

Auckland Transport Funding Improvement Advocacy Plan

For decision: For noting:

Ngā tūhonga / Recommendations

That the Auckland Transport Board (board):

- a) Endorses the development of a Funding Improvement Advocacy Plan and its focus on the following five key areas for advocacy: congestion pricing; reducing complexity and enhancing AT funding in a multiple source funding system; parking infringements and charges; funding the costs of growth; and acceleration and publication of Ministry of Transport's system review of transport funding.

Te whakarāpopototanga matua / Executive summary

1. AT is under significant funding pressure. Analysis performed through the Joint Transport Plan in conjunction with key funder Waka Kotahi New Zealand Transport Agency (Waka Kotahi) has highlighted limits on available resourcing for investment across the transport system through conventional mechanisms. The Letter of Expectation requires AT to support council by enhancing funding and revenue for transport.
2. Most of our funding and revenue sources are constrained in legislation or policy that is developed and owned by central government, leaving AT with little room to move. It is important therefore that we develop a programme of advocacy to meaningfully unlock opportunities.
3. Following the discussion at the 28 March 2023 board meeting with the New Zealand Infrastructure Commission, five priorities have been identified for AT's advocacy for improvements to existing legislation, regulation or policy that would meaningfully and significantly unlock transport funding for Auckland.
4. These were chosen because there is already general agreement across AT of what our preferred outcome is and they each have work programmes underway. In the future, an opportunity exists to review these and other funding responses as part of a single strategic response to investment needs.
5. The five proposed priorities are: congestion pricing; reducing complexity in funding sources; reviewing the schedule for parking infringements and charges; funding the costs of growth; and acceleration and publication of the Ministry of Transport's system review of transport funding.
6. Following board endorsement, each priority will be developed further to clarify the legislation, regulation or policy that needs reform and to develop an action plan to engage and influence central government. A key feature of our advocacy plan will be to specify the outcomes sought, not necessarily the specific mechanism or solution, to encourage innovative thinking and accountability. More detail on these will be presented to the board at its meeting of 27 June 2023.

Ngā tuhinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
28 March 2023 Board	Unlocking transport funding and revenue	The board noted that management were preparing a list of policy, legislative and regulatory reform opportunities which could unlock transport funding in Auckland.
16 May 2023 Design and Delivery Committee	Auckland Transport Funding and Financing Advocacy Plan	Staff noted that private capital, including public private partnerships, had been considered, but not included at this stage because there is not yet clear agreement as to how private debt could be repaid or shifted off-balance sheet. Directors also requested further consideration of where advocacy could assist with rail programme funding. Future iterations will reconsider private capital options and alternatives to fund rail.

Te horopaki me te tīaroaro rautaki / Context and strategic alignment

7. Work underway on the joint transport plan with council and Waka Kotahi has highlighted significant limits to existing funding sources, increasing the need for new tools to fund existing plans. Additional tools will be required to fund the services needed to achieve ambitious climate change objectives, meet growth and improve safety.
8. Many of our funding and financing mechanisms are developed and administered by central government, leaving AT little room to move and adjust. It is important therefore that we take the opportunity to proactively advocate for change to legislation, regulation and policy to unlock meaningful opportunities in increase our revenue and funding.
9. The Letter of Expectation calls on AT to “support council in seeking from central government a more flexible and efficient project funding assessment regime tailored to Auckland’s specific challenges”. The letter instructs AT to “look at opportunities to increase external income and reduce reliance on rates funding.”

Ngā matapakinga me ngā tātaritanga / Discussion and analysis

10. It is proposed that AT focus its messaging for legislative, regulatory and policy change to transport funding on five reform priorities:
 - a. Congestion pricing – reform of legislation to enable direct charging of road use. Currently, AT can only charge directly for road use on new roads. This prevents AT from being able to use price to manage demand on the network.
 - b. Reducing complexity and enhancing AT funding in a multiple source funding system – consolidation of multiple transport funding sources into an expanded National Land Transport Fund (NLTF). There has been a large increase in the number of funding “pots”

available for transport investment and fragmentation of existing sources which is adding complexity and time to business case and financial processes.

- c. Parking infringements and charges – review of the schedule which sets parking infringement fine maximums. Government has not reviewed the schedule in over two decades, resulting in parking fine maximums which no longer discourage overstaying.
- d. Funding the costs of growth – reform of legislation which enables AT and council to fund investments in infrastructure which support new development. Current tools to fund infrastructure which enable growth do not generate sufficient revenue to support investment. AT staff are currently working with council officials to identify which pieces of legislation and which tools to focus advocacy on.
- e. Review of the transport funding system – acceleration and publication of Ministry of Transport’s system review of transport funding. The Ministry has had work underway to identify issues and opportunities for transport funding reform for some time but has been hesitant to publicise findings and progress public debate.

11. These priorities were identified from a long list of 30. The approach used to narrow the long list down to the 5 priorities was influenced by the need to accelerate advocacy in advance of the General Election. Each of the five initiatives already has work underway in AT, or elsewhere, and there is general understanding and agreement inside AT of what a good outcome looks like.

- a. AT has long supported congestion pricing and has been involved in the *Congestion Question* project with council and other partners. Through that workstream, a pathway towards implementation has been identified.
- b. AT has for some time signalled the growing complexity of the transport funding system as a cost and risk and the issue was discussed at the 1 December 2022 board meeting. Staff are working with Council officials on the upcoming Transport Government Policy Statement (GPS) and will focus on simplifying the funding model and ensuring the NLTF is adequate to meet requirements.
- c. AT has recently written to Minister Wood requesting a review of parking infringement fine maximums which are by law set in statute and have not been revised for over two decades.
- d. AT staff have supported council’s recent work to review development contribution charges in Drury and will support further work to recover a higher proportion of transport costs from growth. Staff are currently working with council officials on a discussion document for engaging central government on growth infrastructure funding.

12. Following endorsement of the priorities, management will develop a plan for advocating for each priority. This will involve several steps, including:

- a. Clarification of the desired outcome.
- b. Clarification of the legislation, regulation or policy which needs review.
- c. Identification of key decision makers and consultation opportunities.
- d. Development of an engagement plan, including communications.

13. Management will present the draft advocacy plan to the 13 June 2023 Design and Delivery Committee meeting and 27 June 2023 board meeting for endorsement.
14. It is anticipated that this advocacy plan will be reviewed in 2024. Following the endorsement of the Joint Transport Plan, there may be an opportunity to strategically review funding needs and opportunities. A future advocacy plan would incorporate this analysis.

Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
Council group misalignment over proposed funding solutions	Engage council officials and the mayor's office to discuss the priorities and why AT has emphasised these before engagement with central government.
Emerging advocacy workstreams overlap with existing AT workstreams to address funding challenges	Close collaboration with key leaders across AT.
Our advocacy moves too quickly to suggest solutions resulting in missed opportunities for engagement and innovation	AT's advocacy plan will focus on developing opportunity statements, evidence and outcome statements – with options developed for negotiation and engagement.

Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

15. Resourcing for this workstream will be allocated from existing budgets and activities.
16. The purpose of this workstream is to enhance financial resources accessible to AT.

Ngā whaiwhakaaro ō te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

17. One of the key drivers of this workstream is to unlock funding for climate change investments and activities.

Ngā whakaaweawe me ngā whakaaro / Impacts and perspectives

Mana whenua

18. This advocacy plan is not anticipated to impact on mana whenua.

Ngā mema pōti / Elected members

19. This workstream identifies AT needs for reform. Once priorities have been endorsed, management will engage council, consistent with direction in the Letter of Expectation that AT supports council in achieving a more flexible funding environment.

Ngā rōpū kei raro i te Kaunihera / Council Controlled Organisations (CCOs)

20. CCOs have not been engaged through this workstream. Management will work with CCOs where there are shared interests.

Ngā kiritaki / Customers

21. There are no anticipated impacts on customer experience.

Ngā whaiwhakaaro haumaruru me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

22. There are no health, safety or wellbeing considerations.

Ā muri ake nei / Next steps

23. A draft advocacy plan to the 13 June 2023 Design and Delivery Committee meeting and 27 June 2023 board meeting for endorsement.

Te pou whenua tuhinga / Document ownership

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