

Leigh Auton, Chair

Tommy Parker, Project Director

Auckland Light Rail Project

Private Bag 106602

Auckland 1143

Via email: lightrail@nzta.govt.nz

29 July 2021

Dear Leigh and Tommy

Re: Auckland Light Rail – feedback

Thank you for making the time to meet with the Auckland Business Forum earlier this month.

As evidenced by the robust and lively discussion, Business Forum members have strong views on the Auckland Light Rail project, and they appreciated the opportunity to share those views with you freely and frankly.

As a general comment, the Business Forum supports the Government's vision for a vastly improved rapid transit network in Auckland, and we have no doubt that this sentiment is shared by the bulk of Aucklanders. High-quality rapid transit is critical when it comes to providing access to high-productivity employment centres and to enabling more efficient land use patterns in certain parts of the city.

To get the best outcomes for Auckland and New Zealand, we need to see evidence-based decision-making, robust processes, and high levels of transparency and accountability every step of the way. By these measures, what we have seen so far of the approach to Auckland Light Rail leaves much to be desired.

Key issues

Building on the points discussed during the meeting, here is a summary of the key issues and concerns of Business Forum members:

1. A fresh start

We had anticipated that the recent re-set of the Government's approach to light rail in Auckland would result in a shift from a focus on inputs to a focus on outcomes. That is, the starting point for the project would not be a desire to deliver a specific solution (i.e., light rail across the Auckland

Isthmus), but rather a clear vision of the *outcomes* Auckland is seeking through investment in rapid transit, followed by an objective assessment of the network as a whole, to identify the best opportunities to achieve those outcomes.

No such shift appears to have taken place, however, and it is still far from clear to Business Forum members why this particular section of the network is being prioritised over others – the Northwest in particular. We note that communities in the Northwest are significantly worse-off when it comes to transport choice than those on the isthmus, and that a rapid transit connection to the Northwest would appear significantly more straightforward to deliver than a rapid transit line running down one or other isthmus arterial.

In our view, therefore, the Establishment Unit's Terms of Reference should have included providing advice on where the next priority for rapid transit investment in Auckland should be.

2. Process

Had that been the case, we would have expected information to justify the decision to prioritise City Centre to Mangere to have been included in the current round of public engagement, along with substantive detail on key facets of the project – in particular, the pros and cons of options for route and mode in terms of patronage, housing uplift, costs and wider transport impacts. The subsequent public feedback would have informed the development of the business case.

As it stands, however, initial public engagement is taking place in the absence of any such project detail – Aucklanders are being asked to give feedback on a project that is yet to be defined.

Moreover, the timeframe is so short that it is difficult to see how that feedback can be incorporated into upcoming business case work. Seen from this perspective, the engagement seems largely meaningless.

The opportunity for extensive engagement will not come until after the development of the business case, by which time the preferred approach will already have been decided upon. The public will only have the opportunity to influence secondary, rather than fundamental, decisions.

This, in our view, raises similar transparency issues to those that played out in the previous approach to light rail in Auckland (the “twin-track” delivery process), and that the current approach was supposed to remedy. It appears to fly in the face of the drive to secure social licence for the project.

Given the truncated timeframe, we also struggle to see how it will be possible for the business case to adequately assess options for mode, route and delivery vehicle, or carry out the detailed modelling required to understand wider impacts, and the risks and opportunities they present.

If meaningful public engagement and robust analysis cannot be carried out in the timeframe that has been set down, then serious consideration must be given to changing that timeframe – the sums to be invested and the opportunity cost involved are too great not to do so.

3. Affordability

There are strong concerns among Business Forum members over the anticipated cost of the project, with construction cost set to eclipse anything seen previously for infrastructure delivery in this country. Can New Zealand afford a price-tag that could well be in excess of \$10 billion? How much critical transport investment in Auckland and around the country will be crowded out as a result of

the project? Is it realistic or justifiable to ask taxpayers in other parts of the country to help shoulder the cost burden, when they won't see any direct benefit?

In order to ease cost pressures, we believe it is essential that the Establishment Unit's advice include a staging option (i.e., CBD to Mt Roskill), as an alternative to delivering the whole solution at once.

Emphasis must be given to economically optimal solutions (that are right-sized for the needs of the corridor), and there will be more need than ever to find efficiencies at every stage of the project, in coordination with policy-making in other areas of the economy (such as immigration).

4. Disruption

Disruption caused by the project, and the subsequent costs, will also be on an unprecedented scale in New Zealand. We note that the disruption will affect one-sixth of the arterial road capacity on the isthmus, plus sections of the CBD, for a period of eight years or more.

The Establishment Unit's advice on route and mode needs to be informed by an assessment of disruption impacts (alongside other factors), and disruption impacts must be front and centre in future public engagement.

The CRL experience will offer a wealth of insights into the challenges that disruption will present, and how these can be minimised, and it must be drawn on.

5. Urban regeneration

As you underlined at the meeting, the project is far more about urban regeneration benefits than about transport benefits. While those on the inside of the project recognise the validity of land use and housing development objectives, many members of the public will not, especially considering the way rapid transit across the isthmus has been sold to the public until now.

We therefore urge you not to underestimate the extent to which the rationale for the project will need to be re-positioned in the public mind, and the scale of the communications work required to bring about that re-positioning.

Meanwhile, in order to justify the enormous cost of the project, increases in housing density will be required along the route (again, on a scale never seen before in New Zealand). We would like to know what assumptions have been made about demand on the part of Aucklanders for large-scale apartment living, and what analysis sits behind those assumptions.

To enable the densification objectives, it is essential that there be supportive zoning throughout the route.

Conclusion

The comments above reflect the fact that there is not great confidence among Business Forum members in the likelihood that the project will achieve its aims in the set timeframes, and avoid going the way of the previous iteration of the Auckland light rail programme.

On that basis, we would stress the need for greater flexibility when it comes to timeframes and the design of solutions, and the need to re-jig the approach based on what is logical, affordable, and deliverable.

We are very happy to meet at any point to discuss these views in more detail. We look forward to engaging with you and your team as the project evolves.

Kind regards,

A handwritten signature in black ink, appearing to read 'M. A. Barnett', written in a cursive style.

Michael Barnett

Chair, Auckland Business Forum