



INTRODUCTION OF A REGIONAL FUEL TAX FOR AUCKLAND – OVERVIEW

We are proposing a Regional Fuel Tax of 10 cents per litre (plus GST).

Background

Transport continues to be one of the top concerns of Aucklanders. It is estimated congestion costs our economy between \$1 and \$2 billion per annum in lost productivity. Congestion impacts the entire community - commuters on their way to and from employment, students travelling to and from education, small businesses, tradespeople and the wider freight industry. All rely on an efficient transport system to keep Auckland productive.

As our population grows and housing and businesses expand, the demand for new transport infrastructure increases. The investment we have made in public transport and walking and cycling infrastructure, to give Aucklanders more choice, has resulted in record growth in public transport usage since 2013. Despite this, Auckland continues to add hundreds of extra cars to our roads every week.

Unless we address congestion we will see a significant increase in economic costs and a reduction in the liveability of Auckland.

In recent years the government has partnered with Auckland to align our transport investments through the Auckland Transport Alignment Project (ATAP). The new government has worked with Auckland Council to review the priorities of ATAP and we now have an agreed direction for both the government's and Auckland Council's investments in transport for the next 10 years.

A Regional Fuel Tax¹ is being proposed because current funding is not enough to deliver the level of investment in transport that Auckland needs. Without extra funding Auckland will suffer increasing congestion along with its negative social, environmental and safety impacts.

Why a Regional Fuel Tax

Recently we consulted you on our 10-year Budget including the options for funding more transport investment. At that stage we could not tell you what the priority projects would be as we were still in discussion with the government on those priorities through the ATAP process. However, it was clear that we needed to invest more than our current funding tools allowed.

We proposed a Regional Fuel Tax as the fairest option compared to the alternatives of:

1. The existing targeted rate – the Interim Transport Levy – which expires at 30 June 2018; or
2. Higher general rates.

A Regional Fuel Tax, unlike any rating option, ensures that those who use the transport system more will pay more for the additional transport investment.

¹ Excise duties are also charged on fuel. The Government is currently considering through the Draft GPS whether an increase to fuel excise duty is necessary. For more information go to transport.govt.nz/GPS2018.

The government has now started the legislative process to enable a Regional Fuel Tax and we have agreed with them the transport priorities through ATAP. Based on those priorities we have developed a transport programme which we would fund from a Regional Fuel Tax and drafted a proposal for government.

Summary of Proposal

A Regional Fuel Tax of 10 cents per litre (plus GST) is proposed to apply to sales of petrol and diesel within the boundaries of Auckland Council (excluding Great Barrier Island) starting on 1 July 2018 for a period of 10 years.

Great Barrier Island is proposed to be excluded because they rely on fuel for power generation, the price of fuel is already very high and they will not directly benefit from the proposed transport projects. At the moment the draft legislation does not allow us to exclude any geographic area so we have asked the government to amend the legislation accordingly.

We are also strongly advocating to the government that rebates be available for fuel purchased for off-road use (such as horticulture, power generation etc).

The transport programme that we are proposing:

- increases the capacity of the existing public transport network, with particular focus on the high growth areas of the south and east
- continues to encourage walking and cycling by expanding the network of walking and cycling tracks
- improves the overall performance of the existing road network
- increases the investment in road safety initiatives
- supports key growth areas by providing transport infrastructure.

The attached table sets out a summary of the projects in our proposal – showing the amount of the Regional Fuel Tax contributions and also which parts of Auckland benefit from the project. (The location of a project is not necessarily where the benefit lies e.g. upgrading the Downtown Ferry Terminal benefits ferry users from the north, east and central areas).

If you would like to see more detail on these individual projects, you can read the full proposal document at akhaveyoursay.nz.

How to have your say

We would like your feedback on this proposal and in particular on the projects that we are proposing to fund from the Regional Fuel Tax.

Visit akhaveyoursay.nz to give your feedback, or find out about our drop-in sessions, which will be held across the region from 1 May to 8pm 14 May.

Regional Land Transport Plan (RLTP)

We are also consulting the Regional Land Transport Plan (RLTP) which includes these projects as well as the full programme of transport projects for Auckland.

More information about the Regional Land Transport Plan visit akhaveyoursay.nz.

Summary of RFT Projects

Project	*Capital investment enabled	Indicative RFT funding	Where improvement will happen					Description
			North	West	South	East	Central	
1 Bus priority improvements	\$266 million	\$135 million	●		●		●	The Frequent Service Network is a core network of about 30 high frequency bus services. The bus priority improvements are essential components of this network, implementing further bus lanes, T2/T3 transit lanes and signal pre-emption to increase overall speed and reliability of buses.
2 City centre bus infrastructure	\$163 million	\$62 million	●	●	●	●	●	Major new bus projects such as AMETI Eastern busway and other bus improvements will add to the already increasing the number of buses into the city centre. This project provides additional bus interchanges in the Downtown area and improved provision along the Wellesley St corridor.
3 Improving airport access	\$68 million	\$26 million		●	●	●	●	A long, term programme of initiatives has been developed to address the unreliable journey times (all modes) to the airport. This project includes improved bus services from New, Lynn, Mt Roskill, Onehunga and Botany along with a new bus/rail interchange at Puhinui.
4 AMETI Eastern Busway	\$753 million	\$201 million				●	●	The AMETI project will deliver an integrated, multi-modal transport system to support the growth of east Auckland. Stages 2,3 and 4 will include an urban busway between Panmure and Botany, associated stations (including Park and Ride) at Pakuranga and Botany, improved walking and cycling facilities and the Reeves Road flyover at Pakuranga.
5 Park and rides	\$63 million	\$24 million	●	●	●		●	Demand for park and ride facilities significantly exceeds supply. This project will add approximately 1900 new parking spaces to the existing approximately 5500 spaces. The focus will be on areas that are less well served by feeder buses.
6 Electric trains and stabling	\$396 million	\$213 million		●	●		●	Once the City Rail Link is operational there will be increased demand on train services. 15 new electric trains have been ordered but growth and rail improvements such as electrification to Pukekohe will require a further 20 electric trains along with maintenance and stabling facilities.
7 Downtown ferry redevelopment	\$73 million	\$28 million	●	●		●	●	The Downtown Ferry Terminal is one of the busiest public transport hubs in Auckland. All berths are used during morning and evening peaks. This project will increase the capacity of the terminal as well as improving the customer experience.

Project	*Capital investment enabled	Indicative RFT funding	Where improvement will happen					Description
			North	West	South	East	Central	
8 Road safety	\$552 million	\$225 million	●	●	●	●	●	This project is expected to reduce deaths and serious injuries by 60% over 10 years through a range of measures in both urban and rural areas e.g. red-light cameras, addressing high risk intersections, speed management, improved skid resistance and roadside barriers.
9 Active transport	\$342 million	\$112 million	●	●	●		●	There are a number of barriers to increasing walking and cycling as a mode of transport. This project addresses improvements and connectivity in the cycling network, and improved safety and amenity for walking focusing on short trips to city/town centres, schools and public transport hubs.
10 Penlink	\$200 million	\$66 million	●					Faster than expected growth and planned development requires the constraints around the Silverdale interchange to be addressed. Penlink is proposed as a toll road that will provide a new connection between the Northern Motorway Redvale and the Whangaparaoa Peninsula.
11 Mill Road Corridor	\$508 million	\$102 million			●	●		Mill Road corridor provides an additional north-south corridor for southern Auckland, connecting Manukau with Drury through a new and improved corridor to the east of the Southern Motorway. It provides for growth in both residential and business sectors.
12 Road corridor improvements	\$302 million	\$87 million	●	●		●		This project is a collection of initiatives to improve capacity, safety, amenity and connectivity of existing road corridors. It covers improvements to Lincoln Rd, Glenvar Rd, Matakana Link Rd, Lake Rd and intersection improvements to Smales/Allen Rd. Also included is progressing the sealing of currently unsealed roads.
13 Network capacity and performance improvements	\$296 million	\$99 million	●	●	●	●	●	This project is focused on maximising the efficiency of the existing transport network through initiatives such as traffic signal optimisation, improving key congestion points and using technology to monitor and actively manage the network in real time.
14 Growth related transport infrastructure	\$300 million	\$126 million	●	●	●			Provision has been made in the second half of the decade for transport infrastructure to support the expected growth in the south (Pukekohe, Paerata and Takanini), north (Silverdale, Dairy Flat, Wainui and Warkworth) and north-west (Kumeu, Redhills, and Whenuapai).
Total	\$4,271 million	\$1,506 million						

*Capital investment enabled is made up of the Regional Fuel Tax amount plus contributions from developers towards growth projects plus, subsidies from the New Zealand Transport Agency.