

Project Playhouse — considerations for the transport aspects of the Crown infrastructure investment package

Reason for this briefing	The Ministry of Transport and the Treasury have analysed the Crown infrastructure investment package to identify the next steps for progressing and implementing the agreed list of transport projects.
Action required	Confirm that the list of transport projects as outlined in Appendix 1 is the final list for delivery Note and agree to the package implementation details and next steps.
Deadline	Thursday 19 December 2019
Reason for deadline	To seek decisions prior to Ministers going on leave for the holiday period.

Contact for telephone discussion (if required)

To protect the privacy of individuals

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Date:	12 December 2019	Briefing number:	OC191252 T2019/4016
Attention:	Hon Grant Robertson (Minister of Finance) Hon Phil Twyford (Minister of Transport)	Security level:	SENSITIVE

Minister of Transport's office actions

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| <input type="checkbox"/> <i>Noted</i> | <input type="checkbox"/> <i>Seen</i> | <input type="checkbox"/> <i>Approved</i> |
| <input type="checkbox"/> <i>Needs change</i> | <input type="checkbox"/> <i>Referred to</i> | |
| <input type="checkbox"/> <i>Withdrawn</i> | <input type="checkbox"/> <i>Not seen by Minister</i> | <input type="checkbox"/> <i>Overtaken by events</i> |

Purpose of report

1. To provide further information and seek initial decisions on the next steps for implementing the transport aspects of the Crown's infrastructure investment package (the package).

The Government has announced additional investment in infrastructure

2. On 11 December 2019, the Minister of Finance announced that the Government has agreed to invest an additional \$8 billion in infrastructure, with \$6.8 billion in Crown capital funding for new transport projects (with a focus on road and rail).
3. We understand that the Minister of Finance and Minister of Transport (Joint Ministers) have been given delegated responsibility to take all detailed decisions on the transport portion of the package prior to announcements on the list of projects being made by the Prime Minister in late January 2020.

Our analysis is based on an assumed list of transport projects included in the package

4. We have had initial discussions with Waka Kotahi NZ Transport Agency (Transport Agency) officials around the package and its components, and how it would be delivered. Appendix 1 includes the projects to be delivered, along with the Transport Agency's estimates of project costs, and further information on each of the projects.
5. We are working on the assumptions that:
 - 5.1. there is to be no movement on the list of projects
 - 5.2. specific projects will be announced in late January 2020
 - 5.3. the actual delivery and assurance mechanisms to give effect to the package are still to be determined.
6. We seek your confirmation that the list of projects as outlined in Appendix 1 is the final list for delivery.
7. The total midpoints of the projects listed in Appendix 1 (excluding the 'Other Projects' at the end of the list) come to \$6.553 billion. This leaves \$247 million in the package to provide contingency for potential cost increases, or to include some of the 'Other Projects' in the package.

We recommend that appropriations be established just ahead of the January announcement

8. The package is made up of 15 projects that are the responsibility of the Transport Agency, and three rail projects that would be delivered by KiwiRail.
9. We recommend that funding for the projects be appropriated according to the delivery agency. This would involve the establishment of two multi-year appropriations for the road and rail aspects of the package respectively.
10. The sooner that appropriations are established and funding can be drawn down, the sooner KiwiRail and the Transport Agency can begin to progress the package. Establishing appropriations now would ensure maximum progress on projects. However, this needs to be balanced with the Government's intention to wait until the New Year to make project announcements and keep information tightly held in the interim.

11. The Transport Agency considers that it can make some preparations now to speed up procurement processes once announcements are made, while keeping initial progress confidential.
12. We recommend that Joint Ministers agree to a similar process as used for the education investment announcement, with the appropriations being established just prior to the first announcement in late January 2020.

Cost overruns will need to be managed across the package

There is a real potential for cost overruns occurring across the package

13. The costs of the projects included in the package are the midpoints of the Transport Agency's estimated minimum and maximum costs. Some element of variation from these estimates can be expected, which may to some extent balance out across the package. However, there are some factors that present greater risks for cost overruns.
14. Many of the projects are in their early stages of pre-implementation, meaning further investigations, consenting and property purchases required before construction can begin. With projects of this size, it is not uncommon for costs to increase as the projects become further developed.
15. The \$6.8 billion package will be the largest single Crown contribution to transport projects in recent years. Alongside the more than \$4 billion per year being spent through the National Land Transport Fund (NLTF) and the step change being made for Crown investment in the heavy rail network, the total number and size of infrastructure projects will exceed usual levels. There is a risk that the increase in work will stretch or exceed what the sector can deliver, at least during parts of the programme.
16. The Transport Agency considers that the risks in respect of roading projects can be mitigated by construction for projects in the package starting as other significant roading projects (e.g. Transmission Gully, the Waikato Expressway) come to an end. The Ministry agrees, but is concerned about whether this will be sufficient to deliver the desired programme, particularly over the next 4-5 years. There is a particular risk which lies in the ability of the rail industry to step up total investment in rail, where we know less about market capacity given the early stage we are at in a ramp-up of heavy rail delivery.
17. Overall, these factors mean that there is a real risk of cost overruns, both at a project and package level, as well as delays to projects. This needs to be factored into the implementation and monitoring processes for the package.

The NLTF has limited capability to manage the possible overrun risk

18. We estimate that based on the draft Government Policy Statement on land transport (GPS) 2021, the NLTF would have funded, over 10 years, approximately \$2.09 billion of projects that will now be Crown funded through the package.
19. The GPS will utilise the headroom created by investing in other Government priorities, such as public transport improvements and the Road to Zero safety strategy. The Ministry's modelling shows that even with the funding freed up, the NLTF will be particularly tight over 2021/22–2023/24. This is the period where the Transport Agency will be expected to complete existing commitments, at the same time as making a step change in road safety infrastructure, public transport investment, and for the first time making some rail freight investment.
20. If the NLTF was required to fund cost overruns, it would be up to the Transport Agency to determine what is not funded as a result. Based on the draft GPS 2021 expenditure

modelling, particularly in the first years of GPS 2021 this would likely come at the expense of activities such as public transport infrastructure investment, which is an area where funding is tagged without yet having specific projects allocated. However, this could put the Government's ambitions for mode shift at risk.

21. The Transport Agency also has the ability to borrow up to \$250 million for cash flow management purposes. This allows the Transport Agency to manage the NLTF with some level of expenditure variability while minimising the impact on other priorities.
22. We recommend that any requirement for the overruns of the package to be funded from the NLTF should be limited to a maximum amount each year to minimise the impact on other priorities. This would necessitate the inclusion of a mechanism in GPS 2021.

Principles for managing cost overruns

23. If cost overruns eventuate, we recommend having an agreed set of principles in place for how they are to be managed. We seek your agreement to the following process and principles to be followed.
 - 23.1. Once a potential cost overrun is identified, the Transport Agency (or KiwiRail in the case of rail projects) must advise Joint Ministers as soon as practicable, including potential funding, scaling, timing and scope options.
 - 23.2. For cost overruns on a specific project, funds should first come from underruns or savings made against other projects in the package.
 - 23.3. Where cost overruns are identified that cannot be managed across the package, the Transport Agency will advise of the appropriateness of the NLTF making up the shortfall, up to a cap of \$200 million per year.
 - 23.4. For any cost overruns that require increased expenditure of more than \$200 million per year, officials will provide advice to Joint Ministers on funding options.

All funding is capital expenditure but this will require transfer of local roads to the Crown

24. The national road network is made up of local roads and state highways. State highways are Crown assets managed by the Transport Agency, while local roads are council owned. This distinction is relatively unimportant from a user and national network development perspective, but from a financial perspective determines which party is responsible for project delivery, ownership, and ongoing maintenance. From a Crown perspective, all state highway investment is therefore capital expenditure, while contributing to councils' investment in local roads is operating expenditure.
25. The package has been developed in a way that seeks to ensure that all expenditure is capital expenditure. Most projects in the package are Crown assets (generally state highways). However, Mill Road and Penlink are local road projects.
26. Given the projects will be fully Crown-funded under the package, it would be more appropriate for them to be delivered by the Transport Agency. The most straightforward means of achieving this would be by transferring ownership of both Mill Road and Penlink from Auckland Council to the Transport Agency. The result of this will mean that:
 - 26.1. Crown investment on the projects will be considered capital expenditure
 - 26.2. the Transport Agency will have responsibility for project delivery, including the pre-implementation works (including consenting and property purchase)

- 26.3. the Transport Agency will have responsibility for funding the ongoing maintenance of the projects once they are complete
- 26.4. Ministers will be able to consider factors such as whether the roads could be considered as appropriate candidates for tolling.
27. The process to transfer a local road to the Transport Agency requires the Transport Agency to follow the state highway declaration process, which is set out in Appendix 2.
28. Auckland Transport is supportive of both projects, but no discussion about transferring the roads to the Transport Agency have occurred. Following the announcement of the package, the Transport Agency's further work will include engagement with Auckland Transport.

The significant funding for Auckland will require renegotiation of the Auckland Transport Alignment Project (ATAP)

29. ATAP sets out \$28 billion of investment over Decade 1 (2018/19–2027/28), which includes agreed shares from the NLTF of \$16.3 billion, \$8.45 billion from the council and \$1.5 billion from regional fuel tax. This is an agreement between Auckland Council and Government, and while it does not commit to specific timing or a complete list of projects, some projects within the Crown infrastructure package are key ATAP projects.
30. The Crown infrastructure package includes \$3.48 billion of investment in Auckland. All of these projects were in ATAP, but some are Decade 2 projects, and some of the costs of Decade 1 projects are higher than expected when ATAP was developed.

We estimate the Auckland components of the package will save Auckland \$0.77 billion and the NLTF \$1.96 billion over 20 years

31. Of the Auckland components of the package, the ATAP modelling assumed:
- 31.1. the NLTF would contribute \$1.3 billion in Decade 1 and \$0.66 billion in Decade 2
- 31.2. Auckland would contribute \$0.34 billion in Decade 1 and \$0.43 billion in Decade 2.
32. In addition to the modelling done for ATAP in 2018, the package includes \$0.74 billion that will go towards costs resulting from cost increases, changes to projects, or that were expected to be funded through other means (e.g. tolling and alternative funding for Penlink).

We expect that the package will mean an update to ATAP is required

33. We consider that the Crown investment package would constitute a major change to ATAP. This is because it is driven by a new Government initiative that results in a significant change to project scope, timing, costs and funding sources.
34. The ATAP partners¹ have identified that any major changes will require:
- 34.1. Development of, and agreement to, a Terms of Reference for review of ATAP
- 34.2. Joint advice from the ATAP Governance Group to ATAP Parties (Minister of Transport, Minister of Finance, Mayor and Deputy Mayor of Auckland) on changes to the ATAP package

¹ The ATAP partners consist of the Ministry of Transport, the Transport Agency, Auckland Council, Auckland Transport, Treasury, State Services Commission and KiwiRail.

- 34.3. Updated ATAP Package agreed by Parties
- 34.4. Subsequent changes reflected in the Long Term Plan, Regional Land Transport Plan, GPS and National Land Transport Programme.
35. As we have not yet discussed the package with ATAP partners, it is too early to fully understand the impact of the package and different preferences for how it is reflected in the modelling.

We note that announcing the projects before discussing with Auckland Council will weaken our negotiating position

36. The impact of the package is significant from an Auckland Council and Auckland Transport perspective, as it will save it around \$0.77 billion in expected costs, and will bring forward by many years some of its key transport priorities. One of the key objectives sought from any renegotiation of ATAP should be that the council will continue to contribute the same amount towards ATAP as it would have without the package.
37. Mill Road and Penlink are both projects that are listed in schedule 2 of the Land Transport Management (Regional Fuel Tax Scheme—Auckland) Order 2018 (Schedule 2 of the Order), which means they are eligible for funding by regional fuel tax. We had predicted that most, if not all, of Auckland local share for Mill Road and Penlink would have come from regional fuel tax. Regional fuel tax is 'hypothecated' to Auckland transport projects, so the impact of this will ensure that the funding is not directed away from transport. We will provide advice as part of any ATAP renegotiation on any necessary amendments to Schedule 2 of the Order.
38. With the Crown far exceeding its ATAP commitment as a result of the package, there is the potential to use this to leverage additional local share from Auckland than would have otherwise been the case. Although the ability to do this might be limited given the announcement of projects will already provide the Government's commitment, we recommend that you discuss this with the Mayor and Deputy Mayor of Auckland as part of any ATAP package renegotiation. We will provide further advice on this closer to the time of announcing the projects.

Governance and assurance measures should be established alongside the appropriations

39. With previous programmes funded through Crown investment, the Transport Agency has provided updates on the delivery of projects within its regular reporting. This has included a section of its quarterly report dedicated to the relevant programme, annual reporting, and reports at request of the Minister of Transport.
40. We propose requiring similar reporting on the package. At a minimum, we would expect the Transport Agency and KiwiRail quarterly reports to clearly set out the progress in the quarter against each project in the package.
41. In addition, the Transport Agency and KiwiRail, jointly with the Ministry of Transport should report to Joint Ministers at the end of each financial year to outline progress, alongside a summary of actual spend for the year across the entirety of the package. The annual report should outline:
- 41.1. progress on each of the projects
 - 41.2. expenditure to date relative to expected spend at a project level
 - 41.3. any risks with costs and timing

- 41.4. forecasts for the following financial year, including an assessment of any cost overruns and how they will be managed.

The package is not a substitute for upcoming KiwiRail Budget bids

42. The Ministry and KiwiRail have been providing advice on the most critical rail projects that will require funding through Budget 2020. The projects that make up the package are separate to those that KiwiRail considers of greatest importance for ensuring a resilient and reliable rail network, so the upcoming Budget bids remain critical to the Government's commitment to rail. Treasury will provide further advice on these initiatives to the Minister of Finance as part of the Budget 2020 process.

Next steps

43. We recommend that you write to the Boards of the Transport Agency and KiwiRail setting out the appropriations and the projects for delivery. This should also detail your expectations for monitoring and reporting to directly link the appropriations to the governance arrangements.
44. Timing of the letters should depend on when you are willing to request KiwiRail and the Transport Agency to commence work on the package. We recommend it comes in mid-January 2020, prior to public announcement of projects.
45. If you agree to this process, we will provide you with a report in mid-January 2020 seeking agreement to establish the necessary appropriations and attaching letters for you to send to KiwiRail and the Transport Agency directing them to commence work on the package.

Recommendations

46. The recommendations are that you:
- | | | |
|-----------|--|--------|
| (a) | confirm that the list of transport projects as outlined in Appendix 1 is the final list for delivery of the Crown transport infrastructure investment package (the package), and the \$247 million remaining be considered as contingency | Yes/No |
| OR | | |
| (b) | advise which of the 'Other Projects' in Appendix 1 should be included | Yes/No |
| (c) | agree to the following process for handling cost overruns associated with projects in the package: | Yes/No |
- the Transport Agency (or KiwiRail in the case of rail projects) will advise Joint Ministers as soon as potential cost increases are identified
 - funding for cost overruns will first come from underruns or savings made against other projects in the package
 - the Transport Agency will advise Joint Ministers of the ability of the NLTF to make up any shortfall across the package, up to a cap of \$200 million per year
 - for any cost overruns that require increased expenditure of more than \$200 million per year, officials will provide advice to Joint Ministers on funding options

- (d) **agree** that two separate appropriations be developed for road and rail to allow for funding for all projects to go direct to the delivery agency Yes/No
- (e) **note** that the package provides significant investment in Auckland, which will require a review of the Auckland Transport Alignment Project (ATAP)
- (f) **direct** the Ministry of Transport and Treasury to provide further information on the negotiations and opportunities as part of the ATAP review following the announcement of the package Yes/No
- (g) **agree** to write to the Chairs of the Transport Agency and KiwiRail in January 2020 to set out the package and the expectations for delivery Yes/No
- (h) **note** that if you agree to recommendation (g) above, we will provide you with a report establishing the appropriations, providing further implementation advice and attaching letters in mid-January 2020.

Marian Willberg
Acting Manager, Investment
Ministry of Transport

David Taylor
Manager National Infrastructure Unit
The Treasury

MINISTERS' SIGNATURES:

Hon Grant Robertson
Minister of Finance

DATE: ____/____/____

Hon Phil Twyford
Minister of Transport
Minister for Economic Development

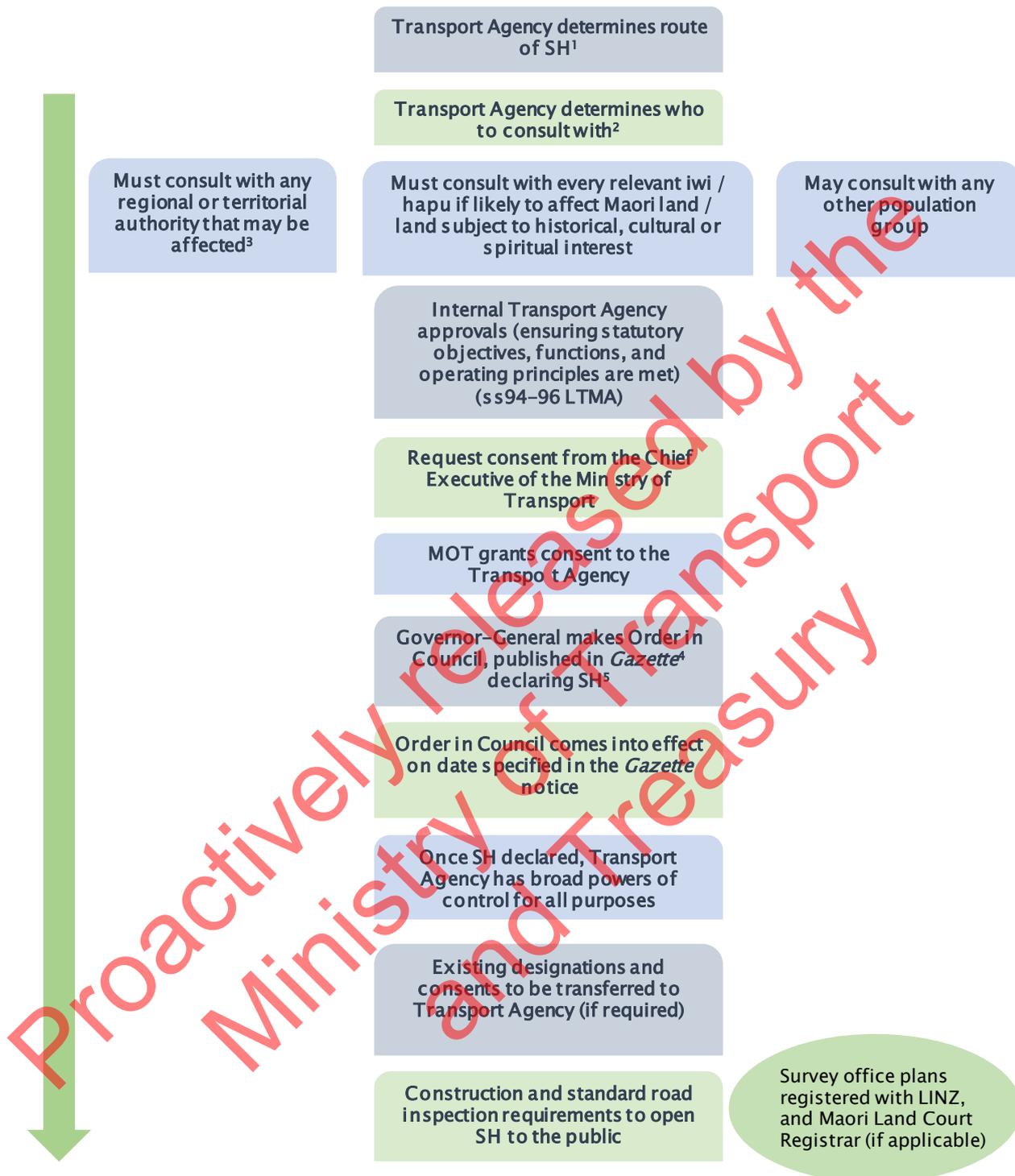
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Appendix 1: Detail of the transport projects in the Crown investment package

Project	Outcome	Improvements proposed	Phasing	Construction start	Estimated cost
Third Rail - Wiri to Quay Park Rail Corridor Improvements (KiwiRail project)	Removes bottleneck for existing passenger and inter-regional freight services between the Ports of Auckland and Wiri. Increases frequency of rail passenger services and improves reliability and resilience for freight and passenger operations.	Construction of a third rail line ("third main") to ease the bottleneck between Wiri and Westfield, to provide additional capacity around Westfield Junction and works around Quay Park to improve rail access to the Ports of Auckland. Involves 5.2 km of additional track in three locations.	Detailed business case complete, requires design and consenting and property purchase before moving into construction.	Late 2020	\$315m (\$279m- \$352m)
Papakura to Pukekohe electrification (KiwiRail project)	The electrified rail network currently ends at Papakura, requiring passengers to change trains to travel further south to Pukekohe. Electrification between the two stations will provide a step change in customer levels of service and increase capacity, efficiency and reliability on the southern rail corridor. This project supports this future urban growth area, forms part of the South Auckland rail network providing attractive alternatives to car travel and supports the new inter-regional service between Hamilton and Auckland.	19kms of new electrified rail network.	Detailed business case complete, requires design and consenting and property purchase before moving into construction.	Late 2020	\$371m (\$328m- \$414m)
SH58 Safety Improvements-Stage 2	Improved safety outcomes by reducing the high number of fatal and serious injury crashes in the area. Safety improvements will support expected increases in vehicle numbers following the opening of Transmission Gully. SH58 provides an essential resilience link between the Hutt Valley and SH1.	Stage 1 of the project is currently under delivery. Stage 2 involves 5.5 km of safety improvements from Mt Cecil Rd through to the Transmission Gully interchange at Pauatahanui and involves widening the road, adding sealed shoulders, installing roadside and median safety barriers, curve corrections, two new roundabouts and improvements to bridges.	Business case and pre-implementation complete. Requires completion of Stage 1 before Stage 2 can commence.	Mid 2021	\$59m (\$52m- \$66m)
Auckland Harbour Bridge Shared Path and SeaPath	The walking and cycling link across the Auckland Harbour Bridge aims to increase the mode share of walking and cycling travel to work trips across the Auckland Harbour Bridge from 0% to 3% by 2028. Together with SeaPath, it will complete the strategic missing walking and cycling link connecting the North Shore and Auckland City.	The Auckland Harbour Bridge Shared Path is a five-metre wide shared path at the same level as the deck of the Harbour Bridge. It will connect seamlessly with SeaPath, a new four kilometre shared walking and cycling path on the lower North Shore, which includes more than 1km of grade separated boardwalks and bridges.	Procurement of a detailed design and construction partner for the AHB Shared Path is underway. Professional services for SeaPath detailed design and consenting are underway. Contract for construction first quarter of 2021.	Late 2020	\$360m (\$300m- \$360m)
Baypark to Bayfair	Improved connections for pedestrian and cyclists	Provision of underpass for pedestrians and cyclists (alternate design)	Detailed design currently being finalised, can be delivered under existing Baypark to Bayfair contract	2020	\$33m
Tauranga Northern Link	Improve safety and support both economic development and population growth. This prioritises the Government's vision for a safer transport network free of death and injury, accessible and affordable transport, value for money and reduced emissions.	The Tauranga Northern Link is a 6.8km new off-line, inland route from the Takitimu Drive Toll Road through to Loop Road, just west of Te Puna. The project will deliver a four-lane corridor with opportunity for two lanes to be used for multi-modal travel.	Requires an update to specimen design, then ready for construction.	Late 2020	\$478m (\$442m- \$534m)
SH1/SH29 Intersection upgrade (Waikato)	This provides a safe interchange, which clearly signals the end of the Waikato expressway with adequate capacity for the future. This will deliver improved access to local community features, maximise the opportunity for future growth and tourism in the community.	A large diameter two-lane rural roundabout providing a safe and in context intersection where the end of the Waikato Expressway re-joins SH1 and SH29.	Requires finalisation of business case, design, consenting and property purchase prior to construction.	Early 2022	\$58m (\$58m- \$74m)
SH1 Whangarei to Port Marsden	Improved safety outcomes by reducing the high number of fatal and serious injury crashes in the area, many of which involve drivers crossing the centre line and colliding with oncoming traffic. Provision of a more reliable transport system with better freight connectivity to the port. Support of growth south of Whāngārei.	22km of State Highway 1 will be upgraded to four lanes between Whāngārei and SH15 (Port Marsden Highway).	Requires completion of business case, design, consenting and property prior to construction.	Early 2022	\$692m (\$611m- \$772m)
Drury Rail station development (KiwiRail project)	Increased access for current and future residents in the south and increase network capacity for future urban growth developments. Includes Park and Ride and Drop and Ride facilities.	Two new stations at Drury East and Drury West that will be platformed based on an island arrangement (i.e. with the tracks either side of the station).	Detailed business case complete, requires design and consenting and property purchase before moving into construction.	2023	\$247m (\$218m- \$276m)
SH2 Te Puna to Omokoroa - off line including Omokoroa Intersection	Improved safety and capacity outcomes, supports economic development and population growth.	7km of new offline four lane state highway from Te Puna to Omokoroa including a grade separated interchange at the intersection with Omokoroa Road. This will include overbridges for local traffic at other major intersections. The existing highway will be retained as a local road.	Requires business case to be finalised, requires design and consenting and property purchase (significant) before moving into construction.	2023	\$455m (\$402m- \$508m)
Penlink	Reduced traffic through the Silverdale Interchange will free up transport capacity for housing development in Wainui, Silverdale West, and approved development on the Whangaparaoa Peninsula. Improved connections will also support economic activity, eg. in Dairy Flat and Silverdale. Provides for fast and frequent public transport with reliable journey times.	7km of new two-lane road linking Whangaparaoa to the Northern Motorway (SH1) at Redvale including a new 540 metre-long, two-lane bridge over the Weiti River.	Requires business case, design and consenting and property purchase before moving into construction.	Late 2022-2023	\$411m (\$363m- \$459m)
Mill Road full proposal (stage 1, 2 & 3 and Drury south Interchange)	This strategic alternative route will support large housing and employment growth in Auckland's south and is a priority network improvement in the Auckland Plan. It will improve safety for pedestrians and cyclists and provide more reliable bus journey times and the ability to move more passengers via public transport.	New four lane road and upgraded intersections from Manukau to Drury, parallel to the east of State Highway 1. The northern section is approximately 9km and runs from the State Highway 1 Redoubt Road intersection at Manukau to the intersection of Mill Road and Popes Road. The southern section will be from the Mill Road/Popes Road intersection to Papakura and Drury. Includes on-road cycle lanes and shared paths.	Requires business case, design, consenting and property prior to construction.	2022 (with phased delivery)	\$1,354m (\$1,197m- \$1,512m)

Project	Outcome	Improvements proposed	Phasing	Construction start	Estimated cost
Melling	Improved safety all modes. Reduced congestion during peak travel periods and, combined with new stopbanks, will reduce the risk of flooding in Lower Hutt and around the Melling intersection. Relocation of Melling train station to better connect Lower Hutt CBD with the station via a new walking and cycling bridge. Part of the combined RiverLink programme. Future proofing for a possible extension of the Melling railway line.	Replace existing Melling intersection and road bridge with a new road bridge and grade separated diamond shaped interchange, connecting directly to Queens Drive. The railway station will be moved closer to the city centre and better park and ride facilities provided.	Detailed business case complete, requires design and consenting and property purchase before moving into construction.	Late 2022	\$258m (\$233m- \$295m)
Otaki to North of Levin	Improve the safety and resilience of SH1 and SH57 and support regional economic growth by delivering a state highway that meets current and future transport demands.	A new 24.2km, four lane state highway will be built between Taylors Road north of Otaki, linking in with the Kāpiti Expressway, and ending just north of Levin.	Requires completion of business case, design, consenting and property (complex) prior to construction.	2024 plus	\$817m (\$722m- \$912m)
Papakura to Bombay stage 1 (Papakura to Drury including interchange) northern section	Supports the growth of communities in the south by enabling better access to places of work, education, and leisure. Supports the liveability of communities in the south by improving walking and cycling facilities and enabling the local road network to function effectively. Reinforces the Southern Motorway's function to support national and regional economic growth.	The first stage, between Papakura and Drury is 6km and will deliver an additional (third) lane in each direction interchange improvements, shared walking and cycling path along the northbound side, new local road connections and wide shoulders to future-proof for public transport services.	Business case is complete and design and consenting is underway.	Early 2021	\$423m (\$374m- \$472m)
Canterbury package, made up of the projects below:	The Greater Christchurch area is rapidly growing where increasing traffic volumes have created severance, safety and reliability issues for all modes of travel. Improving people's travel choices by public transport is a key component of the Mode Shift plan response to move more people in fewer vehicles.				\$112m
<i>Brougham Street improvements</i>	<i>Improve freight reliability, safety, travel options and liveability along and across the corridor.</i>	<i>Lane reallocation, signal optimisation (10 intersections), rationalisation of right turns, installation of bus priority lanes on Colombo Street and safer crossing facilities</i>	<i>Requires business case, design and consenting prior to construction.</i>	2022	\$40m
<i>Rolleston access improvements (joint KiwiRail, NZTA and Selwyn District Council project)</i>	<i>Safe and reliable access and inter-connectivity between the industrial area, inland ports and township growth areas.</i>	<i>Intersection safety improvements at SH1 Waiwera/Dunns Crossing Road, Rolleston Drive, Tennyson Street and Hoskyns Roads. Grade separated inter-connection. Additional rail links (Kiwirail) at the Midland and Main South trunk lines for improved rail operations.</i>	<i>Requires business case, design and consenting prior to construction.</i>	2022	\$50m
<i>SH75 Halswell Road</i>	<i>Provision of bus reliability and improved public transport travel options; embed bus travel as preferred choice</i>	<i>Provision of additional bus priority lanes and integration of bus priority with a new activity centre proposed.</i>	<i>Requires business case, design and consenting prior to construction.</i>	2020	\$22m
Queenstown package, made up of the projects below:	With the continued high growth in Queenstown a significant mode shift away from single occupancy vehicles is required. NZTA, Queenstown Lakes and Otago Regional Council support a system-based approach to integrate all transport modes via the Way to Go (W2G) collaborative partnership.				\$90m
<i>SH6A corridor improvements</i>	<i>Support implementation of public transport via bus priority</i>	<i>Changes to corridor to install bus priority lanes.</i>	<i>Requires business case, design and consenting prior to construction</i>	2021	\$20m
<i>SH6A Ladies Mile corridor improvements</i>	<i>Support implementation of public transport</i>	<i>Installation of bus priority lanes, a roundabout at Howard's Drive and a underpass</i>	<i>Requires business case, design, consenting and property purchase prior to construction.</i>	2022	\$30m
<i>Grant Road to Kawarau Falls Bridge</i>	<i>Support implementation of public transport</i>	<i>Reallocation of road space to public transport, plus additional high occupancy vehicle/bus lanes, improvements to the BP roundabout and a new bus/transport hub.</i>	<i>Requires business case, design, consenting and property purchase prior to construction.</i>	2021-2022	\$35m
<i>Park and Ride Facilities - Ladies Mile Corridor</i>	<i>Support implementation of public transport</i>	<i>Park and ride facility</i>	<i>Requires business case, design and consenting prior to construction.</i>	2021	\$5m
Other Projects: (these are not currently included in the package, but could be considered instead of holding \$247 million as contingency for cost overruns)					
State Highway bypass of Woodend (Canterbury)	Will reduce traffic through Woodend to reduce severance and provide safe access to schools and enable a more liveable community.	Off line bypass to the east of Woodend with grade separated overbridges	The Bypass is already consented and requires some detailed design prior to construction.	2021	\$180m
SH1 Weld Pass realignment (Blenheim)	Improving safety – expected 10.6 DSI reduction over 10yrs and 100% of route improved to 3.5 KiwiRAP star rating (from current 2 star)	Realignment of 4km of steep and winding curves on State Highway 1, providing 1.5m shoulders, median and side barriers throughout.	Refine single stage BC (3 months), pre-implementation (incl procurement) & property (15 months), implementation (24-30 months)	2021	\$60m
West Melton improvement (Canterbury)	Providing safe access at the SH73 intersection by all modes of travel (including pedestrians) to improve outcomes for the West Melton community.	Signalisation of intersection with provision for all modes and associated local road realignment.	Requires business case, design and consenting prior to construction.	2022	\$7m
SH1 / Walnut Ave intersection improvements (Canterbury)	Safe access to two schools at Walnut Ave intersection	Replacing two intersections with a single signalised coordinated intersection that connects East Street, West Street (SH1), Walnut Ave and a rail crossing. This will provide safe access to the two adjacent schools.	Has been designed, needs some property and KiwiRail agreement.	2020	\$10m
Tinwald corridor improvements (Canterbury)	Providing safe access at the SH1 intersection by all modes of travel (including pedestrians) to improve outcomes for the Tinwald community.	Upgrading to a signalised intersection, and connecting pathways, to improve travel options for liveable communities. Residences are on one side of the intersection and schools and businesses are the other.	Needs investigation and design, straight forward projects, can integrate with local developments underway	2021	\$5m

Appendix 2: Steps for declaration of a State Highway



1. In determining the route of a State highway, the Transport Agency is not constrained to accept the route of an existing road, and may, if it thinks fit, declare either permanently or temporarily, more than one State highway between any two places.
2. Consultation must be meaningful but consulted parties do not have to agree to or approve the State highway declaration.
3. In Auckland, the Transport Agency must consult with Auckland Transport and Auckland Council.
4. The Transport Agency must, by the same or subsequent consent notice, define the route of the State highway by town, road name or route position.
5. A road declared a State highway may include land that was not previously constituted as part of the road.