

AUCKLAND BUSINESS FORUM PRESENTATION TO THE BOARD OF INQUIRY FOR THE EAST WEST LINK PROJECT PROPOSAL

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Supported by Alan McDonald, Policy Director for the Employers & Manufacturers Association, and Tony Garnier, Project Coordinator for the Auckland Business Forum

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THE AUCKLAND BUSINESS FORUM FOUNDED IN 2000 WITH A PURPOSE TO REVERSE DECADES OF INACTION AND UNDERINVESTMENT TO BUILD THE CITY'S LONG-PLANNED TRANSPORT INFRASTRUCTURE NETWORK....

OUR FOCUS IS NOT JUST FOR MORE TAR SEAL, BUT AN INTEGRATED TRANSPORT NETWORK.... AN EFFICIENT, SAFE MOTORWAY AND LOCAL ROAD NETWORK AND A RELIABLE, AUCKLAND-WIDE PUBLIC TRANSPORT SYSTEM.....

..... BOTH THE CENTRAL RAIL LINK AND THE EAST WEST LINK.

FORUM MEMBERS INCLUDE - *AUCKLAND CHAMBERS OF COMMERCE, EMPLOYERS & MANUFACTURERS, NATIONAL ROAD CARRIERS, CIVIL CONTRACTORS, INFRASTRUCTURE NEW ZEALAND, PORTS OF AUCKLAND, AUCKLAND AIRPORT.*

THESE ORGANIZATIONS REPRESENT A CROSS-SECTION OF AUCKLAND INDUSTRY AND COMMERCE WHOSE ROLE INCLUDES GUARDIANSHIP OF BUSINESSES RESPONSIBLE FOR AROUND 500,000 AUCKLAND JOBS AND GENERATING 42% OF NEW ZEALAND'S GROSS DOMESTIC PRODUCT (GDP).

WE ARE AWARE A NUMBER OF BUSINESSES HAVE OPPOSED THE PROJECT WITH SOME SUPPORTIVE OF THE EAST WEST CONCEPT BUT HAVING CONCERNS ON SPECIFIC ISSUES.....

..... WE KNOW THE PANEL CAN IDENTIFY THE DIFFERENCE BETWEEN CONCENS BASED ON SELF-INTEREST AND WHAT'S GOOD FOR AUCKLAND.

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AUCKLAND'S POPULATION OF 1.6 MILLION IS GROWING FAST. EACH YEAR WE ADD A TOWN THE SIZE OF TIMARU OR WHANGANUI AND SINCE 2010 WHEN WE AMALGAMATED WE'VE ADDED A CITY THE SIZE OF HAMILTON.

IN THE LAST THREE YEARS AUCKLAND ADDED 121,200 PEOPLE. AUCKLAND'S GROWTH IN THE LAST TWO YEARS (87,500) IS HIGHER THAN THE PROJECTED GROWTH FOR WELLINGTON OVER THE NEXT 30 YEARS (84,600).

AN UPDATED PROJECTION HAS AUCKLAND REACHING 2 MILLION BY 2029 RATHER THAN THE MID-2030'S.

CONSEQUENCES ARE A BOOMING ECONOMY – GROWTH IN JOBS, CONSTRUCTION, EXPORTS, NEW SERVICES INDUSTRIES, AND THE GOVERNMENT ENJOYING THE BENEFITS OF INCREASED TAXATION REVENUE.

BUT OTHER CONSEQUENCES OF FAST GROWTH ARE JUST AS OBVIOUS –

- SKILL SHORTAGES ACROSS THE BOARD,
- A HOUSE BUILD RATE WELL BELOW DEMAND,
- INCREASING TRAFFIC CONGESTION AND MORE FREIGHT.

SINCE 2014, CONGESTION ON THE ARTERIAL NETWORK HAS INCREASED EACH YEAR, WHICH IF IT CONTINUES AT CURRENT RATES WILL SEE AROUND A THIRD OF THE NETWORK CONGESTED THROUGH MOST WORKING DAYS BY 2020.

IN 2016, TRAVEL TIMES ON FREIGHT ROUTES MONITORED BY AUCKLAND TRANSPORT INCREASED BY AN AVERAGE OF 10 PERCENT OVER A PERIOD OF 12 MONTHS.

IT IS A RACE TO REGIONAL GRIDLOCK WHICH THE CONGESTION TREND IN THE NEILSON AND CHURCH STREET FREIGHT CORRIDORS ARE LEADING.

WE COULD HAVE SAID: 'TURN OFF THE MIGRATION TAP. TURN OFF GROWTH. STOP BECOMING THE BUSINESS HUB IN THE SOUTH PACIFIC.'

THAT HASN'T HAPPENED – AND WON'T.

AND FOR A WHOLE VARIETY OF REASONS PUTTING LIMITS ON PEOPLE COMING TO AUCKLAND WON'T SOLVE THE PROBLEMS WE HAVE....

..... PUTTING ASIDE RECENT FAST GROWTH, THE SLOW PACE WE HAVE TAKEN TO INVEST IN BUILDING THE BASIC TRANSPORT NETWORK AGREED DECADES AGO, MEANS WE FACE A DECADE OF 'CATCH-UP'.

WE NO LONGER HAVE A CHOICE.

WE HAVE TO SUPERIMPOSE A TRANSPORT NETWORK ABLE TO MOVE PEOPLE AND GOODS ACROSS THE CITY IN A WAY THAT MEASURABLY REDUCES CONGESTION, SUPPORTS GROWTH AND PRODUCTIVITY AND IMPROVES ACCESS TO EMPLOYMENT.

WHAT REGISTERS WITH AUCKLANDERS IS HOW THESE ECONOMIC INDICATORS TRANSLATE IN TERMS OF DAILY LIVING AND FULFILLING THEIR CAREER AND EMPLOYMENT ASPIRATIONS.

AS YOU KNOW, THE EAST WEST LINK AND WESTERN RING ROUTE WERE BOTH PLANNED FOR AROUND 1970.

IT HAS TAKEN 50 YEARS TO COMPLETE THE WESTERN RING ROUTE AND THE EAST WEST IS STILL YEARS AWAY....

THE CONSEQUENCES THE WATERVIEW TUNNELS ARE HAVING ON THE LIVES OF AUCKLANDERS HAS BEEN INSTANT:

- COMMUTERS ARE GETTING BACK 40-50 MINUTES AT BOTH ENDS OF THEIR DAY.....
- TRADIES ARE MANAGING AN EXTRA JOB, TRUCKIES AN EXTRA DELIVERY....
- TRAVELLING FROM THE NORTH SHORE TO THE AIRPORT MORE RELIABLE....

THE EAST WEST LINK IS ABOUT ALL THOSE THINGS.
REDUCING CONGESTION MUST BE THE FIRST GOAL.
IT IS CONGESTION LASTING THROUGH MOST WORKING DAYS DOMINATED BY COMMERCIAL AND HEAVY TRUCK TRAFFIC

.... 6000 HEAVY TRUCKS A DAY – ONE EVERY 10 SECONDS - LOADED WITH GOODS, PRODUCE AND FREIGHT HEADING TO-FROM THE SOUTHDOWN RAIL HEAD AND NEARBY LOGISTICS AND DISTRIBUTION BUSINESSES...AND DESTINATIONS ACROSS THE UPPER NORTH ISLAND.

IT IS ACTIVITY REFLECTING AUCKLAND'S BOOMING ECONOMY – BUT WHICH REINFORCES OUR UNDER-PERFORMANCE, SLOW PACE TO CATCH-UP AND TARGET ACTION THAT REDUCES CONGESTION.

A TRIP ON NEILSON OR CHURCH STREETS THAT SHOULD TAKE NO MORE THAN 10-15 MINUTE TO-FROM THE MOTORWAYS OFTEN TAKES 35-45 MINUTES....

AT \$125-PLUS AN HOUR TO RUN A TRUCK, THE TIME-COST OF DELAY TO THE FREIGHT INDUSTRY ON THIS PART OF THE NETWORK ALONE RUNS INTO MILLIONS OF DOLLARS A YEAR.....

..... NOT JUST A LOSS TO THE INDUSTRY BUT TO AUCKLAND AND ITS ECONOMY.

FOR TRUCK DRIVERS ON INTERCITY DELIVERY RUNS, THERE IS EXTRA FRUSTRATION, UNCERTAINTY AND COST. THEY ARE LIMITED TO 12-13 HOURS

STRAIGHT WORK – UNPREDICTED CONGESTION IN THIS PART OF AUCKLAND LEADS TO:

- FAILED DELIVERY SCHEDULES – COSTING REPUTATIONS AND CUSTOMERS
- HAVING TO BREAK THE JOURNEY OR CARRY THE COST OF AN EXTRA DRIVER
- BROKEN FAMILY AND SOCIAL LIFE.

THIS PROJECT MUST PROCEED.

OUR SUBMISSION SUPPORTS THE PROPOSED NEW MOTORWAY-TO-MOTORWAY ROAD AND AGREES IT IS IN THE BEST PLACE.

SO WHAT DESIGN WILL ACHIEVE AN OPTIMAL OUTCOME THAT GETS WATERVIEW-LEVEL BENEFITS FOR MOTORISTS?

OBVIOUSLY ITS PURPOSE SHOULD BE TO ENABLE EFFICIENT AND SAFE

- ACCESS INTO THE INDUSTRIAL PRECINCT, SOUTHDOWN RAILWAY TERMINAL AND OTHER FREIGHT DISTRIBUTION BUSINESSES.
- THROUGH MOVEMENT OF TRAFFIC TRAVELLING FROM WEST TO EAST AUCKLAND;
- REDUCE CONGESTION AND CONFLICTS BETWEEN COMMERCIAL & FREIGHT TRAFFIC AND THE RETAIL & RESIDENTIAL TRAFFIC IN SUBURBAN ONEHUNGA;
- RETURN LOCAL ROADS TO THE COMMUNITY AND RESIDENTS; AND
- RETAIN THE CAPACITY TO PROVIDE A STRATEGIC CORRIDOR FOR FREIGHT AND COMMUTER TRAFFIC TO THE EASTERN SIDE OF THE SOUTHERN MOTORWAY.

WE SEEK A SEAMLESS ROUTE WITH LEAST POSSIBLE INHIBITORS FOR ACCESS TO THE BUSINESS AREA – OUR EXPERTISE IS BUSINESS AND NOT GETTING INTO THE ENGINEERING AND DESIGN DETAILS FOR ACHIEVING THIS.

WE ACCEPT THAT A CRITICAL CONSIDERATION WILL BE PROTECTING SPACE IN THE CORRIDOR TO ALLOW FOR FUTURE GROWTH; E.G. SOME TIME IN THE FUTURE, TO ADD A THIRD LANE IN EACH DIRECTION AND ENABLE THE ROADS EXTENSION TO EAST TAMAKI AND THE EASTERN SUBURBS.

THE NEW TRAFFIC FLOWS CREATED BY THE WATERVIEW TUNNELS IS ALREADY INDICATING THE EAST-WEST LINK WILL QUICKLY BECOME A POPULAR ROUTE FOR TRAFFIC FROM WESTERN AND NORTH WESTERN SUBURBS TO EAST TAMAKI AND FURTHER EAST.

TWO CLOSING POINTS:

WE ARE AWARE THAT THE FORESHORE SECTION OF THE PROJECT IS MAINLY ON RECLAIMED AND HEAVILY POLLUTED LAND.

WE SUPPORT AND SEE AS ESSENTIAL NZTA'S PROPOSED RECLAMATION 'CLEAN-UP'. WE SEE IT AS A BOTTOM LINE THAT DELIVERS ENVIRONMENTAL AND ACCESS BENEFITS TO A HISTORICALLY NEGLECTED PART OF AUCKLAND'S FORESHORE THAT WOULD BE UNLIKELY WITHOUT THIS PROJECT.

IT MUST BE DONE WELL AND MUST BE ACKNOWLEDGED.

SECOND, AT ABOUT \$1.5 BILLION (\$1.25 - \$1.85), THIS SEEMS AN EXPENSIVE PROJECT.

AUCKLAND/NZ HAS LIMITED RESOURCES AND NZTA IS REQUIRED TO ADOPT A 'VALUE FOR MONEY' APPROACH IN EVERYTHING THEY DO

IT IS A CATCH-UP PROJECT WE SHOULD HAVE DONE 30 YEARS AGO, AND PART OF THE COST REFLECTS OUR LACK OF FORESIGHT TO DO WHAT WE NO LONGER CAN AVOID.

THE COST CONCERN IS NOT ABOUT WHETHER WE CAN AFFORD THE PROJECT BUT THE COST OF NOT DOING IT.

TO THE CONTRARY, I AM REASSURED BY COMPARISON WITH THE BENEFIT-COST RATIO ESTABLISHED PRIOR TO CONSTRUCTION FOR THE WATERVIEW TUNNELS – 1.15, INCLUDING FINANCING COSTS FOR CONSTRUCTION.

THE BENEFITS WERE OVERWHELMINGLY ATTRIBUTED TO TRAVEL TIME SAVINGS AND CONGESTION COST SAVINGS.

THE EAST WEST LINK BENEFIT COST RATIO IS 1.9 – MEANING THAT FOR EVERY DOLLAR SPENT ON THE PROJECT WE WILL GET BACK \$1.90 – HIGHER THAN THE RETURN PROJECTED FOR THE WATERVIEW TUNNELS.

THIS ROAD HAS BEEN ON AUCKLAND'S LEGACY AGENDA AS A 'HIGHEST PRIORITY' PROJECT SINCE THE SINGLE COUNCIL WAS FORMED IN 2010.

IF WATERVIEW HAS DELIVERED A LONG-DELAYED STUNNING RESULT FOR AUCKLANDERS, ON A STRAIGHT NUMBERS COMPARISON, THE EAST WEST 'CATCH-UP' MORE THAN STACKS UP.

IT IS NO LONGER A PROJECT ABOUT 'WHY' OR "WHY NOT" BUT 'WHEN' AND 'HOW FAST' - A TEST OF OUR RESOLVE TO TAKE OWNERSHIP FOR TAKING AUCKLAND TO THE NEXT LEVEL.

(ENDS)