

Questions and answers: next steps for light rail in Auckland

Note: this content could be included in the Minister's press release if required.

Why is light rail needed for Auckland?

Congestion in Auckland costs hundreds of millions in lost productivity annually as the city grows by 40,000 people per year adding an additional 10,000 – 12,000 cars on the roads. Attractive public transport alternatives are needed to carry large volumes of people efficiently.

While public transport trips have now hit 100 million per year, light rail will carry an additional 11,000 commuters per hour and will service the growing employment areas of the city centre and Auckland airport which has 35,000 workers alone. Additionally, light rail will drive urban regeneration along its route from the city to Māngere.

What are the two proposals being developed?

In May 2018, the New Zealand Transport Agency (NZTA) began developing a business case for the City Centre to Māngere Light Rail Project based on work completed through the Auckland Transport Alignment process.

This model would see NZTA lead the work to plan, design, construct, fund and maintain a light rail line from the city centre to the growing employment centre at Auckland Airport, providing capacity for 11,000 commuters per hour and driving urban regeneration along the route.

NZTA has made good progress on its business case, and it has worked closely with project partners such as Auckland Transport and Auckland Council. Its work has been closely based on the solution outlined in ATAP.

However, the \$1.8bn that is available from the National Land Transport Fund (NLTF) is not sufficient to fully fund the project, and alternative funding and financing solutions will need to be put in place. These will be explored further in the next stage of the project.

Independently of this work, NZ Infra, a joint venture of the New Zealand Super Fund and Canadian institutional investors CDPQ Infra, proposed an alternative approach to the design, financing, construction, ownership and operation of light rail in Auckland. This is a new and untested solution in the New Zealand context.

What is happening in the next stage of the project?

Both proposals require more detailed development before a decision is made. Ministers wish to work through these approaches in a structured way, and so the two parties have received a set of requirements which will inform the Ministry's evaluation of their proposals.

The requirements the two parties must address include commercial and financial matters, the technical solution and service delivery response, and how their solution will achieve the key goals for the project.

This process will take up to six months, and at its completion, the intent is that the Government will be able to thoroughly consider the merits of the two proposals.

This is to ensure that the Government can make robust decisions on which delivery partner will provide the best long-term outcomes and value for money for Aucklanders and for New Zealand.

What happens at the end of the process?

Officials will brief the Minister of Transport who will then take a paper to Cabinet for decisions on the next steps for light rail in Auckland.

Who is NZ Infra?

NZ Infra is a joint venture of the New Zealand Superannuation Fund and CDPQ Infra (an infrastructure subsidiary of the Canadian pension fund, Caisse de dépôt et placement du Québec (CDPQ)).

What is its experience in delivering light rail?

The key members of the CDPQ Infra team have worked on 12 light rail projects globally. CDPQ Infra are currently constructing the Réseau express métropolitain (REM), a new 67km light rail line in Montreal.

How is the project being managed?

The project is being managed by a dedicated project team in the Ministry of Transport.

There is a Ministers' Oversight Committee Group comprising the Ministers of Finance, Transport and Urban Development, Environment, Infrastructure and Associate Transport.

A Chief Executive Advisory Group has also been set up to support the Secretary of Transport in his role in managing the process. This Group comprises Chief Executives Chaired by Peter Mersi.

Proactively released by
the Ministry of Transport