

Next steps for Light Rail in Auckland – key messages

Key messages for all

The project / benefits

- The City Centre to Māngere light rail line is a key component of Auckland’s future transport network
- This multi-generational infrastructure project will revolutionise the public transport system and urban landscape in our biggest city
- This project will drive a range of positive outcomes for Auckland by:
 - improving access to major and growing employment areas, provide additional public transport capacity and drive increased public transport patronage
 - integrating with the rest of the transport network to move large numbers of people across the city
 - fostering urban growth through intensification along the City Centre to Māngere corridor
 - providing a reliable and resilient service for all users, including visitors to Auckland
 - supporting better environmental outcomes from the transport network, including reduced CO2 emissions
- It is critical that we find the best long-term solution for Aucklanders and New Zealand.

Background to the project

- Through the Auckland Transport Alignment Project (ATAP), there has been considerable work over several years to develop an integrated investment programme for Auckland’s transport system. Light rail is a key component of that package
- The NZ Transport Agency (NZTA) was mandated in May 2018 to lead the delivery of the City Centre to Māngere light rail line
- NZTA has developed an indicative business case for light rail from the City Centre to Māngere, including engaging with the market on opportunities and options
- This work has been robust but NZTA has indicated it wants to further enhance the proposal
- At the same time, the Government received an unsolicited proposal from NZ Infra, a joint venture between the NZ Super Fund and Canadian institutional investors CDPQ Infra
- There are significant differences in the two options, and the Government has now requested further information from both parties

General audience messages

Current state

- The next stage of this transformational project is for NZTA and NZ Infra to further develop their proposed options, and then for the Ministry of Transport to assess them both
- Officials from the Ministry of Transport are leading a process whereby both options will be developed to the point that they can be considered by Government
- This parallel process will allow us to:
 - test the value for money that the two parties offer, along with how well they will perform as partners
 - understand the specific technical solutions that they offer, how they will be financed and delivered, and how acceptable their option will be to the Government (and Auckland partners)
 - test how their options will integrate with the current, and future public transport network
- This process is an important next step in delivering one of the largest transport projects in New Zealand and will allow a more complete comparison of the two different financing and ownership models
- This process is structured so that it is fair to both parties and results in the Government receiving the best information. Like other projects with commercial features, the process will be tightly managed
- There has been a range of public engagement about light rail in Auckland over the past few years and that information will be made available to both parties to help them shape their options
- We expect both options will detail how they would undertake public engagement in the future
- ATAP partners and other central government agencies are supporting the Ministry in this process.

What is next and wrap up

- Officials will undertake detailed analysis of the two options and will brief the Minister of Transport by February 2020
- The Minister will then take a paper to Cabinet with recommendations on the next steps for light rail in Auckland
- This is a complex project, that has not been done in New Zealand before
- That is why we need to take the time now to make sure we make the best decision, for Auckland, and for New Zealand.

Market-specific audience messages

Current state

- Work to decide the preferred delivery partner for Auckland's transformative Light Rail project has entered its next stage with detailed investigations of two options underway
- The Government considers that both options are credible – but neither are at a point where they can be fully evaluated
- The NZ Infra proposal is unique for New Zealand in that it offers a different model for construction, ownership and operations. It also offers a financing approach over a longer period than has been seen in New Zealand before
- The Government is interested in understanding innovative options such as this for developing New Zealand's infrastructure
- The Government received a small number of other unsolicited proposals, but they were all based on the Public Private Partnership model, and as such were not seen as unique in the way that the NZ Infra model is
- It is important to understand the long-term implications of both options before a decision is made
- That is why the Government has requested that both NZTA and NZ Infra further develop their separate options for Auckland's light rail project
- This parallel process will allow us to:
 - test the value for money that the two parties offer, along with how well they will perform as partners
 - understand the specific technical solutions that they offer, how they will be delivered, and how acceptable their options will be to the Government (and Auckland partners)
 - test how their options will integrate with the current, and future public transport network
- We recognise that NZTA has undertaken a range of work with suppliers in the market as they have developed their indicative business case
- We expect that both NZTA and NZ Infra will continue to engage with suppliers as they develop their separate options.

Funding and financing

- A project of this scale is very well suited to attract new and innovative models for delivery
- This includes taking an open approach to allow maximum flexibility around models for funding and financing

- The Government has an ambitious transport agenda, and we must consider different ways of financing and delivering this to provide New Zealanders with the long-term infrastructure needed for a modern world class transport system
- This includes understanding the long-term implications of the NZ Infra option which, as a financing, constructing, owning and operating partner, is a new model in the New Zealand context
- NZTA has also signalled its desire to further develop its option and is exploring a range of procurement, financing and delivery models, including alliances and public-private partnerships, and will continue to progress these.

Public and market engagement

- We recognise that market participants are seeking certainty on next steps with the project
- NZTA and NZ Infra will need the best information available to assist them to develop their options, and it is likely that they will need to re-engage with the market as part of this process
- There has been a range of public engagement about light rail in Auckland over the past few years and that information will be made available to both parties to help them shape their options
- We expect both options to demonstrate how they would undertake public engagement in the future.

What is next and wrap up

- The detailed development and evaluation of both options is expected to take up to six months
- Officials will undertake detailed analysis of the two options and will brief the Minister of Transport by February 2020
- The Minister will then take a paper to Cabinet with recommendations on the next steps for light rail in Auckland
- Whatever the outcome of this process there will be significant opportunities for the market as the project progresses
- We recognise that you are seeking certainty about this project
- This is a complex project, that has not been done in New Zealand before
- That is why we need to take the time now to make sure we make the best decision, for Auckland, and for New Zealand.