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New Zealand Transport Agency  
East West Connections

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## NZCID Feedback on the East West Connections Preferred Approach 2015<sup>1</sup>

The New Zealand Council for Infrastructure Development (NZCID) thanks the New Zealand Transport Agency (NZTA) for this opportunity to provide feedback on the East West Connections Preferred Approach (the Approach).

### Overview

We support the objectives of the East West Connections programme and commend NZTA and Auckland Transport for recognising both local and regional needs arising through studies of the project area.

We support the identified bus priority solution between Mangere, Otahuhu and Sylvia Park.

This submission concerns the more complex issue of general traffic movement to, from and through the industrial area of Onehunga-Penrose and its connections to surrounding areas and the wider Auckland region.

We are concerned at the lack of cohesiveness with which the whole of life programme for resolving general traffic issues in the Manukau Harbour area is planned to be effected, given current resourcing.

National funding constraints are evidently having a deleterious effect on regional transport planning and investment and are undermining the efficacy of solutions at different planning scales over the long term.

Current implementation proposals are inadequate from a local, regional and national perspective and do not meet the needs of businesses or residents.

Implementation of the Approach must be revised and integrated with shorter and longer term initiatives to deliver on the expectations of the Government and residents.

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<sup>1</sup> This submission represents the views of NZCID as a collective whole, and may not necessarily represent the views of individual member organisations.

## Transport outcomes are unacceptable today

The East West Connections Indicative Business Case (IBC) establishes an urgent need for solutions to the Church St-Neilson St corridor:

- Journey times are unreliable – varying from 6 to 30 minutes depending on the time of day.
- Journey times are slow – average speeds along parts of the corridor can drop to as little as 14km/hr during the interpeak and 7km/hr at busy times.

Increasing the need for immediate solutions is the high proportion of commercial traffic affected by heavy congestion. The IBC observes that between 16 and 20 per cent of all traffic along the Neilson St-Church St corridor between 6am and 6pm is heavy freight. To put this in context, equivalent proportions along the Harbour Bridge are approximately one-third of this level.

In addition to heavy freight is an undetermined, but almost certainly disproportionately high, percentage of light commercial vehicles and business trips in cars servicing surrounding industrial activities.

Statistics NZ data show that 96% of businesses in Auckland employ fewer than 20 staff. These businesses comprise a significant proportion of the Auckland economy and are dependent upon mobility across and through the region throughout the day.

As noted in the IBC, the high proportions of commercial traffic and the distributed nature of industrial employment limit the viability of transport alternatives, increasing the importance of predictable, constant traffic flows in the area.

The area itself is the second most important economic hub in Auckland and one of the most important in New Zealand.

It is critical to the productivity and competitiveness of the region and nation that economic activities in the Onehunga-Penrose area are supported by adequate connectivity and accessibility.

Journey variability of up to half an hour over a short distance for productive vehicles in and through the Auckland industrial engine room is unacceptable.

## We support at a high level the Preferred Approach

We therefore agree that:

- There is a problem;
- Demand management alone will not address the problem because traffic is heavily commercial;
- Rooding infrastructure must be improved.

The Preferred Approach, specifically the construction of a new road corridor to the north of the Manukau Harbour along the Onehunga foreshore, is in our view an appropriate and effective solution to known transport issues in the Onehunga-Penrose area:

- It will address the immediate problem of congestion along the Church St-Neilson St corridor by providing a new, efficient four lane high capacity corridor to meet local road transport needs.
- It will provide new connectivity “across” the city, which is currently poor.
- It will facilitate urban renewal opportunities in the Onehunga area by reducing traffic flows.
- It will improve safety.
- It will improve transport options, including cycling.

- It will create opportunities to rehabilitate the Onehunga foreshore.

However, our “in principle” support for the project is compromised by two key issues:

1. Funding is currently unavailable to deliver the project on an acceptable timeframe.
2. The end result will meet “local” but not wider regional needs and longer term solutions are not currently agreed, consented or funded.

## Funding is inadequate

Approximately \$800 million is required to trigger a 2016-17 (traditional) construction start which, in our view, is essential.

There is no provision for construction of the Approach in the National Land Transport Fund before 2022 and, even then, the IBC observes that these allocations are inadequate.

Information contained in the IBC, including travel delay and vehicle volume suggest congestion in the area is costing upwards of a million dollars of lost productivity per week, as well as contributing to other issues such as poorer air quality and reduced safety and amenity.

It simply is not appropriate to defer solutions targeting congestion for a decade, as current funding availability implies. Both central and local government priorities for transport, as included in the GPS and Auckland Plan, demand that action is taken sooner.

We note that there could be some limited works initiated in the nearer term, and we support efforts to realise short term gains. However, it is not clear how effective these solutions will be in addressing the immediate need.

What is required today – if not a decade ago – is that work begins on a new connection between state highways 20 and 1 along the Onehunga foreshore which addresses, at a minimum, chronic commercial traffic congestion in the Onehunga-Penrose area.

## Wider regional transport needs are not met

NZTA considers the Approach to be the most “enduring”, providing a “sustained” reduction in traffic along the Neilson and Church streets.

We agree that the Approach will deliver a positive enduring solution for the Onehunga-Penrose area, but are much less clear on the long term strategic benefit for the wider east Auckland area.

Connectivity between Onehunga-Penrose and the important commercial area of East Tamaki is assisted but not transformed by the Approach.

Earlier investigations by NZTA and Auckland Transport on east-west connectivity demonstrated very strong benefits to an improved corridor linking East Tamaki and Onehunga-Penrose.<sup>2</sup>

No new significant road connectivity is planned for the Tamaki area, including Glen Innes and Panmure, despite heavy planned intensification and a strong existing employment relationship with Onehunga-Penrose.<sup>3</sup>

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<sup>2</sup> NZTA and Auckland Transport, AMETI and East West Link, June 2013.

<sup>3</sup> Richard Paling Consulting, Journey to Work Patterns in the Auckland Region, 2014.

Regional congestion is projected to worsen significantly from 2025, even with East West Connections in place.<sup>4</sup>

These factors together create a seriously concerning picture of road transport inadequacy beyond 2025, just as the Approach becomes fundable on the existing programme.

We are left overall with a sense that the Approach as currently proposed and resourced represents something of a compromise between a shorter term congestion-focused solution and a longer term strategic solution, without fully addressing either challenge when required.

## NZCID preferred solution

What is clearly required is a solution to congestion in the immediate term and beyond 2025 a genuinely enduring strategic option which not only assists connectivity to, from and through the Onehunga-Penrose area, but to those parts of east Auckland where transport outcomes are projected to worsen significantly.

It is of the highest importance to NZCID and to the region that we do not repeat the mistakes which allowed the current situation to arise, that is, where congestion has reached chronic levels well in advance of planning and funding solutions.

In the view of NZCID, the Preferred Approach is the near term solution to congestion and connectivity issues in the Onehunga-Penrose area and we strongly support delivery of the Approach on an accelerated timeframe.

The need is urgent and cannot be deferred for another decade. Economic analysis provides a compelling investment proposition with a very high BCR for a project of its size.

In our view, the Approach will address congestion issues in an enduring, sustained manner, will support the growth and development of the Onehunga-Penrose area and will facilitate east-west traffic movements across Auckland.

## The Preferred Approach alone will not meet long term strategic needs

However, while we consider the Approach will deliver an enduring solution to traffic issues in the Onehunga-Penrose area, we do not consider that it represents the entire solution for east-west connectivity across Auckland in the long term.

Beyond 2025 traffic modelling strongly suggests new connectivity will be required, particularly to serve Auckland's east and south.

We are aware of, and support, longer term NZTA consideration of options to address general traffic growth in the east of Auckland and to the airport.

A strategic connection linking the wider Howick-Pakuranga-Highbrook area to the motorway network and employment opportunities across more southern and western parts of the city is in our view worthy of evaluation.

However, any such option will be expensive, does not feature in public planning documentation and is not funded or consented.

There is therefore a risk that any such proposal will be deferred or cancelled, impeding timely allocation of transport investment to meet need.

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<sup>4</sup> Auckland Regional Land Transport Plan 2015-2018.

The absence of major infrastructure options in wider strategic planning risks misaligning land use decisions with transport priorities. Corridors for major infrastructure should be protected from development at the earliest opportunity and property owners given maximum indication of future land use needs.

The range of options to serve projected traffic growth, why, when and how it could be resourced should be the subject of a long term plan for the Auckland strategic network.

We are closely following progress on the Auckland Transport Alignment Project and anticipate that this process will result in such an agreed plan across central and local government and their agencies.

### Resourcing an accelerated East-West programme

NZCID considers it is necessary to initiate procurement of the Preferred Approach immediately to address congestion issues in Onehunga-Penrose. From 2025, a new strategic corridor linking Auckland's eastern suburbs to the rest of the city is required.

Resourcing for this programme will be significant and will require funding additional to that available in the National Land Transport Fund.

NZCID supports user and beneficiary-based charges to cover to the maximum extent the costs on infrastructure investment.

We support the establishment of a dynamic Auckland motorway access charge and consider it is one mechanism to bring forward the Approach, as well as manage demand.

It should be noted, however, that motorway access tolls better suit grade separated design. Intersections will require additional monitoring technology and may result in some degree of confusion for drivers.

In the absence of a comprehensive road pricing solution for the region, we support direct tolling of the Approach and subsequent strategic road investments.

In addition to tolls and other direct road user charges, we encourage NZTA and its partner organisations to investigate options to leverage land value benefits.

It is well recognised and understood that transport investment increases the value of land benefitting from improved access.

It is in our view inequitable that the transport beneficiaries of new public investments carry the cost of new services while the land use beneficiaries from these same investments are not required to pay anything.

A priority outcome sought from not only the Approach but from all urban motorway and expressway investment should be improved public spaces.

The delivery of efficient urban roading solutions presents the opportunity to redistribute regional traffic away from local roads, improve liveability and promote other outcomes at the local level without compromising network efficiency.

NZCID draws attention to Sydney's \$15 billion Westconnex project which in addition to providing time travel savings and economic efficiency benefits of \$20 billion will enable the redevelopment of Parramatta Rd.<sup>5</sup>

Rerouting through-traffic off local roads will in some cases open redevelopment and other commercial opportunities which in turn will deliver windfall benefits to land owners benefitting from zoning changes and improved amenity.

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<sup>5</sup> <http://www.westconnex.com.au/>

Where public investment results in large, discernible improvement in land value, public authorities should seek a portion of that improved value to fund the investment which gives rise to the uplift.

Options available to authorities, and used elsewhere globally, include modified tax increment financing, whereby future anticipated rates revenue resulting from value uplift or redevelopment is ring fenced and used to pay down a loan to finance the initial catalytic investment.

Alternately a targeted rate on properties in the Onehunga-Penrose area could be levied, though care should be taken with this option not to “double tax” some groups through both road charges and property charges.

The establishment of Development Auckland provides a timely and welcome opportunity to integrate the Approach with land use to deliver a superior public outcome with lower public resourcing commitments.

NZCID considers that a combination of road user and property beneficiary charges integrated with land use planning for areas such as Onehunga will be sufficient to cover all of the funding shortfall currently holding back the Preferred Approach.

Public debt should be considered to ensure a start to the Preferred Approach no later than 2017, and the revenue from the above mechanisms used as far as possible to service this debt.

Alternately, an integrated public-private partnership should also be considered to bridge the funding shortfall, leverage private sector innovation in design, allocate risk and incentivise good urban redevelopment in coordination with delivery of the Approach.

We thank NZTA for this opportunity to provide input.