



Received
18 FEB 2020
Office of Hon Phil Twyford

New Zealand Upgrade Package and the Drury Transport Investment Programme

Reason for this briefing	The New Zealand Upgrade Package provides significant funding for core transport infrastructure which supports development at Drury. To enable full development potential of Drury there is additional investment required. This briefing provides early indication of the funding and current constraints.
Action required	Note the contents of the briefing and provide feedback if necessary.
Deadline	No Deadline
Reason for deadline	

Contact for telephone discussion (if required)

Name	Position	Telephone	First contact
Karen Lyons	Director Auckland	[Redacted]	
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MINISTER'S COMMENTS:

Protect the privacy of individuals

Date:		Briefing number:	OC200107
Attention:	Hon Phil Twyford	Security level:	

Minister of Transport's office actions

- Noted Seen Approved
 Needs change Referred to
 Withdrawn Not seen by Minister Overtaken by events

Purpose of report

1. To provide an early assessment of the impact of the New Zealand Upgrade Programme (NZUP) on the Drury Transport Infrastructure Programme (DTIP) and to provide early indication that the additional projects required to enable optimal development at Drury total approximately \$900 million and are not currently funded in ATAP.

Background

2. NZUP (OC191303 refers) provides funding for five projects related to the ongoing Drury Transport Investment Programme (OC200031 refers).
3. The announcement of Crown funding for these projects means that a significant portion of the infrastructure to support optimal development at Drury is now fully funded. However, to maximise this investment there is approximately an additional \$900 million required to fund the remaining projects identified as needed to enable development at Drury. These projects are not in ATAP and are not funded, with the exception of Mill Rd which is partly funded.

Drury Transport Investment Programme (DTIP)

4. The Drury Transport Investment Programme (DTIP), is a joint work programme between Auckland Council, the Ministry of Transport, The Treasury, Waka Kotahi NZ Transport Agency and Auckland Transport (AT) (OC190965 refers). Significant investment in transport infrastructure is required to support both Drury West and Drury East. This work is due to be with you by April.
5. Early indication from the DTIP shows that to support development at Drury, a package of transport infrastructure, consisting of 22 projects is required. This package of projects is staged and sequenced to commence this year with a full network completed by 2048.
6. The DTIP has focused on designing a package of projects that work together to provide an integrated approach across modes, but focusses on provision of public transport, providing capacity to reduce congestion and enabling development.
7. The NZUP funding means that some of the major projects identified by DTIP are now funded.

NZ Upgrade Programme projects relevant to Drury

8. NZUP provides \$2.7 billion in funding for five projects relevant to Drury:
 - 8.1. Mill Road
 - 8.2. SH1 Papakura to Drury South
 - 8.3. Drury Central and Drury West rail stations
 - 8.4. Third line Wiri to Quay Park
 - 8.5. Papakura to Pukekohe electrification

NZUP impact on DTIP

9. All of these projects funded by NZUP are contained in the DTIP staging and sequencing proposal. The NZUP package means that significant portions of the staging and sequencing proposal are now funded, and have a confirmed timeframe for delivery.

10. The DTIP is currently revising the staging and sequencing proposal, as the NZUP infrastructure needs to be supported by other currently unfunded infrastructure. For example, the stations require connections to arterial roads and to walking and cycling connections, which are currently unfunded, and not in ATAP. There are also different timings for construction and completion in NZUP and in DTIP which need to be reconciled. The revised staging and sequencing will be reported to you and the Mayor of Auckland in April 2020.
11. The most recent initial costings for DTIP indicated a cost of approximately \$5-6 billion. The NZUP package will fund approximately \$2.7 billion of this cost. When rail 4-tracking is removed from the DTIP package, the shortfall of funding for infrastructure to support Drury is approximately \$900 million over the period 2020 – 2048.
12. The additional \$900 million required for DTIP is for projects such as arterial road upgrades, walking and cycling, safety upgrades and bus lanes. These projects are all unfunded and require investment from other sources. These smaller projects are very important for supporting a functioning transport system for Drury.
13. DTIP has progressed with its own assumptions regarding what is in and out of scope for individual projects, which don't necessarily align with what is in and out of scope for the NZUP projects. For example, DTIP has assumed that each of the Drury stations are supported by park and ride facilities and bus interchanges, and are initially quickly built (interim stations, and then later upgraded). DTIP will work closely with Waka Kotahi and KiwiRail as they prepare their establishment reports to make sure that these approaches are consistent.
14. Initial analysis on how to fund the remaining Drury projects indicates that an Infrastructure Levy is feasible for development at Drury. DTIP's final assessment of this option will be part of the report back to you and the Mayor of Auckland in April 2020.

NZUP - implications for NLTF funding

15. As previously advised (OC191303 refers) if the NZUP package releases funding from the NLTF (see table below, Decisions will need to be made regarding how this released funding is managed.

Project	Cost in NZUP (\$m)	ATAP 2018 decade 1 funding assumptions		ATAP 2018 decade 2 funding assumptions	
		AT share	NLTF or Crown share	AT share	NLTF or Crown share
Wiri to Quay Park	315	0	173	0	0
Papakura to Pukekohe electrification	371	0	232	0	0
SkyPath & SeaPath	247	0	0	0	247
Drury Rail station development	1,354	242	258	416	433
Penlink	423	0	394	0	0
Total	2,710	242	1,057	416	680

16. The Upgrade package provides a significant boost to funding for infrastructure in Drury. An estimated further \$900 million of investment is required to enable optimal development. The local share of funding for projects that relate to Drury is \$242 million. This leaves around \$650 million which is currently not funded through ATAP.

17. Auckland Council will need to balance this funding requirement against other regional transport projects, and will require prioritisation across council budgets. This is a significant political decision.
18. Auckland Council and the ATAP refresh process will form a view on the reallocation of these funds. Clarity is needed on how the funds released in the NLTF through the Upgrade package will be allocated prior to the ATAP refresh process commencing.

Recommendations

19. The recommendations are that you:

- (a) Note the contents of this briefing and provide feedback if necessary.

Yes/No

Karen Lyons
Director Auckland

MINISTER'S SIGNATURE:



DATE:

24.2.20.

Proactively released
by the Ministry of Transport