

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 (LGWM)

OC Number: OC181209

Purpose of this aide memoire

- 1 This memo responds to your request for further information on LGWM relating to:
 - 1.1 How much revenue is available for the LGWM package based on the Wellington region's share of the National Land Transport Fund (NLTF), taking into account expected expenditure for the Wellington region over the next 30 years?
 - 1.2 Is Option 1, from briefing paper: *Advice on Funding Let's Get Wellington Moving* [OC181015] affordable within the NLTF, and how much revenue would local government need to commit to meet their share?

How much revenue is available within the NLTF for LGWM?

- 2 Tables 1 and 2 below show how much NLTF revenue is available in the Wellington region (based on 11 percent population share) after 30 years after taking into account all of the planned expenditure in the Wellington Region.
- 3 Revenue in Table 1 includes the planned increases in PED and RUC for 2019/20 and 2020/21. No other no other increases in PED or RUC are included, only growth in vehicle kilometres travelled is assumed.
- 4 Revenue in Table 2 includes the planned increases in PED and RUC for 2019/20 and 2020/21, and is adjusted for 2 percent inflation per annum from year 2025. Adjusted revenue assumes future increases in PED and RUC.

| | 2019/20 - 2029/30 | 2030/31 - 2039/40 | 2040/41 - 2048/49 |
|--------------------------|-------------------|-------------------|-------------------|
| GPS Revenue - unadjusted | 50,502 | 52,672 | 59,274 |

| | | | | |
|------------------------------------------|-----|-------|-------|-------|
| Wellington "share" | 11% | 5,555 | 5,794 | 5,906 |
| Expected expenditure - Wellington region | | 5,056 | 5,163 | 4,941 |
| Wellington surplus/deficit | | 499 | 631 | 965 |
| Wellington surplus/deficit cumulative | | 499 | 1,130 | 2,095 |

Table 1 – unadjusted revenue

Table 2 – adjusted revenue

| | | 2019/20 - 2029/30 | 2030/31 - 2039/40 | 2040/41 - 2048/49 |
|------------------------------------------|-----|-------------------|-------------------|-------------------|
| GPS Revenue - adjusted | | 51,049 | 56,451 | 61,303 |
| Wellington "share" | 11% | 5,615 | 6,210 | 6,743 |
| Expected expenditure - Wellington region | | 5,056 | 5,163 | 4,941 |
| Wellington surplus/deficit | | 559 | 1,047 | 1,802 |
| Wellington surplus/deficit cumulative | | 559 | 1,606 | 3,408 |

Is option 1 affordable?

Table 3 – Option 1

| | Programme element | Capex \$m | |
|---|-----------------------------------|-----------|--|
| 1 | A walkable city | 84 | |
| 2 | Connected cycleways | 36 | |
| 3 | Public transport (City and North) | 324 | |
| 4 | Smarter transport network | 36 | |
| 5 | Smarter pricing | 36 | |
| 6 | Unblocking the Basin Reserve | 156 | |

| | | | |
|----|----------------------------------------------------------------------------------|-------|-------|
| 7 | Rapid transit Railway Station – Newtown | 1,188 | |
| 8 | Rapid transit Newtown to – Airport | 540 | |
| 9 | Second Mount Victoria tunnel and 4 lanes at Ruihine Street | 576 | |
| 10 | Undergrounding at Te Aro | 1320 | |
| 11 | Second Terrace tunnel, and a fourth southbound lane between Ngauranga and Aotea. | 480 | |
| | Phase 1 cost | | 2,436 |
| | Phase 2 cost | | 2,340 |

- 5 If future increases in PED and RUC are assumed, the first phase of Option 1 is affordable within the Wellington region's population share of the NLTF over the next 30 years.
- 6 Assuming local government will pay 49 percent of projects 1 – 5 (based on current funding assistance rates (FAR)), the cost to local government will be around \$252 million.
- 7 Assuming central government will pay 51 percent of projects 1 – 5 and 100 percent of projects 6, 7 and 9, the cost to central government will be around \$2.1 billion.

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