



NOTICE OF MEETING

COUNCIL

I hereby give notice that an Ordinary Meeting of the Council will be held on:-

DATE: **Thursday, 5 February 2004** **TIME:** **1.30 pm**

VENUE: **Civic Centre, 6 Waipareira Avenue, Lincoln, Waitakere City**

to consider the business as set out herein and to take any necessary action connected therewith.

30 January 2004

Audrey Chan
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8603

MEMBERSHIP:

Mayor	RA	Harvey, QSO, JP
Deputy Mayor	CA	Stone
Councillors	DQ	Battersby, JP
	BA	Brady, JP
	JM	Clews, QSO, JP
	RP	Dallow, QPM, JP
	AC	Fenton
	OE	Hoskin, MNZM, JP
	PA	Hulse
	JP	Lawley
	GE	Nash, QSM, JP
	VS	Neeson, JP
	GB	Presland
	GW	Russell, JP
	DA	Yates, JP

(Quorum 8 members)

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(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

WAITAKERE CITY COUNCIL



AGENDA FOR AN ORDINARY MEETING OF THE COUNCIL TO BE HELD IN THE
CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON THURSDAY, 5 FEBRUARY 2004 COMMENCING AT 1.30 PM

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1 APOLOGIES



2 HENDERSON HUB DESIGN UPDATE

PURPOSE OF THE REPORT

The purpose of this report is to update the Council on the design and timeline for the Henderson Hub and to seek approval to move to the next stage of the design process. This report also seeks direction from the Council in relation to the degree of sustainable design features and commercial space to be incorporated in the development.

BACKGROUND

At its meeting of 18 December 2002 the Council resolved to develop the new Waitakere Civic Centre adjacent to the Railway Station on the ex Carter Holt land in Henderson Valley Road. The proposal was seen as part of a wider redevelopment of the Henderson Railway Station surrounds into a major transit oriented development, with associated redevelopment of the Henderson Railway Station, the bus/taxi interchange and the Railside Avenue - Ratanui Street link between the Henderson Hub, the new UNITEC campus and Waitakere Central Library and the Henderson main street.

The Preliminary design for the project was approved by Council at its meeting of 17 September 2003 and developed design work for this project has been progressing since that time. Work completed to date on the developed design will be presented to the Council today.

STRATEGIC CONTEXT

Urban Strategy

Henderson is one of the three major town centres in Waitakere City and is recognised as a key centre in the urban strategy. It is the city's most centrally located town centre. It is located on the rail corridor and has the largest percentage of retail floor-space and community facilities. There has been significant recent investment, notably at Westfield's West City Mall, Sel Peacock Drive retirement complex, Council's Aquatic Centre and the Henderson Valley Film Studios. There is significant opportunity for further development and redevelopment within the Henderson Town Centre. Good planning and co-ordination are essential to ensure Henderson consolidates its critical position as a key working environment and employment locality, hence furthering Council's objectives in creating a sustainable City.

The Henderson Hub project will play a pre-eminent role in catalysing the redevelopment of the Henderson Town Centre, providing a cornerstone of transit oriented development within the town centre, as well as defining Henderson as the Central Business District of Waitakere City. An analysis of the benefits of the Civic Centre and UNITEC/Waitakere Central Library components of the Henderson Hub redevelopment has identified significant economic, social and economic benefits to the City from the projects.

The project in particular will catalyse the redevelopment of the Henderson Town Centre, provide a leading edge example of transit supportive development, increase street and pedestrian activity within the town centre, allow the south-western portion of Henderson to be opened up to integration with the rest of the town centre, provide a “civic heart” and significant boost to the “business address” of Waitakere City, provide improve greatly access to tertiary education for the City’s residents and consequently stimulate further economic activity within Waitakere City. In addition the project will be a contributor toward the Regional Growth Strategy agreements that this Council is party to, including the target of 74% growth within the City being within the existing urban area, and in particular around town centres and public transport nodes.

Transport Strategy

Development of the rail corridor as a key part of the public transport network within Waitakere City has long been a strong policy of this Council. In addition, the upgrading of bus/taxi/rail interchange facilities has long been a key objective in all of the major town centres in the City.

Regionally, the redevelopment of the Henderson Railway Station as a major station within the regional network is a priority within the Regional Passenger Transport Action Plan and the Rail Business Plan.

The Regional Land Transport Strategy, however, recognises that the delivery of a high quality Land transport system requires a range of measures, summarised below:

- Land use supporting transit;
- Increased access for commuters and businesses to public transport;
- Maximised efficiency of transport system;
- Reduced environmental effects;
- Increased safety of the transport system.

These matters are dealt with more fully elsewhere in this agenda.

Seen within this context, the Henderson Hub development will be a key contribution of Waitakere City Council to the overall implementation of the Regional Land Transport Strategy and improvements to the rail and bus networks within Waitakere City in particular. Key benefits of the project to public transport are as follows:

- Integrated bus/taxi/rail interchange including kiss & ride and some park and ride;
- Models how rail will be managed under agreement proposed by central government;
- Consolidation of town centre development around rail corridor & public transport interchange;
- Link to UNITEC campus - increase student use of public transport;
- Improved use, safety and frequency of public transport systems;
- Development of Henderson as a destination as well as a point of origin for passenger transit;
- Better provision of pedestrian and cycling opportunities and linkages.

ISSUES

Henderson Railway Station and Bus/Taxi Interchange

Significant work has been undertaken to progress the design of the railway station in particular, as this sets the framework for the bus/taxi interchange aspects. This has involved working alongside the key agencies currently involved with rail within the Auckland Region, including the Auckland Regional Council, Auckland Regional Transport Network Limited, Tranzrail and TrackCo. An engineering concept for the Henderson Rail Precinct including double tracking, a centre platform station with access from Railside Ave and the Civic Centre development and allowing for the possible termination of trains at Henderson has been developed.

Auckland Regional Transport Network Limited have engaged Architectus to develop designs for the Henderson Rail Precinct including the station and facilities, access and the bus/taxi interchange. The regionally agreed engineering concept will provide the basis for Architectus to develop designs for the precinct. The station designs will be developed to a level allowing for inclusion in Auckland Regional Transport Network Limited's first application for stations funding in February 2004. It is intended that final detailed design for the station precinct will be completed by May 2004. Council will be working alongside all rail parties to ensure that the designs meet the needs of Council, the community and rail.

Changes proposed to transport governance, as detailed in other reports on this agenda, have the ability to significantly impact on the timing and funding of the Henderson Railway Station development.

Henderson Traffic and Carparking Strategy

Concurrent with improvements in the public transport infrastructure, work is underway planning the improvements to the road and carpark networks within the wider Henderson area. Discussions are underway with Auckland Regional Transport Network Limited, the Auckland Regional Council, TrackCo and Tranzrail regarding the need for an additional rail crossing in the Henderson Town Centre. Finalisation of the acquisition of land for the Oratia Stream bridge/eastern entry point to Henderson is also underway.

In addition to traffic planning, work on providing adequate carparking, and park & ride, kiss & ride facilities is being undertaken as part of the Henderson Hub development. Negotiations are currently underway with a carpark development company regarding possible private sector involvement in the development of carparking buildings in Henderson, both at the Henderson Hub site, and in conjunction with the Waitakere Central Library/UNITEC development. Work is also underway to implement the charge carparking trial in off street carparking in Henderson. Charge carparking for off-street carparking is a necessary pre-requisite for carparking building development in Henderson, as well as a way of reducing the effective subsidy for car use over public transport which is currently provided with free all day parking. Further reports will be brought to the Finance and Operational Performance Committee and the City Development Committees on the issues around carparking buildings and charge carparking.

Railway Land Acquisition

Railcorp has now declared the land sought by Council for the development as surplus and the Office of Treaty Settlements process is underway. Valuations have been undertaken by both Waitakere City Council and Railcorp and an agreement on price that can be supported by Council's valuer has been reached between the parties at a cost of \$720,000. On the current timeframe, and assuming that the Office of Treaty Settlements process does not provide any major delays or problems, it is expected that Council will be able to take possession of the land well ahead of the construction commencing on that part of the site.

In terms of the Office of Treaty Settlements process, Te Kawerau A Maki have provided the Office with a very strong letter of support for the project and for Council's purchase of the land. As Te Kawerau A Maki is a manawhenua group in the area, this should be extremely helpful. Work is underway with Ngati Whatua to gain their support also.

Henderson Hub Development - Developed Design

Architectus & Athfield Architects and the rest of the design team have now developed the design concept for the Henderson Hub development, including the civic centre, carparking, public open space and road links which they will present at the meeting. Outlined below are the key issues for consideration and decision at this stage of the design process.

Sustainable Design Elements

The developed design for the Henderson Hub includes a range of cutting edge sustainable building features. The inclusion of all of these features will see the development being a world class sustainable building. In particular the inclusion of the green roof, wind power, photovoltaic street lighting, mixed mode ventilation and energy efficient lighting systems proposed are leading edge in terms of sustainability.

The key sustainable features included in the project are outlined below:

- Green roof on the Civic Building (subject to funding);
- Mixed Mode ventilation system combining natural ventilation with a heat pump for heating and cooling;
- Inclusion of significant thermal mass and insulation to reduce heating and cooling requirements in the building;
- Re-use of existing on site materials in the building;
- Wind power generation (subject to funding);
- Stormwater re-use in toilets;
- Low flow and water efficient taps, shower heads, toilets and urinals;
- Swales and rain gardens in the carpark;
- Photovoltaic lighting in the civic square (subject to funding);
- Solar hot-water heating for showers;
- Use of native plants integrating with the adjacent natural ecosystems of the Opanuku Stream;
- Use of Environmental Choice certified materials, such as paint, where-ever possible;
- Use of materials with low embodied energy through their manufacture;
- Timber from sustainable and/or plantation forests;
- Creation of pedestrian friendly linkages throughout the site;

- Provision of secure cycle storage and showers to facilitate cycle/pedestrian access by employees;
- Use of low energy lighting and automatic lighting management systems;
- Inclusion of a Building Management System to control energy usage in the building;
- Close integration between the council administration, the Railway Station and Bus Interchange to maximise public transport usage;
- Inclusion of public recycling bins (glass, plastic and aluminium) in the civic square.

While the majority of these features are included within the design budget, three elements - the green roof, wind power and photovoltaic lighting have been identified as being subject to external funding. It is also important to note, that the very significant operational savings which will be made in terms of energy usage in the building are largely gained from the ventilation and lighting systems proposed, as these consume nearly half the energy usage in a standard office building. A recently published American study that evaluated data from a large number of green state buildings concluded that an investment of approximately 2 % extra in construction cost for 'green features' typically results in a 10 fold return over the lifetime of the building (conservatively set at 20 years). Most of the life cycle savings are caused by an increase in productivity, rather than building running costs, such as energy, water and maintenance. In a New Zealand study the returns on investment for an additional 7.5% in construction costs for 'green' features estimates a return of 200:1 for salary costs savings and 5:1 in energy savings over the lifetime of the building. While there is limited pre and post occupancy evaluation data available in New Zealand and construction, energy and salary costs are quite different in America, there appears to be sufficient evidence to suggest that the additional investment required for green buildings is generally justified.

Green Roof

The design allows for the inclusion of a green roof on the Civic Wing of the building, accessible from the 3rd floor. As well as providing stormwater mitigation in a key catchment within the City, such a feature would be a first for a New Zealand office building and provide a leading edge demonstration of sustainable stormwater management. It's inclusion is strongly supported by Ecowater who see green roofs as the next major step forward in sustainable urban stormwater management.

At the preliminary design stage it was anticipated that the green roof would likely be funded by Infrastructure Auckland. With the changes currently proposed to the use of Infrastructure Auckland funding, it is possible that the green roof will not gain funding from this source. A funding application is currently being drafted, however, should it not be successful Council will need to decide if it wants to proceed with this aspect of the project. Ecowater staff have stated that if no other funding source is available, then, given the leading edge nature of the project as a stormwater management tool, it would be possible for the Council to consider funding from the stormwater quality improvements budget allocation for the 2004/2005 financial year. A Council resolution to that effect would be required.

Wind Turbines

The design allows for the inclusion of wind turbines on the roof of the Administration Wing of the building subject to external funding and a satisfactory business case being developed. These will provide some of the power for the building, although due to wind conditions in the area they may not operate all the time. Discussions with a number of energy organisations are underway about possible funding options, and the success or otherwise of these will be reported back to the Council later in the year.

Photovoltaic Lighting

The landscape design allows for photovoltaic lighting within the civic space at the front of the building. This would see solar powered street lights with associated interpretation outside the Henderson Valley Road frontage of the Civic Building. This feature would provide a high profile showcase for photovoltaic lighting as well as providing useful model for monitoring before possible roll out into other parts of the City. While external funding is being sought for this, the photovoltaic lighting industry in New Zealand is a small one, and it may be that only partial sponsorship for this aspect of the project is possible.

Ventilation

As identified in a range of previous projects, ventilation is a key aspect of the sustainable design of any building. Mechanical ventilation, and in particular air conditioning, has significant ongoing operational costs; however, achieving an acceptable and healthy work environment over the summer months in Auckland without it can be difficult. The developed design proposal is for a mixed mode system of ventilation. This would see opening windows and natural ventilation available in much of the building for the majority of the year, supplemented by a mechanical system providing ventilation through the floor and ceiling. A heat pump is included which would provide comfort cooling of the air in summer and heating in winter. The entire system would be operated by a computerised Building Management System (BMS) which would control the opening and closing of windows and amount of mechanical ventilation.

Such a system combines both high sustainability, in terms of natural ventilation being the main requirement for much of the year, as well as recognising the extremes of temperature which do occur in the Auckland climate, and providing for cooling and heating when required.

The table below outlines the differences, disadvantages and benefits of the various ventilation systems.

Ventilation System	Description	Benefits	Disadvantages
Air Conditioning	Manages temperature and humidity within a tight band e.g. 21 degrees plus or minus 1 degree.	Greatest certainty of temperature.	<ul style="list-style-type: none"> - High energy usage; - High operating cost; - Failure (e.g. power cut) can result in unworkable conditions; - Dry air which can cause discomfort such as dry eyes and skin in some people. There have been suggestions that the drying out of respiratory passages lowers resistance to infections, such as the common cold, however this is not proven; - Less 'natural' feel in the building; - Its inclusion would negate a significant part of the sustainability of the building.

Ventilation System	Description	Benefits	Disadvantages
Mixed Mode	<ul style="list-style-type: none"> - Some opening windows and mechanically assisted ventilation managed by Building Management System; - Comfort cooling and heating system also operate at the hottest and coldest periods to maintain the building at a temperature range from 20-24 degrees. 	<ul style="list-style-type: none"> - Comfortable, more natural, temperature range provided for building occupants; - In the event of failure of the system (e.g. power cut) opening windows would still allow ventilation; - Low energy useage; - Low operating cost; - Best practical sustainable option that offers both the certainty of comfort and low energy usage. 	Higher capital cost than air conditioning.
Natural Ventilation	<ul style="list-style-type: none"> - Opening windows managed by Building Management System; - Wide temperature range depending on outside conditions, offset by high thermal mass and insulation. 	Most environmentally sustainable option as minimal energy usage and operating costs.	<ul style="list-style-type: none"> - High likelihood of periods of uncomfortable temperature - particularly during hot periods; - Openable windows on the building façade facing the railway are not viable because of noise issues; - May lead to future retrofitting of a cooling system (as has happened with the current civic centre).

Drive Through Customer Services Area

The developed design allows for a drive through customer services area. This would allow for rates payments, dog licencing and other quick transactions as well as providing a separate point for courier drop-off and the tenders box. The drive through area also provides a link between the main "civic" street and front of the building with the carparking on the southern side. The building has been designed so that the "drive through" area is an integral component without adding significant extra cost to the building. Its operation, however, may require additional staffing and this will need to be considered further by the Council.

Commercial Uses

It is expected that the Waitakere Properties Limited development of the rest of the former Carter Holt site will deliver significant commercial outcomes for the Council. However, the opportunity does exist to include some limited commercial aspects in the civic building component of the development, in particular, the provision of a café.

Current design proposals see a staff lunchroom and social club located at the top of the administration building. Because of the proximity of the Henderson Town centre, this is not anticipated to include any retail sales (unlike the current Green Café). A “finishing” kitchen for caterers will also be included in the civic building but this is expected for specific use around functions held at the Council. A small commercial café is likely to be included in the Railway Station development, adjacent to the public access area of the Council building/public access .

At earlier Council workshops, some Councillors indicated the desirability of including a small café in the public part of the civic development, to allow for elected members and the public to purchase limited snacks and beverages while visiting the Council. Such a facility might be useful during breaks in Council meetings and hearings as well as providing some activity on the frontage at street level of the building. Provision of such space would be additional to the floor area allowed for in the design brief, and is expected to require around 75m² to be leased for a commercial operator. Provision for such a facility has not been made in the project budget and Council would need to vote additional funds for this component. At this stage it is not included in the design.

Timeline for Development

Following approval of the developed design concept for the Henderson Hub, work will commence on the detailed design aspects. It is expected that applications for resource consents will be lodged in March 2004, with demolition of the existing buildings commencing following the completion of filming taking place on the site in April. Construction drawings and building consents are expected to be lodged in May with construction tendering in June. The successful contractor is expected to take over the site in August/September, subject to sign-off of the developed design at this meeting.

It should be noted that as the design progresses further it becomes significant in terms of both cost and time to change any aspects of the development. Following the approval of developed design, changes to the buildings should be limited to interior changes and the design of the building fitout. The interior design will need to be finalised by April prior to the lodging of the building consent.

RESOURCES

Resources for Council's portion of this project have been approved through the 2003/2004 Annual Plan and Long Term Council Community Plan. Current quantity surveyors' estimates see the project coming in comfortably within the total net budget envelope allocated. This includes an allowance of 8% for escalation expected in the currently very heated construction market, as well as the sale price of the existing civic centre.

CONCLUSION

The Design Team has completed the second stage of the design process for the Henderson Hub development. Changes to the governance structure for transport may impact on the railway station development and any changes to the current proposals will be reported back to the Council. The project is currently within the budget envelope; however, guidance is sought from the Council with regard to specific aspects of the design.

RECOMMENDATIONS

1. That the information be received.
2. That the developed design for the Henderson Hub development be approved.
3. That the Council provides direction to the degree of cutting edge sustainable design components to be incorporated into the building in the absence of a sponsor or external funding.
4. That the Council provides direction in relation to the provision of a commercial café within the Council component of the development.
5. That the Council confirms its approach to ventilation in the building being of a mixed mode type as developed by the design team.
6. That this report be circulated to the Community Boards for their information.

Report prepared by: Lois Easton, Group Manager: City Development Projects.



3 TRANSPORT FUNDING AND GOVERNANCE

PURPOSE OF THE REPORT

This report seeks the Council's response to the transport funding and governance aspects of the funding package proposed in the Government's announcement on 12 December 2003. This report highlights issues that the Council may wish to raise individually, or collectively with other Councils in the region, with the Government and the Auckland Regional Council.

BACKGROUND

The funding package announced by the Government on 12 December 2003 included the following components:

- Transport funding - additional funding and mechanisms;
- Transport governance - new transport authority, holding company and dis-establishment of Infrastructure Auckland;
- Regulatory arrangements - regional policy statement and consent processes;
- (Copies of the announcement have been placed in the Councillors Lounge.)

This was in response to the Joint Officials Group Report on ways to meet the funding gap in order to enable timely completion of the projects identified in the Regional Land Transport Strategy.

The Government has requested the Councils in the Auckland region to consider and approve the package. The Government intends to draft legislation by April 2004 to be passed by July 2004. The Government is interested in issues that the region has in order to make the proposed arrangements workable and effective.

The Government has established workstreams within relevant Ministries to work through the detail and implementation of the funding package.

The Chief Executives Forum established working parties to prepare regional reports in relation to the package for consideration by the Councils. Where possible, a joint response to Government is to be provided noting the points of difference amongst the Councils.

STRATEGIC CONTEXT

The Regional Land Transport Strategy requires a number of roading and passenger transport projects to be completed by 2010. In order to achieve the aims of the strategy and enable timely completion of the projects, additional funding arrangements are required.

The Council supports the Regional Land Transport Strategy and requires progress on major roading and passenger transport projects, including the Rail Project, the Upper Harbour highway, and State Highway 20 extension.

ISSUES

The regional reports prepared by the working parties are attached as follows:

- | | |
|----------------|---|
| <i>A1-A15</i> | 1. Report to Councils from the CEO Forum (attached at pages A1 to A15) - This cover report sets out the key issues and a full list of recommendations in relation to transport funding, governance and policy. |
| <i>A16-A25</i> | 2. Report to Councils: Funding Package Attachment 1 (attached at pages A16 to A25) - This sets out issues relating to transport funding. |
| <i>A26-A36</i> | 3. Report to Councils: Policy Attachment 2 (attached at pages A26 to A36) - This sets out issues relating to proposed changes to the Regional Policy Statement, District Plans, and Regional Land Transport Strategy. |
| <i>A37-A59</i> | 4. Report to Councils: Transport Governance Proposals Attachment 3 (attached at pages A37 to A59). This sets out issues relating to transport governance. |

The recommendations contained in section 4 of the Report to Councils from the CEO Forum are generally in accordance with the interests of Waitakere City. The Territorial Local Authorities view outlined in recommendations (n), (o), (s), (t), (u), (x) and (z) is preferred over the Auckland Regional Council view.

The following are the key issues that require special attention by this Council.

Funding Issues

Government funding - A late change that was not included in the Chief Executives' report to Councils relates to recommendation (f). The Chief Executives believed that the region should request additional funding up to the buildability level to ensure projects could be progressed as soon as possible and funding is not a constraint.

Benefits - The additional funding for transport (capital and operational expenditure) will benefit the region and Waitakere City. There is more certainty of funding for State Highways 18 and 20 and the rail programme (both operational and capital expenditure). It will be important to ensure that the Infrastructure Auckland funds notionally allocated to stage 1 of the rail business plan remain dedicated to that purpose.

Infrastructure Auckland - Infrastructure Auckland has indicated that in order for a decision to be made before it is dis-established, Expressions of Interest need to be lodged by 10 February 2004 and draft funding applications need to be lodged by 8 March 2004. This affects the Henderson Hub project, double tracking, park and ride facilities, walk and cycle ways, bus priority measures, and infrastructure requirements from school travel plans. Consideration should be given to ensuring that Infrastructure Auckland funds are available to Councils throughout the period from the dis-establishment of Infrastructure Auckland to operation of the Auckland Regional Transport Authority (which might be not until January 2005). A legislative change is proposed which gives Auckland Regional Council the ability to direct Infrastructure Auckland funds (to be managed by a Holding Company of the Auckland Regional Council) for stormwater and transport. Certainty is required about these notional allocations. The Government's proposal indicates that there will be an application process to Auckland Regional Council for stormwater funds. That process is still to be considered.

Transfund funding - Under the proposal, the Council would need to forward to Auckland Regional Transport Authority its applications for Transfund subsidy. Auckland Regional Transport Authority would make a regional application for funding to Transfund. The extent of Auckland Regional Transport Authority's role appears to be negotiable. Auckland Regional Transport Authority is likely to be interested in arterials and connections with state highways. The Council's road corridor studies will be important for this review. A fit with the Regional Land Transport Strategy, Regional Growth Strategy, and New Zealand Transport Strategy objectives will be paramount. There is less ability for a Council to go off in a different direction from these strategies - which is one of the purposes of the restructuring. There will be pressure to conform to a regional programme of bus priority measures on arterial roads with links to neighbouring cities. Auckland Regional Transport Authority may not be able to require a local Council to initiate a project, but might withhold consent for a programme of work that a local Council submits.

Long Term Council Community Plan - The Long Term Council Community Plan is affected in two key ways:

1. An accelerated roading programme in the region is expected to increase prices of construction work by up to 25% and defer some projects.
2. The winding up of Infrastructure Auckland creates uncertainty whether 100% funding of transport and stormwater infrastructure projects will be available.

Governance Issues

Regional infrastructure - Auckland Regional Council's Holding Company is proposed to hold investment assets from Infrastructure Auckland. It is negotiable whether the Holding Company should also hold transport infrastructure and 'other' infrastructure. It is recommended that transport infrastructure should be held in a subsidiary controlled by the Auckland Regional Transport Authority (ARTA) as this would minimise transaction costs and give Auckland Regional Transport Authority control over services and infrastructure. The Auckland Regional Council's preferred option is that transport infrastructure is held in a subsidiary of the Holding Company and transferred to an operator subject to contractual maintenance obligations. This is not recommended as it further distances the assets from the local Councils and limits the ability to develop those assets (rail stations for example) for community purposes.

Insufficient information is available for Waitakere City Council to approve a structure to own 'other infrastructure'. A transfer of other infrastructure would require consultation and different governance arrangements with more Territorial Local Authorities input may be required. For example, a similar structure is currently being considered for the long-term governance of the Auckland Regional Economic Development Strategy (AREDS). A consultants report has proposed that a structure is established under Auckland Regional Council to create a Council Controlled Organisation to take an overview of regional economic development implementation. However, a notable difference is that under the proposed economic development framework is a partnership structure involving political and stakeholder membership from across the region administered by Auckland Regional Council and sitting under the Auckland Regional Growth Forum. A proposed role of the partnership is the guardianship and long-term monitoring, moderating and potential mediation of implementation. This framework is currently the subject of consultation with key stakeholders.

Auckland Regional Council control - Under the Government's proposal, the Auckland Regional Council would control Auckland Regional Transport Authority and may have an annual purchase agreement for outputs/outcomes. Local Councils would have a minority input into the appointment of directors of Auckland Regional Transport Authority. Mechanisms need to be developed for local Council input into regional transport infrastructure or the affairs of Auckland Regional Transport Authority. Under the proposal, Council's input would be limited to high level strategies - Regional Policy Statement, Regional Growth Strategy and Regional Land Transport Strategy. However, Auckland Regional Transport Authority needs cooperation from the local Councils and other entities to implement the Regional Land Transport Strategy programme.

Key players - The new structure does not integrate infrastructure and services in one entity. There are more entities than under the existing structure. However, the funding process appears to be streamlined via Auckland Regional Transport Authority. The key players are:

- Transfund as funder;
- Transit as State Highway provider;
- Auckland Regional Council as funder;
- Auckland Regional Transport Authority as funding regulator and specifier of services and infrastructure;
- Auckland Regional Transport Network Limited as manager of ferry berths and rail stations;
- Territorial Local Authorities as owner of roads and surrounds of rail stations and bus stations;
- Operators of rail, ferry and bus services;
- Track Co (if established) as owner of rail track.

The Chief Executives Forum suggested integrating some of these functions into Auckland Regional Transport Authority in order to achieve better integration and efficiency. One way to do this is to transfer functions relating to state highways, rail and roads in the region to Auckland Regional Transport Authority. An alternative is to strengthen the relationships between Auckland Regional Transport Authority and Transit, Track Co, local Councils and other implementers. The latter is preferred because Auckland Regional Transport Authority does not have a track record yet and it may be overwhelmed with responsibilities that it cannot meet, particularly in the short term.

Local roads - Auckland Regional Transport Authority's proposed involvement in local roads would be to review funding applications and to have a planning role in relation to strategic roads. This involves considerable duplication with both Transfund and local Councils. This issue appears to be negotiable. The solution should ensure that the layers and number of parties involved are minimised and the roading outcomes would be effective in relation to the transport strategy and community outcomes.

The two options that were considered by the Chief Executives Forum were:

Either: Maintain the status quo for local roads planning by the local Councils and applying for funding direct to Transfund. Auckland Regional Transport Authority would have a minor review role similar to the current role performed by Auckland Regional Council.

Or: Auckland Regional Transport Authority assumes obligations for planning, construction and maintenance of local roads and purchases a regional roading programme from Transfund.

The first is preferred to preserve the input by the community and elected members into the community aspects of roads and to ensure Auckland Regional Transport Authority's focus is on passenger transport, walking and cycling. If Auckland Regional Transport Authority is responsible for roads, then it may lose that focus and the focus of its resources may be required on roads. This would involve a significant shift in resources and expertise in the region at a time when the region should be focussing on implementing the rail business plan, a programme of bus priority initiatives and measures to increase walking and cycling.

Auckland Regional Transport Network Limited - The Government's proposal does not specifically deal with Auckland Regional Transport Network Limited. Auckland Regional Transport Network Limited requires Auckland Regional Transport Authority funding to be a going concern. Otherwise, its functions are limited to commercial ferry activities. The Government's intention is that Auckland Regional Transport Network Limited's assets are transferred to a Holding Company, but Auckland Regional Transport Network Limited cannot be forced to do this. The amount payable for the transfer could be market value, recovery of shareholders' capital, or nil value. This is to be negotiated between the Council shareholders and Auckland Regional Council. Waitakere City Council has contributed \$683,015 in capital to Auckland Regional Transport Network Limited. The Council should be seeking to recover at least this amount on the dis-establishment of Auckland Regional Transport Network Limited. This should be determined at the same time as the establishment of Auckland Regional Transport Authority. The Councils should have some input into this process. The consultation process with the public may need to be shortened if this is to happen.

Regional Land Transport Strategy - The Regional Land Transport Committee needs to be reconstituted to have representatives from interest groups relating to the objectives in the Land Transport Management Act. The current Regional Land Transport Strategy has no status until it is reconstituted. Auckland Regional Council has requested applications for representation on the new Regional Land Transport Strategy. The Regional Land Transport Strategy's role will be to review the Regional Land Transport Strategy - a revised draft is intended to be provided by September 2004, which is likely to determine priorities for allocation of funding. A revised Regional Land Transport Strategy is required to influence Transfund funding for transport projects. Transit is required to 'have regard to' a revised Regional Land Transport Strategy, rather than 'not be inconsistent' with it (the previous requirement).

Policy issues

There is a separate report to this Council in relation to the Government's proposals for changes to the Regional Policy Statement and District Plans. The Council may wish to consider that report before it addresses recommendations 2 (i) to (l).

RESOURCES

The proposed dis-establishment of Infrastructure Auckland creates uncertainty whether 100% funding will be available for Council's stormwater and transport infrastructure projects.

It is unclear whether planning responsibilities for roading will remain with the Council or shift to Auckland Regional Transport Authority. This would have a significant affect on resources.

An accelerated travel demand management programme will require additional resources. This will need to be considered during the Annual Plan process in relation to 2004/2005.

The implementation of the transport governance arrangements will require staff input from local Councils, although primary responsibility will rest with the Auckland Regional Council. An implementation plan needs to be prepared which will outline the timeline and resource requirements.

CONCLUSION

The funding package represents a significant step forward in the current level of funding available for transport in the region.

It will allow for the acceleration of a number of key transport projects and may reduce the pressure for rates funding operational expenditure for passenger transport.

It will not, however, enable completion of the Regional Land Transport Strategy projects within a 10 year framework, and does not allow for full funding up to the assumed buildability constraint.

A prioritisation process for allocation of the funds between projects will still be necessary.

A number of details need to be worked through prior to full implementation of the package. Many of these relate to the way in which Auckland Regional Transport Authority will operate, particularly in relation to funding and planning for state highways and local roads.

While the key elements of the package can be supported, getting these details right will be critical in successful implementation. It is essential that the collaborative approach adopted for the JOG process be applied to the implementation phase, with input from Auckland local authorities on the details.

RECOMMENDATIONS

1. That the information be received.
2. That the Waitakere City Council adopts the recommendations contained in section 4 of the Report to Councils from the CEO Forum in respect of Transport Funding and Governance Proposals, [with changes and additions highlighted]:
 - a) That the ~~region~~ *Waitakere City Council* passes on to Government ~~their~~ *its* thanks for its engagement in the JOG process, and its positive responses to Auckland's transport funding problems.

- b) That the ~~region~~ *Waitakere City Council* supports an integrated transport governance structure that supports the effective and efficient delivery of transport and related economic, social, environmental and land use outcomes in the best interests of the Auckland region; and notes that there are some issues embodied in the following recommendations that require resolution in order to achieve this aim.
- c) That the broad priorities for expenditure identified in the Government's announcement (accelerated strategic roading programme, passenger transport (especially rail) and travel demand management) ~~be~~ are endorsed.
- d) That it be noted that the Government has advised that the funding package announced on 12 December 2003 is dependent upon councils accepting the basic governance structure announced at the same time, but there are some elements of the structure which remains open to further consideration.
- e) That it be noted that some of the measures in the following recommendations require legislative change, while others require agreement between the parties within existing legislative frameworks; and that to the extent possible, matters agreed between the region's councils, and between the councils and the government, be formalised in an appropriate instrument such as a memorandum of understanding which is referred to in the legislation giving effect to the new governance arrangements.

Funding:

- f) That it be noted that the funding package will not allow for full funding up to the assumed buildability constraint, and that the Government be requested to *increase funding and in addition* to consider introducing further new funding mechanisms, including road pricing, to *allow total transport funding to meet the buildability constraint of \$400m civil works plus other capital and operating expenditure a year, allowing for a three year gearing up period*, and to ensure sustainable long term funding.
- g) That the Government be requested to ensure that future work on tolling and road pricing is undertaken jointly with the Auckland region.
- h) That the Government be requested to ensure that the additional funding is able to be allocated earlier than July 2005 if necessary, to ensure that funding is available to be allocated to projects as they become "ready to go".

Policy:

- i) That it be agreed in principle to proceed with changes to the Regional Policy Statement, Regional Land Transport Strategy and district plans.
- j) That the Government be requested to work in partnership with councils to scope the detail of Regional Policy Statement and district plan changes so that realistic timeframes can be set for their completion; and that Government funding be made available for the changes.
- k) That the timing risks associated with these changes be noted, and the Government *be* requested to *remove* the condition requiring completion of these changes before any new funding is allocated for transport in Auckland.
- l) That the Government's proposal to jointly review the regulatory aspects of public transport be supported.

Governance:

- m) That incentives for collaboration be formally incorporated into the proposed governance structure, and that:
- Territorial Authority membership on the Regional Land Transport Strategy be confirmed;
 - That an executive support group (comprised of senior Auckland Regional Council and Territorial Authority executives) for the Regional Land Transport Strategy be formalised;
 - An Officer Working Group (comprised of Territorial Authority and Auckland Regional Council representatives) be formally established to work closely with the Auckland Regional Council and Auckland Regional Transport Authority on the development of the Regional Land Transport Strategy and the Regional Land Transport Programme;
 - Auckland Regional Transport Authority be required by legislation and/or by its statement of intent to work collaboratively with stakeholders and partners such as Transit, TrackCo and the Territorial Authority's in the development of the Regional Transport Plan;
 - Auckland Regional Transport Authority be required to develop agreements and/or supporting Memoranda of Understanding with implementers of transport projects, including the Territorial Authority's to encourage integrated implementation of the Regional Land Transport Plan;
 - Strategic documents such as the Triennial Agreement be used to reinforce an intention to work collaboratively and inclusively.
- n) That an independent chair be appointed by Government to chair the appointments panel in order to recognise the significance which both the Auckland Regional Council and Territorial Authority's will have in the success of Auckland Regional Transport Authority and to encourage collaborative decision-making to support this.
- o) That formal opportunity be provided for the appointments board to contribute to the development of Auckland Regional Transport Authority's Statement of Intent.
- p) That steps be taken to better integrate national and local networks, and that:
- ~~Through the governments forthcoming review of the transport sector and the finalisation of arrangements in respect of TrackCo, serious consideration be given to integrating the Auckland functions of Transit and TrackCo into the regional governance structure.~~
 - The relationships between Auckland Regional Transport Authority and Transit, and Auckland Regional Transport Authority and TrackCo be strengthened by contract or some other form of agreement in the short term;
 - Responsibility for the Traffic Management Unit be transferred to Auckland Regional Transport Authority.

- q) That in order to avoid duplication of functions between Transfund and Auckland Regional Transport Authority in the interim, either (i) Transfund's responsibilities for local roads be delegated to Auckland Regional Transport Authority under a joint protocol which provides for the bulk allocation of funds and the delegation of some of Transfund's audit and monitoring responsibilities; or (ii) existing arrangements for local roading remain, but Auckland Regional Transport Authority would become involved in the process of approving land transport programmes for the region. It would act as a filter which evaluates the degree to which programmes are consistent with, and support regional strategies and plans and by providing recommendations to Transfund in this regard.
- r) That the Auckland Regional Council's legislative mandate be amended to ensure that the strategic elements of the Regional Passenger Transport Plan become part of the Regional Land Transport Strategy, and the operational planning elements become part of the Auckland Regional Transport Authority Regional Land Transport Plan.
- s) That the following actions be taken in respect of operational assets:
- A Council Controlled trading Organisation (CCTO) be established with responsibility for owning, developing and managing operational assets in a sustainable manner which is consistent with delivery of passenger transport services determined in the Regional Land Transport Plan;
 - *That further consideration be given as to whether this organisation is a CCO or a Council controlled trading organisation through the establishment process;*
 - That further consideration be given as to whether the CCTO is more appropriately a subsidiary of Auckland Regional Holdings or Auckland Regional Transport Authority;
 - That further consideration also be given as to whether this is best achieved by transferring the shares in Auckland Regional Transport Network Limited from the existing shareholders to Auckland Regional Transport Authority or Auckland Regional Holdings or by disestablishing Auckland Regional Transport Network Limited and creating a new entity;
 - *That the Government indicate the amount payable to ARTNL or its shareholders for a transfer of ARTNL assets or shares or provide mediation assistance in determining such amount.*
- t) That the basic intent of current legislative provisions in respect of Infrastructure Auckland be retained, that is, that the funds and assets of Infrastructure Auckland are held primarily to be applied to the capital components of transport and stormwater projects.
- u) That there be some relaxation to allow income derived from Infrastructure Auckland's assets to meet the operational expenditure requirements of Auckland Regional Transport Authority for the transport purposes defined by the existing Infrastructure Auckland provisions.
- v) That from July 2006, revisions of the Regional Land Transport Strategy (RLTS) be sequenced to align with the completion of community outcomes processes for the Auckland local authorities to allow those outcomes to be taken into account in the Regional Land Transport Strategy.

Establishment and Transition:

- w) That the Government be requested to provide an early assurance that it will provide exemptions from the consultation requirements of the Local Government Act so that work on establishment *and dis-establishment* processes can commence prior to legislation being amended.
 - x) That an establishment unit comprised of representatives from each of the Auckland local authorities, Infrastructure Auckland and Auckland Regional Transport Network Limited, be established with urgency to determine the process and critical path for implementation.
 - y) That the Government be urged to work collaboratively with the councils of the Auckland region in developing the details of the implementation plan, taking into account the matters raised in this report and the supporting detailed assessment reports.
 - z) That Auckland Regional Holdings and Auckland Regional Transport Authority should be established in an effective manner which allows them to readily fulfil their functions and that -
 - Clarity be established as to the process by which funds will be provided by the Auckland Regional Council to Auckland Regional Transport Authority;
 - Consideration be given to providing an initial allocation of funds to Auckland Regional Transport Authority, from Infrastructure Auckland proceeds, which will enable it to continue the timely implementation of agreed transport projects and plans.
3. That the following issues be considered for incorporation by the CEOs' Forum in its submission to central government when finalising the region's position:
- a) That the Waitakere City Council does not support integrating the functions of Transit and TrackCo into the regional governance structure.
 - b) That the Waitakere City Council considers that Auckland Regional Transport Authority should be a Council Controlled Organisation rather than a Council Controlled Trading Organisation and that the establishment process should assess the merits of the two options.
 - c) That the Government indicates the amount payable to Auckland Regional Transport Network Limited or its shareholders for a transfer of Auckland Regional Transport Network Limited assets or shares or provide mediation assistance in determining such amount.
4. That the Mayor and Deputy Mayor be authorised to respond to points raised within other submissions or to make minor amendments to ensure consistency with the decisions of other Councils.
5. That these recommendations be forwarded to the Central Government, the Auckland Regional Council, and local authorities in the Auckland Region.
6. That the resources required for an accelerated school travel plan programme be considered during the Council's Annual Plan process.

Report prepared by: Kevin Wright, Manager Transport Strategy.



4 RESOURCE MANAGEMENT ASPECTS OF AUCKLAND TRANSPORT INVESTMENT

PURPOSE OF THE REPORT

This is one of three reports that deal with issues for Council in response to the Government's transport package for the Auckland region. This package, announced on 12 December 2003, will see the establishment of a new entity to implement and manage all aspects of a revised Regional Land Transport Strategy. The purpose of this report is to provide Council with information in relation to the strategic planning and resource management aspects of the Government's proposed transport package.

BACKGROUND

A Joint Officials Group was established to consider and report back to the Government on issues associated with the New Zealand Transport Strategy and Regional Land Transport Strategy. The Group prepared a report, which made a number of recommendations that would facilitate development of Transport infrastructure and urban growth.

In response to that Report the Government is seeking to ensure that the statutory planning documents (Regional Policy Statement and District Plans) are aligned and support the proposed transport network investments. The main focus is on a strengthened policy for better integration between transport and land use, including intensification around transport nodes.

Since the Government's announcement there have been numerous meetings between Council officers, Government officials, and Chief Executive Officers, to discuss how to respond to the Government's package and map out a way forward.

STRATEGIC CONTEXT

The Auckland Regional Growth Strategy was agreed in 2001 (post the Auckland Regional Policy Statement). It provides a vision for how Auckland could grow in the next 50 years to accommodate a population of 2 million. It does not have the statutory weight of the Regional Policy Statement and this has led to the Environment Court being unable to take into consideration planning directions that have been agreed amongst the region's Councils.

Waitakere City Council's urban development strategy and District Plan, which pre-date the Regional Growth Strategy, are nevertheless thoroughly consistent with it. Strengthening the directions of the Regional Growth Strategy by elevating them to the Regional Policy Statement will further support and strengthen Council's current policy position.

ISSUES

A60

Apart from the Government's announced package a further insight to the Government's thinking is gained through Cabinet Minute (03)40/7B (See attachment at page A61). In this minute the Government is seeking feedback on the practical implementation of changes to the Regional Policy Statement and, by inference, the District Plans. The government has linked its transport investments to more status in planning documents for transport corridors and associated intensification and urban form.

It is also noted that no new funding will be released until the changes are made. This Cabinet Minute suggests that the changes are intended to provide better integration of transport priorities and land use policies, including intensification. This is to give greater certainty in the consideration of resource consents for significant transport projects. It is also desirable to have better integration between the Regional Policy Statement and the Regional Growth Strategy, the Regional Land Transport Strategy (amended to accord with the Land Transport Management Act), and the region's District Plans.

Kathleen Ryan (consultant) was commissioned by the Auckland Regional Council, with the agreement of the other Territorial Local Authorities, to prepare a report on the issues associated with achieving changes to the Regional Policy Statement and District Plans. She traverses options for the scope of changes, some possible timelines, and process suggestions to get changes through the Resource Management Act process. This is being driven by the need for legislative changes to the Resource Management Act processes to take advantage of funding coming on line in July 2005.

A29-A36

The key changes involve strengthening the Regional Policy Statement to reflect the direction identified in the Regional Growth Strategy and the Regional Land Transport Strategy (once revised). Changes to the Regional Policy Statement and District Plans alone will not achieve the Government's or Waitakere City Council's regional long-term goals. In recognition of this a list of other supportive initiatives has been included in the consultant's report attached at pages A53 to A60.

Waitakere's District Plan pioneered the sort of integration of urban form with transport corridors that was later taken up by the Regional Growth Strategy. These proposed changes to the Regional Policy Statement and District Plans will not represent any change in direction for Waitakere, but will significantly strengthen Council's policy position and ensure better alignment of the Regional Policy Statement and the District Plans of other Territorial Local Authorities.

There may be some community concern with the proposed process changes (e.g. joint hearings panel). However, given the range and complexity of issues to be heard, a joint hearings panel could offer a thorough inquiry that integrates transport and urban form issues across the whole region. It is intended that the amended process be more inclusive and accessible to the community, and not be dominated by the big players in an adversarial process. This is one of the many issues to be considered and worked through by the formal Taskforce.

In addition there has been regionally considerable public investment in the development of the Regional Growth Strategy; Waitakere's strategic and District Plans have been developed following extensive public consultation and comment.

RESOURCES

Council must give a response to Government by early February, for Cabinet proposals to go forward to Cabinet in early March. Officers have been meeting to discuss the implications.

It should be noted that due to the tight timelines the existing and proposed 2004/2005 work programme would need to be reviewed to ensure that adequate resources are available. This may also mean that some projects are delayed while resources are redirected in the short term. Council is being asked to commit only officer time at the moment. A more detailed work programme, including identification of resource implications, and cost allocation will be developed by the taskforce and reported back to Council once the scope of the project is better defined.

Although this task represents a large workload for Council, there are numerous benefits including:

1. Locking down the Government's investment in transport projects.
2. Better alignment between the Regional Policy Statement and our own District Plan, which was a pioneer in this area.
3. Co-operation and coordination between local Councils.
4. Shared resources and costs; and
5. Opportunity to gain support from Government for local issues.

Stage 1 - Interim Taskforce

Given the immediate need to give a response to the Government a joint interim taskforce has been asked to report back urgently to the region's Councils on:

- a draft brief for the project to change the Regional Policy Statement and District Plans, including the scope and timetable for changes; and
- draft terms of reference for a formal taskforce or group responsible for the changes, including reporting requirements.

It is anticipated that the Taskforce will report to the Auckland Regional Growth Forum and the individual representative on the taskforce will report back to their individual Councils. Other groups to be briefed on the progress of the taskforce's work include:

- Chief Executive's Forum;
- Mayoral Forum;
- Regional Land Transport Committee.

Much of the detailed work will be done between Council meetings and delegated decisions will be required to progress work promptly. It is suggested that the Chief Executive be authorised to provide direction where necessary to ensure that the work programme of the taskforces is maintained, that all these decisions should be reported back to Council for ratification, and that they be in line with Council's current policy position.

CONCLUSION

Support for the concept of the Regional Policy Statement and District Plans being changed to better reflect the direction set in the Regional Growth Strategy will be a continuing signal to Government of the region's solidarity and credibility. This has been clearly demonstrated in the past through the joint approach to the preparation of the Regional Growth Strategy and its endorsement by Territorial Local Authorities. These changes afford Council the opportunity to strengthen its existing policy and the regional framework.

An interim taskforce is required to initiate the joint work and meet the short timelines. This taskforce will report a comprehensive project brief to Council in the near future.

A formal taskforce should be appointed to undertake the necessary work to propose changes to the Regional Policy Statement and recommend to Territorial Local Authorities proposed changes for District Plans, and the process required to get the changes through in the required time.

Although the intention of the proposed changes is to improve current policy, nevertheless this will still be a complex and large scale project that will require a high degree of coordination and cooperation across seven Territorial Local Authorities, the Auckland Regional Council and Government. It is suggested that a joint hearings process is considered. Council has participated in similar arrangements previously e.g. Regional Growth Strategy hearings. In addition a range of other non-statutory initiatives should be investigated to assist in the implementation of the proposed transport strategy. In particular attention will be paid to securing better quality town centre development and a range of housing options in locations that align with the development of the transport network.

It should be noted that Council would still be responsible for the final decision on any changes to our own District Plan.

RECOMMENDATIONS

1. That the independent consultant's report be noted and the information be received.
2. That Waitakere City agrees to work with the Government and the Auckland Regional Council in developing an integrated set of tools to ensure that transport investment is effective and results in the best urban outcomes
3. That Waitakere City supports making changes to the Auckland Regional Policy Statement in line with Cabinet Minute (03) 40/7B, and with a view to completing the changes by 30 June 2005.
4. That Waitakere City supports corresponding changes to District Plans throughout the region, as a necessary tool to achieve the aims of the Regional Growth Strategy.
5. That Waitakere City commits to further evolve its own District Plan rules to give better effect to its urban policy and the Regional Growth Strategy.
6. That Waitakere City advises Government that it would support special legislative provisions to allow such changes to be processed within the available resources and time.
7. That Waitakere City endorses the Government's development of an urban design protocol, and would support consideration of alternative mechanisms to support transport network investments, and the formulation of a national policy statement from the Minister to reinforce the principles that underlie the Regional Growth Strategy.
8. That Waitakere City agrees that this project is a high priority and will review resource and budget allocations accordingly and the Chief Executive be asked to report on these matters to the Finance and Operational Performance Committee on 9 February 2004.
9. That Waitakere City supports the establishment of an interim taskforce, with representatives from each council to work with government and to report back urgently to the Chief Executives Forum and Councils on:
 - a) a draft brief for the project to change the Regional Policy Statement and District Plans, including the scope and timetable for changes.
 - b) draft terms of reference for a formal taskforce or group responsible for the changes, including reporting requirements.

10. That the Chief Executive be authorised to provide direction within the framework of Council policy as required to enable the taskforce's work to progress in a timely manner.

Report prepared by: Yvonne Rust, Principal Adviser Urban Policy.



5 FINANCIAL BUSINESS PLAN AUCKLAND REGIONAL STORMWATER PROGRAMME

PURPOSE OF THE REPORT

The purpose of this report is to enable Council to consider information on the Financial Business Plan Auckland Regional Stormwater Programme, in the context of the Government's proposed transport package for the Auckland region, which will see the disestablishment of Infrastructure Auckland and to determine Council's position on these matters.

BACKGROUND

Infrastructure Auckland was established in 1998, incorporating many of the assets previously held by the Auckland Regional Services Trust. It holds assets for the primary purpose of making grants to organisations such as Waitakere City Council for projects related to transport and stormwater quality in the Auckland region.

The legislation allows Infrastructure Auckland to provide grants for:

- the capital components of roading, passenger transport and stormwater projects;
- projects that provide "public good" (benefit the community rather than isolated individuals or groups);
- projects that are consistent with the Regional Growth Strategy, Regional Land Transport/Regional Stormwater Strategies;
- projects that have regard to Transfund policies; and
- projects that incorporate funding that would not otherwise have been available from other sources.

The Government's announcement on 12 December 2003 with regard to the Auckland Transport Package included the disestablishment of Infrastructure Auckland and transfer of its funds to a new regional entity. However, this raises the issue of how stormwater management should be financed to address the environmental effects summarised below.

The Auckland Region is a rapidly growing urban population centre, which faces a range of infrastructure and associated system management challenges to preserve and enhance the existing social, economic and environmental qualities, which make Auckland a desirable place to live, work and play in.

It has been estimated that within the context of stormwater infrastructure and associated system management, that capital expenditure alone over the next 20 years could be up to \$2.8 billion. In addition to the capital expenditure, there are significant operational costs that represent an ongoing obligation and which are generally not well recognised or funded by the Territorial Local Authorities.

Infrastructure Auckland has identified within its granting programme a notional allocation of \$150 million of which currently \$110 million is uncommitted. There has been an indication from central government that Infrastructure Auckland (and its asset base) will be part of reform process centred on Auckland transport. Infrastructure Auckland has been an active participant in the Joint Official Group of the Auckland Transport Strategy and Funding Project. This project has been a key driver of the identification of the need for significantly enhanced funding and implementation capability if the region is to achieve the desired transport outcomes that are consistent with both national and regional strategies.

The current stormwater capital funding from Infrastructure Auckland (focused on water quality) although a small contribution to the total level of expenditure required, is seen by stormwater network operators as an important element of the funding mix. There is a probability of the Infrastructure Auckland assets having been passed to a new agency, to assist with delivering of regional outcomes. The role and the context of the Infrastructure Auckland stormwater allocation going forward requires significantly enhanced understanding, within the context of a comprehensive regional outcome.

The report from Infrastructure Auckland has been developed in consultation with Territorial Local Authorities and will provide recommendations for the following:

- any proposed changes to the future ownership allocation of Infrastructure Auckland assets; or
- Infrastructure Auckland's 2004/2008 stormwater notional allocation for its 2004 Annual Plan if no institutional changes are made.

As this report will only be available on 31 January 2004, it is proposed to circulate Infrastructure Auckland's report under separate cover.

STRATEGIC CONTEXT

Infrastructure Auckland's objective is to develop a high level benefit driven Financial Business Plan that outlines options to leverage the Infrastructure Auckland stormwater fund to assist with closing the significant stormwater funding gap.

Infrastructure Auckland will contribute to the following Council strategic objectives:

- implementation of the Council's strategic platforms for Urban Villages, the Green Network and the Three Waters;
- compliance with the Local Government Act and the Resource Management Act; and
- enabling development in the catchment.

Council's approach to stormwater management is to promote integrated management in line with the Resource Management Act; particularly in terms of economic, social and environmental concerns, cross-Council integration, for example with roads, locality planning, parks, urban villages work and integration of stormwater management with protection and enhancement of the natural environment.

When considering projects for funding suitability, Infrastructure Auckland has regard to:

- the benefits to the wider Auckland community (including the community cost/benefit);
- promotion of Regional Strategies;
- the spread of projects throughout the region;
- enhancement of Regional economic performance; and
- the urgency of the project (for a variety of reasons).

Funding from Infrastructure Auckland has been essential for Project Twin Streams, which is a major strategic project for Council. It is clearly in Council's interest to ensure that funding that has already been approved by Infrastructure Auckland is protected.

ISSUES

In order to assess the social, economic, and environmental needs and benefits in relation to stormwater there must be a framework with which to rationally understand:

- where we are currently;
- the historical factors that have determined the current situation;
- what are possible future scenarios, and more importantly;
- what are the underlying drivers of that change.

This understanding of key drivers or levers of stormwater issues needs to be articulated before other factors relevant to the financial business plan can be reasonably brought into the mix and considered.

The Financial Business Plan will canvass:

- the current and historical situation;
- current funding sources and their generic quantum;
- range of costs (operating and capital) over three scenarios;
- benefit/ disbenefit packages of the scenarios;
- funding gap;
- discussion of new and enhanced funding options.

Methodology that will be utilised will include:

- trend analysis, historical and forecast;
- assumption development and testing;
- data consolidation.

Financial Business Plan Auckland Regional Stormwater Programme

The Business Plan will examine expenditure profiles at a programme level not at a specific project level. Planning, funding, implementation and network management process will work within existing legal structures and processes. The project will draw on existing information available and not initiate any new investigation or research. The Financial Business Plan:

- specifically addresses the next ten years;
- has a 20-year funding planning horizon, and;
- has an outcome planning horizon consistent with the Auckland Regional Growth Strategy (RGS) - 50 years.

The financial business plan that puts the leveraging opportunities of the Infrastructure Auckland stormwater fund into an appropriate context and will include the following:

- the current and historical situation;
- policy framework;
- current funding sources and their generic quantum;
- range of costs (operating and capital) over three scenarios;
- benefit/disbenefit packages of the scenarios;
- funding gap;
- discussion of new and enhanced funding options.

CONCLUSION

Council's consideration on the issues regarding the Auckland Transport Package should take into account funding for stormwater quality capital projects, which up to now has been available from Infrastructure Auckland.

Infrastructure Auckland has prepared a Financial Business Plan Auckland Regional Stormwater Programme and the Council is requested to consider the recommendation of this report and determine its position accordingly.

RECOMMENDATIONS

1. That the information be received.
2. That Council considers the report from Infrastructure Auckland on Regional Stormwater drainage and provides direction in due course.

Report prepared by: Tony Miguel, Group Manager: Asset Management.

