Regional Fuel Tax - proposal information

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 Tax 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.

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 below list sets out a summary of the projects in our proposal.

Summary of RFT Projects

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

Project 1: Bus priority improvements

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.

Project 2: City centre bus infrastructure

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.

Project 3: Improving airport access

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.

Project 4: AMETI Eastern Busway

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.

Project 5: Park and Rides

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.

Project 6: Electric trains and stabling

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.

Project 7: Downtown ferry redevelopment

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 8: Road safety

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.

Project 9: Active transport

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.

Project 10: Penlink

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.

Project 11: Mill Road corridor

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.

Project 12: Road corridor improvements

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.

Project 13: Network capacity and performance improvements

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.

Project 14: Growth related transport infrastructure

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).

The Regional Land Transport Plan (RLTP) - Plan information

What the RLTP covers

The Regional Land Transport Plan (RLTP) provides the blueprint for transport in Auckland over the next decade.

It includes a proposed 10-year investment programme and sets out our priorities for the city.

The RLTP has been developed by the Regional Transport Committee, Auckland Transport, the New Zealand Transport Agency and KiwiRail.

These groups have been working together to respond to Auckland's growth and the city's transport challenges.

Auckland's transport challenges

Auckland is the largest and fastest-growing city in New Zealand

Auckland is the largest and fastest-growing urban area in New Zealand, home to almost 1.7 million people. Our projected growth provides opportunities, but also puts pressure on the transport network.

Safety on our roads

Aucklanders have seen an increase in both serious injuries and fatalities on our roads in in the past five years.

Vulnerable road users, like cyclists and pedestrians, have been particularly affected.

Not only is there the devastating social cost to this increase, even minor incidents create congestion and make roads less safe.

Managing congestion

While some level of congestion is the result of a growing city, the performance of many parts of Auckland's transport network has deteriorated as demand exceeds capacity.

This has led to unreliable travel times for people and goods moving around the city.

Movement of freight

The freight industry is particularly badly impacted by increased travel times and poor reliability. This impact has negative consequences for everyone in the city.

Auckland also has a significant freight logistics function in distributing goods to the rest of New Zealand.

Increasing accessibility

Longer travel times and poor reliability due to congestion makes it difficult for people to get where they need to go. In particular, Aucklanders need better and easier access to their places of work and education.

Expanding public transport services and creating safe walking and cycling infrastructure is a major part of improving the accessibility of the transport network. This is crucial to boosting the city's economic productivity and prosperity.

Environment and sustainability in our infrastructure

Creating a sustainable and attractive city requires an environmentally conscious approach to transport networks and construction.

Beyond this, transport is Auckland's biggest source of greenhouse gas emissions.

By working towards a more environmentally friendly and sustainable transport network, we can reduce transport's negative environmental impacts.

Value for money for our residents

Auckland poses a challenge in delivering major transport projects and services that offer residents value for money.

Growth pressures, rising property prices and the cost of land all make building a better transport network an expensive task. Complex construction environments like developed urban areas also add to the cost.

How we will address the challenges

The goal of this RLTP is to ensure that Auckland can address its current challenges and take advantage of future growth, while also being sustainable and well-connected.

Auckland needs to move away from single-occupant vehicles as the dominant form of travel. We need a city where public transport, walking and cycling play a major role in how people get around. This will in turn create a better experience for those who must drive.

Investment in transport infrastructure needs to be matched with a greater focus on customer service and customer needs.

Our goal is to provide Auckland with an integrated transport system that offers genuine travel choice, while maximising safety and environmental protection.

Priority areas

Improving safety

- Focus on high-risk road and intersection upgrades and monitoring.
- Speed management.
- More safe crossing facilities for pedestrians and cyclists.

Improving accessibility

- Creating a comprehensive and accessible public transport network.
- Addressing congestion.
- Providing more genuine travel choices.

Public transport infrastructure and services

- More investment in public transport infrastructure and services.
- Major new initiatives for the bus transport network.
- New electric trains, electrification and upgrades of existing lines, new third main line.
- Light rail.
- Ferry terminal upgrades and pier replacements.
- Greater focus on customer needs and experience.

Walking and cycling

- Separated cycleways to enable safe cycling for people of all ages and abilities.
- New and widened footpaths.
- Providing connectivity to wider public transport network.
- Promoting walking and cycling.

Supporting growth areas

- Roads that connect priority greenfield areas to the rest of the region and city.
- Public transport connections to these areas.

Environment

- Improvements to existing infrastructure and services aimed at decreasing pollution.
- Making street lighting more energy efficient.
- Encouraging use of electric vehicles.
- Reducing pollution from road discharge into stormwater drains.

Network capacity and performance

- Making the most of the infrastructure we already have.
- Dynamic traffic lanes that adapt to traffic patterns.
- Improving efficiency of traffic signals.
- Optimising road layout to improve traffic flow.
- More T2 and T3 lanes.

Corridor and roading improvements

- Improvements that enhance connectivity and reduce congestion.
- New local roads.
- Upgrades to existing roads.
- Upgrades to state highways.