



CITY RAIL LINK: THIRD MONITORING REPORT ON PROGRESS AGAINST THRESHOLDS

The third monitoring report provides an update on Auckland CBD employment and rail patronage growth.

Background

On 28 June 2013, the Prime Minister announced the Government's commitment to a joint business case with Auckland Council for the City Rail Link in 2017 and to providing its share of funding for a construction start in 2020.

The Prime Minister also stated that the Government would consider an earlier business case and construction start date if it becomes clear that Auckland's CBD employment and rail patronage hit thresholds faster than current rates of growth suggest. The two thresholds are:

- an increase in Auckland CBD employment of 25 percent over the February 2012 estimate (the baseline), which is half of the increase to 2021 predicted in the 2012 *City Centre Future Access Study*¹; and
- rail patronage is on track to hit 20 million trips a year well before 2020.

This report updates on progress against both the CBD employment and rail patronage thresholds.

CBD employment

The best measure of CBD employment growth is provided by the Statistics New Zealand Business Demographics Database². The Database, which covers all of New Zealand, is published annually in early November and provides estimates of employment over the month of February in the same year.

At the time of the Prime Minister's announcement, there were estimated to be 98,030 employees³ in the five Census Area Units comprising the Auckland CBD⁴. The estimate of 98,030 employees therefore becomes the baseline for measuring the growth of the CBD and the threshold for an early consideration of the City Rail Link is 122,528 employees.

In the year to February 2014, CBD employment grew by 570 employees, a 0.6 percent increase. Since the February 2012 estimate (the baseline), CBD employment has grown by 2,720 employees or 2.8 percent.

¹ The 2012 City Centre Future Access Study was commissioned by Auckland Transport following the then Minister of Transport's call for further work to investigate options for addressing public transport access to Auckland's city centre. This was in response to the initial business case for the City Rail Link.

² The 2013 report *Monitoring Employment Growth in the Auckland CBD: A Proposed Approach*, by Richard Paling Consulting, considered approaches to measuring CBD employment growth and concluded that the Database provides the best source of annual employment statistics for the CBD.

³ This is based on the February 2012 estimate, the most recent data available at the time of the announcement.

⁴ These Census Area Units are Auckland Harbourside, Auckland Central West, Auckland Central East, Grafton West and Newton.



Rail patronage

Auckland Transport's rail patronage data for the year to December 2014 shows patronage of 12,515,329 trips. This compares to 10,610,956 trips for the previous year. This is an increase of 1,904,373 trips or 17.9 percent.

We expect to see continued strong rail patronage growth until around 2017/18, as the full electric train fleet comes into service and the new bus network is rolled out. From 2017/18, we expect the rate of patronage growth to slow.

Assessment

CBD employment is currently 100,750 employees, compared to the 25 percent growth threshold of 122,528 employees.

Rail patronage for the year to December 2014 was 12,515,329 trips compared to the threshold of 20,000,000 trips well before 2020.

CBD employment levels and rail patronage are some way from reaching the thresholds set by the Government for considering an earlier business case and construction start date for the City Rail Link.