

HAMILTON TO AUCKLAND PASSENGER RAIL SERVICE

RATONGA TEREINA MAI I KIRIKIROA KI TĀMAKI MAKĀURAU

There is a need to improve transport connections between Hamilton and Auckland, especially given the increasing number of commuters along this corridor.

Hamilton City Council has asked us to rate Hamilton City ratepayers for a two year trial of a passenger rail service between Hamilton and Auckland.

The Minister for Transport has indicated that a revised draft of the Government Policy Statement is expected to be completed in early 2018, giving public transport greater priority and expanding the public transport system to support interregional commuting, and also increasing the use of rail to enable efficient passenger transport. It is the minister’s priority to work on a service between Hamilton and Auckland.

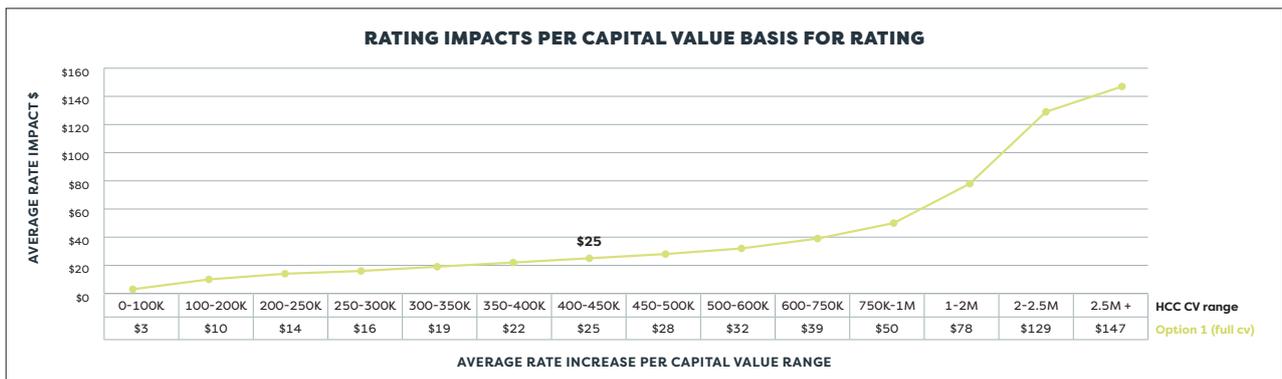
We currently fund other forms of public transport in Hamilton, like buses, through a targeted public transport rate, fares from customers and a 51 per cent subsidy from the NZ Transport Agency which supports their aim of reducing congestion on the roading network.

In conjunction with Hamilton City Council, we conducted a customer demand survey to see whether there is demand for the service. The results show that with the proposed fare, journey time and service timetable there is a sufficient level of demand for the trial service.

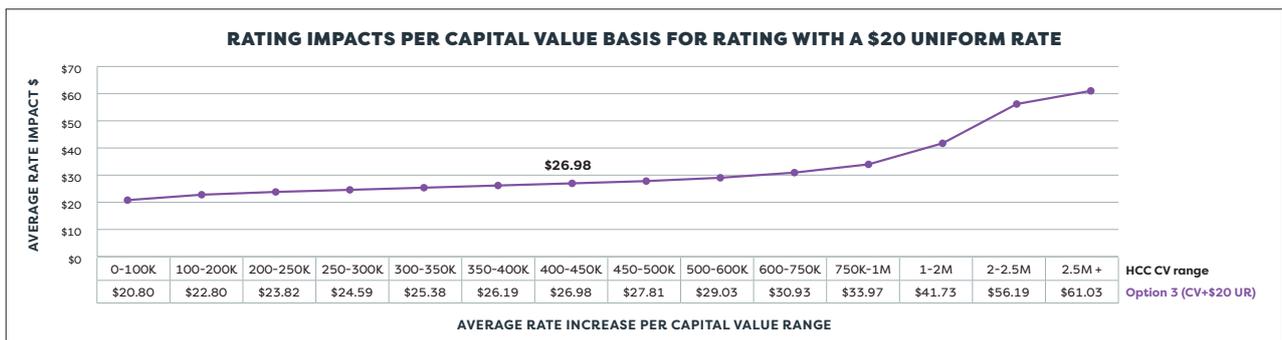
The survey results also show there is a much higher level of demand for a service that has faster travel times. This is something the business case for a long term solution will take into account.

The exact timing for the start of this proposal is contingent on a number of issues being resolved. However, we have budgeted \$4 million in total costs in year 1 of the LTP and \$8 million each year thereafter. This is based on the assumption that this service would start midway through the year. We are seeking a minimum government contribution of 75 per cent of the total cost less fare revenue with the balance funded by rates.

This proposal only impacts on Hamilton City ratepayers, and under option 2 (our council’s preferred option) would see the majority of ratepayers paying less than \$30 per year towards the service. For an indication of how this would impact on your rates, see the graph below.



Under option 3, all Hamilton City ratepayers would pay a minimum of \$20 and an additional portion based on the capital value of their property. For an indication of how this option would impact on your rates, see the graph below.





HOW THE SERVICE WOULD WORK

For the two year trial period, two return services a day would leave from the Hamilton train station in Frankton at 6am and 6.40am, arriving at the Papakura train station in Auckland, where connections could be made to the wider rail network within Auckland. Confirming the number of stops and their location within the Waikato district is dependent on what station infrastructure is available and the impacts of travel time. The return services would leave Papakura between 5pm and 6pm.

- The trains from Hamilton to Papakura would have air-conditioning, heating, wi-fi and toilets.
- Hamilton to Papakura is estimated to take 1 hour and 30 minutes.
- Hamilton to Britomart is estimated to take 2 hours and 30 minutes, including waiting for the transfer in Papakura.
- The cost of a one way fare from Hamilton to Britomart is proposed to be \$16.10.

Hamilton City Council is committed to this proposal and has already bought land near The Base in Te Rapa to provide a park and ride service. It has also allowed for funding in its draft 10-Year Plan to establish a rail station at The Base. Waikato District Council has indicated that they will support this proposal if it receives significant government funding. However, due to financial constraints they have not proposed any funding towards the service or infrastructure in their long term plan.**

There are still a number of important issues that need to be worked through before we will commit to funding this proposal. Most significant is confirmation of central government funding for the proposal of no less than 75 per cent of the cost, less fare revenue. We also do not want to buy or pay for the refurbishment of required passenger carriages.

We are working on confirming these aspects of the proposal, and will have the answers in time to make decisions in our long term plan. In the meantime, we want to know what you think.

Do you support the idea of having a passenger rail service between Hamilton and Auckland and the council rating Hamilton ratepayers for the service?

PREFERRED OPTION

OPTION 1

Status quo – no trial passenger rail service

- Current system will continue with no passenger rail service between the two cities.
- Loss of opportunity to take up central government support for the proposal.

Impact on levels of service: No change

Total cost: Nil

Impact on rates: Nil

OPTION 2

Implement an interim rail service between Hamilton and Auckland with rating based on capital value of the property

- Improved linkages between Hamilton and Auckland.
- Taking up the opportunity to support the Government's priority for a passenger rail service.
- Will come at an additional cost to Hamilton ratepayers. Higher valued properties will contribute more.

Impact on levels of service: Increase

Total cost: \$8 million per annum before NZ Transport Agency subsidy.

Impact on rates: \$6.45 per \$100,000 of capital value*

OPTION 3

Implement an interim rail service between Hamilton and Auckland with rating based on a minimum \$20 uniform charge component and then capital value of the property

- Improved linkages between Hamilton and Auckland.
- Taking up the opportunity to support the Government's priority for a passenger rail service.
- Will come at an additional cost to Hamilton ratepayers.
- Lower valued properties will contribute more than option 2.

Impact on levels of service: Increase

Total cost: \$8 million per annum before NZ Transport Agency subsidy.

Impact on rates: Uniform charge of \$20 plus \$2.24 per \$100,000 of capital value*

** Correction: Waikato District Council have included funding of \$511,000 in their draft Long Term Plan for the upgrade of the Tuakau rail platform in 2020.

* Capped at \$2.5 million of capital value.