

## Ministry of Transport: Aide Memoire

**To:** Hon Phil Twyford  
**From:** [REDACTED] Withheld to protect privacy of individuals  
**Date:** 3 December 2018  
**Subject:** Request for further information on Let's Get Wellington Moving  
**OC Number:** OC181164

### Purpose of this aide memoire

1. This aide memoire provides you with a response to your request for information on:
  - the total forecast National Land Transport Fund (NLTF) revenue for the next 30 years
  - Wellington City Council's (WCC) population share of the NLTF revenue for the next 30 years
  - existing expected expenditure for WCC over the next 30 years excluding Let's Get Wellington Moving (LGWM).

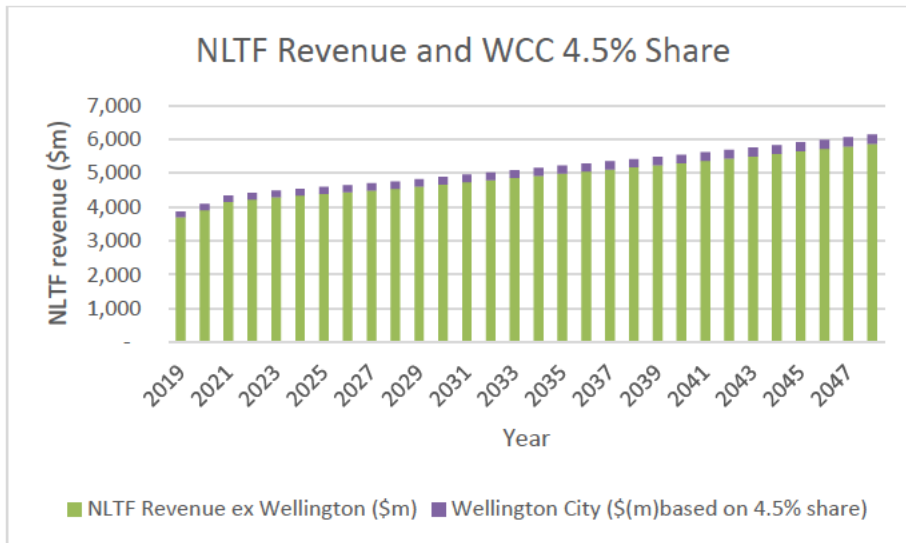
### Forecast NLTF revenue for the next 30 years

2. The graph below shows forecast NLTF revenue for the next 30 years.
3. The forecast is based on the following assumptions:
  - the planned increases in petrol excise duty (PED) and road user charges (RUC) for 2019/20 and 2020/21 are included
  - no other increases in PED or RUC are included, only growth in vehicle kilometres travelled is assumed
  - there are limitations around the reliability of long-term forecasting as the model does not take into account factors such as changes in the vehicle fleet (ie growth in electric vehicle uptake).

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[REDACTED] Free and frank advice

5. Due to the reasons above, the Ministry considers that you should take a conservative approach when relying on current forecast figures beyond ten years.

6. Wellington City's 'population share' (4.5 percent)<sup>1</sup> is shown in purple as a proportion of total expected NLTF revenue.



*There are a number of forward pressures on the NLTF*

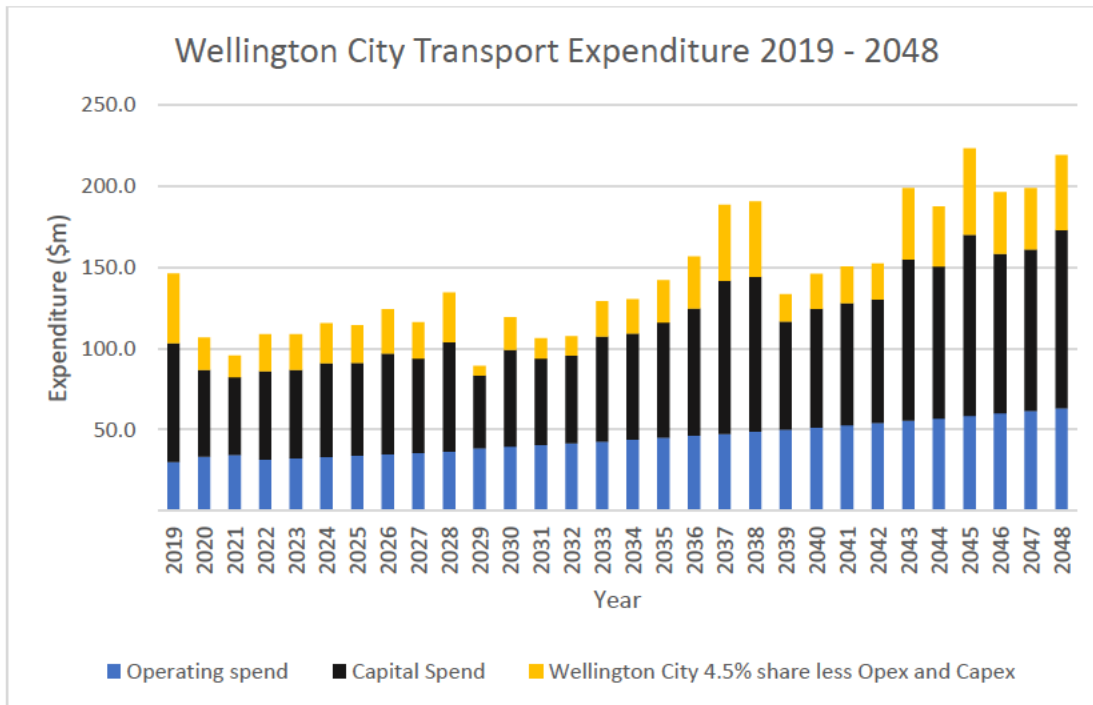
7. As noted in our recent advice to you on funding LGWM [OC181015], there are a number of current and future pressures on the NLTF including the Auckland City Centre to Mangere Light Rail project, heavy rail funding and commuter rail improvements.
8. Funding LGWM from the NLTF will add another pressure to the NLTF. We will provide you with further advice shortly on the fit between your current transport priorities and forecast NLTF revenue.

**Expected expenditure in Wellington City over the next 30 years**

9. The graph below shows expected expenditure in Wellington City up to 2048 based on figures from WCC's Infrastructure Strategy, which was developed alongside Wellington's 2018/28 Long Term Plan. Some important things to note are:
- some figures may have changed since this strategy was developed
  - the figures do not include depreciation
  - all figures include inflation and exclude GST.
10. The Infrastructure Strategy only includes upgrade/improvement funding in the first ten years. Years 20 – 30 only include core maintenance and renewals spending. However, improvements **are expected** in these years and will be added at a later date, once projects are further developed.
11. The graph only includes expenditure from WCC (does not include Greater Wellington Regional Council (GWRC) expenditure in the Wellington region). GWRC has signalled a large amount of investment in public transport over the next thirty years in their Long Term Plan. We were not able to separate the portion of this that will be spent in Wellington City.

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<sup>1</sup> Based on 2013 Census data.



### Benefits from light rail in Wellington

12. According to information provided to us by the LGWM working group, the benefits from light rail in Wellington are mostly attributed to value uplift and agglomeration benefits. Transport benefits, which arise from reduced travel time and increased reliability, are only around 39 percent. This is shown below in Table 1.

Table 1: estimated benefits from light rail<sup>2</sup>

| Benefit                          | Light rail (Station to Airport) |            |
|----------------------------------|---------------------------------|------------|
|                                  | \$(m) <sup>3</sup>              | %          |
| Travel time and reliability      | 330 – 600                       | 39         |
| Value uplift                     | 200 – 600                       | 40         |
| Urban Amenity                    | 5 – 10                          | 1          |
| Agglomeration                    | 125 – 250                       | 17         |
| Environmental, health and safety | 40 – 50                         | 3          |
| <b>Total benefits</b>            | <b>400 – 950</b>                | <b>100</b> |

13. In comparison, light rail in Auckland is expected to generate a higher proportion of transport benefits (60 to 70 percent) that arise from travel time savings for public transport users and increased access for poorly serviced areas.

<sup>2</sup> The numbers in the table are discounted, so cannot be directly compared with the cost estimates that have not been discounted.

<sup>3</sup> The individual dollar amounts will not add up to the total because the relative contribution of each element has been scaled down to avoid double counting the benefits.

14. At this time we are unable to provide further information on the benefits from undergrounding at Te Aro.

**Contact:**

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