

Meeting Agenda and Briefing
Hon Simon Bridges, Associate Minister of Transport

7th June 2012

About the Campaign for Better Transport

The Campaign for Better Transport (CBT) is an Auckland based, politically independent incorporated society which is committed to advocating better transport alternatives to the single occupant car for Auckland city. It is a voluntary organisation that relies solely on membership subscriptions for funding.

Successful campaigns in recent years have included:

- Reopen Onehunga Rail: In 2006 we campaigned hard to reopen the dormant branch railway line between Onehunga and Penrose once again to passenger services. Our 8,000 strong petition and support from the Auckland Regional Council saw the Government finally give the green light for funding on the 13 March 2007.
- Airport Rail: We have a long history of campaigning for a rail link to Auckland Airport. In addition to a petition gathering over 10,000 signatures, we also negotiated with Transit in the Environment Court to reserve enough space for a rail corridor to the west of SH20 at Mangere Bridge.
- Electrify Now: We presented yet another petition, this time in support of electrification, to Parliament in May of 2007
- In conjunction with representatives from MOTAT, we proposed a tram link to the new Wynyard Quarter, resulting in the current heritage tram loop. We continue to advocate for light rail to be extended to Britomart and beyond.

The Campaign for Better Transport supports transportblog.co.nz – a popular site receiving over a 1,000 unique visitors a day.

Campaign for Better Transport Representatives

Cameron Pitches

Cameron has been the Convenor of the Campaign for Better Transport since its inception in 2002. Professionally, Cameron is a software consultant specialising in Oracle and SQL Server databases, and custom desktop and website development.

Cr Graeme Easte

Graeme is a founding member of the Campaign for Better Transport and is also currently an Auckland City local board member.

Jennifer Northover

Jennifer is a project management consultant, and a long-time member of the CBT.

Transport Challenges

Growth in Public Transport

Highlights from the April Auckland Transport Statistics report include:

- Auckland public transport patronage totalled 70,558,521 passengers for the 12 months to April 2012 - an increase of 5,795,446 boardings or +8.9%.
- April monthly patronage was 5,579,153, an increase of 270,590 boardings, or +5.1% on Apr 2011. There was one less business day in April 2012 compared to April 2011, which would account for approximately 5% less patronage between months.
- Rail monthly patronage for April was 947,571, an increase of 126,208 boardings or 15.4% on Apr 2011.
- Northern Express bus service carried 2,276,554 passenger trips for the 12-months with a growth in Apr 2012 compared to Apr 2011 of +13.5%.

The City Rail Link

The City Rail Link (CRL) is a 3.5 kilometre rail tunnel under central Auckland that is projected to cost around \$2 billion to construct, with a targeted opening date of 2021. Its route is shown in red in the image below.



The CRL turns Britomart into a through station by extending two tracks underneath Queen Elizabeth II Square before heading south under Albert Street, Vincent Street, Pitt Street, spaghetti junction and Upper Symonds Street before joining with the existing Western Line near Mt Eden Station. Three new underground stations are included in the City Rail Link project: Aotea Station, Karangahape Road Station and Newton Station.

There are a number of reasons why Auckland needs the City Rail Link project.

- 1) To increase the capacity of Auckland's rail network by turning Britomart into a through station and adding another rail entrance to the city centre from Mt Eden. It is expected that the capacity of the rail network would at least double the number of trains that can enter and pass through the city centre at any one time.
- 2) To ease the pressure on the city centre's roading network by reducing the level of

future increases in buses and cars.

3) To significantly reduce travel times on Auckland's rail network – especially for trips from areas along the Western Line to the city centre.

4) To allow higher train frequencies to be operated on all lines of the Auckland rail network.

5) To provide sufficient capacity in the rail system for future extensions (rail to the airport, Avondale-Southdown line etc.) to be possible.

6) To stimulate business activity in the city centre and other rail served centres and generate agglomeration benefits.

7) To stimulate higher intensity residential development around the rail network and reduce the need for Auckland to grow via urban sprawl.

8) To enable a much more efficient and effective bus network.

9) To improve rail access in the city centre.

10) To allow trains to be routed through the city centre and offer one-seat rides between centres on different sides of Auckland.

Aotea Station is predicted to become the busiest station on the Auckland rail network once it opens. The station is to be located underneath Albert Street in the block between Wellesley Street to the south and Victoria Street to the north. Aotea Station brings rail further into the heart of Auckland's city centre, with the station a short walk from many office and apartment buildings, entertainment facilities like the Civic Theatre and Aotea Centre and both Auckland University and AUT.

The core cost of the tunnel itself is under \$2bn, however the project also currently includes additional trains and other network improvements outside the city centre. This is shown in the table below.

Estimated CRL Cost showing changes over time (\$millions)	APB&B 2010 Expected Cost (2010 \$s)	APB&B 2012 Expected Cost (2012 \$s)	AC LTP 2012 inflated to year of spend
Expected Gross Construction Cost	1,861	1,938	2,324
Estimated total land purchase	230	231	245
Estimated residual land sales	100	136	183
Estimated Net Land	130	95	62
Total Construction and Land Cost	1,991	2,033	2,386
Potential Construction Cost Saving		166	
Estimated Net Land and Construction costs		1,867	
<i>Additional EMUs for Optimisation</i>	240	259	336
<i>Other network optimisation outside City Centre</i>	100	108	140
Expected Cost inc additional EMUs and other network improvements	2,331	2,400	2,862
Expected Cost inc EMUs and network improvements less Savings		2,234	

Integrated Ticketing and the Network Approach

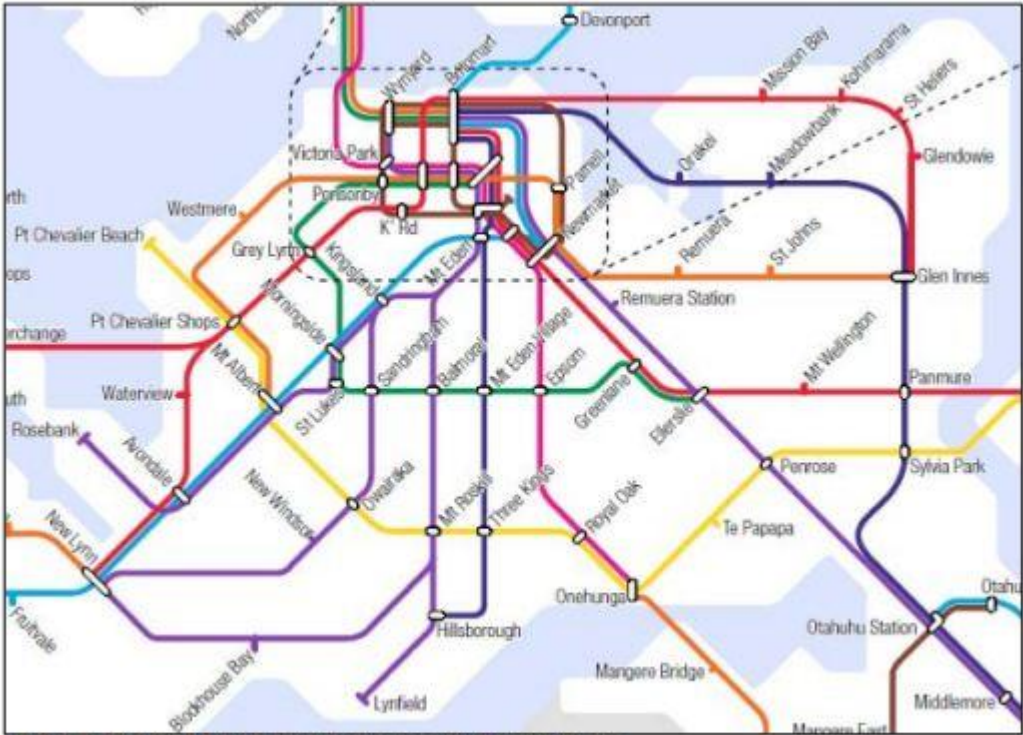


Fig 19. Extract of future public transport network map

Transport Costs and Benefits

With most business opportunities, it is possible to calculate the expected monetary benefits and costs, while considering other factors such as the opportunity cost of capital and project risk.

A similar approach for transport infrastructure projects is also attractive. Just work out the benefits in today's money, divide this by the cost and - *presto!* - you know exactly how much the economy will benefit from for every dollar spent. But for transport projects, this doesn't work.

Since the 1960s it has been standard practice for the majority of roading economic benefits to be derived from travel time savings that road users can expect to enjoy. For the Waterview extension, maximum travel time savings of 15 minutes are expected. By placing a dollar value on each road user's time, this equates to \$2.6bn worth of claimed benefits.

The reality, however, is quite different. In the long run, an individual's travel time savings are replaced by longer trips as travel patterns change. Commuters utilise the increased roading capacity by travelling further distances to work and leisure destinations. Eventually, the average amount of time individuals spend in traffic remains unchanged.

This is backed up by recent research from the UK based Centre for Transport Studies. By analysing the outcomes of nationwide travel surveys, their study found that average travel times in the UK have held constant at around an hour a day since the 1970s, despite expenditure of £100bn on roads over the last 20 years in the UK.

Of course it could be argued that had it not been for this massive investment, then average travel times would be much higher than they are currently. However, the study points out that there were marked swings in expenditure over the 20 year period, and hence new capacity becoming available. Throughout all of this, average travel times remained steady.

In New Zealand NZTA recently published the results of their own travel time survey of Auckland and Wellington commuters in January of this year. Findings included:

- The median commute 20 minutes
- 10 minutes was identified as the ideal commute time
- Only 3% thought that zero minutes would be the ideal commute time.
- 40% enjoyed commuting
- Only 19% thought the time was wasted
- When asked what they would do with any travel time savings, only 10% of respondents identified "more work"

It would seem that promised travel time savings never eventuate in the long term, yet the myth of travel time savings also permeates into other areas. For Waterview, \$690m of benefits are attributed to "reductions in frustration due to traffic congestion over and above the benefits gained from travel time savings." How mental health benefits like this are quantified is not fully explained.

Vehicle operating cost savings of \$40m are also claimed, the logic being that faster cars consume less petrol per kilometre. However, there is no evidence at all that households are spending any less on transport as a result of the completion of roading projects in recent years. New Zealand households spend 12.9% of their budget on transportation on average - no figures for Auckland are readily available. There is therefore no way of knowing if the vehicle operating cost savings are being achieved in the long term.

It would seem that the long term benefits of increased road capacity come not from travel time savings, but rather from the increased choice of destinations for road users. Businesses also benefit from a greater catchment area of potential employees. For the Waterview extension, these

“agglomeration” benefits could be as much as \$607m, but this is still well short of the almost \$3bn cost of the project.

An alternative method of estimating economic benefits is based on the user-pays principle. Transport officials have calculated that if the Waterview motorway extension was tolled at \$2, then just 50% of motorists, or about 75,000 vehicles a day would consider it economically worthwhile to use the route instead of the existing alternative local roading network. It also follows that if Waterview were to operate as a private toll road, hapless investors would stand to lose about a billion dollars over a 30 year time frame.

A substantial economic risk also exists due to volatile oil prices, yet the probability of this occurring does not feature in any economic assessments for transport projects.