs, Nicola Willis (National Party spokesperson for Finance), Simeon Brown (National Party spokesperson for Transport) and Chris Bishop (National Party spokesperson for Housing and Infrastructure) will attend.
4. The oral briefing is scheduled to take place on Wednesday, 10 August 2022, from 9am to 9:30am.
5. Waka Kotahi officials are available to attend the meeting if required.
6. Noting public discourse surrounding recent LGWM announcements, the discussion may canvass some of the following areas:
 - **Project cost:** The LGWM programme is likely to come under scrutiny given the \$7.4 billion cost estimate. The estimated cost of the Detailed Business Case (\$120 million) has also drawn some attention.
 - **Light rail versus roading:** The choice to prioritise public transport (including mass rapid transit) and active transport modes over providing additional roading capacity is a topic that may be covered.
 - **Mass Rapid Transit (MRT) platform:** The choice of light rail as preferred MRT platform is likely to attract attention, relative to perceived cost efficiencies and greater flexibility of bus rapid transit (BRT) options, irrespective of the Government retaining BRT for further investigation as an alternative transport platform option.
 - **Extra Mt Victoria Tunnel:** In recent weeks, opposition MPs have questioned:
 - Dedicating the extra Mt Victoria Tunnel only to public transport, and
 - Converting the existing Mt Victoria Tunnel from vehicles to walking and cycling.
 - **Deliverability:** The tight labour and construction markets caused by COVID-19 related disruptions are likely to give rise to questions about the deliverability of the project, particularly the light rail and additional tunnel construction elements.

- **Funding:** Given the oversubscribed nature of the National Land Transport Fund (NLTF), and pressure on fuel excise and road user charge levies, the certainty of project funding may be a focus in the meeting.

Overview

7. LGWM is a once-in-a-generation opportunity that aims to provide better travel choices and reshape how communities in Wellington live by enabling greater urban density and increasing the share of public and active mode transport options. It is a partnership between Wellington City Council, Greater Wellington Regional Council and Waka Kotahi, with support from mana whenua partners Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira.
8. Wellington City expects to see its population grow by 50,000 to 80,000 over the next 30 years.
9. Housing the new inhabitants and giving them access to employment and amenities is a significant challenge under the status quo as the city is experiencing a housing shortage while roads, buses and trains are approaching peak capacity.
10. Adding to this challenge is the need to respond to the climate change emergency by reducing New Zealand's carbon dioxide emissions. This recognises that transport is the biggest source of emissions in the Wellington region, accounting for 40 percent of all emissions in the region, and 48 percent of emissions in Wellington City. Between 2001 and 2019, total transport emissions rose by 14 percent. The current pathway does not put the city or region on track to help meet national emission targets.
11. A further challenge is the need to increase the resilience of the city to natural hazards posed by seismic and climate change risks.
12. LGWM is a programme that sees transport investment as the key enabler of wider initiatives to meet this complex set of challenges.
13. LGWM's objectives were developed with public input and agreed by the programme partners in 2016. It was then refined by the partners (with agreed weightings) in 2021, whereby LGWM seeks to develop a transport system that:
 - Enhances urban amenity and enables urban development outcomes (20 percent)
 - Provides more efficient and reliable access for users (15 percent)
 - Reduces carbon emissions and increases mode shift by reducing reliance on private vehicles (40 percent)
 - Improves safety for all users (15 percent)
 - Is adaptable to disruption and future uncertainty (10 percent)
14. The outcomes of the programme align with the Government's Emissions Reduction Plan, which includes supporting people walking, cycling and using public transport, and reducing total kilometres travelled by light vehicle fleet by 20 percent by 2035.

Projects

15. LGWM will deliver a series of projects in three programmes (3-year Programme, People-Friendly City Streets, and the Transformational Programme) which are interlinked to produce a broad set of positive outcomes for the city, the region and its residents.
16. Collectively, all three programmes and their respective projects represent a multi-decade investment programme with an estimated whole-of-life cost of \$7.4 billion.

#	Name	Description	Details	Status
1.	The 3-Year Programme	Early improvements to start moving more people with fewer vehicles, and improvement of travel options ahead of larger construction projects to come.	<ul style="list-style-type: none"> • Safer speeds in the central city (complete). • Central City walking improvements (under construction). • Cobham Drive crossing (under construction) and SH1 safer speeds east of Mt Victoria (complete). • Golden Mile transformation • Thorndon Quay/Hutt Road improvements. 	<ul style="list-style-type: none"> • Golden Mile developed design 30 percent complete, and public engagement closes mid-August 2022. • Thorndon Quay/Hutt Road design and KidZone trials underway, and public engagement for traffic resolution complete.
2.	People-Friendly City Streets	Improvements to bus reliability, and for people walking and on bikes; providing options for people to get around without relying on their car. Complements and supports LGWM Transformational Programme.	<ul style="list-style-type: none"> • Key routes between the suburbs and central city. • 10-12 year programme of works. • Targeted improvements to be included in the 3-year programme. 	<ul style="list-style-type: none"> • Indicative Business Case (IBC) approved by funding partners in late 2021. • Business case investigations underway on Tranche 1 projects, with construction planned 2023 to 2028.
3.	Transformational Programme	Larger programme elements to help shape future growth, and transform the city, substantially change how people get around, moving more people with fewer vehicles.	<ul style="list-style-type: none"> • MRT and urban development. • Basin Reserve and Mt Victoria Tunnel (Strategic Highway Improvements). • Travel Demand Management. 	<ul style="list-style-type: none"> • Initial Business Case complete, progressing to Detail Business Case stage with Option 1 (light rail from Railway Station to Island Bay) and Option 2 (BRT variation) progressing.

17. Elements of the 3-Year programme are well advanced. Safer speeds have been implemented in the central city and on SH1 east of Mt Victoria. The first three intersections in the Central City Walking Improvements project have been upgraded. Construction is underway on a safe Crossing of SH1 Cobham Drive.
18. Construction is scheduled to start in 2023 on:
 - The Golden Mile Transformation,
 - Thorndon Quay and Hutt Road improvements (including a new roundabout on Aotea Quay to support the upgrade of the Interislander Terminal),
 - The Targeted Improvements project, which will see up to 83 improvements for bus priority, walking and cycling on key routes between the suburbs and central city as part of the People-Friendly City Streets project.

LGWM Transformational Programme

19. The Transformational Programme is the most significant and investment-intensive part of the LGWM programme, representing 84 percent of the total LGWM estimated whole-of-life cost.
20. It is a package of transport investment projects that will help shape future growth and transform Wellington, substantially change how people get around, and move more people with fewer vehicles.
21. It is centred around the need to enable more housing close to public transport, so people can travel shorter distances and can choose active modes or public transport for more trips.
22. MRT will enable housing in locations with good access to public transport, jobs, and community facilities, and enable housing to be developed at greater density than is currently the case.
23. Four Options were considered during the Initial Business Case stage, specifically:
 - **Option 1:** South coast light rail plus a new public transport tunnel.
 - **Option 2:** South BRT plus a new public transport tunnel.
 - **Option 3:** South coast light rail, no new public transport tunnel, and Basin Reserve reconfigured to enable MRT.
 - **Option 4:** South coast light rail, with no new tunnel or Basin Reserve reconfiguration.
24. The LGWM Partnership Board and Cabinet have independently supported the position that Option 1 (Light rail) proceed to the Detailed Business Case stage, and that Option 2 be retained for further investigation to ensure advances in BRT technology are appropriately considered.

Detailed Business Case for MRT, Basin Reserve and an extra Mt Victoria Tunnel

25. The Detailed Business Case (DBC) investigations will ensure the best outcomes for the significant public investment in MRT and the State Highway; and provide confidence to decision-makers that there is a strong case to proceed to design and consenting, and ultimately to construction.
26. This will include MRT mode confirmation, corridor design options assessment (including MRT route, cross sections and stop locations), rapid transit system operational planning, traffic planning and modelling, confirmation of the layout and form of the Basin Reserve improvements

and the extra Mt Victoria Tunnel, utility investigations, consenting strategy, stabling requirements, property impacts and requirements, and construction sequencing.

27. Work will also include initial technical design, transport system analysis, urban development investigations, and public engagement.
28. The estimated DBC costs include allowance for operating the programme office and supporting workstreams such as funding and financing and programme-wide economics.
29. \$120 million (excluding the Waka Kotahi administration fee) is being set aside for the LGWM Wellington Light Rail Business Case and will be funded 60 percent by Waka Kotahi and 40 percent by the Council partners.
30. This represents less than 3 percent of the estimated total investment cost (\$4.6 billion) of the three projects included in the planned Detailed Business Case (DBC) investigations.

LGWM health check and Governance

31. In late 2020, the LGWM Partnership Board commissioned an independent health check to ensure LGWM delivers an integrated, cohesive, prioritised and outcomes-driven package of investments.
32. This reflected the need to regularly ensure that the appropriate settings were in place to deliver on a set of projects of this scale and complexity.
33. The health check recommended improvements in governance and management, people and culture, systems, and processes.
34. Following the health check, the LGWM governance structure was refined to ensure the operational aspects of the LGWM programme function efficiently, and has been responsible for driving management, people and culture, systems, and process improvements at the operational level.
35. The LGWM Governance Structure includes:
 - **Governance Reference Group (GRG):** This group (including the Wellington City Council Mayor and Greater Wellington Regional Council chair and other councillors) ensures voices and views from all three programme partners and local iwi are represented equally. The GRG provides advice to the partnership board.
 - **Partnership Board and Programme Director:** LGWM is overseen and directed by the Partnership Board with an independent chair. Ultimately responsible for the success of the programme, the Board takes advice from the GRG to inform and make decisions.
 - **Iwi Working Group:** LGWM is guided by mana whenua perspectives on all projects and programme work and supports broader iwi engagement.
36. Since the implementation of the health check recommendations, the work of the programme has accelerated.

Funding

37. In 2019, Cabinet recommended funding the Government's share of the LGWM programme from the NLTF with MRT financed over 50 years. This recommendation assumed a share of the NLTF would be available for the Wellington Region in proportion to its population and that the NLTF would increase in line with inflation.
38. Since then, the fund has come under considerable pressure from rising costs, increased demand for transport investments, and reductions in revenue gathering due to inflation relief measures (reduction in fuel excise duties).
39. Cabinet has directed officials to explore other options of funding and financing the MRT portion of the Transformational Programme outside of the NLTF.
40. Officials from Treasury, Te Manatū Waka Ministry of Transport, Ministry of Housing and Urban Development, and Waka Kotahi are undertaking this work as part of a national approach to funding MRT projects to ensure alignment.

It is recommended that you:

1. **Note** this briefing paper



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Brett Gliddon

General Manager Transport Services

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Hon Michael Wood, Minister of Transport

Date: 2022