

25. Transport

25.1 The perceived deficiencies of governance for roading and public transport in Auckland loomed large in the submissions made to the Commission¹ and in other material supplied to it by a variety of individuals and organisations. As a consequence, the Commission was concerned to ensure that it was fully apprised of the current governance arrangements and the improvements that were needed.

25.2 In addition to considering the many submissions received regarding this issue, the Commission spoke to representatives of both national and regional government agencies, and interviewed people involved in roading and public transport in the cities that it visited in Australia, Canada, the United States, and England.

25.3 The Commission obtained a research paper on transport issues from a highly regarded expert. A copy of that paper may be found in Volume 4 of this report.² The Commission later evaluated a range of options for a new transport authority, and after considering the various advantages and disadvantages, adopted a preferred path, which forms the basis for the Commission's recommendations in this chapter.

25.4 The primary objective of the Commission's recommendations is to bring all elements of transport, including roading, rail, public transport, and planning for pedestrians and cyclists, under the management of one body, which would be a council-controlled organisation owned by the proposed Auckland Council. The key to the success of that body will be central government participation in important parts of its activities (which are detailed later in this chapter). It is envisaged that this will be achieved through a joint management structure. High-level policy will be the responsibility of the Auckland Council through its Infrastructure Committee. It is intended that local roads will be under the control of the local councils, subject to general policy direction of the Auckland Council.

25.5 The Commission is aware of the Government's intention to promote the construction of infrastructure. At the time of writing, the implications of the Government's proposals for the Auckland region have not been detailed and are therefore not taken into account in this chapter.

Submissions on transport

25.6 More than 25% of all submitters mentioned transport issues. (Further details of the submissions received may be found in Chapter 17, "Transport", in Volume 3.) The majority of them considered there were problems with transport governance. The main concerns with governance were lack of integration between transport modes, slow decision making

1 See Royal Commission on Auckland Governance, *Report, Volume 3: Summary of Submissions*, Auckland, 2009, Chapter 17, "Transport".

2 Mein, Barry, "Transport Governance in Auckland: Situation Analysis", in Royal Commission on Auckland Governance, *Report, Volume 4: Research Papers*, Auckland, 2009, pp. 191–260.

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for upgrades to the system, and what was seen as the complicated and chaotic nature of current arrangements. The Auckland Regional Transport Authority (“ARTA”) said in its submission,

The duplication of functions within the system results in silo decision-making, some of which is carried out by organisations who may not be best positioned to understand regional needs, and an inability to deliver major and system-wide initiatives. These issues combine to limit the capability of the region to deliver improved outcomes to transport users and the community and increase transaction costs.³

25.7 A common complaint was that there were too many disparate organisations involved in transport decisions. The Employers and Manufacturers Association gave an example of the parties involved in railway development:

As well as ARTA having the electrification and rolling stock responsibilities it is also responsible for station buildings. But ONTRACK is responsible for the tracks and signalling, and local councils (eg Auckland, Waitakere and Manukau city councils) are responsible for the station surrounds such as ‘park and ride’ facilities.⁴

25.8 The commissioned paper by Barry Mein identified deficiencies of the present system. It noted that a large number of organisations have a statutory responsibility for transport in the Auckland region and that the two areas with the most potential for confusion are strategic planning and funding, where responsibilities are divided between different statutory bodies. The Regional Transport Committee of the Auckland Regional Council (“ARC”) prepares the regional land transport strategy (“RLTS”) but is limited in its ability to refer to individual activities or their prioritisation, and has no statutory authority to require other parties to comply with the strategy. Funding responsibilities are also split for local roads and public transport. There is a general shortage of local funding and complexity in the way it is channelled to transport activities. Mein’s report said it is in the area of public transport infrastructure that arrangements are most complicated. Responsibilities for rail infrastructure are divided between ONTRACK (below the track) and ARTA (above the track). For bus and ferry infrastructure, responsibilities are split between ARTA and the territorial authorities. In addition to the statutory organisations with transport responsibilities in the region, there are a number of other government agencies and regional or project-specific groups or forums that engage in transport matters from time to time. These include a number of ad hoc groups established to coordinate the actions of different statutory bodies. A “wiring diagram” was prepared by one of the submitters to demonstrate the complexity of the present system and is reproduced as Figure 25.1.

25.9 Fragmented decision making was identified by all submitters and by the Commission’s consultant as the primary deficiency of the present system.

3 Submission to the Royal Commission on Auckland Governance from Auckland Regional Transport Authority, p. 2. (All submissions are available at www.royalcommission.govt.nz.)

4 Submission to the Royal Commission on Auckland Governance from Employers and Manufacturers Association (Northern), p. 8.

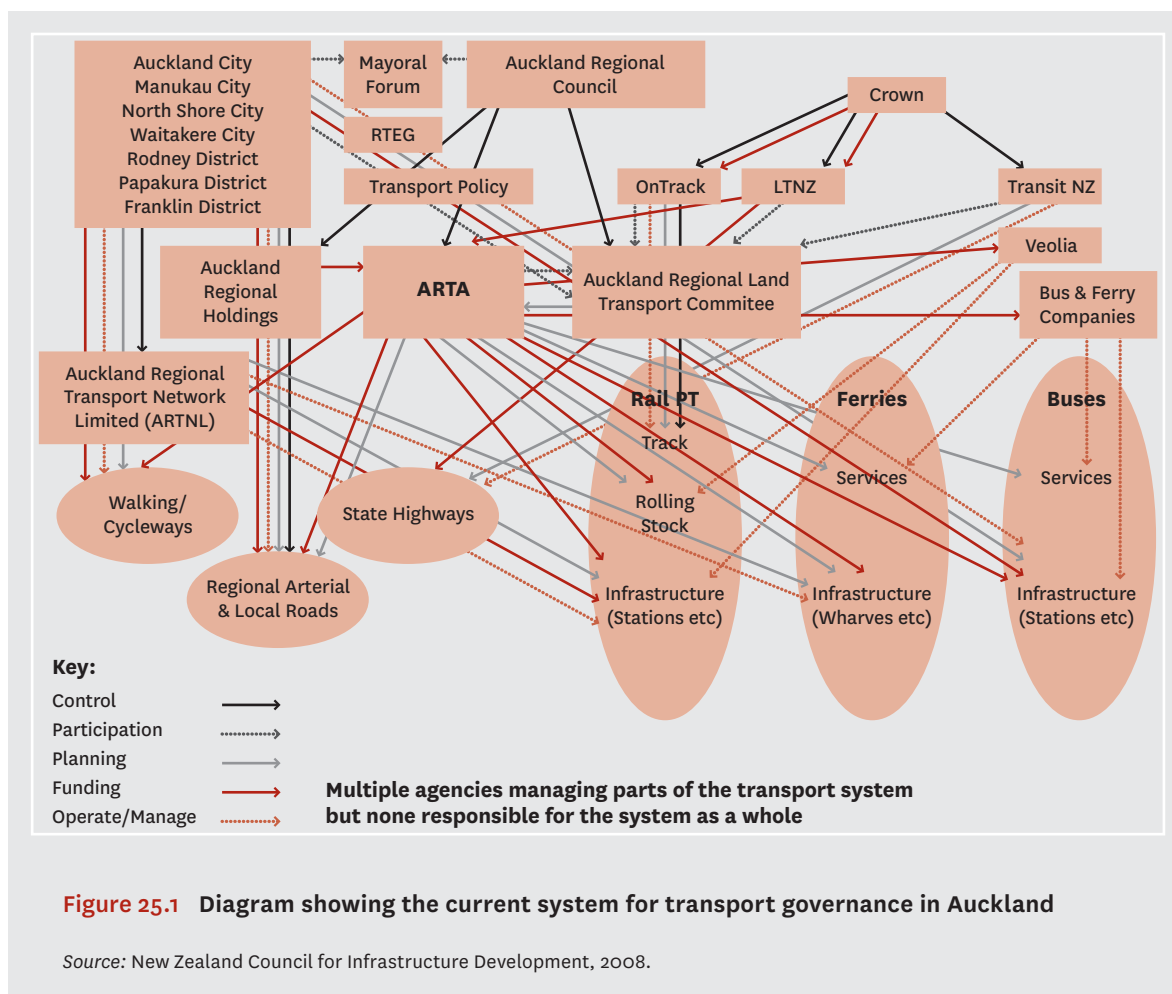


Figure 25.1 Diagram showing the current system for transport governance in Auckland

Source: New Zealand Council for Infrastructure Development, 2008.

25.10 Other deficiencies identified included

- the lack of linkage between roading and land use decisions
- lack of consistency between territorial authorities in the management of arterial roads across the region
- the lack of a clear organisational mandate to take all of the actions necessary to implement a particular transport policy including prioritisation of projects
- the separation of asset management responsibility and associated funding arrangements for different transport modes (road, rail, bus, ferry, cycles), which constrains the ability of decision makers to take an integrated view and can lead to suboptimal outcomes.

Transport case studies

25.11 Several case studies were submitted to the Commission and others are included in Mein's transport paper in Volume 4. One such case study was the central business district ("CBD") to airport link, which was included in submissions by the Committee for Auckland

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and Auckland International Airport Ltd. The importance of this access route was stressed in both submissions. Factors that contributed to its priority as a transport issue were detailed: Auckland International Airport contributes \$19 billion annually to the economy, with 70% of all international travellers arriving or departing through Auckland. A 90% increase in airport traffic to and from the airport precinct is predicted by 2015.⁵ This being the case, it is critical that there be good access to and from the airport to the central city.

25.12 Auckland International Airport's submission expressed frustration at a lack of progress on this important route:

- (a) The provision of a designated clear route between the Airport and the CBD is a priority requirement, and is of city-wide and national significance. However, there is no city-wide policy or guidelines on how this route should be developed, so it has been left to the Airport to advocate for progress. The Airport is now working closely with ACC [Auckland City Council] to advance this project. The Airport has committed significant staffing and financial resources to make relatively slow progress.
- (b) The Airport is very poorly serviced by public transport passenger services. Bus services to and from the Airport are minimal, which is a very unusual outcome for New Zealand's major transport hub. Again, this is a city-wide issue that should be promoted from the "top down", but that is not happening. Although the issue has been identified as a deficiency in regional strategies and plans, it is only recently that any concrete steps have been taken by the various territorial, regional and transportation bodies, to implement improved services.⁶

25.13 The Committee for Auckland reiterated the point that despite numerous studies, reports, presentations, submissions, and agreements, there is still not clarity on who has the ultimate responsibility for this project:

The CBD to Airport link should be a critical part of regional planning. ...
However there is no regional transport body empowered to take a whole network approach – including arterials and motorways – for the benefit of Auckland as a whole. This adversely impacts on the ability to make long-term infrastructural investment planning decisions, across the entire transport system.
Improving the regional focus for transport planning, to drive economic development, is a key issue.⁷

25.14 The Committee for Auckland saw the need for more transport links to the airport from the CBD as being an issue of connectivity, which is vital for successful city-regions. It commented on unclear leadership and strategy on this issue, which has major implications for the Rugby World Cup and Auckland's economic competitiveness, and

5 Submission to the Royal Commission on Auckland Governance from Committee for Auckland, "CBD to Airport Link Case Study".

6 Submission to the Royal Commission on Auckland Governance from Auckland International Airport Ltd, p. 23.

7 Committee for Auckland, "CBD to Airport Link Case Study", p. 7.

recommended “a single empowered regional transport agency with authority to make decisions across the whole transport network that support a competitive city-region”.⁸

25.15 The North Shore Busway, while praised as a concept, was held up as an example of the delays created by fragmentation of decision making. Planning for some form of busway along the northern motorway was part of regional transport plans as early as 20 years ago, in 1989. It featured in each of the RLTS documents from 1993 onwards, but very little progress was possible because of the limits on public transport funding and the asset ownership that existed in the 1990s. In 2001, the Government indicated support for the project, and Transit indicated a willingness to assist in its implementation. Because no one organisation had the responsibility or statutory authority to deliver all the project elements, an ad hoc collaborative approach was developed between Transit, North Shore City, Auckland City, and the ARC. Two further organisations, Land Transport New Zealand and Infrastructure Auckland, were also involved in funding decisions.

25.16 Although the project has been praised as a model of regional collaboration, its success was heavily dependent on the continued participation and goodwill of the individual parties – a situation that was under threat from time to time. The busway finally opened in February 2008, some 15 years after it was first proposed in regional transport plans.

25.17 The problems identified in relation to both the examples set out above will be addressed in the new structure proposed in this chapter. In brief, the proposal is for a Regional Transport Authority that will be a council-controlled organisation and will report to the Infrastructure Committee of the Auckland Council. It is proposed that it will have a partnership relationship with the New Zealand Transport Agency and with ONTRACK. It will have responsibility for regional transport, for strategic planning, and for regional arterial roads. It will have an oversight role in respect of local roads, which will be the day-to-day responsibility of local councils. It will be responsible for preparing Auckland’s transport plan. Full details appear later in this chapter. The responsibilities proposed for the new Regional Transport Authority should enable timely decision making and implementation.

Consultation

25.18 The Commission has consulted with Auckland and central government agencies involved in transport matters.

25.19 Given the high level of dissatisfaction with the present transport arrangements in Auckland, the Commission was particularly interested in the experiences of the cities that it visited as part of its research.

25.20 Perhaps surprisingly, the Commission did not learn much of assistance in either Brisbane or Melbourne. In both places transport arrangements are fragmented and both

⁸ Ibid., p. 9.

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cities are still searching for solutions. The same may be said for Seattle. In Vancouver the importance of the relationship between urban density and public transport provision was emphasised to the Commission. The Commission was told that frequent public transport services required a greater density of population. Vancouver also emphasised the importance of providing for pedestrians and cyclists in a complete transport system. Vancouver has placed a high priority on making its city attractive to pedestrians and cyclists. Traffic lights in the main streets have been phased so that a pedestrian walking at a normal pace does not have to wait for any length of time before the lights change in the pedestrian's favour. Some streets have been designed to give priority to pedestrians and cyclists. In most of the cities we visited, there was a realisation that building more roads is not the appropriate answer to the problems that cities face. Various commentators have likened building more roads as a cure for traffic congestion to loosening one's belt as a cure for obesity. The point being made is that it is essential to look for alternatives rather than assuming that the answer to such problems will always lie in the construction of more roads. In London, congestion charging is used to manage demand on the roading system, and that city now has a policy that no new roads will be built unless they are necessary for the regeneration of areas.

25.21 Transport in the Vancouver metropolitan area is planned by the South Coast British Columbia Transportation Authority known as Translink. It has responsibility to plan, finance, implement, and operate an integrated transportation system for the Vancouver metropolitan area, which is much greater than just Vancouver city. Translink provides public transport services through contractors and through its own wholly owned subsidiaries. It is governed by a board of directors who are selected for their skills and expertise, and who are required to act in the best interest of Translink. They do not represent any other interests or constituencies. Twelve of the 15 board members are appointed by the Mayor's Council on regional transportation, which is made up of the 21 mayors of the municipalities within the Vancouver metropolitan area. The other three board members are appointed by the provincial government. The governance structure enables Translink to expand beyond its current area to include other municipalities in the future, subject to agreement of the province.

25.22 The Mayor's Council appoints an independent commissioner who is responsible for approval of fare increases where these are above inflation, approval of Translink's plans for annual customer satisfaction surveys, a customer complaint process, and any proposed sale of major assets. The commissioner reports annually to the Mayor's Council on the performance of Translink. Some features of these arrangements commend themselves to the Commission.

25.23 The Commission was impressed by what it learned in Vancouver of the role of the police in relation to bus and train stations. Translink collects incident statistics of crime and public disturbance, which are immediately available and enable the police to be deployed to trouble spots. As a consequence there is a high expectation of safety at Translink's stations. In an interview with the Commission, Assistant Police Commissioner Rob Pope indicated that New Zealand Police would be very happy to cooperate with local government in responding to a similar system.

25.24 An important element in Vancouver’s apparently very successful public transport system is the adoption of an integrated ticketing system. There is currently no such system in Auckland although one is planned. The Commission has no doubt that the adoption of an integrated ticketing system is a matter of urgency.

25.25 In London, transport is managed by Transport for London, a statutory body created by the Greater London Authority Act 1999. That Act gives the Mayor of London a wide range of executive powers including the general duty to develop and implement policies to promote and encourage safe, integrated, efficient, and economic transport facilities and services to, from, and within London. Transport for London’s role is to implement the mayor’s transport strategy. It is directed by a management board whose members are chosen for their understanding of transport matters. The board is appointed by the Mayor of London who also chairs it.

25.26 There has been significant investment in transit over the past 10 years in London. Examples are the Jubilee Line, the Heathrow Express, and the Dockland Light Rail, as well as general improvement to underground and bus systems, together with congestion charging. Efforts are being made to make city streets more attractive to pedestrians and cyclists.

25.27 In Toronto, recent governance reforms have led to the formation of the Greater Toronto Transportation Authority known as Metrolinx. This organisation was created by the Government of Ontario in 2006 and is responsible for transportation planning and public transport in the greater Toronto area and Hamilton, Ontario. Metrolinx is governed by a board made up of appointees from provincial, regional, and city government in the Greater Toronto area. There has been some criticism of this arrangement as the local constituencies of board members constrain their ability to make effective decisions in the interests of the wider metropolitan area. However, in November 2008, the Metrolinx board unanimously approved the regional transportation plan and is now about to start a \$50–80 billion undertaking that will result in continuous transit construction for the next 25 years.

25.28 After his review of international approaches to transport governance in metropolitan regions, the Commission’s consultant reached a number of conclusions, two of which are of particular relevance to the Commission:

- **Governance structures appear to be more successful where decision makers are obliged to represent the interests of the metropolitan area as a whole. For Auckland this suggests that political accountability should be at the regional level, rather than to a federation of local councils.**
- **The more successful overseas models have the mandate to both develop and implement strategic plans. For Auckland this implies a stronger alignment between the regional land transport strategy and a broader range of regional**

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responsibilities including public transport, major roads and demand management.⁹

The Commission's proposals

25.29 The Commission's proposals are dependent upon the following assumptions:

- The New Zealand Transport Agency ("NZTA") will continue to perform its statutory functions under the Land Transport Management Act 2003 ("LTMA"; as amended in 2008). The NZTA will therefore have overall responsibility for the planning, development, and management of the State highway network (subject to the joint management arrangements proposed in this chapter); and for the distribution of funding for land transport activities from the National Land Transport Fund.
- Funding for transport activities will continue to be mainly sourced from road users via the NZTA, and from rates collected by the elected regional body. In future, direct user charges (including tolls and congestion pricing) are also expected to provide revenue for transport activities.
- While ONTRACK will continue to be responsible for the development and maintenance of the national rail network, funding for rail infrastructure and services will become part of the responsibilities of the NZTA.

Overview

25.30 The proposal in this chapter is for a new Regional Transport Authority ("RTA") for Auckland, which would replace ARTA, and provide a wider range of regional transport functions. It will be a council-controlled organisation owned by the Auckland Council. The RTA will be responsible for the preparation of the regional transport plan that will be required to give effect to an overarching regional spatial strategy prepared by the Auckland Council. (For further details on this strategy, see Chapter 24, "Planning for Auckland".)

25.31 The RTA will also be responsible for implementing the key elements of the regional transport plan, including the planning, development, and management of arterial roads and all public transport infrastructure, service planning, and procurement. It will have a joint role with the NZTA in the planning and management of State highways and arterial roads in the region.

25.32 The RTA will also be responsible for approving funding for local transport activities undertaken by the local councils, and ensuring that these activities are consistent with the regional transport plan.

⁹ Mein, "Transport Governance in Auckland: Situation Analysis", in Royal Commission on Auckland Governance, *Report, Volume 4: Research Papers*, p. 199.

25.33 The Auckland Council will appoint the RTA Board, and monitor the RTA's performance. It will be responsible for preparing a high-level spatial strategy for the region and a regional infrastructure strategy, setting out regional outcomes and objectives and identifying the level of public funding that will be committed towards achieving those objectives. Within this context, the Auckland Council will be responsible for approving the regional transport plan prepared by the RTA (and the funding requirements associated with that plan).

25.34 A similar approach is now taken by central government, with the preparation of a (non-statutory) New Zealand Transport Strategy, and a statutory Government Policy Statement ("GPS"), to which the NZTA and other Crown agencies are obliged to give effect.

25.35 The Auckland Council will fund the RTA's activities through rates and other revenues (for example, investment incomes).

25.36 It will be apparent from the above that the RTA has major responsibilities and will play a very important role in Auckland's future. It will be essential, therefore, that the new RTA has strong, efficient, and visionary leadership at both the board and management level.

25.37 The following sections provide further details on the RTA's functions.

Strategic planning

25.38 The RTA will have the responsibility for preparing a regional transport plan that will set out the requirements for the management and development of the regional land transport system for the next 10 years, and the associated expenditure and funding requirements. In preparing the plan, the RTA will be required to consult with the bodies referred to in section 78 of the LTMA.¹⁰

25.39 The New Zealand Transport Strategy, which forms the basis for the Government Policy Statement on Land Transport Funding, has seven key components:

- integrated planning
- making best use of existing networks and infrastructure
- investing in critical infrastructure and transport sector workforce
- increasing the availability and use of public transport, cycling, walking, and other shared and active modes
- considering options for charging that will provide general revenue for investment in transport infrastructure and services
- using new technologies and fuel

¹⁰ These bodies include adjoining regional councils and territorial authorities, Accident Compensation Corporation, Ministry of Health, New Zealand Historic Places Trust, New Zealand Railways Corporation, district health boards in the region, Māori, and the public in the region.

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- maintaining and improving international links.¹¹

The RTA has a role to play in relation to each of these components.

25.40 The regional transport plan would be required to give effect to the regional spatial strategy prepared by the Auckland Council, and be consistent with national statutory and policy requirements, including the LTMA and the GPS. In future, the GPS may require some Auckland-specific policies to ensure the Crown's interests in the operation of the State highway and rail networks within the region under the proposals in this chapter are adequately protected.

25.41 The plan would be subject to the approval of the Auckland Council to ensure that

- the plan meets the requirements of the regional spatial strategy, and
- the regional funding required to implement the plan will be made available.

25.42 Currently, section 13(2) of the LTMA requires ARTA to prepare an Auckland regional land transport programme every three financial years and to approve that programme by a date set by the NZTA. Schedule 7 of the Act contains special provisions relating to Auckland. Clause 11 of the Schedule requires the ARC to establish a regional transport committee for the Auckland region and sets out the membership of that committee and the interests that must be represented. Schedule 7 requires the ARC to ensure that the Auckland regional transport committee prepares every six financial years an RLTS for the Auckland region that covers a period for at least 30 financial years. The ARC is required, after considering it, to approve that strategy. The Schedule sets out matters to be taken into account in the preparation of the strategy, the contents of the strategy, and the consultation requirements.

25.43 The establishment of the RTA with responsibility for the regional transport plan would remove the need for a separate regional transport committee and RLTS. Many of the elements of the RLTS can be incorporated into the regional spatial strategy, and matters of detail, including activities and their prioritisation, can be included in the plan. The regional land transport programme required by section 13 of the Act can also be included in the plan. This will require some amendment to the LTMA, but that Act already contains separate provisions for the Auckland RLTS and regional land transport programme. To ensure national consistency, the statutory provisions relating to the plan should be aligned as closely as possible with those of the RLTS and regional land transport programme for other regions.

25.44 The RTA would also be responsible for preparing Auckland's regional public transport plan as required under the Public Transport Management Act 2008. This carries forward the responsibility currently held by ARTA.

¹¹ Ministry of Transport, *Government Policy Statement on Land Transport Funding 2009/10–2018/19*, Ministry of Transport, Wellington, 2008, p. 9.

25.45 In addition to these two statutory plans, the RTA would be responsible for preparing corporate plans including an annual statement of intent (“SOI”) for approval by the Auckland Council.

25.46 Table 25.1 at the end of this chapter summarises the proposed changes to strategic and statutory planning arrangements under this proposal.

Roading

25.47 For the RTA to have effective control over the region’s transport system, it needs to be in a position to influence the development, management, and operation of the major parts of the road network, where the operational needs tend to be focused on efficient movement of people and goods rather than access to private property. The efficiency and effectiveness of these roads can be enhanced by a regionally consistent approach.

Regional arterials

25.48 The RTA will become the road controlling authority for the major arterial roads in the region. ARTA has prepared a draft Regional Arterial Road Plan, which defines regional arterial roads (as roads that link districts or urban areas within the region and connect regionally significant facilities) and identifies the road network within that category. These roads all perform a regional transport function, and this would be the logical starting point for defining regional roads to be controlled by the RTA.

25.49 As the road controlling authority, the RTA will take over governance and financial responsibility for the planning, development, maintenance, and operational management of these roads from the existing territorial authorities.

State highways and regional arterials

25.50 The Commission is aware that section 95(1)(c) of the LTMA provides that one of the functions of the NZTA is to manage the State highway system. It follows that it would be inappropriate for the agency to pass responsibility for the planning, development, and management of State highways to a regional transport authority.

25.51 However, there are significant risks in establishing a new RTA with control over regional arterials if State highways remain under separate management, as this would create additional operational fragmentation between the various levels of the road hierarchy, by introducing three tiers of control (State highways, regional arterials, and local roads), instead of two.

25.52 For this reason, a joint management approach for State highways and regional arterials in Auckland is proposed. This aims to protect the operational integrity of the national highway network, while providing for the maximum possible level of operational integration between State highways and regional arterial roads.

25.53 The joint management model includes the following elements:

- The NZTA retains ultimate control over the development, management, and funding of State highways.

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- Priorities for expenditure are subject to the regional strategic planning process. This is similar to the situation that has recently been established under the LTMA where ARTA is responsible for prioritising State highway projects as part of its regional land transport programme.
- A joint management structure is established between the NZTA and the RTA to oversee the operational management of the State highway and arterial road system in the Auckland region, including maintenance, minor improvement works, traffic operations and management (including traffic signal coordination, ramp signalling, access management, information, signage, and intelligent transport system development), and travel demand management (potentially including toll and congestion pricing mechanisms). The “Alliance Principles” (which provide for joint responsibility) should apply.¹²
- The joint management structure will need to ensure that a close relationship between land use activities and highway function is maintained. In particular, this will require that its activities are consistent with regional resource management decisions and the control of land use activities that impact on the regional network.
- The joint management structure will also be responsible for recommending development proposals for the State highway and regional arterial network for consideration as part of the transport planning process.
- The joint management structure would involve a formal agreement between the parties, including the scope of activities, the governance arrangements between the parties (possibly including a joint management board), funding arrangements, and staff management and dispute resolution procedures.
- Staff for each of the joint activities would be brought together under the joint management structure. This would be similar to the current arrangements for the Traffic Management Unit, which is responsible for the coordinated management of the region’s traffic signals, where traffic operations staff who were previously employed by territorial authorities were transferred to the NZTA. A decision on whether the staff should be managed from within the NZTA or the RTA should be made by agreement between the parties, and should rely on the ability to utilise wider organisational skills and synergies with other functions.

25.54 One of the themes of the Commission’s report is the need for strengthened relationships between central government and the Auckland Council. This is particularly so in the area of transport. To support the joint management structure referred to above, it is the Commission’s view that it is also necessary for there to be regular meetings between the Minister of Transport (and other relevant ministers), the Auckland Council’s Infrastructure Committee, and the mayor. The Minister for Transport, who

¹² The “Alliance Principles” are described in the following Transit web pages: www.transit.govt.nz/projects/mhc; www.transit.govt.nz/content/files/technical/ManualSection190_FileName.pdf

would be a member of the proposed Cabinet Committee for Auckland, would take his recommendations to that committee. The Commission suggests that such meetings should take place on at least a quarterly basis. In this way, confidence in the joint management relationship can be developed and enhanced.

25.55 The details of these arrangements will need to be further explored with the Government.

Local roads

25.56 Local councils will have road controlling authority responsibilities for roads at the lower levels of the hierarchy, where the through-movement or journeying function is less important, and the functional priority of the road is more strongly focused on property access and land service. For these local roads, issues of local amenity are a more important consideration, and local council management should enable better integration with other relevant local government functions (including land use planning, urban design, open space provision, utilities) and more responsiveness to local needs.

25.57 The RTA will still have a role in relation to these local roads including funding approvals and ensuring that local management is consistent with the regional plan, where necessary. There may also be merit in the Auckland Council establishing some regional service provision for local roads, to take advantage of possible economies of scale and staff expertise.

25.58 There will need to be a process established to determine the demarcation between regional and local roads, taking into account the functional characteristics of the road, and the size and functions of the local councils. While the “starting point” suggested in this chapter is for regional arterials as defined by ARTA (see paragraph 25.48) to transfer to the RTA, there is likely to be merit in also transferring some further existing district arterials to the RTA, where those roads have significant people and freight-moving functions (as distinct from local access roads). This process should be sufficiently flexible for the allocation of roads between the RTA and local roads to vary over time, according to changing circumstances.

25.59 Wherever the boundary is drawn, particular attention will need to be given to ensuring a consistent interface between RTA and local roads from the users’ perspective.

Public transport

25.60 The RTA would continue to perform ARTA’s existing public transport functions, including the preparation of a regional public transport plan (see paragraph 25.44) and the procurement of public transport services pursuant to that plan. The RTA will also be responsible for the development of associated public transport infrastructure, including ARTA’s current responsibilities for development of the urban passenger rail network and ferry terminals, as well as supporting projects such as the development of integrated ticketing, real-time information such as electronic display at bus and train stops of arrival/ departure times, and so on.

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25.61 In addition, the RTA will take over responsibility for all public transport infrastructure currently provided by territorial authorities, including bus priority facilities on arterial roads, bus stations, park-and-ride facilities, ferry terminals, and rail stations not already controlled by ARTA, bus stops and shelters, signage, and associated street furniture. Although the day-to-day maintenance of some of these facilities may be delegated to local councils, the RTA should retain overall control of standards, design, and development priorities, to ensure that the system is operated in a coordinated manner that is understandable to users.

25.62 The Commission emphasises the importance placed on public transport to enable cities to move to a sustainable future and to support densification. Perhaps more importantly, public transport is essential for deprived parts of the city where owning and fuelling a car are beyond the means of many families and individuals and can cause hardship for others. The Commission also considers that priority should be given to the development of an integrated ticketing system.

Rail

25.63 The Commission emphasises the importance of rail as one of the elements of public transport and again notes that the integrated ticketing system should apply to all modes of public transport.

25.64 There are parallels between rail infrastructure and State highways in the Auckland region. Both are critical elements of the regional transport network, and there would be benefits to the region from having their development and management more closely integrated with the rest of the regional transport system. Both are also part of a wider national network, with operational objectives and protocols that extend beyond the region. ONTRACK's view is that the operational integrity of the rail network is such that it is not appropriate for it to be subdivided into separate regional entities.

25.65 The proposal in this chapter is for a similar arrangement to exist for rail as that proposed for State highways, that is, the establishment of a joint management structure between the RTA and ONTRACK. This would enable a joint approach to issues such as system development, train control, and maintenance. It would also ensure that RTA and ONTRACK were required to consider the needs of both passenger and freight users on the rail network.

25.66 It should be noted that the background assumptions in paragraph 25.29 include the assumption that funding for rail infrastructure will transfer to the NZTA, rather than remaining as a separate Government funding stream.

25.67 It is appropriate in this context to refer to the importance of the road and rail links to the port. The successful operation of the port depends upon rapid and convenient access to and from the port. This is particularly the case with the movement of cargo away from the port to the port company's site at Wiri where it is broken down for onward goods movement. An integrated approach to these transport needs is another matter of high priority.

25.68 As with State highways, the details of these arrangements will need to be further explored with the Crown.

Ferries

25.69 The Auckland ferry system is an important part of Auckland’s public transport. The Commission believes that there is great potential for further development in the future. Cities such as Sydney demonstrate the great contribution that ferries can make to public transport and the part they can play in recreation and tourism. The popularity of the existing ferry system may be gauged from the fact that the services to Devonport and Waiheke Island do not need to be subsidised. Proportionally, and taking into account the number of passengers carried, the subsidy for ferries generally is very much less than that for bus and rail. ARTA’s Passenger Transport Network Plan prepared in 2006, proposes (at page 6) the following improvements to the passenger ferry system:

- upgraded terminals at Bayswater, Beach Haven, and Half Moon Bay
- new ferry terminals at Browns Bay, Takapuna, Te Atatu, Hobsonville, and Island Bay, and the introduction of services
- service improvements as new and upgraded terminals are completed.

Very few of the proposed improvements have yet been undertaken. Given Auckland’s extensive marine frontage, ferries could be expected to play a much greater role in public transport in the future, particularly if there was an intensification of population in the areas served.

Sustainable transport including walking and cycling

25.70 The need for the transport system to make provision for pedestrians and cyclists is increasingly becoming accepted as part of the movement towards sustainable cities.

25.71 The RTA will be responsible for preparing and implementing a sustainable transport plan, which will focus on the steps necessary to deliver the New Zealand Transport Strategy, GPS, and Auckland Council targets and policy associated with sustainability (particularly those related to the desired shift from single-occupant vehicles to public transport and “active” modes including cycling and walking). This includes responsibility for activities under the general heading of “demand management” in the existing RLTS, and the activities identified in the existing ARTA sustainable transport plan.

25.72 The RTA will have a strategic planning responsibility for sustainable transport as part of its transport planning function. This can be expected to include the identification of new infrastructure requirements, for example, the development of a regional network of cycleways, the development of regional standards for walking and cycling, and the development of policies for the promotion of these active modes of transport.

25.73 The RTA will also have some responsibility for the implementation of these plans, although this will be shared with local councils. As a general rule, the responsibility for walking and cycling facilities provided on roads should rest with the relevant road

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controlling authority: for arterial roads, the RTA would have responsibility, and for local roads, the local council.

25.74 Increasingly, however, there is likely to be a role for off-street facilities, especially for cyclists, to provide a safe alternative to on-street travel. To the extent that any such facilities are regionally significant (if they form a core part of the regional cycle network, or provide an alternative to a cycle route on a regional arterial), the responsibility will rest with the RTA.

25.75 Vancouver provides a good example of what may be achieved. A plan for pedestrians and cyclists forms an important part of its transport planning. The plan includes the identification of streets where cyclists and pedestrians have priority. It includes pedestrian refuge islands on roads and other measures to make walking a more pleasant experience. It includes the phasing of traffic lights so that pedestrians wait for a minimum amount of time before getting permission to cross the street. Generally it provides the same priority for pedestrians and cyclists as is provided for other forms of transport. The Commission believes that Auckland should adopt similar policies.

25.76 The RTA should also take responsibility for the coordination of travel planning and educational and promotional initiatives aimed at increasing the number of people cycling and walking, although some of the detailed implementation would be delegated to local councils, which are likely to be better placed to engage community input.

Other transport functions

25.77 The RTA would also take over responsibility for a number of ancillary transport functions, many of which are currently undertaken by territorial authorities, where these have synergy with the RTA's core functions. These functions include the provision of off-street parking (especially in relation to major centres and major arterials), enforcement of bus lanes and clearways on arterial roads, the provision of park-and-ride facilities, and demand management activities.

25.78 The detailed allocation of these functions between the RTA and local councils needs to take account of the scale at which the necessary skills and expertise can best be managed. It is important that the RTA does not become "weighed down" with minor transport functions that are better provided at the local level, as there is a risk that it could lose focus on the efficiency and effectiveness of the regional system as a whole. In general, the RTA should take responsibility for overall planning and coordination, but delegate implementation and operational management as much as possible to local councils.

25.79 The RTA would be responsible for the monitoring of progress towards transport objectives, policies, and actions contained in the regional transport plan (and the relevant parts of the regional spatial strategy). The RTA would prepare a regular monitoring report which measures performance against the targets established in the plan (and the spatial strategy). The monitoring results would be used as an input to the regular review of the plan.

25.80 The Auckland Council would be responsible for monitoring the performance of the RTA against its SOI.

Road pricing including tolls

25.81 The Commission believes that the future introduction of road pricing will be inevitable to provide a potential mechanism to manage demand on major roads, as well as providing a potential revenue stream. Road pricing includes tolling and congestion charging but it can also include charging for the use of all high-demand parts of the roading system. Road charging of that nature is appropriate only where good public transport is available and it will encourage the use of such transport. In principle the Commission is in favour of road pricing as a demand management tool and as a way of addressing the high cost of providing new roads. The concept should be the subject of an urgent Government study. The Commission understands that the technologies to implement road pricing in all its forms are available. The governance arrangements proposed should be able to manage a transition to road pricing in the future.

Governance arrangements

25.82 The RTA as proposed in this chapter would be a council-controlled organisation, responsible to its parent organisation, the Auckland Council. The RTA would be governed by a board appointed by the Auckland Council. The RTA will report to the Infrastructure Committee of the Auckland Council.

25.83 As noted above, the Auckland Council would retain responsibility for overall strategic planning for the region, and this would set the broad strategic context within which the RTA would operate, and identify the general level of public funding available. This would be subject to more detailed agreement through the council's approval of the RTA's regional transport plan and funding proposals.

25.84 The Auckland Council would have final approval of the SOI, following negotiation with and recommendations from the RTA Board. The Council would monitor the performance of the RTA against that SOI.

25.85 Board members would be selected for their individual and collective skills and abilities to prepare and implement plans for the development and management of the transport network in a manner that best achieves its statutory objectives, and meets the objectives set out in the RTA's governing documents.

25.86 In particular, board members will need to have a mix of skills and experience that enable them to make effective decisions on major infrastructure development projects, and also on the ongoing operation of transport systems including both road maintenance and traffic management, as well as public transport operations and contracting. In addition to a member appointed by NZTA,¹³ the following areas of expertise would be advantageous for the RTA Board:

- land use and transport integration

¹³ See section 105(3) of Land Transport Management Act 2003.

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- engineering and infrastructure development
- transport operations
- contracting and procurement
- financial management
- stakeholder engagement and public consultation
- the needs of pedestrians and cyclists.

25.87 The statutory provisions relating to the establishment of the RTA will need to ensure that the board is given sufficient freedom to use these skills and exercise its judgment. Wherever possible, decisions such as those relating to project prioritisation, system management, and operations should be kept free of political interference.

25.88 Because the Auckland Council has ultimate political accountability for funding the RTA however, there will need to be a mechanism that allows it to have influence over those plans where the funding or strategic implications are unacceptable. This may be achieved through the inclusion of a requirement to gain the Auckland Council's approval for decisions of a significant nature (as defined in the SOI). In addition, major projects would need to be included in the Auckland Council's long-term council community plan.

Funding

25.89 The governance model discussed in this chapter assumes that most revenues for land transport in the region will come from regional ratepayers (via the elected regional body) and road users (via the NZTA). Development contributions are also potentially available for new capital expenditure on particular roading projects.

25.90 While these funding arrangements necessitate a clear line of political accountability, it is important that this does not become confused with a detailed funding approval process for individual transport activities. As noted above, decisions on individual activities should be left to the RTA Board, within a framework and overall funding envelope that has been agreed with the Auckland Council through the SOI and annual planning process (subject to the ability to refer significant issues back to the Auckland Council for approval).

25.91 At least in the short term, it is expected the NZTA will have a role in approving funding for transport activities in the region. The RTA will have the responsibility of preparing an overall expenditure programme within the funding envelope established by the NZTA, which can then be submitted to the NZTA as a funding recommendation. Once the RTA and the NZTA have reached agreement or are close to agreement on funding issues, both bodies should then meet with key Government ministers and the Auckland Council Infrastructure Committee. That meeting should reach a decision as to funding which can be submitted for confirmation to the Government and to the Auckland Council. Over time, the approval process for individual activities should be able to move to an outcome-based model, where strategic objectives and the overall funding envelope are

established by the parent organisations, but the tactical decisions on funding priorities are made by the RTA.

25.92 It is presumed that the current funding of administrative costs of ARTA and territorial authorities will continue in favour of the RTA.

25.93 The proposed funding arrangements for the “local share” (the proportion of expenditure not funded from NZTA) will now be included in the overall rate levied by the Auckland Council. The financial assistance grants from the NZTA will all be paid to the Auckland Council. This will require the RTA to develop an agreed mechanism for allocation to local roads that reflects regional priorities and a fair and equitable allocation across the region, while minimising the potential for “pork-barrelling” as local communities compete for funds for local projects. Under this model, political accountability to ratepayers would be via the Auckland Council.

25.94 Future funding options include road pricing (see paragraph 25.81) and value capture from land development or redevelopment. Value capture represents the increase in land value that results from the rezoning of land from development or redevelopment; public agencies then “capture” a portion of that value through taxes, fees, or capital gains. Value capture is being increasingly used to fund transport in the United States¹⁴ and is a product of agencies such as VicUrban in Victoria and Landcorp in Western Australia.

25.95 Should a regional fuel tax be reinstated, it would be determined as part of the preparation of the regional transport plan, and the Auckland Council would be responsible for approving that plan and for the development of a formal proposal for submission to the Minister of Transport for approval.

25.96 It is likely that public transport will continue to be subsidised for the foreseeable future. The council will determine the amount of that subsidy after consultation with the RTA. The RTA will have the responsibility of setting public transport fare levels sufficient to meet that part of the cost of public transport not met by the subsidy. Consideration could be given in the future to the proposed Auckland Services Performance Auditor¹⁵ assuming the responsibilities of the commissioner appointed in Vancouver (see paragraph 25.22).

Alignment with central government policy

25.97 The model outlined in this chapter involves a joint arrangement between the RTA and the relevant Crown agencies (NZTA and ONTRACK) for the management of State highway and rail responsibilities within the Auckland region. The precise nature of this arrangement has not been determined at this stage, and it will need to be subject to more detailed examination with the Crown agencies and the Ministry of Transport. It is possible

14 C E Harris, “Slow Train Coming: The New Zealand State Changes its Mind about Auckland Transit, 1949-1956”, p. 20. [Originally published in *Urban Policy and Research*, Vol 23, No. 1, 2005.]

15 The Commission recommended the appointment of an Auckland Services Performance Auditor to oversee the performance of all Auckland Council activities. See Chapter 32, “Achieving a High-Performance Auckland Council”.

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that the joint management arrangement could evolve over time to allow a greater range of decisions to be made at the regional level.

25.98 However, it is clear that any such arrangement will require sufficient safeguards to be in place to assure the Government that its policy priorities will not be compromised by the regional governance arrangements. In particular, the Government will wish to ensure that the arrangements do not detract from

- the operational integrity of the State highway network
- the operational integrity of the national rail network
- the achievement of central government transport objectives
- the efficient and effective allocation of road user funds for which the Government has political accountability.

25.99 In part, these matters can be addressed through the specific arrangements that will be required for the joint management arrangements for State highways and rail infrastructure. Beyond this, however, the following statutory obligations on the RTA are suggested:

- a requirement for RTA to protect the integrity of the State highway network
- a requirement for RTA to protect the integrity of the national rail network (and, in particular, to ensure the continued functionality of the network for rail freight activity)
- obligations on the RTA (and the elected regional body) to give effect to the GPS and to national strategic objectives as articulated in any national land transport strategy (prepared under the LTMA) or national policy statement (prepared under the RMA)
- a requirement that the relevant Crown agencies be consulted at an early stage of the preparation of RTA plans and strategies.

Land use integration

25.100 The strategic planning responsibility of the elected regional body should provide for the integration of strategic planning for growth and transport at the regional level. At the lower level of the roading hierarchy, providing for the management of roads in combination with other local government functions (such as land use planning, open space, community facilities, and utilities) should also enable integrated planning.

25.101 The area where integration will be most challenging under the RTA model is likely to be on the arterial road network. While arterials have an important through-movement function, they must often also provide for property access, have a strong interface with adjacent land uses, and perform important open space and utility corridor functions. The management of these activities can have a major impact on the efficiency of the road, and conversely, the management of the road can have a major impact on those other activities.

25.102 These interfaces can lead to tensions, especially in sensitive locations such as town centres. There is also a risk that the RTA, with its statutory focus on transport, may overemphasise the transport role of the roads it manages to the detriment of other interests in the wider corridor (urban design, amenity, local land use development, town centre development, and the interests of pedestrians and cyclists).

25.103 To ensure that these tensions are recognised and appropriately managed, it will be necessary to place specific statutory obligations on the RTA to

- give effect to the high-level strategic spatial plan for urban development
- specifically recognise the functional relationships that exist between transport and land use
- consult the local community and the relevant local council in relation to proposals that impact on urban design, amenity, or local land use development near the transport corridors under its control
- prepare, with the relevant local council, joint management plans for key transport corridors
- recognise and give effect to regional sustainability policies, and policies in relation to walking and cycling.

Similarly it will be necessary for local councils to protect the integrity of regional networks when carrying out their land use planning functions.

25.104 There will also be a need to ensure close integration between the RTA and any future Urban Development Agency that may be put in place to actively promote development at key centres in the region. Because of the close relationship between the development and operation of transport infrastructure and centre development, it is important that the development plans of the respective public organisations are closely aligned. This could be achieved by requiring a formal opportunity for the RTA and the Urban Development Agency to provide comment on each others' plans prior to their approval.

Transport integration

25.105 As noted above, a potential problem with the RTA model as proposed is that it will add a third layer of road controlling authority to the existing two-layer model in Auckland, by transferring responsibility for arterial roads from local councils to the RTA. The risk is that this adds a further interface to the current arrangements.

25.106 In part, this can be managed through the proposal that State highways and arterials be subject to a joint management regime. Subject to the robustness of these arrangements, this should reduce the problems associated with the existing interface between State highway and arterial roads.

25.107 The focus then turns to the interface between arterial roads and local roads. The potential integration issues here can be mitigated by a clear delineation between RTA arterials and local roads.

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Skills and expertise

25.108 The establishment of a new RTA with a significant role in roading will require staff expertise that does not currently exist at the regional level. ARTA's current involvement in roading is only through project prioritisation. The skills and expertise in managing major roads are located in the NZTA (formerly Transit New Zealand) and the territorial authorities. There is also the Traffic Management Unit, but this is currently operated by the NZTA (which took over management of territorial authority traffic operations staff when the Traffic Management Unit was established). It would be sensible for this responsibility to be under the control of the proposed joint management regime.

25.109 It may be possible for these people to be relocated into the RTA, but this would be difficult if the NZTA continued to operate State highways separately. Under the joint management proposal for State highways and regional roads outlined earlier in this chapter, the RTA and the NZTA would agree on a staffing arrangement for the joint roading functions as part of their management agreement. NZTA has expertise that can and should be utilised rather than duplicating existing structures.

25.110 While the need for transitional arrangements for human resources is an issue that will need to be addressed for all local government functions, it is important to recognise that there are some particular shortages of skilled people in the transport sector at present, and any transitional arrangements need to be sensitive to the need to retain experienced and skilled staff. Terms and conditions for staff from different agencies will need to be aligned.

Accountability to users and funders

25.111 A further concern is that the RTA could fail to take sufficient account of transport user and community concerns, or lack accountability to those who provide the funds to the RTA. Where an appointed board that is one step removed from the direct political interface between elected members and transport users and/or funders makes the primary decisions, there is a risk that those decisions may not fully reflect their needs or concerns.

25.112 The replacement of the Regional Transport Committee of the ARC also risks losing the input of the various external interests that are currently represented on the committee (including members representing the objectives of economic development, safety and personal security, access and mobility, public health, environmental sustainability, and cultural interests).

25.113 The steps needed to mitigate these risks will be closely aligned with the statutory obligations to give effect to the regional spatial strategy, as discussed above. In addition, there will be a need for

- a clear statutory prescription of RTA and Auckland Council roles, with supporting detail contained in the SOI

- the RTA, SOI, and budget to be agreed between the RTA Board and the Auckland Council, with any funding limits and constraints to be explicit at commencement of planning processes
- a statutory requirement that the RTA Board is appointed with individual and collective expertise to enable the necessary decisions to be made efficiently and effectively
- specific limits on the ability of elected representatives to interfere with operational decisions, subject to a requirement for significant decisions to be referred to the Auckland Council
- a strengthening of the formal consultation obligations of the RTA in preparing its regional transport plan, to specifically seek submissions from people and organisations that represent economic development, safety and personal security, access and mobility (particularly for the elderly and those with disabilities), public health, environmental sustainability, and cultural interests, and from the local councils which in turn should consult with their communities
- a robust system to be set up to register and act on complaints and to monitor the response to those complaints.

Transition issues

25.114 Changes involved in moving from the existing to the proposed new transport governance model are summarised in Table 25.1.

25.115 It will be necessary for the Establishment Board, in association with the Transition Management Group, to appoint interim directors for the new RTA and to establish a proposed management structure for that authority, with the objective of ensuring that the new authority will be able to operate and assume its responsibilities upon the formation of the Auckland Council.

25.116 The Establishment Board and the Transition Management Group will need to ensure the involvement and cooperation of ARTA in the transition of its activities to the new Regional Transport Authority.

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Table 25.1 Summary of proposed changes to transport organisations and processes

Organisation or process	Proposed changes
Auckland Council	Strategic transport planning functions and Regional Transport Committee support functions taken over by new Regional Transport Authority (RTA)
Auckland Regional Transport Authority	Existing functions incorporated into new RTA
Local authorities	Regional arterial road controlling functions and other regionally significant transport-related functions taken over by new RTA
New Zealand Transport Agency	Statutory functions retained, but joint management arrangement with new RTA for State highways; funding responsibilities for rail infrastructure added
Regional Transport Committee	No longer required in Auckland as regional land transport strategy replaced
Regional land transport strategy	No longer required in Auckland; replaced by regional spatial strategy and regional transport plan
Regional public transport plan	Continues as at present, but prepared by new RTA
Regional land transport programme	Continues as at present, but prepared by new RTA and may form part of the regional transport plan

Recommendations

- 25A** A new Regional Transport Authority (“RTA”) for Auckland should be established as a council-controlled organisation with responsibility for the planning, development, and management of arterial roads and all public transport infrastructure service planning and procurement. The RTA should replace the Auckland Regional Transport Authority (“ARTA”).
- 25B** The RTA should prepare, for approval by the Auckland Council, a regional transport plan which will give effect to the regional spatial plan.¹⁶

¹⁶ See Recommendation 24A.

- 25C** The RTA should assume the statutory responsibility for all regional arterial road controlling functions and other regionally significant transport-related functions within the Auckland Council area. All these functions from the abolished local authorities and all ARTA's functions (including assets and staff) should be transferred to the RTA on the establishment date.
- 25D** Local roads should be controlled by local councils with the RTA exercising a funding approval role and ensuring consistency with the regional spatial plan.
- 25E** The New Zealand Transport Agency and the RTA should establish a joint management structure to oversee the operational management of the State highway and arterial road system in the Auckland region. The RTA and ONTRACK should establish a joint management structure to oversee the operational management of rail in the Auckland region.
- 25F** The Minister of Transport and other relevant Ministers should meet with the Auckland Council's infrastructure committee and the Mayor of Auckland on at least a quarterly basis to discuss transport issues.

Transition

- 25G** The Government should promote legislation to implement the proposals in Chapter 25, by amending as necessary the Land Transport Management Act 2003 and the Local Government (Auckland) Amendment Act 2004, and other relevant Acts.
- 25H** The Establishment Board will oversee the establishment of the RTA and appoint interim directors, who will consult with the Auckland Council on a draft statement of intent at an early stage. The interim board of the RTA should appoint an interim chief executive who will work with the Establishment Board on the design of the RTA organisational structure.

