

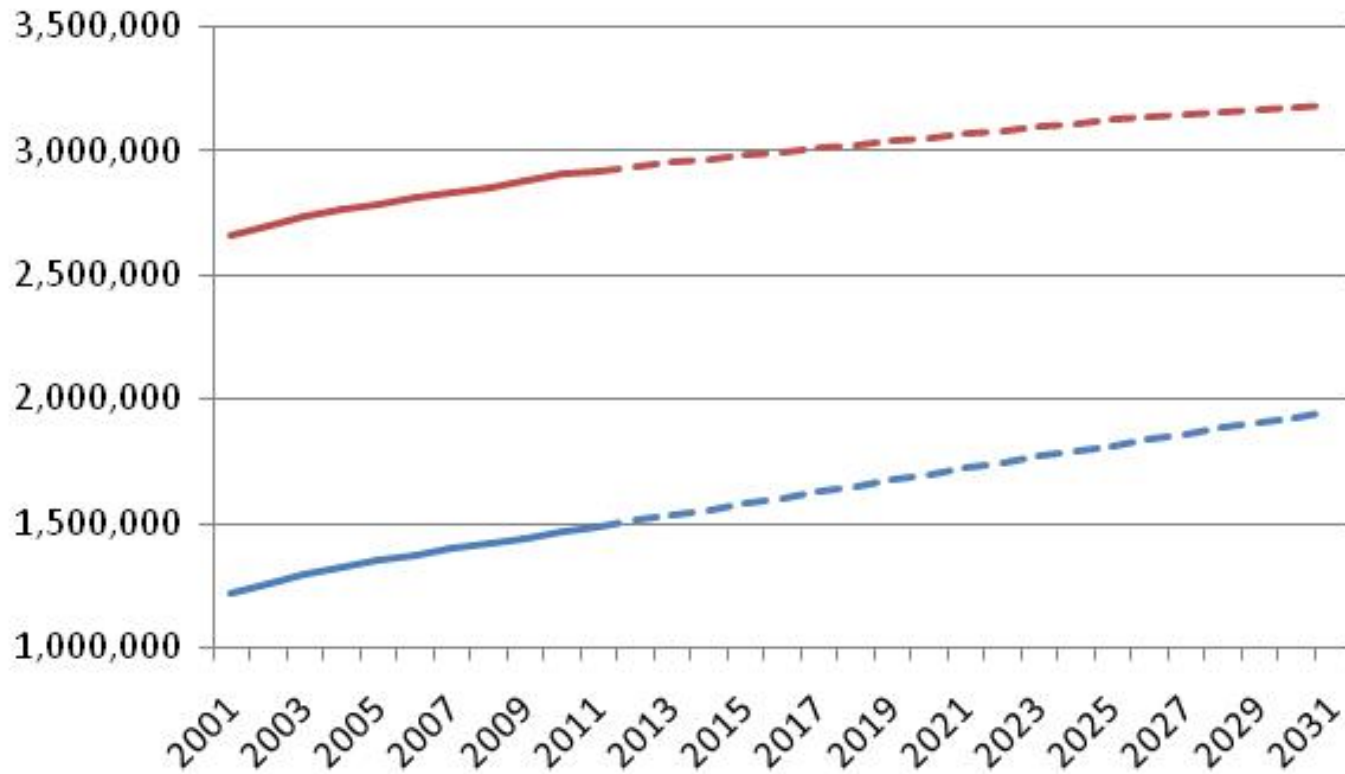
Alternative funding

Geoff Cooper Chief Economist, Auckland Council

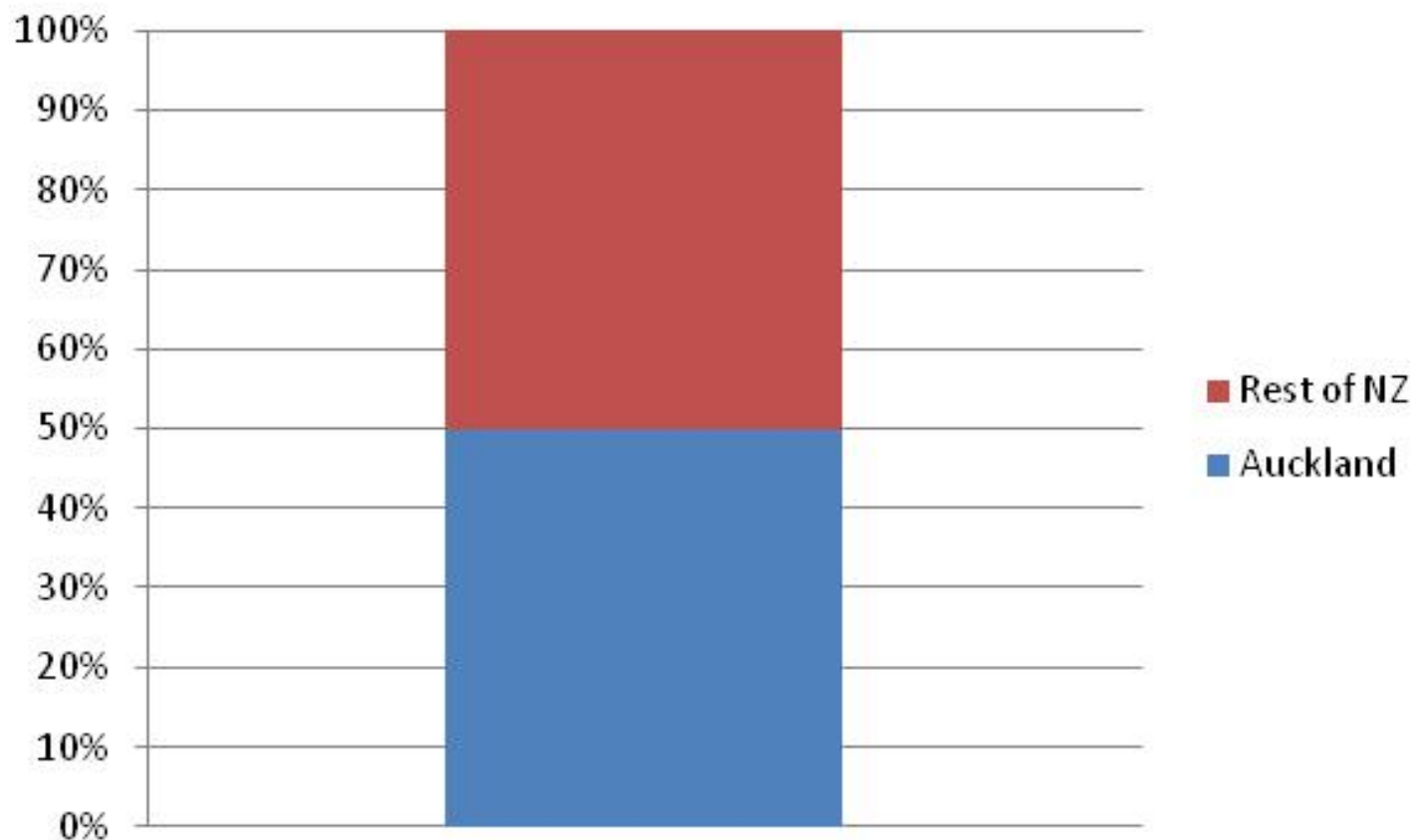
John Williamson, Auckland Transport

- The case for change
- The numbers: What is the funding shortfall?
- Funding tools

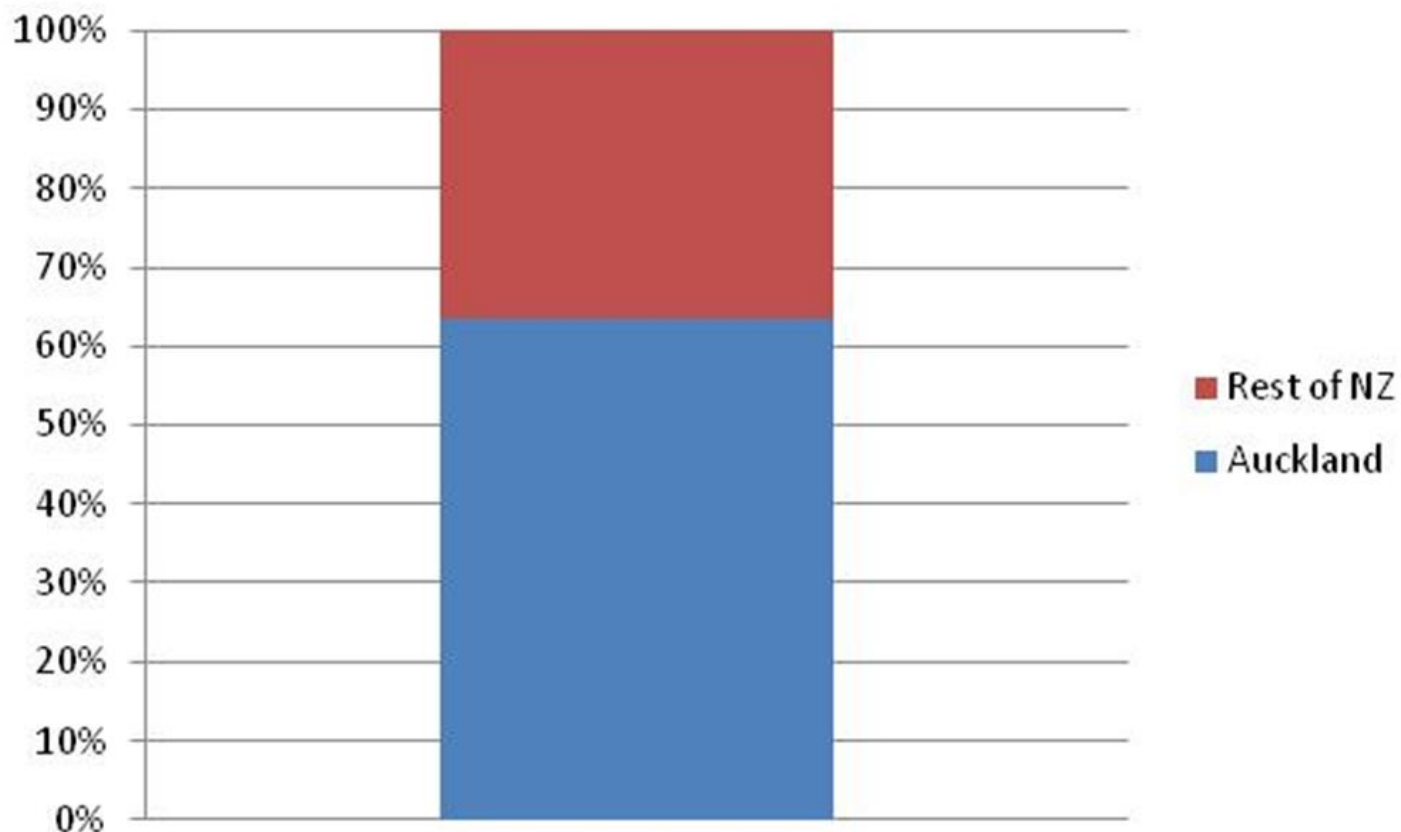
Population growth: Auckland vs Rest of New Zealand



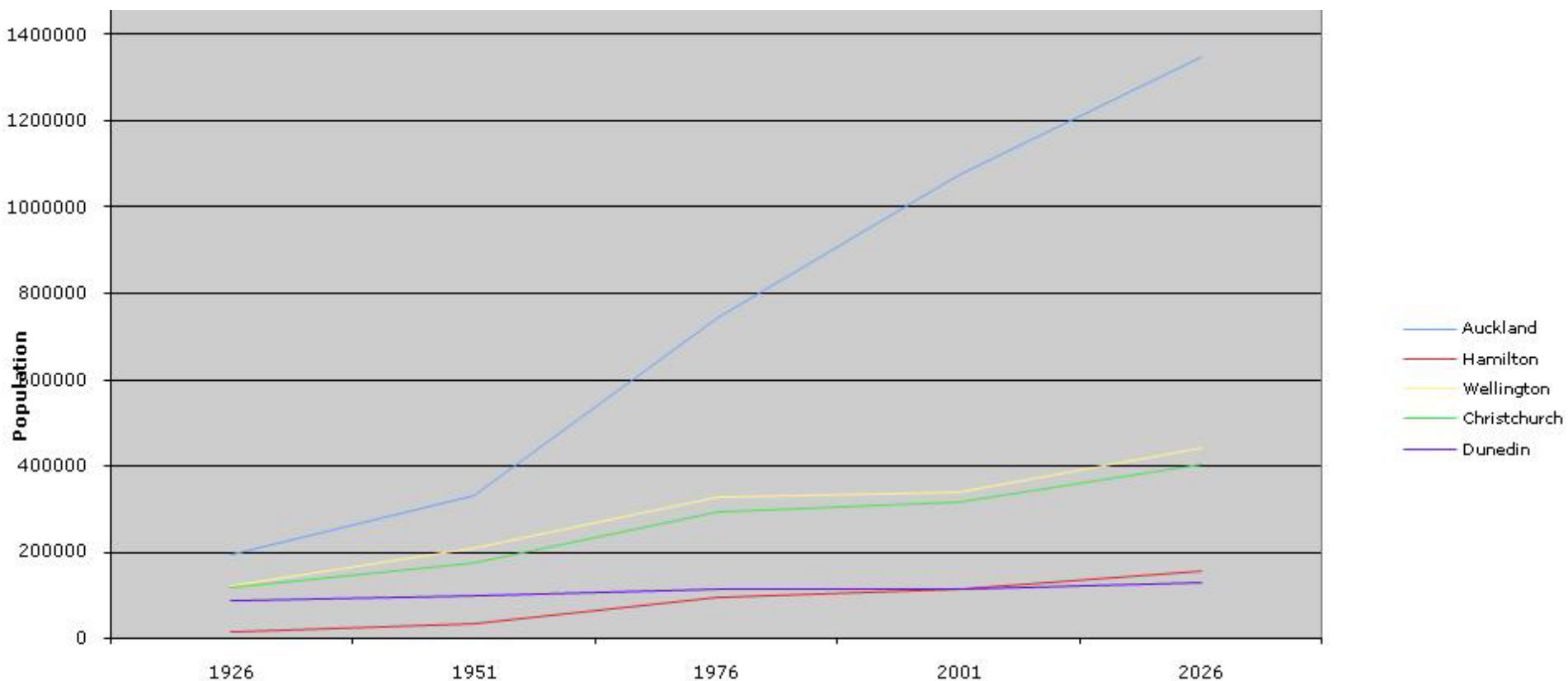
Share of population growth 2001-2011



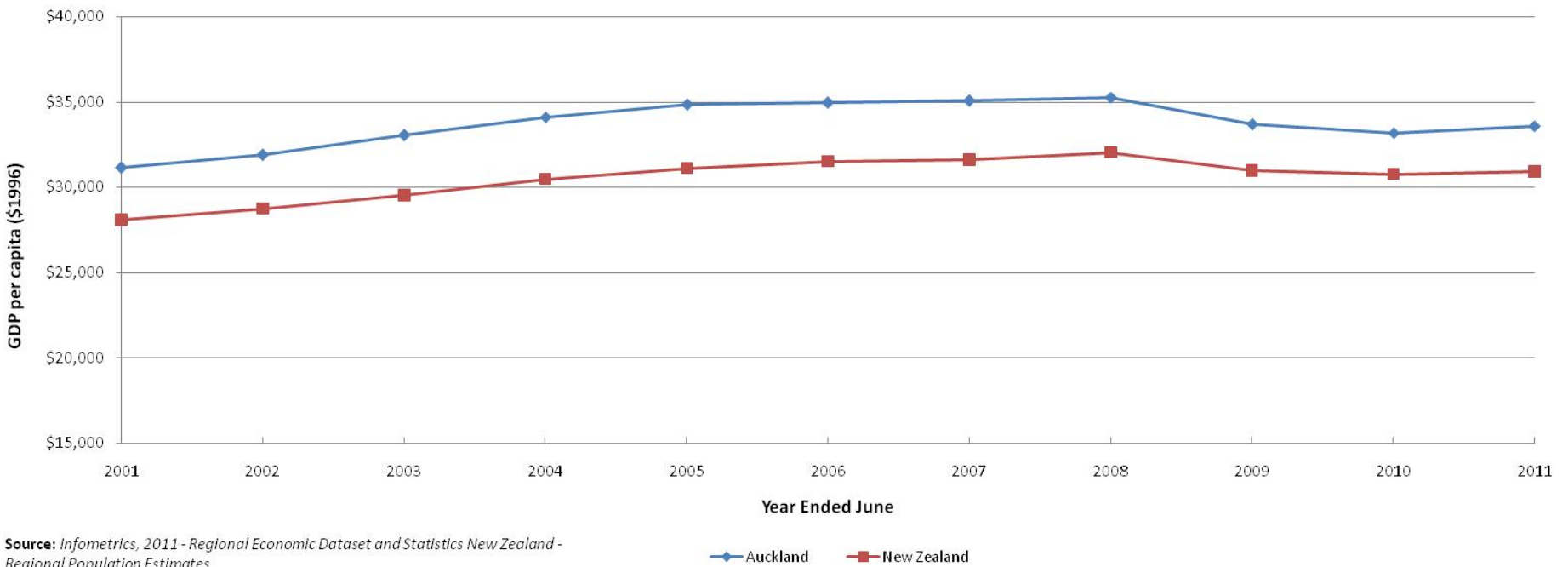
Share of population growth 2012-2032



Growth of New Zealand's five main urban areas



GDP per capita: Auckland vs NZ



Cities are more productive

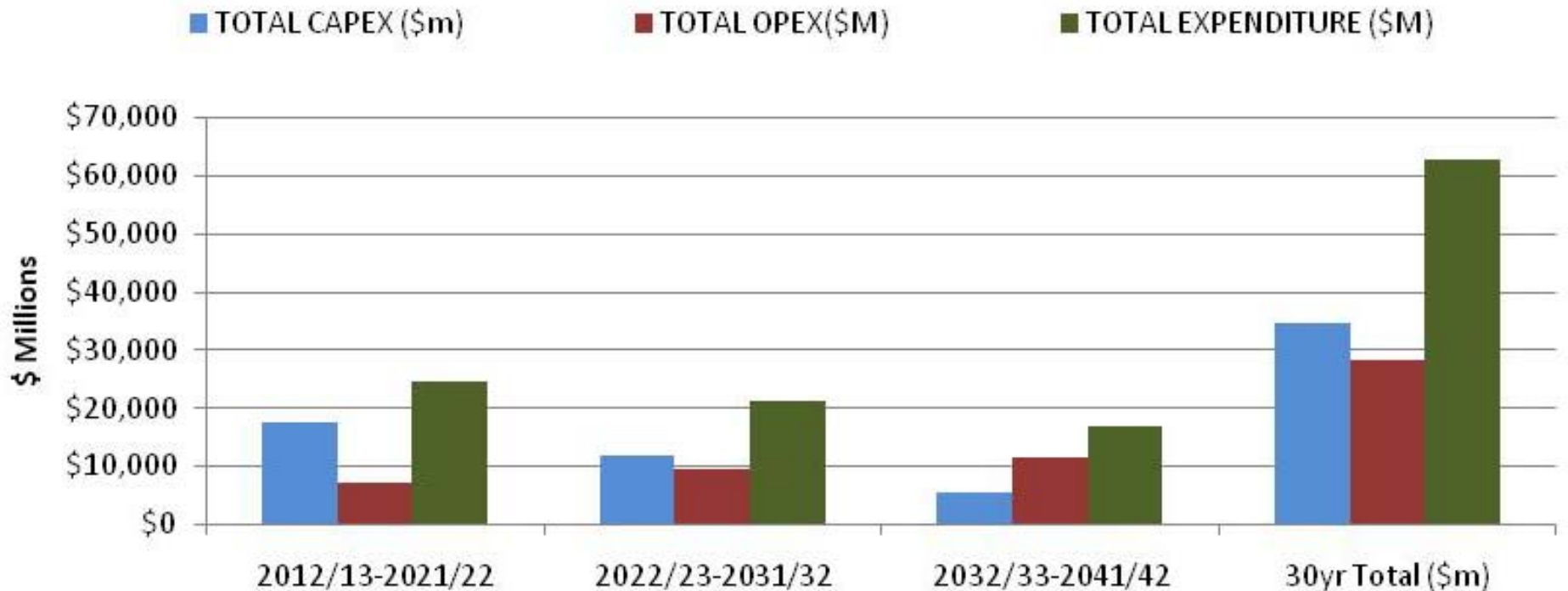
- Areas of employment concentration are more productive
- The Auckland region is between 30-50% more productive than the RNZ
- The former Auckland City is between 50-80% more productive than the RNZ
- Auckland CBD is between 110-160% more productive than the RNZ
- This drives many of the benefits of transport infrastructure

- The case for change
- **The numbers: What is the funding shortfall?**
- Funding tools

Funding requirement (2012 \$m)

	30yr Total (\$m)	2012/13-2021/22	2022/23-2031/32	2032/33-2041/42
TOTAL CAPEX (\$m)	\$34,634	\$17,615	\$11,751	\$5,267
Public Transport Infrastructure	\$7,595	\$3,761	\$2,434	\$1,400
State Highways New and Improved Infrastructure	\$17,180	\$7,469	\$7,800	\$1,910
Local Road New and Improved Infrastructure	\$9,264	\$6,142	\$1,323	\$1,800
Walking & Cycling Facilities	\$595	\$244	\$194	\$157
TOTAL OPEX(\$M)	\$28,272	\$7,118	\$9,570	\$11,585
Public Transport Services	\$13,614	\$2,918	\$4,723	\$5,973
State Highways Maintenance and Operations	\$1,679	\$506	\$553	\$620
State Highways Renewals	\$1,399	\$421	\$461	\$517
Local Roads Maintenance and Operations	\$4,332	\$1,279	\$1,446	\$1,608
Local Roads Renewals	\$6,852	\$1,874	\$2,256	\$2,722
Road Safety Promotion (Incl Demand Management & Community Programmes)	\$397	\$120	\$132	\$145
TOTAL EXPENDITURE (\$M)	\$62,906	\$24,733	\$21,321	\$16,852

Funding requirement



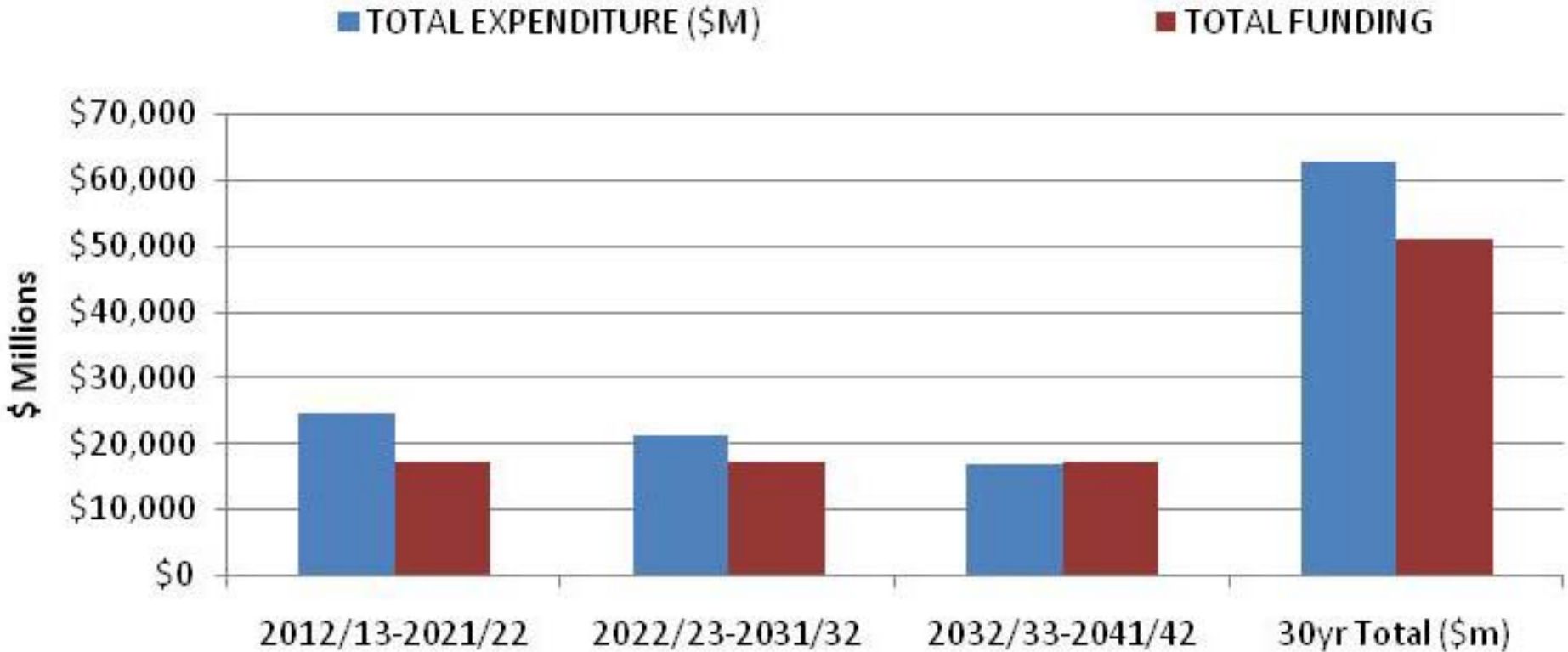
Funding Availability (2012 \$m)

	30yr Total (\$m)	2012/13-2021/22	2022/23-2031/32	2032/33-2041/42
CAPEX	\$29,541	\$9,847	\$9,847	\$9,847
Public Transport Infrastructure	\$6,401	\$2,134	\$2,134	\$2,134
State Highways New and Improved Infrastructure	\$16,971	\$5,657	\$5,657	\$5,657
Local Roads New and Improved Infrastructure	\$5,658	\$1,886	\$1,886	\$1,886
Walking and Cycling Facilities	\$511	\$170	\$170	\$170
OPEX	\$21,581	\$7,194	\$7,194	\$7,194
Public Transport Services	\$8,981	\$2,994	\$2,994	\$2,994
State Highways Maintenance and Operation	\$1,334	\$445	\$445	\$445
State Highways Renewals	\$851	\$284	\$284	\$284
Local Roads Maintenance and Operation	\$4,052	\$1,351	\$1,351	\$1,351
Local Roads Renewals	\$6,108	\$2,036	\$2,036	\$2,036
Road Safety Promotion (Incl Demand Management & Community Programmes)	\$255	\$85	\$85	\$85
TOTAL FUNDING	\$51,122	\$17,041	\$17,041	\$17,041

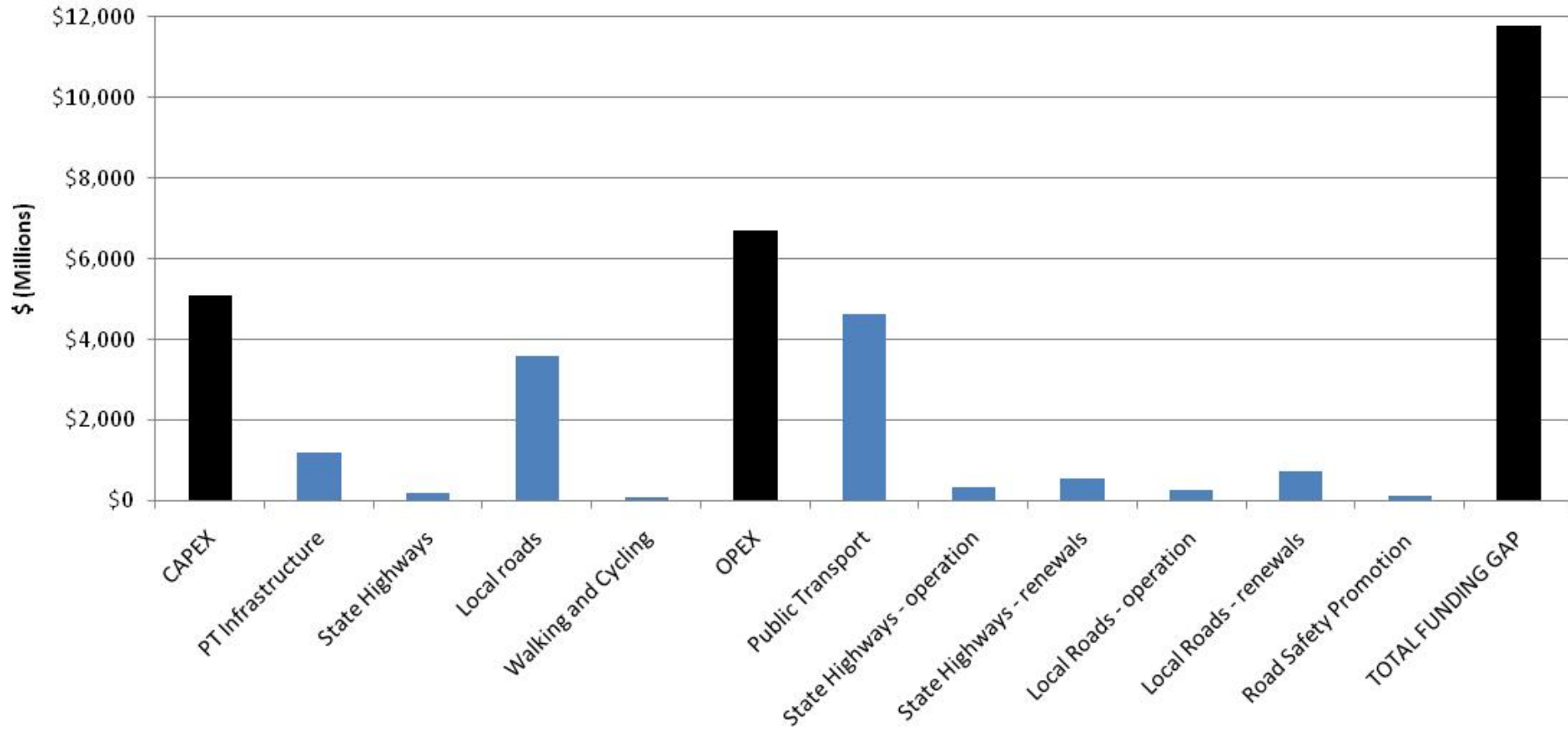
Funding gap (2010 \$m)

	30yr Total (\$m)	2012/13-2021/22	2022/23-2031/32	2032/33-2041/42
CAPEX	-\$5,093	-\$7,768	-\$1,904	\$4,580
Public Transport Infrastructure	-\$1,194	-\$1,627	-\$300	\$734
State Highways New and Improved Infrastructure	-\$209	-\$1,812	-\$2,143	\$3,747
Local Roads New and Improved Infrastructure	-\$3,606	-\$4,256	\$563	\$86
Walking and Cycling Facilities	-\$84	-\$74	-\$24	\$13
OPEX	-\$6,692	\$76	-\$2,376	-\$4,391
Public Transport Services	-\$4,632	\$76	-\$1,729	-\$2,979
State Highways Maintenance and Operation	-\$345	-\$61	-\$108	-\$175
State Highways Renewals	-\$548	-\$138	-\$177	-\$233
Local Roads Maintenance and Operation	-\$280	\$72	-\$95	-\$257
Local Roads Renewals	-\$744	\$162	-\$220	-\$686
Road Safety Promotion (Incl Demand Management & Community Programmes)	-\$142	-\$35	-\$47	-\$60
TOTAL FUNDING GAP	-\$11,784	-\$7,692	-\$4,281	\$189

Funding gap



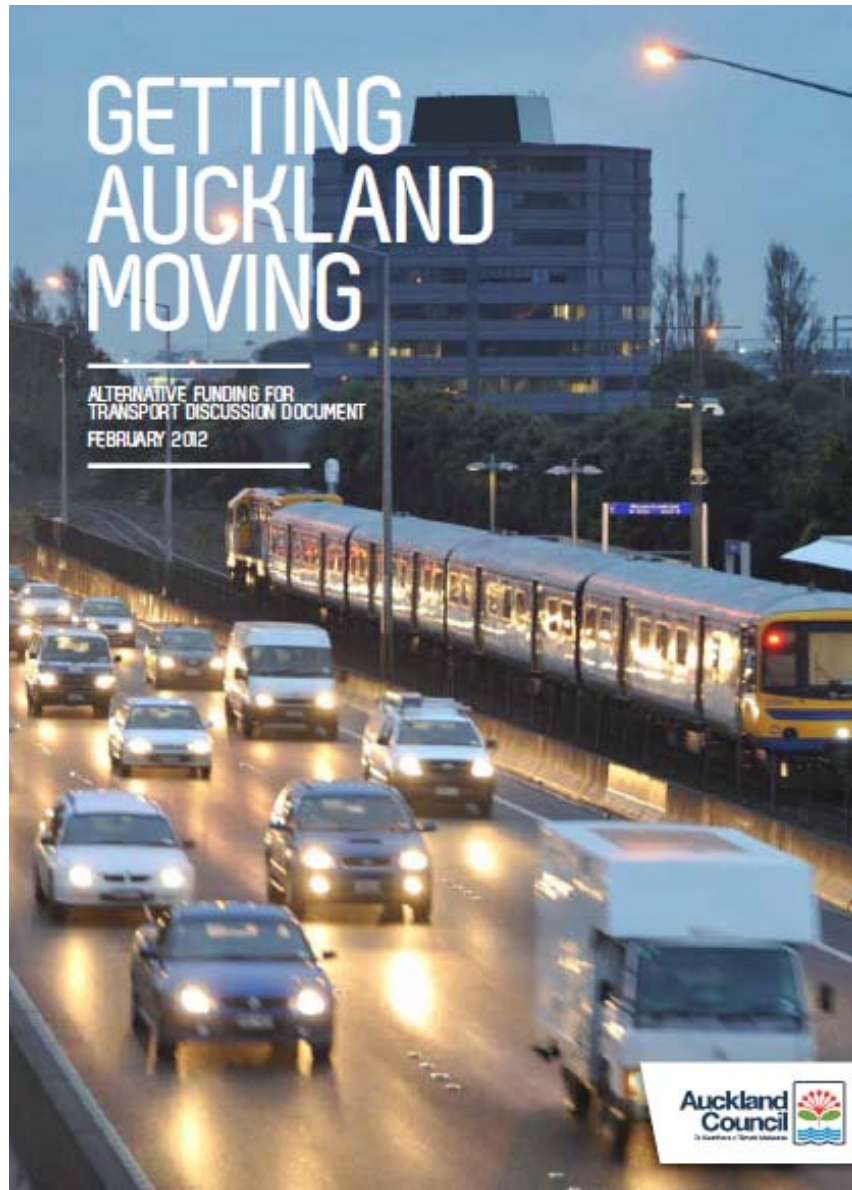
Breakdown of total funding deficit 2012-2042



- The case for change
- The numbers: What is the funding shortfall?
- **Funding tools**

GETTING AUCKLAND MOVING

ALTERNATIVE FUNDING FOR
TRANSPORT DISCUSSION DOCUMENT
FEBRUARY 2012



Funding Options

- General rates
- Development contributions
- Tax incremental financing (Targeted rates)
- Additional car parking charges
- Regional fuel tax/RUC/Diesel Levy
- Tolling new roads
- Network charging
- Congestion charging
- Departure tax
- Visitor tax

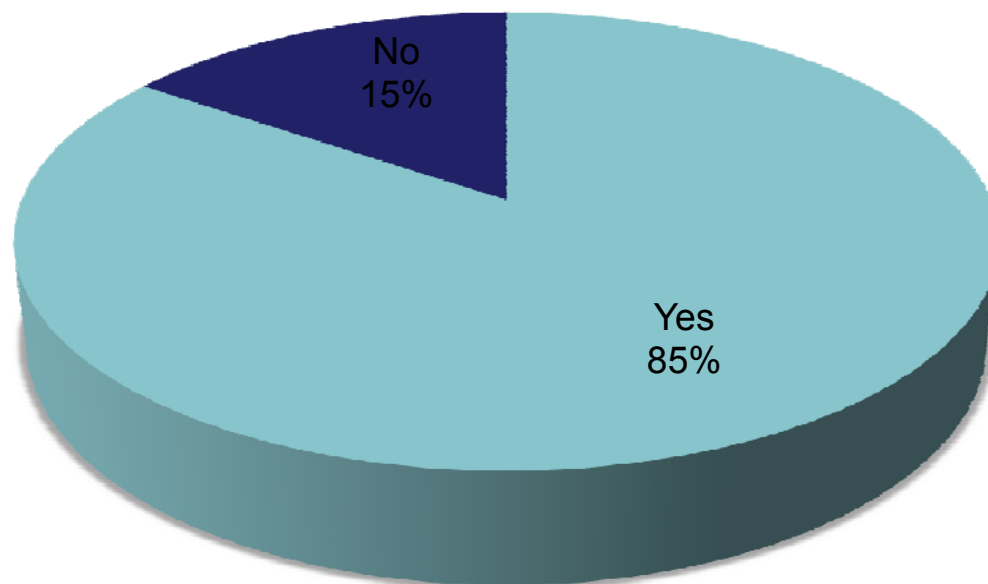
Taxation principles

- Fairness (Distribution of tax burden)
- Tax & Allocative efficiency
- Administrative simplicity
- Transparency
- Capacity



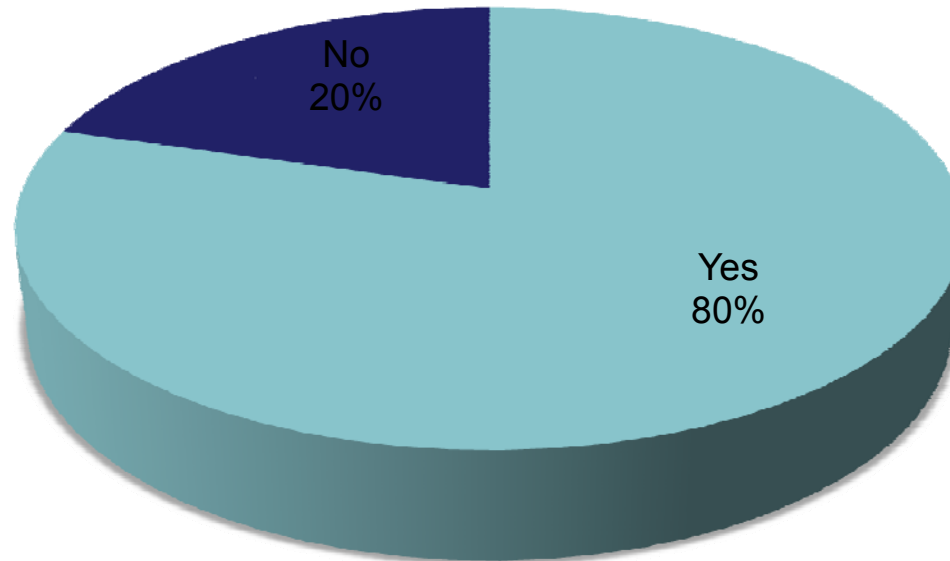
Auckland's congestion

Do you agree that Auckland's congestion problem is unacceptable?

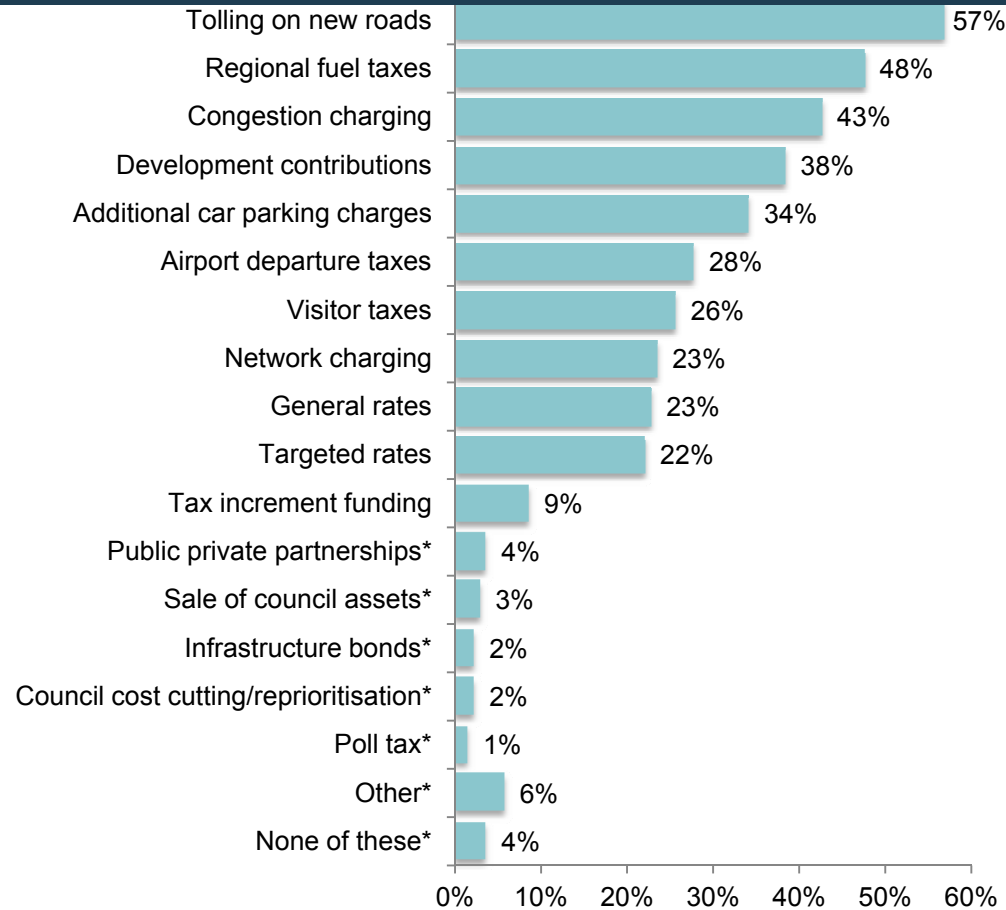


Additional funding

Do you agree that additional funds are required to address Auckland's transport problems?



Preferred funding mechanisms



Road pricing options – 2 extremes

1. Congestion charging

- Pricing an externality (congestion & environmental)
- Demand management (congestion response)
- Peak spreading – reduced need for investment?
- Revenue is secondary
- Land use implications

2. Revenue Raising

- Revenue raising emphasis
- Minimal demand management (minimal congestion response)