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AGENDA ITEM 14 BOARD NOTING PAPER	
To:	Board of Auckland Transport
From:	Mark Laing, Chief Financial Officer
Reviewed:	Dean Kimpton, Chief Executive Officer
Date:	19 June 2024
Title:	Long Term Plan 2024-2034

Reason for inclusion in closed board meeting session	
1. Please state why this report is being considered in the closed board meeting as opposed to the open board meeting. Please refer to the 'reasons for confidentiality' and provide a direct reference to one of these reasons.	To protect information that will soon be publicly available.
2. Please provide an estimated date for release of this report.	31 July 2024

Aronga / Purpose

- The purpose of this paper is to provide a summary of the final Auckland Council (AC) approved changes to the Long Term Plan (LTP) and a summary of the final Auckland Transport (AT) LTP budgets submitted to AC.

Te tūhonga / Recommendation

That the Auckland Transport Board (board):

- Notes the final changes made to the Long Term Plan and the final Long Term Plan budget templates Auckland Transport submitted to Auckland Council.

Te horopaki / Background

- Every three years AC prepares and consults on a new ten year LTP. While it is an AC document AT's input into these processes is critical for determining our programmes and AC funding envelopes for the next three years and beyond.
- The first year of the LTP sets AC funding parameters and the basis for AT's 2024/25 budget (which is the subject of a separate paper at this meeting).
- AT provided an initial LTP budget submission to AC, approved by the Design and Delivery Committee on 12 September 2023.
- Since then, AT has been working with AC and the Mayor's office to develop the LTP, with numerous AC and board workshops and regular board updates provided during its development.
- AC issued the draft LTP for public consultation from 28 February 2024 to 28 March 2024.
- We have been running the LTP and Regional Land Transport Plan (RLTP) processes in parallel to derive the programme that was included in the LTP and is being consulted on in the RLTP.
- Following the draft LTP consultation AC made some changes and approved the final LTP budgets at the 16 May AC Governing Body meeting.

Me mōhio koe / What you need to know

- At the 16 May 2024 Governing Body meeting AC approved some additional operating and capital funding for AT based on strong positive public feedback for transport outcomes:
 - \$5 million additional AC funding for KiwiRail track access charges with co-funding from the New Zealand Transport Agency (NZTA) to deliver a \$10 million annual gross cost increase.
 - \$5 million additional AC funding for Public Transport (PT) services with co-funding from NZTA to deliver a \$10 million annual gross cost increase.

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- c) A one off \$3.25 million increase in AC funding split over 2024/25 and 2025/26 for the provision of bus driver safety screens with co-funding from NZTA to deliver a \$6.5 million gross cost increase split over the next two years.
 - d) A \$600 million increase in the AT LTP capital programme.
10. AT incorporated these changes into our final LTP budget templates (Attachment 1) which we issued to AC on 24 May 2024.
 11. AC is now providing AT with \$71.6 million more AC funding in 2024/25 than it provided this year (2023/24) which underpins the ongoing provision of PT services and an increase in proactive asset maintenance activity.
 12. The capital budget also provides for \$473 million additional investment to support Kāinga Ora with the delivery of Large Scale Projects. There is uncertainty regarding the ability to fund this investment through the Housing Acceleration Fund and the LTP forecasting assumptions are subject to change depending on Government decisions.
 13. The changes take total net operating expenditure (i.e. gross cost, less external revenues) to \$11.3 billion and the capital programme up to \$14.5 billion over the ten years of the LTP.
 14. The 2024-34 LTP and its associated funding enables AT to deliver a comprehensive programme of services and investments that help alleviate congestion, improve PT and other modes, address safety issues and provide improved resilience to natural events. Attachment 2 provides further details.
 15. A residual risk remains around NZTA funding, and we may need to come back to the board and AC in terms of the level of local share funding and gross expenditure if NZTA approved funding is materially lower than the levels assumed in the LTP.
 16. There is also some uncertainty around the level of KiwiRail track access charges. While the recent Government budget provided a one-off funding increase to KiwiRail for track repairs and renewals, we are still working through what this means in terms of the level of track access charges payable by AT to KiwiRail over the near term.





Ā muri ake nei / Next steps

17. AC will adopt the final LTP document at its 27 June AC Governing Body meeting.

Ngā whakapiringa / Attachments

Attachment #	Description
1	Final LTP Budget Templates
2	LTP Key Outcomes / Projects

Te pou whenua tuhinga / Document ownership

Submitted by	Recommended by	Approved for submission
Grant Smith Financial Planning & Performance Manager	Mark Laing Chief Financial Officer	Dean Kimpton Chief Executive
		
David Bardsley Group Manager Finance		
		

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Attachment 1	Final LTP Budget templates
13. Long Term Plan 2024-2034	

Revised budget for Auckland Transport											
\$000 inflated	Draft LTP 2024-2034										10-year Total
	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	
OPERATIONAL											
Direct revenue	(929,021)	(1,013,321)	(1,031,467)	(1,087,664)	(1,133,944)	(1,180,103)	(1,233,547)	(1,283,895)	(1,336,094)	(1,380,848)	(11,609,905)
Fees and user charges	(350,775)	(393,934)	(426,361)	(460,449)	(498,473)	(535,776)	(575,366)	(624,723)	(676,250)	(710,685)	(5,252,791)
Grants and subsidies	(502,073)	(547,546)	(541,216)	(562,237)	(569,401)	(577,165)	(589,903)	(589,816)	(589,293)	(598,402)	(5,667,051)
Other revenue	(76,173)	(71,842)	(63,891)	(64,979)	(66,070)	(67,163)	(68,278)	(69,355)	(70,551)	(71,761)	(690,062)
Direct expenditure	1,408,961	1,539,330	1,578,074	1,666,790	1,719,874	1,774,631	1,828,615	1,856,921	1,895,507	1,935,756	17,204,460
Employee benefits	195,901	202,269	208,776	215,091	221,036	228,985	234,978	241,013	247,090	253,209	2,248,347
Grants, contributions and sponsorship	3,250	3,250	0	0	0	0	0	0	0	0	6,500
Other operating expenses	1,209,810	1,333,812	1,369,298	1,451,698	1,498,838	1,545,647	1,593,637	1,615,908	1,648,417	1,682,548	14,949,612
Net direct expenditure (income)	479,940	526,009	546,607	579,126	585,929	594,528	595,067	573,027	559,413	554,909	5,594,555
% increase	19.0%	9.6%	3.9%	5.9%	1.2%	1.5%	0.1%	(3.7%)	(2.4%)	(0.8%)	
Non-direct income and expenditure	22,445	22,083	21,540	21,028	20,373	19,743	19,081	18,436	17,656	16,887	199,272
Finance expense	22,681	22,166	21,625	21,115	20,462	19,834	19,173	18,530	17,752	16,986	200,325
Finance revenue	(236)	(83)	(85)	(87)	(89)	(91)	(93)	(95)	(96)	(98)	(1,053)
Net operating expenditure (income)	502,385	548,092	568,147	600,153	606,302	614,271	614,148	591,462	577,069	571,796	5,793,827
Principal repayments	10,059	10,574	11,115	11,625	12,278	12,906	13,567	14,210	14,988	15,754	127,075
Operational funding from Council	512,444	558,666	579,262	611,779	618,580	627,177	627,715	605,672	592,056	587,550	5,920,902
<i>check funding</i>	0	0	0	0	0	0	0	0	0	0	0
Non-cash items	274,785	298,778	316,405	339,837	371,565	395,063	445,898	465,763	500,257	515,374	3,923,723
Vested assets	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)	(2,750,000)
Depreciation and amortisation	549,785	573,778	591,405	614,837	646,565	670,063	720,898	740,763	775,257	790,374	6,673,723
Other gains and losses	0	0	0	0	0	0	0	0	0	0	0
Non-operating expenditure	0	0	0	0	0	0	0	0	0	0	0
Deficit after tax, before capital income	274,785	298,778	316,405	339,837	371,565	395,063	445,898	465,763	500,257	515,374	3,923,723
CAPITAL											
Capital expenditure	1,458,775	1,533,783	1,515,214	1,631,787	1,628,521	1,527,269	1,450,196	1,265,630	1,224,248	1,240,039	14,475,461
Growth	519,352	432,081	390,148	430,292	458,166	424,379	381,240	273,731	223,324	209,784	3,742,495
Level of service improvement	487,354	551,316	487,021	535,945	494,730	416,371	365,744	276,626	261,871	261,951	4,138,929
Renewals	452,070	550,386	638,045	665,551	675,624	686,519	703,213	715,273	739,052	768,304	6,594,037
External capital funding	(778,813)	(766,892)	(777,607)	(835,894)	(844,260)	(793,635)	(755,098)	(667,815)	(647,124)	(656,520)	(7,523,656)
Capital grant revenue - external	(679,963)	(766,892)	(737,607)	(795,894)	(784,260)	(733,635)	(695,098)	(597,815)	(577,124)	(583,520)	(6,951,806)
Capital grant revenue - NZUP	(92,650)										(92,650)
NLTF share of funding for AHP			(3,842)	(3,842)	(5,763)	(5,763)	(5,763)	(6,723)	(6,723)	(7,011)	(45,428)
Capital grant revenue - KO for AHP			(36,158)	(36,158)	(54,237)	(54,237)	(54,237)	(63,277)	(63,277)	(65,989)	(427,572)
Capital grant revenue - IAF	(6,200)	0	0	0	0	0	0	0	0	0	(6,200)

Attachment 2	Long Term Plan – Key Outcomes / Projects
13. Long Term Plan 2024-2034	

The 2024/34 Long Term Plan (LTP) enables AT to deliver a comprehensive programme of investments that help alleviate congestion, improve public transport and other modes, address safety issues and provide improved resilience to natural events. Some of the key outcomes / projects are summarised below.

Public Transport

- Finish existing rapid transit network projects including City Rail Link (CRL) and Stage 3 of the Eastern Busway.
- City centre projects including projects to support the CRL and to expand the electric train fleet.
- Bus, rail, and ferry network improvements, including new bus stations at Rosedale and Westgate and interim bus improvements on the Airport to Botany corridor.
- Introduce a \$50 weekly public transport pass for buses, trains and inner-harbour ferries.
- Enable payment for standard adult public transport fares with Apple and Google Pay, debit cards and most credit cards in addition to the current HOP card, and transition to the National Ticketing Solution (NTS).
- Improvements to the bus network, including in the city centre and more widely to add capacity and improve overall speed and reliability.
- Grow PT patronage to an estimated 172 million pax by 2034.
- Continue delivering zero-emissions bus fleet. The work continues with Central Government to make 50% of AT’s bus fleet electric or hydrogen vehicles by 2030.

Parking and ‘time-of-use charging’

- Developing a ‘time-of-use’ pricing scheme to help manage traffic congestion.
- Developing the ‘room to move’ programme to review parking in critical areas. This is expected to include increasing the number of paid parking areas and charging for some Park & Rides.
- Continue delivering initiatives to improve parking outcomes across Auckland.

Maintain the road network

- Adequately maintain our road network including resealing roads to maintain the condition and safety of the network.
- Continue to invest in the unsealed roads improvements programme.
- Work with partners to manage incidents and planned events on our transport network.
- Flood recovery and other works in various locations across Auckland.

Road safety

- Vision Zero for Tāmaki Makaurau Transport Safety Strategy 2030 which aims for a safe transport network.
- Delivering safety improvements to high-risk roads and intersections, including improved signage, surface treatments, road markings and lighting.
- Delivering other safety improvement projects including Pedestrian programmes, Safe Speeds programme, Road Safety behaviour change initiatives, School Safety projects.

Optimise and develop Roding network

- Invest in optimising the transport network and use of dynamic lanes to reduce congestion.
- Remove planned level crossings including those needed for the CRL and next priority level crossings in Takaanini to make the most of CRL and to allow quick and easy access to town centres.
- Investment in cycling will be focussed on completing existing projects and delivering lower cost cycleways.
- Progress road corridor improvements for Carrington Road, Lake Road, Glenvar/East Coast Roads intersection and Hill Street intersection.