



## North Auckland Rail Business case – engineering and knowledge works

### Executive Summary

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Transport is a key enabler of economic development. But the right investment needs to be made in the right place.

Government is seeking to invest in improved transport infrastructure for Northland to support Northland's economic development.

The aim of the project is to support robust decision-making about investment in Northland's transport infrastructure.

The Tai Tokerau Northland Economic Action Plan released in 2016 outlines a 10 year plan that identifies several growth opportunities for Northland. These are:

- forestry and related processing
- tourism
- specialised (marine) manufacturing
- aquaculture
- horticulture, and
- agriculture, with an emphasis on improving the utilisation of Māori-owned land.

Realising these opportunities is reliant on good connecting infrastructure. The Action Plan identifies better connectivity is needed with Auckland, within the region and with export markets if Northland is to realise economic opportunities.

In June 2018, Senior Regional Officials (SROs) agreed to allocate \$500,000 from the PGF for Ministry of Transport (MOT) to procure consultants to carry out a business case to test the economic costs and benefits of the proposed upgrade of the North Auckland Line (NAL).

At the time that the NAL business case was scoped it was anticipated that KiwiRail would supply the engineering information that the business case requires. The business case budget does not include the funding required to undertake engineering and geotechnical investigation of the existing line, or the tunnels or of the alignment to Marsden Point. The consultants (Commercial Information) have been asked to work with KiwiRail to get the engineering and geotechnical information that they need.

The quality of the business case will depend on the nature and extent of information that KiwiRail is able to provide. The cost/benefit elements of the business case in particular, require accurate costings of the proposed work. KiwiRail will need to provide these costings. We also need KiwiRail to assist with identifying and quantifying the engineering risks.

The funding that MOT is seeking will enhance the business case and enable better informed decisions to be taken about the future of the line. It will also likely inform future applications for funding from the PGF. PDU officials recommend that Ministers agree to fund the business case.



## Project overview

- 113. MOT, on behalf of KiwiRail, is seeking \$2.23 million to undertake engineering and geotechnical investigation of the existing North Auckland line, the tunnels and the alignment to Marsden Point.
- 114. This will build on existing work carried out on the North Auckland Line business case. SROs agreed to grant the MOT \$500,000 to procure consultants to develop the NAL Business Case.
- 115. Improving land transport connections between Northland and Auckland will offer better access to markets for Northland businesses. Upgrading the rail corridor between Auckland and Northland is expected to offer improved connectivity at relatively lower cost than other land transport improvements.

### Regions covered by proposal

- 116. The project covers the Tai Tokerau Northland Region – a surge region.

### Local support for proposal

- 117. There is overall support from the region for this application and extensive consultation will take place with Northland residents and businesses.

### Key milestones and outputs

- 118. The key output will be a comprehensive business case assessing investment options for the NAL.

### Management and governance

- 119. The project will be managed by KiwiRail.

## Cost and funding sources

- 120. The NAL business case will cost an additional \$2.23 million – the PGF is being sought as the sole source of funding.

## Assessment against the PGF criteria

Criteria	Rating 1✓ - 5✓	Comment
<b>Sustainable regional economic development</b>	✓	No information provided
<b>Productivity and innovation</b>	✓	No information provided
<b>Increased employment, training or work readiness for the sectors workforce</b>	✓	No information provided
<b>NZ's ability to meet climate change commitments</b>	✓	No information provided



<b>Māori aspirations for utilising land and other resources and achieving cultural objectives</b>	✓	No information provided
<b>Additionality</b>	✓	No information provided
<b>Connections and alignment with regional priorities</b>	✓	No information provided
<b>Environmental sustainability and/or productivity of natural assets</b>	✓	No information provided

## Benefits

121. Ensuring that KiwiRail has detailed engineering and geotechnical information for the North Auckland Line will help inform investment decisions for the Northland transport network, which will have widespread benefits for communities and business.

## Risks

122. The following risks/mitigations have been identified:

<b>Risk</b>	<b>Mitigation</b>
That the \$2.23 million is not sufficient to allow for the completion of a comprehensive business case.	Ensure good project management processes are in place.

## Next steps

123. Subject to Ministers decisions:

- i. Allocate \$2.23 million from the PGF in the form of a grant to MOT for the business case to be completed.