

Representation of the Campaign for Better Transport to Board of Inquiry for Waterview Connection Project

Introduction:

The Campaign for Better Transport (CBT) is a non-politically aligned organisation that advocates for sustainable transport policies and projects throughout Auckland and New Zealand.

The CBT made a submission on the Waterview Connection Project in October last year. While the CBT was unable to afford to engage expert witnesses, or legal representation to cross-examine New Zealand Transport Agency (NZTA) witnesses, we retain an interest in the project and the decision of the Board of Inquiry (the Board).

This representation does not intend to repeat the points made by the CBT's submission, but rather elaborate on matters that we consider remain unresolved, or of interest to the Board. These generally relate to matters which were both mentioned in the CBT's submission and in the list of "key issues" outlined in paragraph 108 of NZTA's legal submissions. They are:

- Project benefits and economic assessment
- Pedestrian/cycleway connections

In addition, this representation discusses matters relating to public transport provision and form (or do not form) a part of the project.

The CBT remains **opposed** to the project in its current form, as we consider it does not contribute to a more sustainable transport future for Auckland.

We also consider that many of the project's supposed benefits have not been proven by NZTA's evidence. Therefore, under section 5 of the RMA the 'balancing act' – outlined succinctly in paragraph 103 of NZTA's legal submissions – has not been sufficiently met.

Furthermore, none of the supposed benefits have been evaluated in the context of rising fuel prices. Consideration of project risk is completely absent from NZTA's evidence.

Project Benefits and Economic Assessment:

The CBT's submission questioned whether the project is 'reasonably necessary' to achieve its objectives – a requirement under section 171(1)(c) of the RMA. In particular, the CBT's submission questioned the veracity of the economic benefits of the project and questioned whether the project did enough to support 'modal choices'.

Economic Assessment:

A number of other submitters (such as University of Auckland economics Professor Tim Hazeldine) have also questioned the economic assessment of the project. While section 7(b) of the RMA does not require a project to be the most efficient use of resources, the CBT considers that sections 5 and 7(b) require the benefits of a project that will generate

significant adverse environmental effects to be robust. In short, a project must be 'worth it.'

The rebuttal evidence of Mr Tommy Parker, on behalf of NZTA, notes that the project's 'cost-benefit ratio' (BCR) varies, according to the transport model used and whether or not wider economic benefits are included or not (paragraphs 36-40). Under the ART2 model the project enjoyed a BCR of 2.1: that is, the \$2 billion invested in the project was estimated to generate \$4.2 billion of economic benefits (mainly in the form of travel time savings) over the lifespan of the project.

However, in April 2010 the (supposedly new and updated) ART3 model was used to analyse the benefits of the project, and its BCR reduced to 1.2. That is, for the \$2 billion spent on the project, the economic return was now only calculated to be \$2.4 billion. It is unclear what happened to the other \$1.4 billion in benefits, whether they ever existed or not. Nowhere in NZTA's evidence, to the CBT's knowledge, is this issue fully examined.

The CBT wishes to emphasise that we do recognise the BCR of a project is used to assist the NZTA board in determining what projects to fund, rather than being a decisive tool in determining whether this Board of Inquiry grants consent to the proposal or not. However, as noted earlier in this representation, given the significant adverse effects of the proposal, we consider it necessary for the benefits of the project to be robust. We consider it important for the Board to be reassured that a potential future ART4 model will not further reduce the project's benefits: to the extent where it certainly is no longer value for money. To the CBT's knowledge, this is yet to be done.

Given the uncertainty around the project's BCR, the CBT considers that – should consent be granted - to aid the assessment of future projects a condition should be applied that requires NZTA to undertake an "audit" of the project's economic benefits, post completion. To our knowledge this has not been done for recently completed projects in the Auckland region such as the Mt Roskill Extension, the Manukau Harbour Crossing and the SH20 to SH1 interchange.

I now want to move on to project risk. While the NZTA may have come up with an arbitrary BCR value to aid guidance of project options, it has conducted no risk assessment, which would be standard practice in the commercial world when considering a \$2bn investment.

Since we made our submission in October of last year, petrol prices have risen from \$1.82 per litre to \$2.16 today. Based on the experience of 2008, this will lead to reduced private vehicle trips and increased pressure on the public transportation system.

Given that there is a statistical base for modelling the effect of petrol price increases, we find it negligent of NZTA not to produce risk scenarios for petrol prices of \$2.50, \$3.00 or even \$5.00 a litre. There must surely be a price level where the project is no longer economically justified, and we put it to the Board that consent for the project should only be granted once this price level is known.

NZTA should also be required to explicitly state what its future fuel price assumptions are for the lifetime of the project, and how these have an impact on the BCR.

Furthermore, the mere existence of oil price volatility should count as a cost factor in this project's BCR, yet no such factor exists.

Project Benefits:

The CBT's submission, along with a number of other submitters (for example, Mr Duncan McKenzie and Mr Robert Black), questioned whether the project meets its own

objectives. This matter was addressed (to some extent) in paragraphs 5-15 of Mr Parker's rebuttal evidence.

While the CBT accepts that the project achieves a number of its objectives (contribution to the region's transport infrastructure, improving accessibility and resilience of the State Highway network), the CBT is concerned that other objectives remain unmet: particularly increasing modal choice and that the project will contribute to economic growth and productivity (which is dealt with in more detail above).

In terms of whether the project contributes to economic growth and productivity, Mr Parker's only rebuttal point was that this objective has been achieved "...by providing direct motorway to motorway access between key growth nodes and economic centres of the Airport, Auckland Central Business District (CBD), and Westgate." (Para 9). While it may be the case that motorway to motorway access between these locations could enhance economic growth and productivity, the CBT is unaware of any assessment of this matter in NZTA's evidence. Rather, there is simply an unproven assumption by NZTA that such an outcome will occur. The CBT considers that when NZTA is proposing to spend \$2 billion of public money on a project like this, which will generate significant adverse environmental effects, a more robust analysis should be undertaken to determine whether the project actually meets this objective or not.

In terms of the objective of enhancing modal choice, the CBT recognises there will be some public transport benefits from the project. Bus shoulder lanes will be provided along State Highway 16, and it is our understanding that bus lanes will be provided along parts of Great North Road subject to the designation. However, these are considered to be minor concessions on NZTA's behalf and are an almost infinitesimally small gesture to placate public transport advocates. This is outlined further below:

- Bus shoulder lanes provide relatively little benefit unless they are continuous. The currently proposed lanes stop and start at each off-ramp and on-ramp and have no obvious connectivity with the surrounding bus network. The CBT notes that no analysis has actually been undertaken to quantify the benefits of the bus shoulder lanes.
- No provision has been made to 'future-proof' the State Highway 16 widening for a "northwest busway" of a similar type to the existing Northern Busway on Auckland's north shore. The CBT considers that a northwest busway will be required in the longer-term and if it is not future-proofed for as part of this project, constructing it in the future will be unnecessarily difficult and expensive.
- The lack of a cycleway connection between State Highway 16 and State Highway 20 is a significant missed opportunity. (This is elaborated upon later in this document).
- A lack of co-ordination between NZTA and Auckland Transport means that there is no certainty around enhanced bus, pedestrian and cycling environments in areas outside the designation. This is outlined in more detail later in this representation.

Overall, the CBT considers that the project does little to enhance modal choice. The amount of money being dedicated to the project is roughly equivalent to that required to complete the central Auckland rail link: meaning that this project's opportunity cost is other projects that would have a greater effect on enhancing modal choice. In short, the project spends a vast amount of money on further embedding Auckland's auto-dependency, with only a small effort made (it would almost appear for show) to improve sustainable transport options. It is difficult to see how such an outcome can "enhance modal choice".

Pedestrian/Cycleway Connections:

An area of significant debate is whether NZTA should be required to provide a cycleway connecting State Highway 20 and State Highway 16. Experts have agreed that such a cycleway would be beneficial (see Transport caucusing document) but NZTA remains of the position that – because they are putting the motorway underground through sector 8 – they are not required to construct a surface level cycleway.

The CBT does not have an opinion on whether NZTA or Auckland Council/Auckland Transport should take a lead role in designating and constructing the cycleway. The important consideration is that the cycleway must happen – and that NZTA should make a significant financial contribution to its construction to achieve the project objective of ‘enabling modal choice’.

The CBT asks the Board to effectively ‘bang some heads together’ amongst NZTA and Auckland Council/Auckland Transport to make this essential cycleway project happen. The cycleway would provide significant connectivity and open space benefits for the people of Owairaka and Waterview (thereby providing mitigation for the significant adverse effects the project causes) and would help ensure the project better met its objectives.

Public Transport Matters:

The CBT’s submission criticised the lack of public transport improvement included in the project. In particular, the bus shoulder lanes are considered to only provide a minor benefit to bus users, while the lack of co-ordination between NZTA and Auckland Transport appears likely to result in a ‘missed opportunity’ to ‘lock in’ the traffic reduction benefits of the project.

Focusing first on the State Highway 16 matter, the CBT notes that this corridor is noted as part of the “Quality Transport Network” (**QTN**) in the 2006 Passenger Transport Network Plan and the 2010 Regional Public Transport Plan. Therefore, we accept that NZTA is under no *obligation* to provide a rapid-transit standard busway.

However, the CBT notes that there is also no busway proposed for the Lincoln Road to Westgate upgrade of State Highway 16 – even though that section of motorway is part of the “Rapid Transit Network” (**RTN**). Therefore, we question whether it is the distinction between a QTN and an RTN which has resulted in NZTA preferring to provide bus shoulder lanes – rather than a busway of a standard similar to that on the North Shore.

If relatively minor design amendments could be made which enable the easier future construction of the northwest busway, this appears to be a sensible way of ‘future-proofing’ the project.

Turning now to public transport on local-roads, the CBT understands from reading rebuttal evidence and caucusing statements, there has been some advancement of a proposal to construct bus lanes along Great North Road in the northbound direction, through Waterview. This relies upon Auckland Council approval (refer sheet 13 of the Integrated Transport Plans – revision D). While the CBT strongly supports such a proposal, we consider that similar opportunities on other arterial roads are being missed.

There is a legitimate question as to the scope of NZTA's ability to improve bus infrastructure outside the immediate area of the project. However, the CBT considers that if one of the project's main objectives is to 'enhance modal choice' and one of the main benefits is removing through-traffic from local roads: freeing up space for more bus lanes, cycle lanes and other opportunities, there should be more clarity around how this benefit will be achieved.

To this extent, the CBT considers that it would be helpful for the board to consider applying a new transport condition. This condition would require NZTA to work with Auckland Transport in exploring how the traffic reduction benefits on local roads can be "locked in" through enabling better public transport, cycling and walking infrastructure on those roads. If Auckland Transport truly wish to implement the QTN (which includes St Lukes Road, Carrington Road, New North Road and Great North Road) there will never be a better opportunity than this.

Conclusion:

The CBT considers there are fundamental questions about the project's justification that remain unanswered. However, we seek to narrow the matters outlined in our submission down to three particular matters:

- That NZTA should be required to conduct a risk analysis for the project with regard to the price of fuel, and determine the price level where the project no longer becomes economically viable. This will help inform the Board to make an assessment on the likelihood of that price level being reached.
- Should approval be granted, that NZTA should be required to construct (potentially in conjunction with Auckland Transport) a cycleway between SH20 and SH16, above the tunnel section of the project.
- Should approval be granted, that two additional transport related conditions be applied to the consent. These are as follows:
 - o That NZTA be required to undertake an "audit" of the project's benefits at various dates post-construction to help inform the economic justification of future transport projects.
 - o That NZTA be required to work with Auckland Transport to find constructive ways of improving bus, cycling and walking infrastructure along main arterial routes that will experience reductions in traffic numbers as a result of the project, to ensure the project generates 'modal choice' and to ensure the traffic reduction benefits are 'locked in'.

Thank you for your consideration of our representation.

Cameron Pitches
Convenor
Campaign for Better Transport