



Ministry of Transport: Aide Memoire

To: Hon Phil Twyford, Minister of Transport

From: Karen Lyons, Director, Auckland

Date: 19 April 2018

Subject: Information on Government Policy Statement on land transport funding ranges and the Auckland Transport Alignment Project indicative package

OC Number: OC180246

Purpose

1. This aide memoire responds to your request to confirm that the National Land Transport Fund (NLTF) funding assumptions underpinning the Auckland Transport Alignment Project (ATAP) align with the latest draft Government Policy Statement on land transport 2018 (GPS).

Context

2. You met with the Mayor of Auckland on 17 April 2018. At the meeting, we discussed the assumptions around funding for Auckland from the NLTF. We talked through how we had looked at shares of activity classes in the GPS. You asked for further information based on a more detailed consideration of the ATAP package projects against the activity classes.
3. The ATAP agencies have since undertaken analysis that shows the spread of investments across activity classes in the draft GPS, based on current funding arrangements (i.e. 51% funding assistance rates for public transport and local roads and 100% for State highways). We have assumed a 100% funding assistance rate for rapid transit and transitional rail for the purpose of this analysis.
4. We have also assumed that all projects within the ATAP package that are eligible for co-funding would receive funding from the National Land Transport Fund (NLTF). Historically, certain eligible projects do not receive funding as these would be prioritised against projects submitted by other regions, as the NZ Transport Agency develops the National Land Transport Programme.

GPS provision for ATAP package

5. The current draft GPS allocations include assumptions about Auckland expenditure based on the previous ATAP indicative package as that was the latest available information when the GPS was being developed.

6. In the table below, we have estimated the level of funding that would be required under each of the GPS activity classes to provide for the new ATAP package. We have also provided an indication of the likely share of the activity class that could be allocated to Auckland, based on the midpoints used to develop the GPS.
7. Our work verifies that a \$16.35 billion NLTF funding assumption for the ATAP package is appropriate. This represents the NLTF share of the ATAP package and equates to 38% of total expenditure under the GPS. Auckland's share of the national population over the next decade is between 35% to 37%.
8. Confirming this figure has enabled us to include the State Highway 1 - Albany to Silverdale improvements (bus lanes) project.

Table 1: ATAP package and funding from the NLTF classified by activity class

Activity Class	GPS funding range midpoint	NLTF funding required to deliver ATAP	Share of funding in the activity class that would go to Auckland	Historic NLTF allocation 2012-18
Public transport	6,025	3,090	51%	61%
Rapid transit	3,335	1,835	55%	
Walking and cycling improvements	843	398	47%	44%
Local road improvements	3,025	2,485	82%	40%
State highway improvements	8,400	3,956	47%	38%
Road safety and demand management	868	47	5%	14%
State highway maintenance	7,105	1,467	21%	20%
Local road maintenance	7,010	2,183	31%	19%
Investment management	748	23	3%	6%
Transitional rail	588	866	147%	-

9. The analysis above shows a relatively high proportion of the activity class funding going to Auckland for local road improvements and maintenance, and state highway improvements.
10. Given this is a draft GPS, there is further work required to finalise the activity class funding allocations to accommodate ATAP and investments in other regions, including consideration of trade-offs. We will provide you with further advice on what changes could be considered as well as the potential implications for transport investments in Auckland and other regions.

Conclusion

11. This analysis confirms that at a programme level, \$16.35 billion is a reasonable assumption for funding from the NLTF for ATAP. However, there may need to be some changes to specific activity classes in the GPS to give effect to the ATAP package.