



Auckland  
**LIGHT RAIL**  
Bringing us closer



# City Centre to Māngere Rapid Transit

**Independent Chair's Report**

October 2021

Ki ngā Mana Whenua, ngā mātāwaka, ngā rau rangatira mā o Tāmaki nui, o Tāmaki roa, Tāmaki Makaurau, Tēnā koutou katoa.

Ko te tuatahi e tika ana kia mihi ki te wāhi ngaro, ki ngā Atua, ki ngā mana kei tua o te pae maumahara.

Ki te Kīngi Tūheitia me tōna Whare Ariki, ngā rangatira katoa o Tāmaki herehere o ngā waka e, Paimārire ki a kātou katoa.

Ki ngā mate huhua kua hinga atu, kua hinga mai, haere atu koutou ki te mūrau o te tini, ki te wenerau o te mano. Nō reira, Moe mai rā.

Ki a tātou ngā mahuetanga o rātou mā, Tēnā koutou, Tēnā koutou katoa.

Ka tirohia e tātou te pae tawhiti, he whakairinga tūmanako mō ngā uri whakaheke,

Anei te pūrongo ‘Te Terewhiti ki Tāmaki’. Ehara tēnei i te kaupapa mō te Terewhiti anake he kaupapa ka whakarato ai ngā āheinga me ngā whiwhinga ki ngā tāngata o Tāmaki, ka mōhio whānuitia ‘He tāone taioreore nui o te ao, ka manakohia e te iwi pūmanawa ka noho ai’

Nō reira i roto i ngā kupu tuku iho; “Ki te kāhore he whakakitenga ka ngaro te iwi.” Na Kingi Tāwhiao

Kei ngā huia kaimanawa o Tāmaki Makaurau,

Tēnā koutou, tēnā tātou katoa

To the people of the land, to the many ethnic groups, to the leaders of the vast Auckland, the far-reaching Auckland, Auckland of the multitudes – salutations to you all.

Firstly, it is right that we acknowledge the unseen world, the Gods and the powers from beyond our experience.

To King Tūheitia and his Royal household, and all the leaders of Auckland that bind the many canoes, goodwill to them all.

To the multitudes who have passed on, we farewell you, the dread of the multitude, the envy of thousands. Forever rest in peace.

To all of us left behind – greetings and salutations to you all.

We look to the future, the repository of our hopes for generations to come.

Please find that this light rail report reflects this is not just a transport project but an initiative that will provide opportunities for the people of Auckland, so Auckland will be known by all as ‘a world-class city where talent wants to be’

In conclusion, in the words handed down; “Without foresight or vision, the people will be lost.”

To all the treasured people of Auckland, greetings and salutations to you all.

## Contents

<b>Purpose</b>	<b>8</b>
Part One.....	9
Part Two.....	10
Part Three.....	11
Part Four.....	11
<b>PART ONE: WHAT WE HAVE ACCOMPLISHED SO FAR</b>	<b>12</b>
<b>What we were asked to do</b>	<b>13</b>
<b>What we have accomplished</b>	<b>14</b>
Engagement.....	14
Developing proposed solutions.....	16
Planning for delivery.....	16
Indicative Business Case.....	16
<b>How we partnered and governed the Project</b>	<b>17</b>
Strong partnerships.....	18
<b>PART TWO: FACILITATING SUSTAINABLE GROWTH</b>	<b>20</b>
<b>A city shaping opportunity - the city centre to Māngere Corridor</b>	<b>22</b>
<b>What could urban growth look like along the CC2M corridor</b>	<b>24</b>
Future One: Bus based public transport.....	24
Future Two: Investment in rapid transit.....	26
Future Three: Investment in rapid transit plus urban interventions.....	27
<b>Rapid transit solution</b>	<b>31</b>
Preferred option.....	38
Other board member views.....	39
The Tunnelled Light Rail experience (the preferred option).....	40

<b>PART THREE: DELIVERING THE CHANGE</b>	<b>42</b>
<b>Delivering the change - The preferred Delivery Entity</b>	<b>43</b>
Transition phase.....	43
Delivery phase – Final Delivery Entity.....	44
<b>Governing the change</b>	<b>46</b>
<b>Funding the change</b>	<b>48</b>
<b>PART FOUR: NEXT STEPS</b>	<b>50</b>

## Foreword from the chair

Kia ora koutou katoa

The fundamental urban challenge of the 21st century is making our cities sustainable and inclusive places to live, work and play, not just for us but for future generations.

Infrastructure determines the shape of a city and contributes to creating well-functioning cities. Decisions made today will shape our city of tomorrow. Public transport is a key piece of that infrastructure. A good public transport network helps create successful cities by providing better connections and accessibility. It is a major contributor to economic, social and environmental goals.

Climate change is the one of the biggest challenges facing the world. In Auckland we are seeing the effects with more adverse weather events from storms with heavy rain to drought. Private vehicles are one of the biggest contributors to emissions. Too many vehicles also contribute to congestion. In Auckland the configuration of the city and its public transport infrastructure means many people have no viable transport choice other than their cars. Attractive and reliable rapid transit will give us the choice to make the mode shift. We need to act now otherwise we risk being locked into a high-emissions economy.

To take part in society people need to be able to move to where they need to be. Public transport helps people to get involved in social and economic activities – including people with disabilities, the elderly, young people and people living in socio-economically deprived communities. Māngere is one area where there is transport disadvantage which needs to be addressed to reduce inequity.

The Auckland Plan 2050 notes that most growth over the next 30 years should be focussed in the existing urban area, supporting quality compact urban form. Rapid transit supports high quality compact urban form, bringing people closer to jobs, education, services and amenities. This helps to address housing supply and housing affordability. Without investment in rapid transport in this corridor to support growth, the growth will be more likely to be low intensity development through the existing urban area and the urban edge.

Successful cities around the world have demonstrated the benefits of relying on effective public transport. We only have to look across to Australia where their major cities are increasingly well serviced by rapid transit which supports high urban density. For example in Sydney rapid transit has roots deep in their history dating back to 1879 when they had one of the largest tram networks in the world. Today 69% of all trips in Sydney's inner city are undertaken in public transport or active transport such as walking or cycling. Melbourne chose to retain its tram network throughout the 20th century, unlike many cities around the world, which has served that city well. Cities that chose to replace their tram networks for car-based investment now need to reinvest in such networks.

In the last 20 years there has been significant move towards investment in public transport notably heavy rail, bus and ferries. But much more is needed to achieve the modal shift required to maintain and grow Auckland's liveability. Going forward we need to change the paradigm.



Our project is proposing to put in a core piece of transport infrastructure along the city centre to Māngere corridor (CC2M) that supports high quality compact urban form, help address inequity especially for Māngere and Mt Roskill communities and help New Zealand meet its carbon commitments. It will provide an attractive service that is attractive to users ensuring reliable access to jobs, education and services. The project is key to unlocking a high-quality transport solution for planned developments along the corridor. It will be the first part of a wider rapid transit network that will drive and shape Auckland's future growth and will provide the basis of an important rapid transit connection to the communities of the Northwest and North Shore. It will be a key contributor to decarbonising Auckland's transport system and urban form.

To achieve the project's urban ambitions, many organisations will need to collaborate to successfully deliver a range of interventions, including planning, investment and delivery.

To make transport and urban development meet the needs of the communities they will serve we need to involve the community. This has come out strongly in the engagement we have done to date. We are committed in future phases of the project to continue to engage to get the right outcomes for those communities.

Building a strong and enduring partnership with Mana Whenua to deliver positive outcomes for Māori as a Treaty partner, we are committed to representation in decision-making in governance and management and across the programme more broadly. A critical success factor of this investment will be achieving positive outcomes for Māori.

Auckland is at an important juncture with its transport investment programme. We know that such investment shapes urban form outcomes and has a direct relationship to carbon emissions and climate change. The Establishment Unit investigated a long list of public transport options and identified a preferred option for the CCM2 corridor.

This report represents the recommendations of the Auckland Light Rail Establishment Unit to Sponsors. The Establishment Unit has done an outstanding job in developing an ambitious business case, in a relatively short period of time, that aims to respond to the strategic questions that were set by Cabinet. This report makes a number of recommendations that the Board has made, based on the evidence that has been presented to the Board in the time available. This seeks to inform Ministers prior to Cabinet's decisions on how best to move forward. The Minister of Transport will report back to Cabinet with further advice on a preferred way forward for the project towards the end of the year.

As a professional Planner and Senior Executive involved in planning and infrastructure investment in Tāmaki Makaurau since 1975, I have a high level of confidence in recommending this report of the Auckland Light Rail Establishment Board to you. I also want to thank the Board and the Project team, ably lead by Tommy Parker, for the work undertaken on this report.

Ngā mihi nui kia koutou

**Leigh Auton – Chair of the Establishment Unit Board**  
City Centre to Māngere Project

## Purpose of the report

This report summarises the key findings and insights from the Establishment Phase of City Centre to Māngere rapid transit project (the Project). This report, together with my recommendations, will constitute my advice to Sponsors.

This report is divided into four parts. The following sets out what those parts will cover and the key findings. The key finding is we have found a strong case for a high frequency rapid transit service to be developed between Wynyard Quarter and the airport precinct and that should be integrated with urban interventions.

### Part One

This will set out:

- What we were asked to do in the establishment phase
- What we have accomplished
- How we governed and partnered to complete the work.

#### Key deliverables and engagement findings

The Establishment Unit has delivered everything they were asked to and have set the Project up for the next stage.

#### Mana Whenua engagement

- Three themes emerged from engagement with Mana Whenua
  - Relationships and ongoing role in the Project – as a Treaty partner, they will participate in decision-making in governance and management and at all layers of the Delivery entity and across the Project.
  - Environment outcomes
  - Economic outcomes – Mana Whenua saw opportunities to grow the Māori economy and whānau intergenerational wealth
- Concerns were expressed about the effects of gentrification, protecting sites of significance and waahi tapu, ensuring viewshafts are maintained and the impact on the Manukau Harbour.

#### Community and stakeholder engagement

- There was strong support from corridor communities, particularly at the southern end of the corridor.
- The main message from people who support rapid transit is that they want a service that is reliable, fast, safe, convenient, accessible, has a route close to where they need to go, frequent and connects to other public transport.
- Concerns were expressed about affordability of travel, potential for gentrification and displacement, construction disruption for business, impacts, culturally significant areas and landmarks, heritage value along the corridor and cost and value for money.
- Working with different communities through different phases of the Project was seen as important to get a service that met the needs of the community and incorporates and showcases culture.

## Part Two

This will set out:

- The choices of different futures along the CC2M corridor
- How rapid transit integrated with urban interventions can deliver the preferred future
- How to progress in the next phase of the Project an agreed urban intervention Masterplan
- What the preferred rapid transit solution is.

### Key rapid transit and urban findings

- Investment in rapid transit, integrated with urban interventions, will deliver the most benefit for the most people in Auckland with 25% of Auckland's new growth inside the Rural Urban Boundary accommodated in the corridor.
- To unlock the full potential of quality urban growth along the CC2M corridor, urban interventions will need to be integrated with the investment in mass rapid transit along the CC2M corridor. In the next phase of the Project, we recommend that more clarity on urban development opportunities at each node and partner roles to develop a Masterplan should be developed.
- Considering the trade-offs, the Tunnelled Light Rail along the CC2M corridor is the preferred option, because it provides the greatest level of benefits in terms of transport and urban development within the corridor, the least disruption, and the best opportunities for future network integration. Our recommendation is that the tunnel should extend from the Wynyard Quarter to Mt Roskill.
- During the next phase of the Project, we recommend this option be investigated further to ensure greater certainty on scheme design, costs, and schedule. Options on the extent of tunnelling at the northern end of the route (including the possibility of a shorter tunnel, with more surface running Light Rail) could be explored. This phase would also involve further consultation with community, iwi and stakeholders and the work would be informed by the work of the Additional Waitemata Harbour Crossing project and ARTP on broader network issues.
- The surface running Light Rail option is also an attractive scheme which meets the investment objectives with a lower cost. The trade-offs include a commensurate reduction in the scale of forecast benefits and urban development.
- Our recommended route for a surface running Light Rail would be Dominion Road.

## Part Three

This will look at how that change can be delivered.

### Key delivery findings

- Significant investment by both central and Auckland local government will be required to deliver the project and the outcomes it aims to achieve. Local and regional beneficiaries can make a meaningful funding contribution through leveraging existing, or new, value capture tools. Nevertheless, the Crown is expected to fund most of the capital costs of the Project. In line with current settings, Auckland Council would be expected to make a material contribution to operating costs. There are opportunities to seek to contribute to some of the Crown funding commitment through urban redevelopment activities. This will require intervention and potentially upfront capital.
- The Project should continue to be developed and implemented in partnership between the Crown, Auckland Council and Mana Whenua across multiple levels of governance and management.
- The preferred choices for the entity to take the Project forward are for a new purpose-designed Schedule 4A company or Waka Kotahi (through an internal business unit or subsidiary). We propose the project keeps open the choice of final entity at this point until further detailed planning work is undertaken to provide more clarity on route and mode, the associated urban development opportunities in relation to risk and control of urban outcomes, and the role of the entity and its partners in delivering the outcomes.
- In the meantime, the Project should be housed within Waka Kotahi during the next phase of the project, which covers detailed planning, working in a collaborative partnership with Auckland Council, Auckland Transport, Kāinga Ora and iwi.

## Part Four

This will set the next steps for the Project.

### Key next steps

- Tasks during the next phase would include master planning along the corridor with continued community, Māori and stakeholder engagement, refining the transport scheme and costs, commence consenting and strategic property acquisition, preparation of the Detailed Business Case (DBC), working with the Additional Waitemata Harbour Crossing project and Auckland Rapid Transit Plan (ARTP) on broader network issues, and undertaking additional work to determine the final entity, governance and funding arrangements, and partner roles.

# Part One: what we have accomplished so far

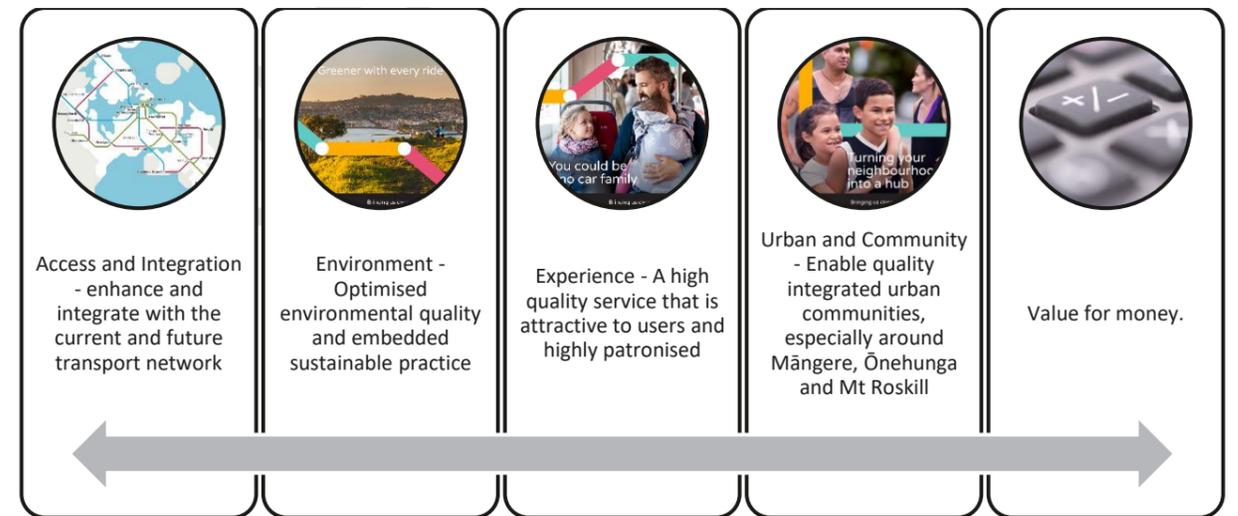
The Establishment Unit was formed to investigate a rapid transit solution along the CC2M corridor to enable higher density and better-quality urban development, leading to stronger communities, greater vitality, and attractive compact urban form.

In March 2021, the Government reaffirmed that the delivery of rapid transit investment in the city centre to Māngere (CC2M) corridor as an "important city-shaping project".

Government has identified the need to investigate strategic choices and trade-offs to confirm the best way forward. To do that work the Establishment Unit was created to look at the case for a rapid transit solution along the CC2M corridor.

# What we were asked to do

The Unit was asked to develop an Indicative Business Case (IBC) to identify a solution that would deliver the following outcomes.



During this phase we were asked to undertake the following work:

- Complete a business case to inform advice to Cabinet
- Undertake initial iwi, stakeholder, and community engagement
- Prepare advice on the form and governance arrangements for the delivery entity for the Project
- Prepare advice on the options to take the project forward, including mode alignment and decision gateways
- Support and inform, as required the policy work undertaken by the policy agencies
- Start work on the value capture mechanisms and funding tools for the Project.

# What we have accomplished

The key areas of activity undertaken by the Establishment Unit in the past six months are set out below.

## Engagement

### Initial Mana Whenua engagement

We were tasked with pro-actively engaging with Mana Whenua and Māori to increase visibility and awareness and develop social licence and explore partnering opportunities as envisaged under Te Tiriti o Waitangi Treaty of Waitangi.

Our objectives for the Mana Whenua engagement were to:

- Establish strong enduring relationships with Mana Whenua who are influential partners
- Inform and empower Mana Whenua in the project
- Identify high level aspirations, opportunities, challenges, and risks for mana whenua. This will set the platform for the delivery phase once further Cabinet decisions are made.

We engaged with 11 Mana Whenua during our leadership kōrero. Each Mana Whenua group has its own set of priorities according to their aspirations, and these span all aspects of Māori wellbeing, environmental, cultural, economic, and social.

### Our key findings

- **Relationships and role in the Project** – Mana whenua have an expectation that as a Treaty partner, they will be participate in decision-making in governance and management and at all layers of the Delivery entity and across the Project.
- **Environment outcomes** – Environment outcomes are a key outcome for the Project and the expression of kaitiakitanga and the health and wellbeing of the Manukau Harbour is of high significance to mana whenua. Ensuring sites of significance and waahi tapu are protected was also a focus.
- **Economic outcomes** – Mana Whenua saw opportunities to grow the Māori economy and whānau intergenerational wealth will be enabled by increasing access to employment and education and job creation during the Project
- Concerns were expressed about:
  - the effects of gentrification
  - ensuring sites of significance and waahi tapu are protected
  - Ensuring viewshafts are maintained and avoided by intensification and mode/route.
  - the impact on the Manukau Harbour.

### Initial Community and Stakeholder Engagement

We have laid the foundations for a social licence within corridor communities to progress to the next stage. This will be strengthened by working closely with communities, Māori and stakeholders within the corridor and more broadly in the next phase.

Since June 2021, we have carried out community and stakeholder engagement to raise public awareness and gather views from a diverse cross section of people on what the Project could mean for the city. A multi-faceted engagement approach was implemented to ensure touch points for stakeholders, with a particular focus on corridor communities. Over three months the team held 14 community events, 21 community and stakeholder workshops, 15 stakeholder presentations and 33 stakeholder meetings – reaching over 115 stakeholder groups. More than 2,800 feedback responses were also received via an online public survey. We have helped to build support from stakeholders to advocate for the project and to establish overall social licence to progress to the next phase.

### Our key findings

- More people we heard from support light rail than those who don't (66% of people voicing support). The corridor communities and South Auckland communities showed the strongest support overall (ranging between 68%- 82%). People in North and East Auckland indicated the most concern or opposition (29-34% of people). Some people in these communities objected to the proposal because they thought that their area should receive rapid transit first. People in the eastern suburbs also mentioned that they felt their area was regularly underserved by transport.
- Most people said that reducing Auckland's carbon emissions is very important to them. People told us that they are supportive of the potential positive benefits that light rail could bring by offering a mass transit option that takes cars off the roads.
- The main message from people who support rapid transit is that they want a service that is reliable. People also want convenience both in distances to stops and a 'turn up and go' frequency they can count on.
- It is important that the experience of being on board light rail is safe and comfortable. This includes for people using wheelchairs and scooters, as well as being able to take bikes on board.
- People commented that light rail would help reduce sprawl at the city edges, connect people to more job opportunities by developing existing areas, and open up much needed housing stock for first home buyers.
- Working with different communities through different phases of the Project was seen as important to enable a service that meets the needs of the community and incorporates and show cases local culture.
- Concerns were expressed about:
  - the affordability of using light rail will affect whether people choose it over other forms of transport
  - the potential for gentrification in communities and those existing needs should be prioritised
  - construction disruption is a challenge, particularly for businesses
  - impacts on the environment and the Manukau Harbour
  - impacts on culturally significant areas and landmarks
  - places of civic and heritage value along the corridor should be protected.

## Developing proposed solutions

We have:

- Developed and assessed options to take the Project forward
- Identified urban outcome scenarios and how they can be achieved

Key findings and recommendations are set out in the Part Two of this report.

## Planning for delivery

We have:

- Prepared advice on the form and governance arrangements for the Delivery Entity for the Project
- Prepared advice on the options to take the project forward, including mode, alignment and decision gateways
- Undertaken work on funding tools including value capture mechanisms to understand potential tools that could be utilised
- Undertaken work and considered options on how the Project can be procured

Key findings and recommendations are set out in the Part Three of this report.

## Indicative Business Case

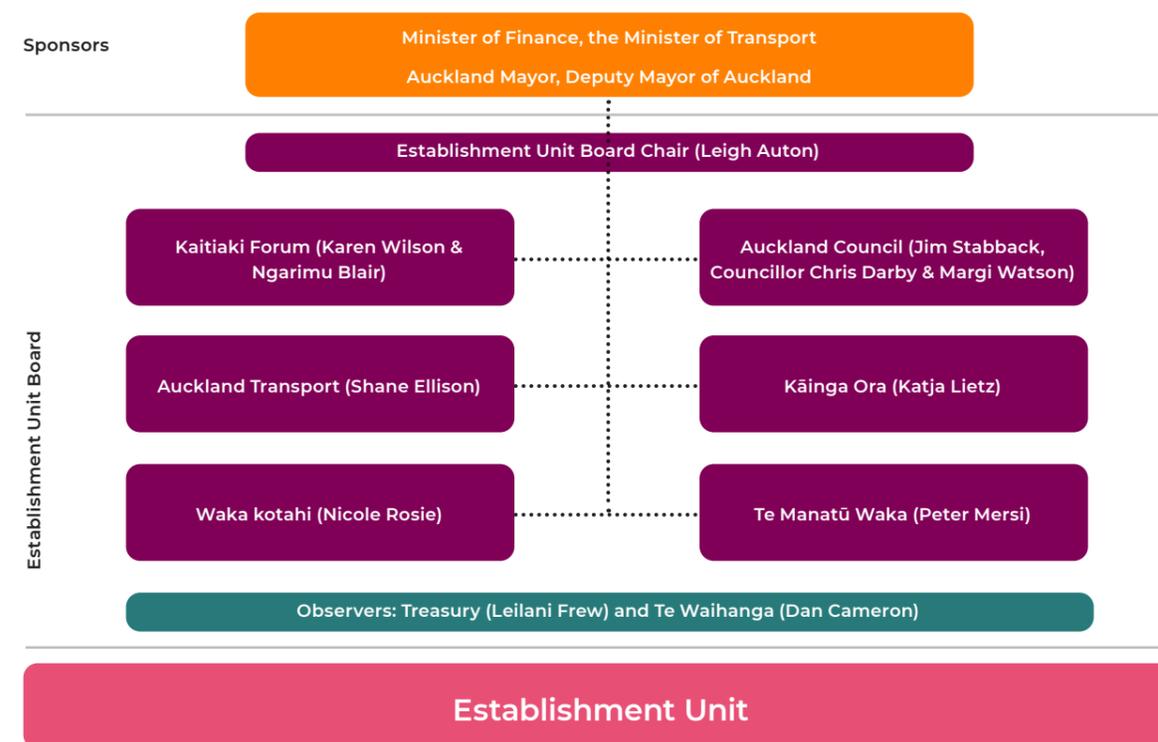
Building on the work that we have done during the Establishment Phase we have prepared an Indicative Business Case (IBC). The IBC has five parts:

- The Strategic case – the case for change
- The Economic case – sets out the preferred solution
- The Commercial case – outlines the deliverability of the commercial components
- The Financial case – the cost and how it can be funded, and its affordability
- The Management case – arrangements for the successful delivery of the Project.

# How we partnered and governed the Project

Strong partnership relationships and governance and have been key to the success of the Project to date. The key partnerships have been with partner agencies and Mana Whenua. It is vital that this collaborative approach develops and grows through the next phases of the Project.

Our governance structure was established to encourage robust decision-making.



### The Project Sponsors

The Minister of Finance, the Minister of Transport and the Auckland Mayor and Deputy Mayor of Auckland are the project sponsors. Their role is to set the strategic direction, provide guidance and direction on the Establishment Unit's work. They work in consultation with the Minister of Housing. The Minister of Transport will report back to Cabinet with further advice based on the IBC and recommendations on a preferred way forward for the Project, including route, mode, funding and financing and the form of the Delivery Entity.

### Establishment Board

The Project has created an inclusive governance structure to oversee the first phase of a business case, involving key central government, local government, and Māori partners. The Board has a strong focus on partnership and building social licence.

### Strong partnerships

## We have laid the foundations for working collaboratively

### Partnering with Māori

The Co-Chairs of the Kaitiaki Forum have represented the Kaitiaki Forum on the Board. For the next phase of the Project we have committed to Mana Whenua to play an even more active role in decision-making. Mana Whenua and the Project will work together on this in the next phase of the Project.

### About our Partner organisations

## Central and local government has been working closely together

A critical success factor during this phase of the project has been the collaborative approach the local and central government have taken to the Project to get the best outcome for Aucklanders. The core partner agencies who make up the Establishment Unit are:



Auckland Council is responsible for all local government decisions in the Auckland region. Council has strategic land holdings which may be important going forward. The Council has had a strong influence on the proposed solution and the urban story.



Kāinga Ora is the government's experts in developing housing. It is already accelerating housing delivery in the CC2M area with major developments in Mt Roskill, Ōnehunga and Māngere. There are also further opportunities in Wesley. It also has strategic land holdings which may be important going forward. They are key partners, and their input will be important going forward.



Auckland Transport is responsible for the Auckland region's transport services including public transport. They have provided expertise and been integral in developing the rapid transit solution that will meet Auckland's needs.



Waka Kotahi (NZTA) is responsible for planning and investing in land transport networks and is experienced in delivering major transport projects. Waka Kotahi has hosted the Project and played a major role in developing the rapid transit solution.



Te Manatū Waka Ministry of Transport (MoT) is the lead adviser to the Government on transport Policy and has played an important role helping us with decision making, working with Ministers and providing a broader policy perspective to our recommendations.

We will build on those successful relationships in the next phase of the Project. We have also worked closely with The Treasury, Te Waihanga, and the Ministry of Housing during the development of the IBC and will continue to do so in the next phase during the development of the DBC.

## Part Two: Facilitating sustainable growth

Well-functioning cities and urban areas matter a great deal to the wellbeing of New Zealanders. When cities function well, they provide greater access to and choices of housing, better protection of our natural environment and cultural values, and the provision of quality infrastructure at the right time in the right place.

Well-functioning cities also provide greater choices of employment and higher wages, a wider pool of labour for firms, and more opportunities for specialisation, innovation and easier transfer of ideas – the engine of economic prosperity.

Successful cities are not only places where people work; they are also attractive urban areas where people consume goods and services, play, and are creative. Such cities have areas with atmosphere and amenity.

Successful New Zealand cities should also acknowledge the special relationship that Māori have with the land on which cities are built.

Productivity Commission Report into Better Urban planning – February 2017

Auckland has been voted one of the world's most liveable cities. But Auckland is at a crossroad and decisions we make today will shape our biggest city and affect future generations.

Over the next 30 years an extra 720,000 people will call Auckland home, raising the city's total population to about 2.4 million by 2050. By 2051, approximately 320,000 new homes will be needed across Auckland.

The scale of Auckland's growth is putting significant pressure on housing and infrastructure which impacts on liveability, housing affordability, social equity, sustainability Auckland's economy, and the ability to move around the city.

To be a successful city, Auckland must decide how to accommodate growth and in doing so how to shape the city. Unsupported growth will reduce quality of life, disproportionately impact disadvantaged communities, impact the economy, and threaten New Zealand's ability to reduce its carbon footprint and reduce carbon to meet climate change commitments.

### We need to develop new living patterns

Auckland must create compact attractive urban places where people have less reliance on private vehicles and where a wider range of activities are able to be found close to where they live. This will build stronger communities, greater vitality, and quality compact urban form.

Rapid transit (high capacity, high quality public transport) is a key enabler of that urban development and will be instrumental in shaping Auckland's future urban form. It will be a catalyst for urban transformation, influencing how the city grows to create quality, compact and highly accessible centres and communities.

# A city shaping opportunity – the city centre to Māngere Corridor

The CC2M corridor has significant potential to shape quality compact growth in Auckland, to create vibrant, thriving, and connected places where people can live affordably, work locally, and have access to more opportunities

The CC2M corridor stretches from the densely populated city centre, through the well-established residential areas in the isthmus (from the northern end of Dominion Road to Ōnehunga). It continues into Māngere and reaches its southern extent at Auckland Airport.

The CC2M corridor includes two of the most significant employment hubs with 24% of Auckland's jobs located in the corridor. The city centre is a primary focal point for employment and high value jobs. The airport business precinct is a major and growing employment centre for a diverse range of businesses. The CC2M corridor also has some of Auckland's major tertiary institutions near the route – University of Auckland, Auckland University of Technology and Te Wānanga o Aotearoa.

The Project provides a key opportunity to unlock a significant proportion of Auckland growth through quality compact urban development along the corridor. Investing in rapid transit will offer all communities more choice and more affordable transport options. It will reduce Auckland's carbon emissions and enable prosperity.

The key benefits of urban growth along the CC2M corridor are as follows.



**1. Increased urban density and economic growth**  
 unlocks new opportunities for development at scale including increased diversity of land use and built form focused around rapid transit

- Increased urban density, vibrancy, improved accessibility, economic efficiency, productivity and growth
- Improved housing supply and choice in the corridor



**2. Wellbeing**  
 Promotes healthy living and a sense of place and connectedness for individuals, whānau and communities.

- Increased and accessible amenities and social infrastructure
- Diverse communities are supported and can grow
- Improved connectedness for individuals, whānau and communities



**3. Resilience and adaptation to climate change**  
 Shapes new climate change policy, opportunities to trial innovative partnership arrangements, test new technologies and encourages new ways to foster community participation.

- Reduction in carbon emissions through mode shift, more efficient urban form and sustainable building design
- Communities and the environment are more resilient



**4. Improved public transport accessibility**  
 Integrates the delivery of urban development to improve accessibility within the corridor, and connect Aucklanders to employment opportunities, education and housing choices.

- Improved accessibility to jobs and education
- Step change in mode shift away from private vehicles

Growth along the corridor will reduce pressure for greenfield development with the liveability, financial and environmental benefits that follow, including making efficient use of current infrastructure and lessening the need for new infrastructure to serve new urban areas. Realising urban development in the corridor will also help improve the performance and value for money of the proposed rapid transit investment.

# What could urban growth look like along the CC2M corridor

Decision makers have choices, depending on the scale of ambition for urban change. Three alternative urban futures help explain the consequences of choices that will be made now:

- Future One: Bus-based public transport
- Future Two: Investment in rapid transit
- Future Three: Investment in rapid transit integrated with urban interventions.

## Today

At 2021, the corridor contains 60,000 households and 169,000 jobs.

## Future One: Bus based public transport

In this future, by 2051 there will be potentially 31,000 additional households in the CC2M corridor, which equates to 10.5 percent of Auckland's forecast growth and 91,000 total households.

The new growth would be supported by a bus-based public transport service, based on the funded programme within the 2021-31 RLTP up to 2031, with similar incremental funding to 2051.

The ability of buses to operate effectively at higher volumes is constrained by the corridor's spatial configuration and traffic density, so well before 2051 they will not meet forecast travel demand



This means bus services would become increasingly unreliable and travel times longer. To get to where they need to go, people would need to use private vehicles. This scenario would result in additional congestion, especially in the city centre. Travel into Auckland and the city centre, particularly in peak hours, will be adversely affected regardless of where people live in Auckland.

This will exacerbate the inequity suffered by people south of the Manukau Harbour who already suffer from lengthy and often unreliable travel. Currently using public transport to travel from Māngere to the city centre takes more than twice as long than using a private vehicle. As a result, private vehicles account for 85 percent of all journeys to work by Māngere residents. Research on closing income gaps in South Auckland identified that long commutes are a key constraint to finding work.

In this future as the population along the corridor increases, lack of access to adequate public transport would result in more vehicles on the road, more vehicle kilometres being travelled (VKT) and more idling in traffic congestion, which would:

- have adverse impacts on the environment, with more emissions, impacting on both climate change and air quality
- mean that New Zealand could not meet its net zero carbon target by 2050 (which is based on tripling Auckland public transport trips)
- reduce Auckland's liveability, especially for those living along the corridor
- have adverse impacts on people who already have limited travel options, especially south of the Manukau harbour, and flow-on effects to social cohesion
- reduce benefits from the Kāinga Ora developments in Mt Roskill and Māngere
- impact on Auckland's economic performance
- limit the ability to reduce deaths and serious injuries in Auckland, where the road safety performance has worsened at a faster rate than the national average

These issues would perpetuate inequity for future generations.

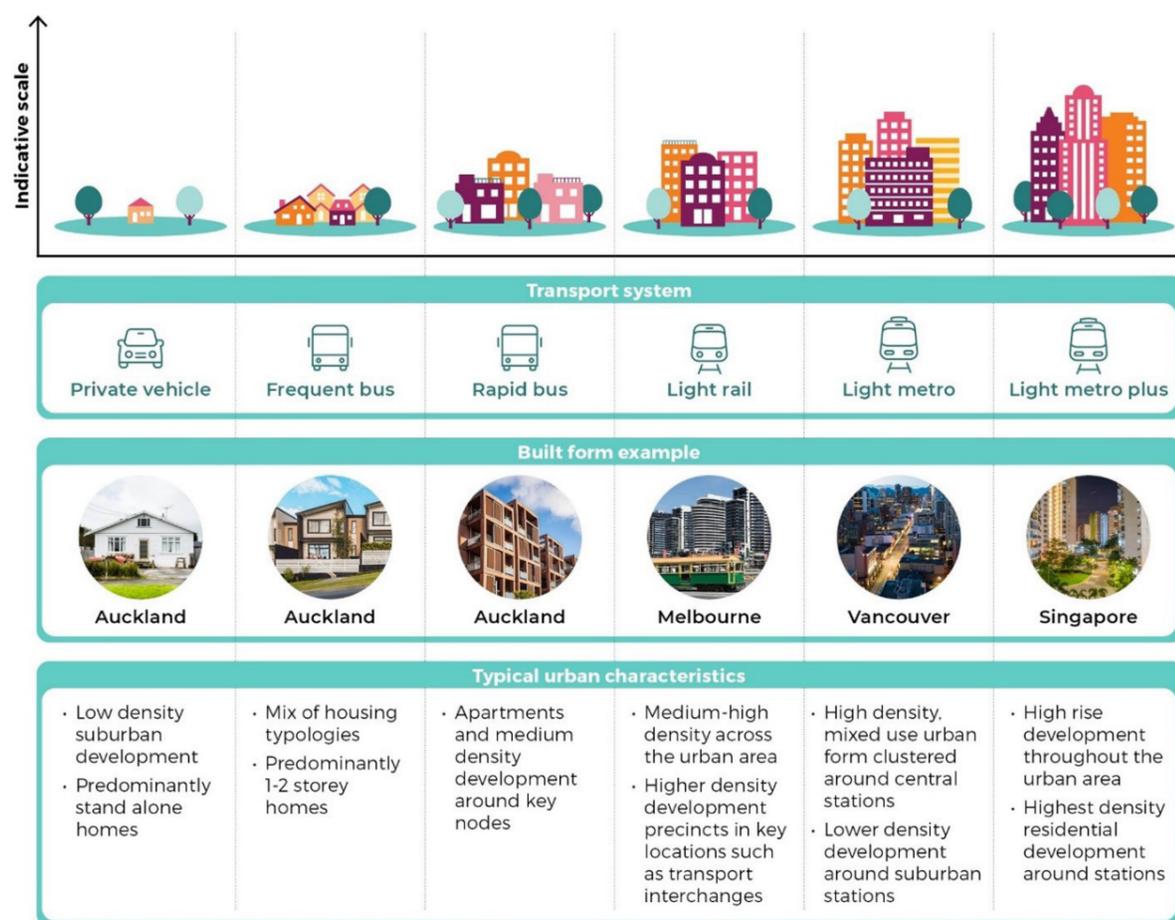
People who live in the corridor would experience low quality urban environment with inadequate public transport and highly congested roads. Increasingly, city centre streets would become 'a wall of buses'. Urban expansion is more likely.

### Future Two: Investment in rapid transit

In this future, 36,000 new households will be added to the CC2M corridor by 2051. Investment in rapid transit will provide greater certainty of delivering the already anticipated 31,000 households and there is potential for an additional 5,000 households, as a result of improvements to accessibility in the corridor. This equates to 12.7 percent of Auckland’s growth and 96,000 total households.

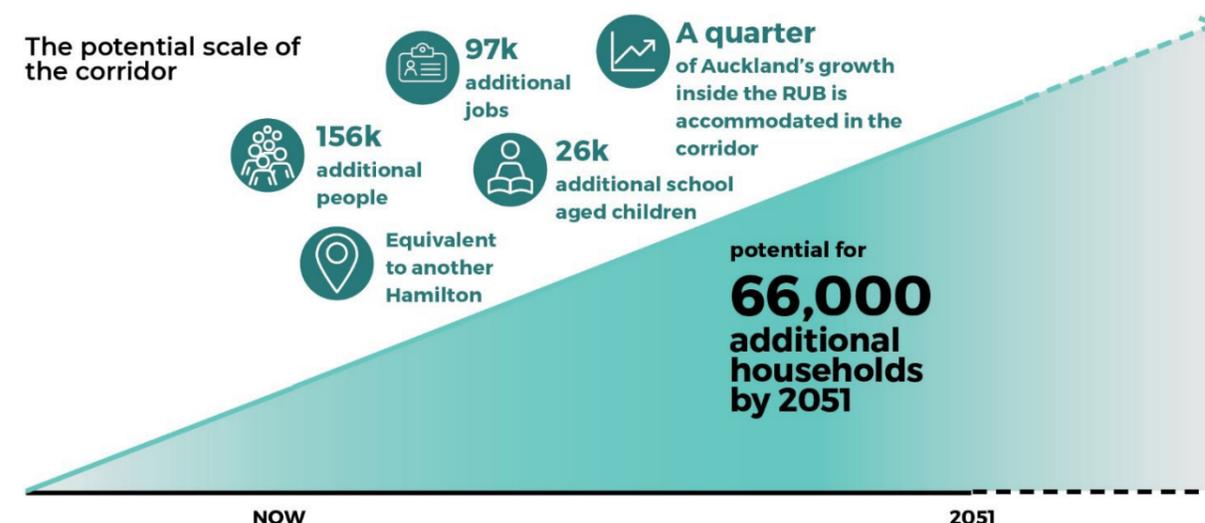
This future is facilitated by investment in a new rapid transit solution to complement existing bus services. This network would have enough capacity and reliability for people to choose not to rely on private vehicles for the bulk of their travel. This future would avoid the negative social and economic outcomes listed in Future One.

The following diagram shows the relationship between the level of urban development and resulting urban form that could be expected with different rapid transit modes. It also shows how in other parts of the world different types of rapid transit has influenced the form of the city. This shows how rapid transit could shape Auckland.



### Future Three: Investment in rapid transit plus urban interventions

In this future, 66,000 additional households will be added to the CC2M corridor by 2051. Investment in rapid transit will provide greater certainty of delivering the already anticipated 31,000 households, an additional 5,000 households will be possible because of improvements to accessibility in the corridor and a further 30,000 will occur if significant urban intervention is used to support urban development. This equates to 25 percent of Auckland’s growth inside the Rural Urban Boundary and 126,000 households.



This future growth along the corridor would be catalysed with investment in rapid transit with sufficient capacity to meet future demand alongside a range of urban interventions. These areas would become vibrant, diverse, centres and neighbourhoods, with growth focused around rapid transit stops/stations. They will support significantly higher densities enabling people to have more choice in housing, employment, education, and other services.

This would lead to:

- More positive social outcomes for more people, who would live closer to employment, education, and places important to them
- Better environmental outcomes and lower emissions because there would be fewer private vehicles on the road than in future two and fewer VKT
- Better economic outcomes through sustainable quality urban growth.

### Integrated urban interventions

Regardless of the form of rapid transit selected, we must ensure urban and transport decisions are integrated. This means considering:

- Optimum route and station locations: the stops/stations must be located to maximise the opportunities for urban development
- Land use change: a detailed, place-based understanding of all factors which will influence changes to land use which are necessary to support high-density, mixed neighbourhood development within walking distance of rapid transit.

During the next phase of the Project, rapid transit design will be informed by master planning with communities, iwi and stakeholders. This will include scale, bulk and massing analysis at the key nodes, as well as infrastructure planning and costings, to determine the optimal growth potential along the Corridor. Master planning and corridor analysis will help also determine the amount of investment required at each node to deliver the scale of land use change that is possible and desirable, and plan for integrated delivery.

Interventions need to be identified which fall within a continuum that will either enable, unlock or deliver the desired changes in land use. Examples of these interventions that could form part of the Project include:

Levers	Intervention examples
Policies	Value capture and funding tools
Planning	Vision and master/corridor, station, precinct and infrastructure planning
Financial	Infrastructure cost sharing, strategic land purchases, site amalgamation
Planning policy	Changes to planning policy e.g. new zones, inclusionary zoning, minimum densities, increased height
Information	Design guides, engagement, progress communications
Partnerships	Planning, infrastructure or delivery across all of government and iwi
Delivery	Direct investment or development e.g. placemaking, facilitating or procuring development

Not all interventions will be required in all locations. Some locations will require less interventions than others depending on the scale of urban ambition, their market attractiveness and readiness for change. Some areas have been identified for significant growth and will require long term commitment to realising their potential. Key areas where this significant urban development opportunity exist are Dominion Junction (city end), Mt Roskill, Ōnehunga, and Māngere.

### Facilitating the urban change

To secure the urban outcomes we are proposing an urban development programme in the next phase of the project. The Urban Development Programme should draw heavily on the expertise and insights from Auckland Council, Kāinga Ora, Mana Whenua and the corridor’s communities to ensure the right level and quality of development potential is realised in the corridor. It will also ensure that commitment is made to integrated delivery of transport and urban development outcomes.

The urban development programme needs ensure the full integration of the urban and transport planning elements of the detailed planning phase of the project, to ensure an integrated approach to the delivery of outcomes. The Programme will need the following:

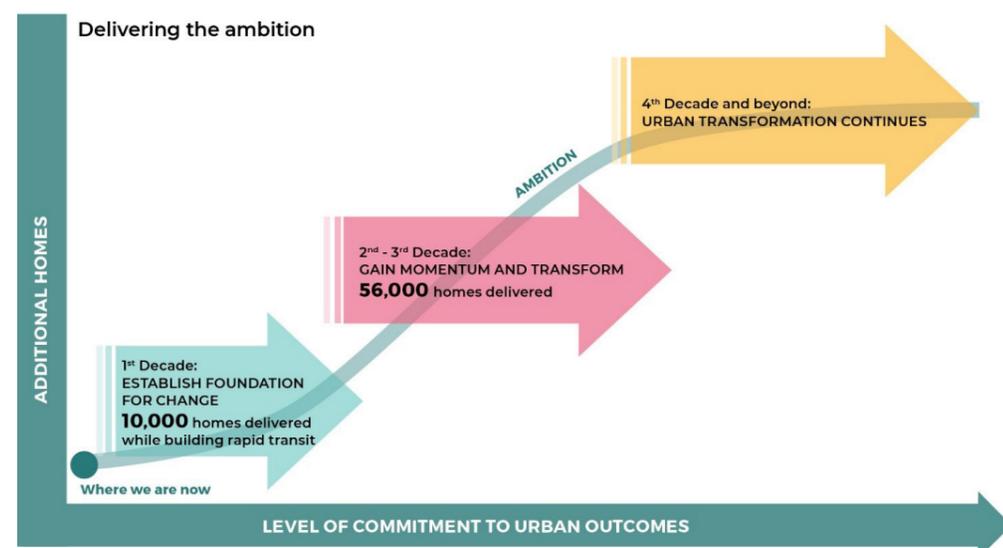
- **Mandate** – Project partners to have a clear mandate and accountability to secure quality transit supportive urban outcomes including housing, employment, community, environmental and Te Ao Māori outcomes through the Urban Development Programme.
- **Planning policy** – planning policies to be reviewed and amended as appropriate to ensure quality transit supportive development is enabled.
- **Funding** – identify funding sources, strategies and structure to support the Urban Development Programme and potential value capture.
- **Strategic assessment and master planning** – place-based assessment across the corridor and node by node to determine the scale of urban development opportunities and constraints followed by a masterplan to determine the vision and urban ambition required to enable, unlock and secure quality transit supportive urban development.
- **Interventions** – identify specific interventions required, including enabling infrastructure, amenity and land purchases, catalyst transit supportive development opportunities, risk analysis and strategy for implementation.
- **Delivery** – optimise, organise and operationalise the Urban Development Programme to secure urban outcomes, including private sector partnerships.

## Commitment to realising the benefits of the investment will need to be sustained over a long period of time from the construction phase of the Project to 2051 and beyond.

The delivery of urban development will take time to gain momentum. The first decade, while the Project is being constructed, will be a critical phase to prepare the foundation for change and implement several “early moves”. Homes will be built throughout this period particularly in the Kāinga Ora areas of the corridor (Mt Roskill and Māngere ) which provides the opportunity to make a significant advancement on urban delivery. Early mid-rise development opportunities could also be explored at Dominion Junction on public land holdings which could act as a catalyst for urban intensification.

The second and third decades is when most of the development will need to be delivered. This means around 3,000 additional households will be required every year over 20 years in the corridor. This level of development is achievable if the investment in rapid transit is accompanied with the required urban interventions to support the desired outcomes.

Significant development can continue beyond 2051 but the level of commitment to realising this growth and the benefits of the investment will need to continue well beyond the delivery of the infrastructure.



## Rapid transit solution

There is a strong case for a high frequency rapid transit service to be developed between Wynyard Quarter and the airport business precinct.

To identify what form of rapid transit would best meet the desired outcomes, we assessed over 50 different options for modes and routes against the Project's three objectives. From this work we identified three short listed options. We then investigated those options in detail.



**Light Metro**

Light Metro is a rail-based mode which is grade-separated (it is elevated or underground). The Light Metro option would travel through tunnels built under densely populated urban areas and on the surface through non-urban areas, such as motorways.



**Light Rail**

Light Rail consists of modern trams running on tracks embedded into the road but separated from traffic. It would travel totally on the surface. Sometimes that would be on roads and sometimes along the motorway. All stops would be on the surface.

We investigated Light Rail on Dominion Road and on Sandringham Road. On balance our investigations favoured Dominion Road. One consideration was that Light Rail on Sandringham Road it would make it necessary to relocate a significant power cable to Dominion Road. This would delay works by up to two years and would mean that businesses and residents on both Dominion Road and Sandringham Road would be affected by construction disruption.

For this reason, Dominion Road was preferred, but it does come with a trade off in terms of the ability to service potential development areas at Wesley.

### **Tunnelled Light Rail**

Light Rail is also modern trams, but unlike the option above it would be partly tunnelled from the Wynyard Quarter to Mt Roskill, with the balance of the route running on the surface (on roads and sometimes along the motorway). It would incorporate underground stations in the city centre and on the Isthmus including the University precinct.

For the tunnelled portion, the alignment does not need to follow the road, so the actual route and station locations would be developed in the detailed planning phase, including through consultation with communities, iwi and stakeholders.

Part Two

The three options' attributes are set out in the next table.

	 Light Rail	 Light Metro	 Tunnelled Light Rail	
Description	Total boardings (Annually in 2051)	22,300,000	34,950,000	31,200,000
	Capacity Reached	2070+	2085+	2070+
	Number of Stations	22	17	18
Urban Development	Urban Uplift Potential by 2051			
	Household	20,000	35,000	35,000
	Jobs	12,000	16,000	16,000
	Accessibility (jobs within 45 minutes)			
	Māngere	247,000	452,800	346,200
Onehunga	405,500	463,900	437,600	
Mt Roskill	414,700	423,000	403,300	
Jobs within 45 minutes of Central City and Airport	475,600	569,600	515,900	
Travel Time	Travel Time	57	36	43
	To Airport Business Precinct			
	Māngere	7	5	7
	Onehunga	18	12	18
	Mt Roskill	27	20	30
To City Centre (mid town)				
Māngere	37	27	32	
Onehunga	25	20	21	
Mt Roskill	17	12	12	
Impacts	Carbon (tonnes saved)	860,000	940,000	980,000
	Surface Properties Affected	489	168	167

In forming our view on which option is preferred for the CC2M corridor, we considered a range of trade-offs.

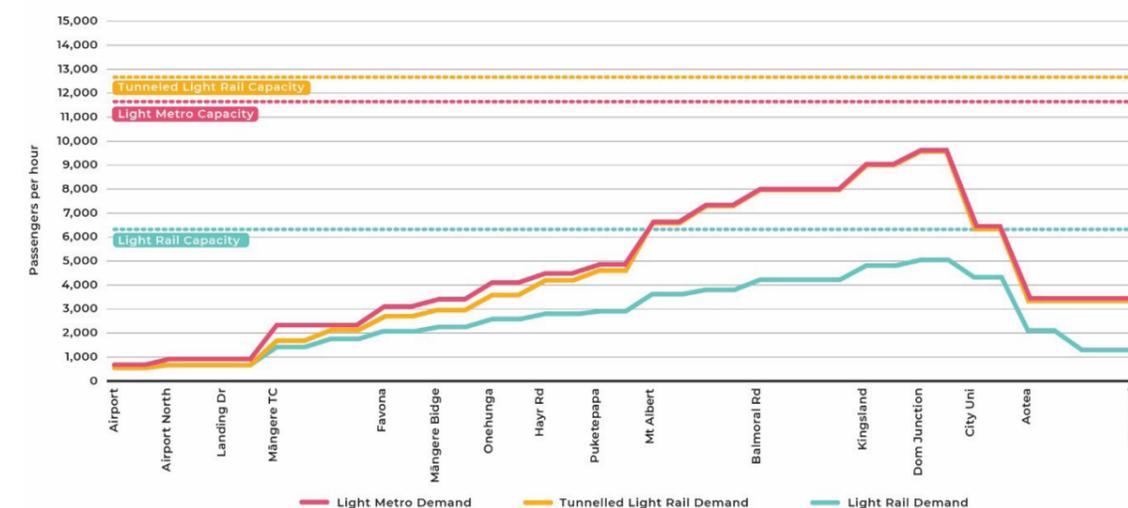
Level of transport opportunity

The Light Metro option, followed closely by the Tunnelled Light Rail option, provides the greatest increases in mode shift and has the highest levels of residual capacity at 2051.

The Light Metro option, followed closely by the Tunnelled Light Rail option, attracts higher patronage because:

- It improves accessibility due to the faster travel times
- It serves the high growth Kāinga Ora development better than the Light Rail option
- It has better connections with other parts of the public transport network.

The higher patronage forecast for these options comes from some mode shift from private vehicles but mainly from people transferring between Light Metro and the rest of the public transport network. For example, at Kingsland by 2051 in the morning peak, 1,000 people are expected to transfer from the western line to CC2M (motivated by better travel times and access to the universities precinct and the Wynyard Quarter).



## Part Two

The Light Metro and Tunnelled Light Rail options deliver better mode shift than the Light Rail option, but the difference is not significant. An important reason for this is most (55 percent) trips by CC2M residents are to destinations outside the CC2M corridor. To improve the ability of the proposed investment to deliver better mode shift outcomes, it is vital that there is comprehensive integration with other parts of the network (interchanges) and to active modes.

### Level of urban opportunity

The Light Metro and Tunnelled Light Rail options enable more urban uplift potential but cost more than the Light Rail option.

All options generate benefits in terms of supporting urban development. However, unlocking and realising high levels of urban development will require the use of additional urban interventions. These include but are not limited to master planning, collaboration with Kāinga Ora and Auckland Council, site amalgamations, improved active mode connections, amenity and public space upgrades, and commercial partnerships.

Combined with significant urban intervention, the Tunnelled Light Rail and Light Metro rapid transit options have the potential for an additional 66,000 households over the next 30 years. This equates to 25 per cent of Auckland’s household growth within the Rural Urban Boundary .

The Light Rail option has the potential to enable an additional 51,000 homes to 2051 which equates to 19 percent of Auckland’s household growth inside the Rural Urban Boundary.

### Costs

There is a substantial difference in estimated costs.

Light Rail	Light Metro	Tunnelled Light Rail
\$9.0 Bn (NPV \$7.1 Bn) <sup>1</sup>	\$16.3 Bn (NPV \$11.2 Bn)	\$14.6 Bn NPV (\$10.3 Bn)

Notes on the costs:

- Figures are for capital costs but do not include capital costs for enabling infrastructure for urban development.
- The costs are P50, and the cost estimate class (class 5; accuracy range of -50% to +100%, based on information produced and assessed against the AACE Criteria. The level of accuracy for these schemes have been assessed around -50% to +60%.

<sup>1</sup> The discount rate is 4% for 60 years (consistent with Waka Kotahi guidance)

### Benefits

There is a substantial difference in forecast benefits, but they are comparatively similar, relative to the scale of investment.

	Light Rail	Light Metro	Tunnelled Light Rail
Benefits (NPV values over 60 years)	\$8.0 Bn	\$14 Bn	\$11.6 Bn
BCR	1.1	1.2	1.1

Given the benefits are broadly commensurate with costs, all three options have benefit cost ratios (BCRs) of above one, and so broadly equivalent economic outcomes.

### Construction disruption

All options require construction in heavily populated areas of Auckland, including the city centre, the central isthmus, Onehunga and Māngere town centre, and so will generate construction disruption.

The Light Rail option requires surface construction for the entire length of the route and is likely to require partial and full road closures for periods of three to five years, depending on the location. The Light Rail option will create prolonged (multi-year) disruption in important areas like Queen St and Dominion Road.

The Light Metro and Tunnelled Light Rail options tunnel under many areas, which reduces surface impacts to the locations of stops/stations but requires landing areas for the tunnel boring machines. These locations are likely to experience significant disruption due to the depth and complexity of construction, but the spatial extent is less than for the Light Rail option.



### Integrated network

The Auckland Transport Alignment Project (ATAP) identified that rapid transit down the CC2M corridor will ideally be future proofed for integration with the future North Shore and Northwest rapid transit corridors. This will ensure the best value for money from what will be a significant investment and enable benefits to be realised on those corridors in the future.

All three shortlisted options can integrate with a future city centre rapid transit tunnel and its extension to the North Shore and Northwest. The Light Metro and the Tunnelled Light Rail options show better integration potential than Light Rail. This is because:

- They are tunnelled into the city centre, so they can connect with the future North Shore and Northwest lines which are also expected to be tunnelled
- They have significantly higher capacity than the Light Rail option. This is important because CC2M passenger demand increases by around 20-30 percent when North Shore and Northwest lines are connected because more people will want to use the service as their journey will be seamless and faster.
- Light Rail would terminate with a surface station in Wynyard Quarter and investigation has shown that a tunnel in the city centre may be required in the next 10-15 years as the North Shore busway runs out of capacity and the introduction of congestion charging and wider infrastructure improvements signalled by ATAP drive demand for public transport networks.

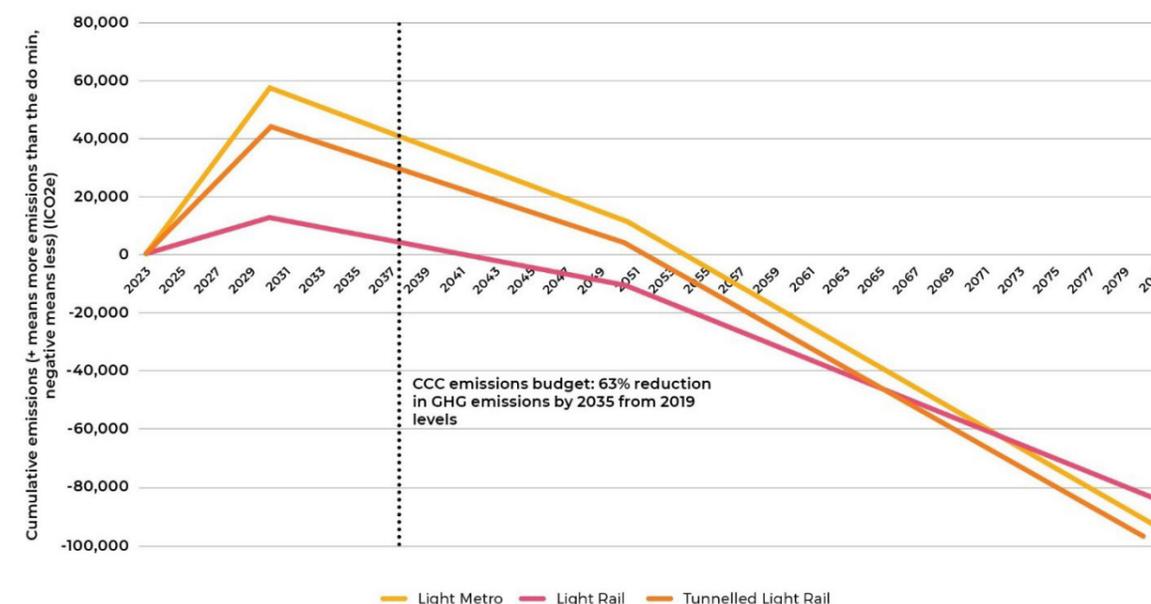
Whatever option is chosen for CC2M, a tunnel is likely to be the most efficient way to provide an additional corridor in the city centre, to deal with future demand of the North Shore and Northwest corridors. This tunnel will be required when the North Shore busway runs out of capacity – forecast to be sometime between the early 2030’s to early 2040’s. With the introduction of congestion charging and wider infrastructure improvements signalled by ATAP, both of which could drive demand for public transport networks, this could be sooner.

The next phase will need to work with the Additional Waitemata Harbour Crossing project and ARTP on broader network issues. This will allow a preferred approach to integration of CC2M with the North Shore and Northwest to be confirmed and endorsed. This work also needs to consider potential land use opportunities and options for additional corridors in the city centre.

### Carbon reduction

We found that all options resulted in reduced greenhouse gas (GHG) emissions mainly because of mode shift from private vehicles to public transport or active modes, and therefore a reduction in vehicle kilometres travelled (VKT).

The Light Metro and the Tunnelled Light Rail options encourage higher levels of patronage and therefore result in greater levels of emissions reduction over time. However the scale of construction required for these tunnelled options means they have significantly higher levels of embedded carbon and that means Light Rail achieves carbon neutrality fastest – after about 25 years.



Regardless of what decision is made on this Project, it is likely that a city centre tunnel will be required at some stage in the future. This means at a network level some of the difference between the embedded carbon in the Light Rail and Tunnelled Light Rail options could disappear, and the time each option takes to achieve carbon neutrality would be reduced.

All options result in net reductions in carbon over the 50-year assessment period, with ongoing benefits past that assessment period.

## Preferred option

Based on the level of information and evidence that has been able to be presented to the Board in the time available, and considering the trade-offs outlined above, **Tunnelled Light Rail option is the preferred option** of the majority of the Establishment Board members. This is because:

- The Tunnelled Light Rail option provides a high-capacity service and the opportunity for the same quantum of intensification and high-quality urban form to be attracted to the corridor as the Light Metro option. This will provide confidence that the intensification already anticipated in the corridor will take place and in a way that delivers high quality transit supportive outcomes. The option also provides the opportunity for even greater growth to be realised along with urban outcomes consistent with Auckland's quality compact and sustainability aspirations. Tunnelled Light Rail provides the opportunity to deliver the same level of urban outcomes as the Light Metro option, but at a lower cost.
- The Tunnelled Light Rail option is segregated option in the denser areas of the route while supporting the communities south of the corridor through surface running along Bader Drive which maximises the urban outcomes and accessibility and avoids severance of communities.
- The Tunnelled Light Rail option provides a step change in accessibility in the corridor particularly to jobs and education, and delivers a carbon reduction, whilst minimising disruption, particularly in the city centre, during construction.
- The Tunnelled Light Rail option provides a high level of flexibility (and supports future investment) for how this corridor could interface with Auckland's future rapid transit network, in particular the North Shore and Northwest lines.
- The exact route of the Tunnelled Light Rail option remains flexible and so the final route through the central isthmus (including the length of tunnelling) can be explored with the community during the next project phase.
- Whilst the economic analysis slightly favours the Light Metro option, there is a strong economic case for the Tunnelled Light Rail option which can be delivered for a lower cost (compared to the Light Metro option).
- Light Rail is lowest cost and a credible investment; however it delivers fewer benefits than the other options and may restrict long term integration potential. It provides a step change in accessibility, urban uplift/form and is the first option to achieve carbon neutrality.

## Other board member views

Board member Mr Blair did not support the Tunnelled Light Rail option. Mr Blair prefers the Light Rail option for the following reasons:

- Carbon reduction – surface Light Rail has less embedded carbon (because there is less concrete, and steel involved in construction) so it achieves carbon neutrality fastest.
- Lower forecast costs.
- Greater Social equity – more funding available to invest in other projects to improve public transport access for lower income communities.
- Greater potential for Mode shift – with the Tunnelled Light Rail and Light Metro options Dominion Road will remain dominated by private vehicles.
- Better Safety and Accessibility – with the Light Metro and Tunnelled Light Rail options there will be fewer stations than Light Rail and some of them will be underground.
- Better urban design outcomes.

The Kaitiaki Forum representatives have not had an opportunity to discuss the options with the Kaitiaki Forum. They will be meeting in October and will share their views with the sponsors following that meeting if there are any significant points that the forum would like to bring to the attention of the sponsors.

As observers, Ms Frew and Mr Cameron did not participate in the decision on a preferred option.

Mr Mersi abstained from the decision on a preferred option, on the basis that as Secretary of Transport, he is obliged to provide independent advice to the Minister of Transport.

## The Tunnelled Light Rail experience (the preferred option)

Light Rail would be partly tunnelled from the Wynyard Quarter to Mt Roskill, with the balance of the route running on the surface. It would incorporate underground stations in the city centre and on the Isthmus including the University precinct.



The journey would start at the airport, then travel overland through Māngere town centre, cross the motorway to Bader Drive then along SH20 over Manukau Harbour. It will then proceed along SH20 to Mt Roskill. People will be able to board the train at stops along the route.

From Mt Roskill the Light Rail will travel underground and into the city centre ending at the Wynyard Quarter via the University and Queen Street.

From Mt Roskill on people will board the train at underground stations. There will be provision for people with different mobility needs, such as the elderly or people with prams or people with disabilities, to get to these stations.

Being underground means the train is not competing for road space with cars. This means more space for cyclists, scooters and pedestrians. To support mode shift the project proposes a cycle lane along the route, and the provision of walking and cycling connections to each of the stations.

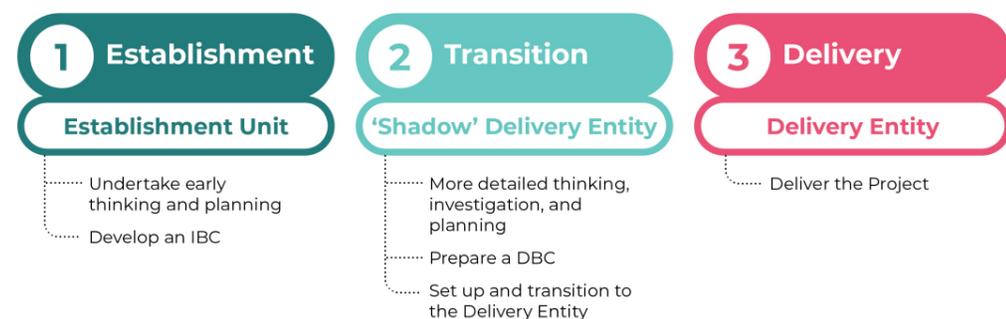
When the North Shore rapid transit is built at some stage in the future, the CC2M line can connect easily with it. North Shore passengers will be able to travel all the way through to the airport if they need to. This is because the North Shore rapid transit is likely to go through a tunnel under the harbour.

Likewise, when the connection from the Northwest is built, those Aucklanders can do the same.

### Our key findings

- Investment in rapid transit, integrated with urban interventions, will deliver the most benefit for the most people in Auckland with 25% of Auckland's new growth inside the Rural Urban Boundary accommodated in the corridor.
- To unlock the full potential of quality urban growth along the CC2M corridor, urban interventions will need to be integrated with the investment in mass rapid transit along the CC2M corridor. In the next phase of the Project, we recommend that more clarity on urban development opportunities at each node and partner roles to develop a Masterplan should be developed.
- Considering the trade-offs, the Tunnelled Light Rail along the CC2M corridor is the preferred option, because it provides the greatest level of benefits in terms of transport and urban development within the corridor, the least disruption, and the best opportunities for future network integration. Our recommendation is that the tunnel should extend from the Wynyard Quarter to Mt Roskill.
- During the next phase of the Project, we recommend this option be investigated further to ensure greater certainty on scheme design, costs, and schedule. Options on the extent of tunnelling at the northern end of the route (including the possibility of a shorter tunnel, with more surface running Light Rail) could be explored. This phase would also involve further consultation with community, iwi and stakeholders and the work would be informed by the work of the Additional Waitemata Harbour Crossing project and ARTP on broader network issues.
- The surface running Light Rail option is also an attractive scheme which meets the investment objectives with a lower cost. The trade-offs include a commensurate reduction in the scale of forecast benefits and urban development.
- Our recommended route for a surface running Light Rail would be Dominion Road.

# Part Three: Delivering the change



The Project is being progressed in three phases. In this part of the report we will set out our findings on how to deliver the Project, including the next phase) It answers three key questions:

- Who will deliver the change?
- How will the Project be governed?
- How will the change be funded?

A core assumption in this work is that no legislative change is required to deliver the Project. Therefore we assume that the CC2M project will be planned and delivered within the existing legislative framework through statutory agencies, partnerships and commercial arrangements. The need for any legislative change will be under review, working closely with Crown agencies as the scope of the Project is refined and the nature of the powers required to deliver and operate the final preferred scheme become clearer.

# Delivering the change – The preferred Delivery Entity

The Project should be developed and implemented in partnership between the Crown, Auckland Council and Mana Whenua represented across multiple levels of governance and management. This partnership will see Sponsor representation from central and local government and mana whenua and delivery through partners, including Waka Kotahi, Auckland Council, Auckland Transport, Kāinga Ora and iwi.

CC2M is large, complex and the 'first of its kind' in New Zealand. Getting the structure right for planning and delivering the Project is critically important to its success.

Cabinet asked the Establishment Unit to prepare advice on the form of the Delivery Entity and governance arrangements to deliver the Project.

We propose maintaining flexibility in the next phase, the transition phase, before establishing the final Delivery Entity to take the project forward.

## Transition phase

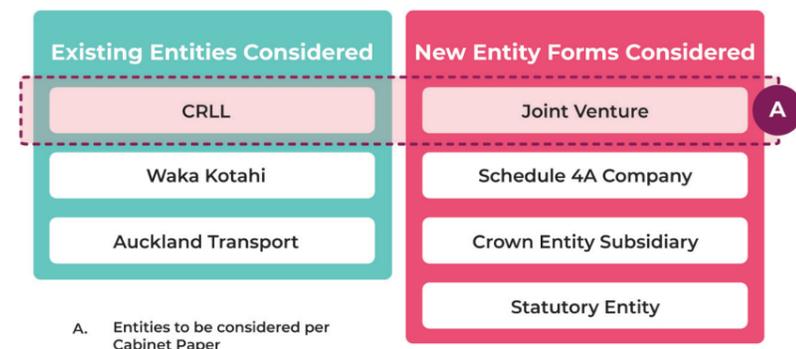
The next phase of the Project is critical to ensure there is clarity on the project, on the programme, and on the roles and responsibilities of Agencies, the Delivery Entity, and Partners in delivering the Project and its broader outcomes. It is important that the collaboration between Partners experienced within the Establishment Unit continues to ensure whole-of-network, whole-of-life, and urban outcomes are considered.

Until further detailed planning is complete, we propose the Project should continue under the Waka Kotahi umbrella during the transition phase, either as a dedicated entity (e.g. subsidiary of Waka Kotahi) or a dedicated unit within Waka Kotahi.

This entity will undertake the transition tasks set out in the next steps part of this report. We recommend that transition stage governance should mirror the arrangements proposed for the final Delivery Entity. These arrangements will likely evolve through the course of the project as decisions on the urban development scope and funding are made.

### Delivery phase – Final Delivery Entity

A range of options were considered on which organisation should be responsible for delivering the Project. The longlisted options are set out to the below.



As requested by Cabinet, the options included expanding the mandate of City Rail Link Ltd (CRL) to accommodate the Project and a joint venture (JV) structure. We do not recommend either option.

The reason we did not recommend expanding CRL's mandate was a concern about the ability to manage two large and complex projects, side-by-side and under one governance structure. We saw this presenting a risk to delivering the City Rail Link on time and on budget (as it enters a critical project phase) and were also concerned that it may compromise the focus and/or momentum for either project. Complexity in changing governing documentation to suit different shareholding, funding and decision-making rights as well as CRL's public perception were also considered.

We found that the Joint Venture would be a relatively complex structure that ultimately drives decision-making and accountability upwards to joint venture participants (Sponsors) rather than down to the Delivery Entity. Given the scale and complexity of the Project, there is merit in pushing more operational autonomy to the Delivery Entity.

We identified two possible options that are both capable of delivering the Project objectives. These are a new purpose-designed Schedule 4A (S4A) company or Waka Kotahi (through an internal business unit or subsidiary).

Overall, the evaluation indicated that the Project keeps open the choice of final Delivery Entity at this point. This will allow further clarity on route and mode, the associated urban development opportunities and required interventions, appetite in relation to risk and control of urban outcomes, and the role of the Delivery Entity and its partners in delivering the outcomes to be determined. The form of the Delivery Entity can be considered and confirmed as these elements are refined to ensure the right entity is used to deliver this important and city-shaping project.

We also propose that the final Delivery Entity scope be defined as follows:

- Be responsible for project planning ( DBC, consenting, land acquisition etc), noting that these activities will be undertaken by the shadow entity before the final Delivery Entity is established.
- Be directly responsible for core transport delivery (procure and deliver the chosen form of rail and stops/stations and associated accessibility improvements within the corridor (e.g. connections to stops/stations).
- Be responsible for facilitating narrow transit-oriented development (TOD) - over or adjacent to station infrastructure. It could choose to engage developers directly or partner with others (Kāinga Ora, Panuku or Auckland Council) to do this. Some specialist development capability will be required within the Delivery Entity.
- Not be responsible for supporting infrastructure (e.g. intersection upgrades outside the corridor etc).
- Not be responsible for facilitating wider urban development. This would remain the responsibility of partner organisations. Clarity of roles and responsibilities, partnerships and the governance structure of the wider development landscape should be developed to minimise interface risk.

Partnership and governance arrangements will be developed further during the next phase once there is greater clarity on scope and required decisions.

Auckland Council and Auckland Transport have existing statutory roles in planning and transport for the Auckland region. Their close involvement in the Project is vitally important to ensure that the 'Auckland voice' is well represented as CCM2 moves forward. In addition, our expectation is that Auckland Transport will have a lead role in procuring, contracting and integrating operational and maintenance services for CC2M, and is expected to own the transport assets following Project completion. Avenues will need to be explored to ensure that Auckland Transport is able to represent customer experience, transport network integration and whole of life outcomes in a meaningful way in project delivery and governance forums as the project progresses.

Kāinga Ora is the logical agency to lead urban development activities as it will be difficult for a Delivery Entity to acquire capability and similar powers to Kāinga Ora under the Urban Development Act. We propose that scope of the Delivery Entity related to urban development be confirmed in the next phase.

# Governing the change

Strong governance and partnerships will be key to the success of the Project. The key partnerships will be with our partner agencies and with Māori, especially with Mana Whenua.

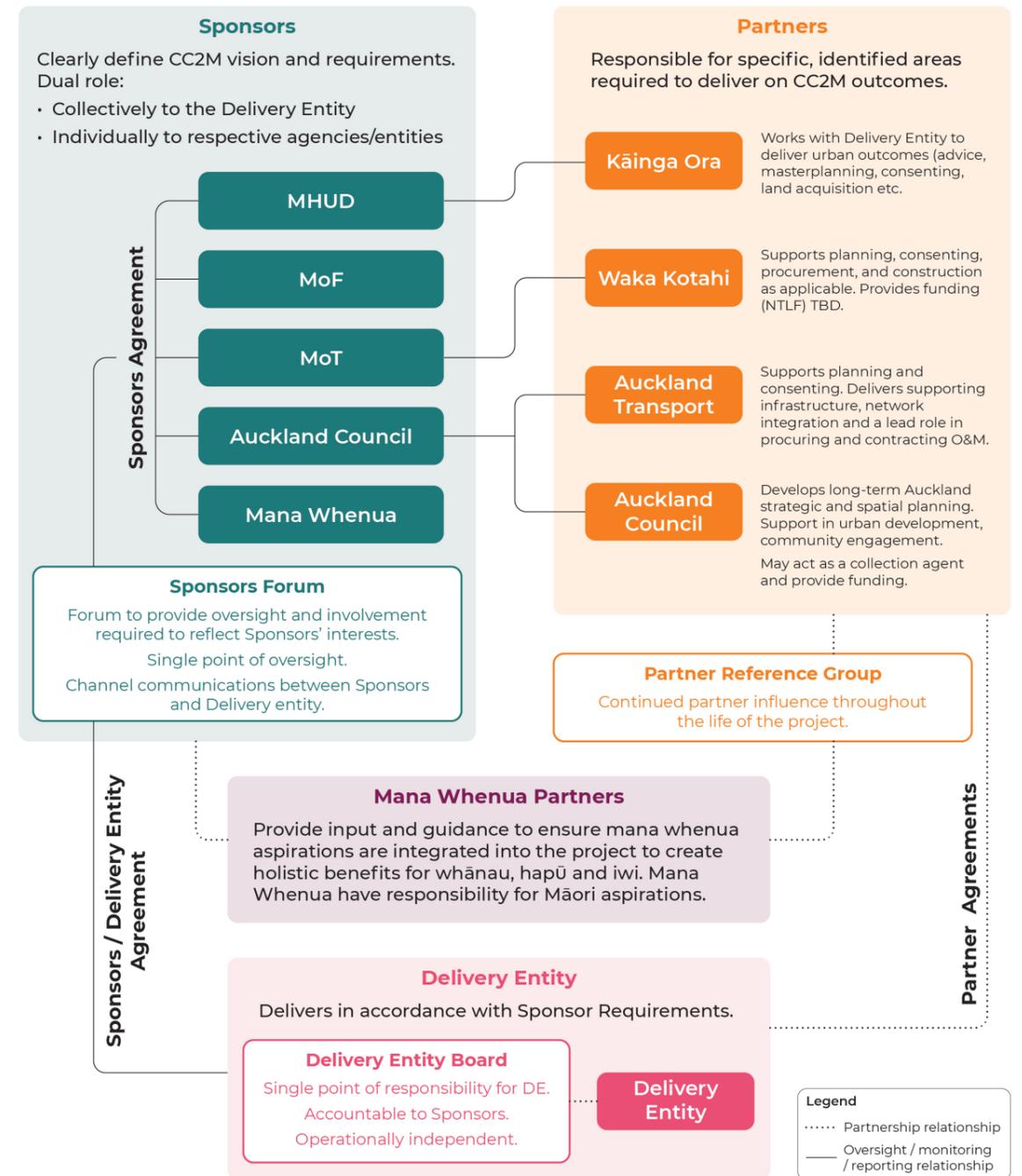
The following indicative governance framework could be adopted in both the transition and delivery phases to reflect the importance, scale and complexity of the Project, and to mitigate identified risks in delivering the Project's outcomes. Final decisions on optimal governance arrangements for the project will be made by Ministers, following further advice from their officials.

At the heart of our proposal is partnership involving Auckland Council, Auckland Transport, Waka Kotahi and Kāinga Ora, Māori and the private sector.

We propose a broad-based Sponsors group, involving the Minister of Finance, the Minister of Transport, the Minister of Housing, local government and mana whenua.

We recognise and respect Te Tiriti o Waitangi as Te Tūāpapa (foundation) from which we will work with and alongside Māori. Te Tiriti o Waitangi (Treaty of Waitangi) will guide our decisions, kōrero and behaviours with Māori. We consider that it is vital that Mana Whenua play an even more active role in decision making than in the Establishment Phase. Governance arrangements will be for the Crown to determine, but we strongly support Mana Whenua representation at multiple levels of governance, including at the Sponsor level.

Partnership agencies will be important for integrated outcomes and to support the Delivery Entity's access to partner powers. We have assumed that partner agencies will play specific roles as set out in the diagram overleaf.



## Funding the change

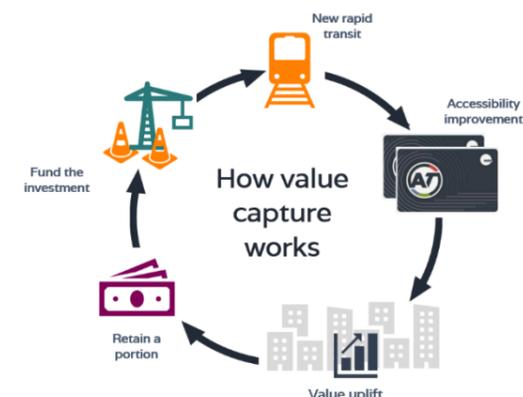
Given the scale of capital and operating costs, a combination of different funding sources will be required. This will include a mixture of Crown, Council, and other sources, development and fees-based value capture, and cover the full range of project beneficiaries. The preferred funding solution will need to balance the trade-off between allocating costs to beneficiaries and the affordability of different tools for ratepayers.

A large Crown contribution is likely to be required, given the Project's size and scale, and the affordability constraints for ratepayers and Auckland Council.

We looked at a range of existing and potentially new funding tools. Various mechanisms could be used to support a funding contribution. Possible funding sources and tools and who could use them are set out below:

- Crown and New Zealand taxpayers e.g. Crown appropriation
- Crown e.g. increase in value of public land holdings
- Auckland Council e.g. Council contribution, increase in value of public land holdings.
- Public transport users e.g. farebox
- Motor vehicle users e.g. parking charges, congestion tax
- Wider Auckland ratepayers e.g. rates
- Landowners within station catchments e.g. targeted rates, IFF levy.
- Business owners in station catchments
- Private sector or Māori developers e.g. development contributions

The ability to use funding sources above may require changes in policy settings.



Additional funding could be generated by capturing value through development activities, however this may require upfront capital to implement and assume additional risks.

This approach might include strategic purchase and sale of land, or more active urban development intervention and partnering. This has the additional benefit of better controlling the urban outcomes including the nature of housing built along the corridor. However, this does come with additional costs, complexity and risk. Ultimately this will be subject to Crown appetite and more detailed understanding of the opportunities, and risks and rewards potentially available at each node.

Even with the use of value capture mechanisms, there will be a significant funding gap.

### Our key findings

- The Project should be developed and implemented in partnership between the Crown, Auckland Council and Mana Whenua across multiple levels of governance and management.
- The preferred choices for the Delivery Entity are for a new purpose-designed Schedule 4A company or Waka Kotahi (through an internal business unit or subsidiary). However, we propose the Project keeps open the choice of final Delivery Entity at this point until more work has been done.
- Local and regional beneficiaries can make a meaningful funding contribution through leveraging existing, or new, rating and value capture tools. Nevertheless, the Crown will be required to fund most of the capital costs of the Project. There are opportunities to seek to recover some of that Crown funding contribution through urban redevelopment. In the next phase of the project more analysis work should be undertaken to determine the preferred funding and financing solution.

## Part Four: Next steps

### There is still a lot of work to do to get to the Delivery phase of the Project.

Subject to the decisions of Cabinet, our recommendations are that the following work should be undertaken by the Project over the next 12 to 18 months:

#### Refine the proposed solution

- Confirm the extent of tunnelling at the northern end of the route (including the possibility of a shorter tunnel, with more surface running Light Rail)
- Work with the Additional Waitemata Harbour Crossing project and ARTP on broader network issues
- Undertake a strategic assessment and masterplan for the corridor to get greater clarity on urban development opportunities at each node and partner roles
- Confirm the exact route and station locations of tunnelled alignment to maximise urban outcomes
- Get greater certainty on scheme design, cost, and schedule
- Investigate the potential for staging the Project
- Undertake public and community engagement and consultation, and include that feedback in the evolution of the design development
- Update the economic assessment to include staging, early benefit release and consideration of further land use benefits, informed by master planning.
- Determine integration with wider rapid transit network strategy

#### Begin delivery

- Develop consenting applications
- Make strategic property purchases

#### Financial arrangements:

- Identify what funding is needed to deliver Project
- Determine a preferred funding and financing solution.
- Governance and partnership:
- Work with Mana Whenua to develop the partnership and engagement model
- Finalise the governance and partnership arrangements

#### Delivery entity

- Establish a Transition Unit within Waka Kotahi to advance the project and agree and establish a governance structure
- Agree the preferred final Delivery Entity form
- Undertake establishment planning to support final Delivery Entity

#### Stakeholder, community and iwi Māori engagement

- Stakeholder engagement and change management planning
- Undertake more stakeholder engagement to better understand needs, concerns and aspirations e.g. the community, potentially affected property owners, detailed design and consenting consultation

#### Prepare for project delivery

- Prepare the Detailed Business Case
- Confirm the urban development delivery programme
- Develop a transport procurement strategy
- Undertake initial market engagement
- Develop consenting and property strategies
- Understand and agree asset ownership and operations principles
- Further refine an approach to business disruption
- Agree an approach to manage gentrification
- Undertake rail regulatory engagement.