



# Cabinet

## Minute of Decision

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### Let's Get Wellington Moving: Indicative Package

**Portfolio**                      **Transport**

On 13 May 2019, following reference from the Cabinet Economic Development Committee (DEV), Cabinet:

- 1        **noted** that government officials and Wellington City Council (WCC) and Greater Wellington Regional Council (GWRC) officers have worked together through the *Let's Get Wellington Moving* project to agree an indicative package of transport investments for Wellington (the indicative package), which includes major investments in:
  - 1.1      rapid transit;
  - 1.2      walking and cycling;
  - 1.3      public transport;
  - 1.4      State highways;
- 2        **noted** that these investments will help drive the development of Wellington and meet the government's commitments to address urban performance in cities and reduce car dependency;
- 3        **noted** that over 30 years, the government share of the indicative package is estimated to be \$3.8 billion, based on total capital expenditure of \$2.2 billion, and allowing for cost increases, inflation, operating costs and the cost of financing;
- 4        **noted** that the *Let's Get Wellington Moving* project is a city partnership model, and that the total cost of the indicative package is intended to be split 60:40 between central government and local government to reflect the wider local benefits generated by the package;
- 5        **noted** that:
  - 5.1      the proposal includes a \$4.4 billion (inflated) allowance for other projects in the Wellington region in addition to the indicative package;
  - 5.2      this means that the total indicative cost to the government of funding transport initiatives in the Wellington region over the next 30 years is expected to be approximately \$8.2 billion, which is approximately 10.5 percent of total National Land Transport Fund (NLTF) revenue;

- 6 **noted** that the Minister of Transport proposes that the government's share of the indicative package be funded from the NLTF on a PayGo basis over 20 years, with the exception of rapid transit, which the Minister proposes to be financed and repaid over 50 years;
- 7 **noted** that NLTF funding projections used for the indicative package assume that petrol excise duty (PED) and road user charges (RUC) will increase broadly with inflation over the 30 year funding period, and that if these increases do not occur, the components of the indicative package will need to be reviewed;
- 8 **endorsed** the indicative package, noting that:
- 8.1 detailed business cases that fully evaluate the benefits and the costs of the indicative package have not been completed (this is typically the case at the programme business case stage);
  - 8.2 the indicative package components all need to be approved by the New Zealand Transport Agency Board, and that approval is also dependent on future increases in revenue into the NLTF;
  - 8.3 the extra Mt Victoria tunnel would proceed late in the first decade of the plan subject to a detailed business case;
  - 8.4 while the WCC Mayor and GWRC Chair have been involved to date, and regional Mayors have been included in some discussions, the indicative package still needs to be formally agreed across all the relevant councils, including confirmation that the councils are able to fund their share of the indicative package;
  - 8.5 the Minister of Transport will report back to DEV with a financing proposal for the rapid transit component of the indicative package;
- 9 **authorised** the Minister of Transport to make an announcement on the indicative package with the Mayor of Wellington and the GWRC Chair.

Michael Webster  
Secretary of the Cabinet

*Secretary's Note: This minute replaces DEV-19-MIN-0104. Cabinet added a new paragraph 8.3.*

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**Hard-copy distribution:**

Prime Minister  
Deputy Prime Minister  
Minister of Transport