Hon Phil Twyford

MP for Te Atatu
Minister for Economic Development
Minister of Transport
Minister for Urban Development

[redacted]

2 OCT 2019

Withheld under section 9(2)(a) of the Official Information Act 1982

Dear [redacted]

I refer to your request dated 7 September 2019, pursuant to the Official Information Act 1982 (the Act), seeking:

> *"Under the OIA I seek copies of the papers received by you mentioned in answer to QWA 29882 (2019)."*

On 10 September 2019, the Ministry of Transport (the Ministry) received a similar request from yourself under the Act, seeking:

> *"Under the Official Information Act, could I please request copies of all advice (excluding emails) that has been prepared by the Ministry of Transport for Ministers since November 2017 on rapid rail between Hamilton and Auckland."*

On 12 September 2019, the Ministry received another request from yourself under the Act, seeking:

> *"In a recent speech at https://www.beehive.govt.nz/release/speech-2019-building-nations-conference Phil Twyford stated*
>
> *"We are also underway with a cabinet mandated initial business case for rapid inter-city rail between Hamilton and Auckland."*
>
> *Under the OIA I seek all advice to Ministers regarding this issue."*

This latter request was referred to the Ministry from the Treasury.

This response covers all three of your requests to avoid sending you duplicate information.

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The table below details the documents that fall within the scope of your request and are enclosed:

Document number	Document owner	Document type	Title	Date	Comments
1	The Treasury	Pre-Cabinet Briefing	DEV priority work programme items – Supporting the Hamilton-Auckland Corridor through investment in rail	23 November 2018	Some information withheld under section 9(2)(j) of the OIA
2	MoT	Cabinet paper	Supporting the Hamilton-Auckland Corridor through Investment in Rail	3 December 2018	Some information withheld under section 9(2)(g)(i) and 9(2)(j) of the OIA
3	MoT	Aide memoire	Hamilton-Auckland Corridor – Rapid Rail Business Case	8 March 2019	Some information withheld under section 9(2)(a) and 9(2)(f)(iv) of the OIA
4	MoT	Briefing	Update on H2A Rapid Rail Indicative Business Case	22 May 2019	Some information withheld under section 9(2)(a) of the OIA

Certain information has been withheld under the following sections of the Act:

- 9(2)(a), relating to protecting the privacy of natural persons;
- 9(2)(f)(iv), relating to protecting the confidentiality of advice tendered by Ministers of the Crown and officials;
- 9(2)(g)(i), relating to maintaining the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation;
- 9(2)(j), relating to enabling a Minister of the Crown or any department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

My office provided you with a copy of Document 2 on 23 September 2019. This was in response to your request made under the Act, seeking a copy of the Cabinet paper.

Since then, the commercial negotiations regarding the indicative business case have concluded. I have released further information in the Cabinet paper to reflect this.

I consider the reason for withholding this information is not outweighed by any other considerations that render it desirable, in the public interest, to make the information available.

You have the right under section 28(3) of the Act to make a complaint about the withholding of information to the Ombudsman, whose address for contact purposes is: info@ombudsman.parliament.nz.

The Ministry publishes it's OIA responses and the information contained in my reply to you will be published on the Ministry website. Before publishing, Ministry officials will remove any personal or identifiable information.

Yours sincerely

Hon Phil Twyford
Minister of Transport

DEV priority work programme items		
Description and analysis	**Fiscal implications**	**Treasury Recommendation**
Supporting the Hamilton to Auckland corridor through investment in rail		
We support the proposal to provide $0.300 mil for an indicative business case. We also note that seeking the further [redacted] to do more detailed route design work for that case through the Budget process will ensure that the necessary work is completed to scope the business case costs before additional funding is committed. However, we also note that the paper assumes that rapid rail is the best option for catalysing growth along the Hamilton-Auckland corridor without providing any evidence to confirm this. A proper options analysis will need to be conducted as part of the business case process.	The paper seeks agreement to increase the Policy Advice and Related Outputs MCA within Vote Transport by $0.300 mil for the 2018/19 year. This will be charged against the between-Budget operating contingency established as part of Budget 2018. A further [redacted] will be sought as part of Budget 2019 for detailed route design work.	**Support.** You may wish to emphasise, however, that the scope of the business case needs to be clarified before being considered for Budget funding. You may also wish to point out that a robust options analysis needs to form part of the business case.

Office of the Minister of Transport

Chair
Cabinet Economic Development Committee

SUPPORTING THE HAMILTON TO AUCKLAND CORRIDOR THROUGH INVESTMENT IN RAIL

Proposal

1. In May 2018 I presented my vision for the Hamilton-Auckland Corridor, highlighting its role as New Zealand's most significant transport corridor, and the unrivalled opportunity that it presents for transit oriented development. This paper updates Cabinet on the work to develop an integrated strategic spatial plan for the Corridor. It outlines an indicative package of projects that is considered necessary to deliver this vision.

2. One of these projects is a rapid intercity rail service connecting central areas of Hamilton and Auckland. I seek Cabinet's approval to initiate an indicative business case to investigate this further.

3. My vision is for rapid rail to act as an anchor and catalyst for economic growth at both ends of this important corridor, supporting new jobs and increased levels of regional and national productivity. There is also the potential for a future phase providing a link to Tauranga, helping to unite the Golden Triangle as a single economic entity.

4. Once sufficient progress has been made to identify the potential contribution that rapid rail could make to realising opportunities for economic growth, I propose to provide an interim report to the Economic Development Committee.

5. Following this, I will return to Cabinet to outline the findings of the indicative business case and to seek approval to proceed with more detailed business case work and market testing.

Executive Summary

6. The Hamilton-Auckland Corridor Plan (the Corridor Plan) is a bold and innovative initiative to better coordinate land use planning and investment in this unique region. In May 2018, Cabinet agreed for the Government to work with partners to develop a spatial plan for the Corridor, in line with the objectives of the Urban Growth Agenda.

7. To take the initiative forward, the Hamilton-Auckland Corridor project was established in June 2018. A Corridor Plan is currently being developed jointly by members of a partnership between central government, local government and iwi representatives.

8. The draft Corridor Plan has identified growth challenges and opportunities along the Corridor, and is helping to align new development with a series of transformative projects. The outputs and recommendations of the draft Corridor Plan are structured under three spatial areas:

    - **The Papakura-Pokeno Corridor**, where there is an opportunity to unlock significant residential and employment development, linked by an extension of the Auckland metro rail network to Pokeno;

    - **The River Communities,** which has more limited development potential, but where community and mana whenua-led revitalisation can be supported in areas such as

Meremere, Te Kauwhata and Huntly, including through integrated regional bus services; and

- **The Hamilton-Waikato Metropolitan Area**, where there is significant development potential in and around Hamilton, especially if supported by a network of fast, frequent and reliable public transport.

9. In addition to area-specific initiatives, the draft Corridor Plan identifies the need to radically transform the nature of travel between Hamilton and Auckland. This will be essential to anchor economic growth at both ends of the corridor, shape a more efficient urban form, boost productivity, increase opportunities for the communities in the Corridor, and help reduce congestion and harmful emissions from transport.

10. A detailed business case for a start-up, diesel hauled service between Hamilton and Auckland is currently being developed. Subject to approval for funding by the New Zealand Transport Agency (NZTA), the service will be in operation by March 2020. This acts as a down payment on future investment in rail.

11. Beyond this, my vision is for a transformational new intercity railway, capable of speeds of over 140km/hour on a largely segregated alignment. The scheme would deliver a series of transport benefits, helping drive productivity by increasing economic activity within and between Hamilton and Auckland.

12. I propose that an indicative business case is developed to consider the merits of rapid rail further, and to test its alignment with our goals for New Zealand's economy, as well as the objectives of the Corridor itself. I also propose that the business case considers the potential for a future phase of rapid rail between Hamilton and Tauranga, establishing the 'Golden Triangle' as a single economic entity. Withheld under section 9(2)(g)(i) of the Official Information Act 1982

13. [redacted] I am requesting Cabinet approval for $300,000 to be made available to scope and initiate the business case. It is vital that initial funding is provided now to maintain the momentum gathered through the development of the Corridor Plan and the detailed business case for the start-up service, as well as to meet the expectations of stakeholders within the corridor.

14. [redacted]

Withheld under section 9(2)(j) of the Official Information Act 1982

Background

15. The Hamilton-Auckland Corridor connects two of New Zealand's fastest growing cities through an area of high natural and cultural importance and value. The parallel road and rail alignments, as well as the Waikato River, secure its position as New Zealand's most significant transport corridor, and as a natural focus for transit oriented development.

16. In May 2018, I reported to Cabinet that under any scenario the scale of projected population growth at both ends of the corridor is likely to be significant. Under current planning, urban development and transport settings, future growth is likely to result in worsening housing affordability and choice, reduced access to employment and amenities, damage to aspects of the natural environment and increased pressure on sections of our already congested transport networks.

17. Cabinet agreed that this requires the Government to work with partners throughout the corridor to better align strategies for land use, transport and other infrastructure investment, raising the vision for the delivery of new homes and jobs.

18. In addition to more coordinated land use planning, I also outlined to Cabinet my concerns regarding the nature and capacity of the Corridor's transport network and the lack of integration with development. This acts as a fundamental constraint on the Government and its partners' ability to address the housing and economic challenges present in the Corridor.

19. The absence of a long term, coordinated approach to managing land use and transport infrastructure provision will lead to a continued increase congestion and lengthening of travel times. This would have negative impacts on the economy and the environment, as well as on the ability of vulnerable members of the Corridor's communities to access employment and opportunities.

20. In recognition of these challenges, Cabinet endorsed a cross-boundary partnership between the Government, local government and mana whenua to develop a coherent and integrated spatial plan for the corridor.

21. Cabinet also agreed to support the development of a detailed business case for an initial rail service between Hamilton and Auckland, which I intend to act as a down payment on future rail investment in the corridor.

The Hamilton-Auckland Corridor Plan and Partnership

Objectives

22. The objectives of the Hamilton-Auckland Corridor initiative are to better coordinate growth and increase connectivity in a way that realises the Corridor's social, economic, cultural and environmental potential. Unlocking the corridor's full potential is critical in addressing nationally significant housing, urban form, environmental, economic and access challenges.

23. These objectives recognise the need for a coordinated approach to spatial planning, transport and delivery, helping ensure that:

- growth management is more agile and responsive to demand, yet clear and firm in its long term intentions to protect key corridors, public open spaces and sensitive locations;
- development is transit-orientated, increasing connectivity and embedding patterns of land use that support more sustainable travel choices;
- infrastructure is provided in a more responsive and timely manner, helping shape and direct growth, optimise the use of land and match capacity to future demand; and
- innovative new tools, thinking and approaches are applied to the delivery of transformational development opportunities.

24. The objectives are also firmly aligned with those of the Urban Growth Agenda (UGA), especially the spatial planning pillar that aims to build stronger partnerships with local government as a means of developing integrated spatial planning. Cabinet agreed that the initial focus of the spatial planning pillar should be the Hamilton-Auckland Corridor.

25. The delivery of the corridor's objectives will therefore be taken forward through:

- **Strong, enduring partnerships** – acknowledging that new growth management partnerships that integrate and coordinate forecasting, planning, programming and delivery are necessary to successfully support growth at pace and scale

- **Joint spatial planning** – emphasising that joint central and local government, and iwi spatial planning is necessary to facilitate the market to deliver on desired outcomes through more competitive land markets as well as other means
- **Transformative projects** – seeking to progress shared priority projects at scale that use the strong and enduring partnerships to realise transformational opportunities, in line with joint spatial planning.

Taking forward an innovative approach

26. To take forward this Government's flagship urban development initiative, the Hamilton-Auckland Corridor project was established in June 2018. This aims to better coordinate the various local and central government strategic planning frameworks and infrastructure across the Auckland and Waikato regions. The Hamilton-Auckland Partnership (the Partnership) has been established to take this work forward, and consists of central government entities, local and regional councils within the corridor as well as iwi representatives.

27. An integrated spatial plan that supports a more effective urban growth management system for the corridor is under development by the Partnership. When completed, the Corridor Plan will establish a joint central-local government and iwi spatial strategy that is more directive and more responsive to the market.

28. The draft Corridor Plan seeks to identify opportunities to improve housing affordability and choices, whilst enhancing the quality of the natural and built environments and the vitality of communities. It also plans for improved access to employment, public services and amenities, as well as the creation of jobs.

29. To advance work on the Corridor Plan, a corridor design workshop was held during the last week of August, attended by representatives from 29 local and central government entities. The next project milestones include:

- November 2018: More detailed workshops on each of the proposed areas of focus and further stakeholder engagement;
- By December 2018: A first spatial plan for the corridor that sets out roughly 20 priority transformational projects; and
- By March 2019: Establishment of a new and enduring growth management partnership.

The Corridor Plan – planning for growth

30. The draft Corridor Plan consists of three distinct spatial areas, each of which have their own opportunities and challenges for growth. The need to create stronger corridor connections, in order to shape and manage growth in a timely fashion, is a common theme that stretches across the whole corridor. These elements are described below.

The Papakura-Pokeno Corridor

31. The area from Papakura to Pokeno will be one of Auckland and New Zealand's fastest growing areas over the next 25 years. Growth scenarios range from an additional 65,000 to 115,000 residents by 2043, which would increase the current population by between 50 and 75 percent. In addition there is substantial employment growth potential in locations such as Drury and Pokeno.

32. The intent for this part of the Corridor is to support and unlock the significant residential and employment development potential of this string of well-defined, rail-linked settlements. This will be achieved through more integrated growth management and key transformational projects. The emerging recommendations for the Papakura-Pokeno Corridor are that the Partnership supports work to:

- **align and complete** the respective visions, structure plans and blueprints for Papakura, Drury-Opāheke, Paerata-Pukekohe, Tuakau and Pokeno, and prioritise implementation actions;
- **investigate** the staged extension of electrified Auckland metro rail services from Papakura to Pokeno;
- **complete** the Supporting Growth public transport, active mode and road network planning and corridor protection for southern Auckland; and
- **investigate** transformational development opportunities at Drury and Pokeno.

The River Communities

33. The project's objective in these areas is to realise the full value of the natural, transport, marae and recreational networks that braid the communities together. The Corridor Plan acknowledges these networks as a key asset for existing and future residents, as well as many others who will visit and travel through this part of the Corridor.

34. The development potential of the Corridor outside the metro regions is more limited. The Corridor Plan's priorities for the communities in and around Meremere, Te Kauwhata, Huntly, Rotowaro and Taupiri are therefore to support community and mana whenua-led revitalisation and the delivery of smaller, more targeted growth opportunities.

35. In close partnership with Waikato-Tainui, Waikato District Council is supporting activities to address matters of social deprivation in a number of areas. The Corridor Plan outlines various interventions that could support the revitalisation of areas such as Ngaruawahia, Huntly and Meremere.

36. Access to employment and social opportunities has a significant role to play in this, and the Corridor Plan guides the work of the Partnership to unblock key transport bottlenecks and to better connect settlements in a more holistic and integrated manner. This will need to be considered alongside opportunities to revitalise economic activity within the communities, including tourism.

The Hamilton-Waikato Metropolitan Area Plan

37. Significant population growth is occurring in and around Hamilton. Hamilton City is expected to grow from 156,000 residents in 2016 to between 200,000 and 250,000 by 2043. Its growth has been faster than previously expected, putting pressure on the transport network, and reducing access to affordable housing.

38. Settlements surrounding Hamilton are also likely to experience significant future growth. For example, Cambridge's current population of 16,000 is expected to grow by almost 50 per cent over the next 10 years.

39. The project has identified considerable development potential throughout the metropolitan region. This includes opportunities to intensify new development along transport corridors within Hamilton and beyond including Ngaruawahia, Horotiu, Te Kowhai, Hautapu, Cambridge and the airport precinct.

40. The development of a joint Crown-Council-Iwi spatial development plan for this emerging metropolitan area is therefore envisaged. This would complement both the overall Corridor Plan as well as the existing planning activities of Hamilton City Council, Waikato Regional Council and Waikato District Council.

41. Developed and delivered through the Partnership, the metro area plan would articulate how the desired overall urban form would be coordinated with a series of infrastructure and service investments. This includes the provision of fast, frequent and reliable public transport serving Hamilton and surrounding settlements.

42. Recommendations for the Hamilton-Waikato Metropolitan Area are that the Partnership supports work to:

- **develop** a joint Council-Crown-Iwi spatial plan for the metropolitan area that sets out the desired form and development priorities;
- **develop** a Mass Transit Plan for the metropolitan area that tests the feasibility of a future metro rail service;
- **investigate** the most appropriate water, wastewater, drainage and flood management solutions for the metropolitan area; and
- **investigate** transformational development opportunities in and around the metro area, including Hamilton CBD, Rotokauri, Ruakura, Peacocke and airport suburbs, and Cambridge.

Stronger transport connections

43. Reimagining transport connectivity in the corridor, with a particular emphasis on rail, offers an opportunity to enable more efficient and successful growth. Land brought forward for development around rail can be of higher density, using stations as a focus for more compact, vibrant and healthier communities.

44. Analysis to date suggests that the phased delivery of a package of transport interventions is needed to support growth. This is also needed to reduce the burden of road traffic on State Highways by embedding multi-modal patterns of travel, and better connecting communities to jobs and opportunities.

45. Throughout the development of the Corridor Plan, it has been identified that the future prosperity of the corridor is tied to the strength of the economies of both Hamilton and Auckland. I wish to strengthen these further by investigating the opportunity for rapid rail, which will be the jewel in the crown of the corridor's transit strategy. I am convinced of the significant role that it would play in anchoring economic growth at both ends of the Corridor, helping secure the Corridor's future.

46. Based on the potential for growth across the three spatial areas, the Corridor Plan also identifies a series of concepts for local and regional public transport. Considered as a package, interventions will need to be phased appropriately to unlock growth in a timely way which helps make the most efficient use of land. A conceptual phasing plan is shown indicatively at **Appendix A** and includes:

- **Papakura to Pokeno** - A phased extension of the Auckland metro rail corridor from Papakura to Pokeno, unlocking growth in the north of the corridor. This would involve the extension of the existing Papakura-Pukekohe diesel service to Tuakau and Pokeno, followed by its electrification and integration with the existing Auckland metro network. Investment in the rail corridor would provide a focus for new transit orientated development, allowing for an urban structure that makes more efficient use of land, reduces car dependency and increases access to employment and services.
- **River Communities** - New peak and off-peak bus services to better connect settlements such as Huntly, Te Kauwhata, Meremere, Mercer and Pokeno, with high-quality interchanges with metro rail services and inter-regional rapid rail. A possible extension northwards to Pokeno via SH1 would complete the package of transit for the Corridor.
- **Hamilton metro connections** - a fast, frequent and reliable public transport network for the Hamilton metro region, indicatively linking Cambridge, Rotokauri, and Hamilton Airport with a new rail station at Hamilton CBD. The Hamilton metro area Mass Transit Plan currently underway will help identify the most appropriate configuration. The intensification of development along inner-city transport corridors would positively influence the spatial pattern of future growth and create more efficient connections across the city, driving productivity.

47. The most appropriate configuration and phasing of these interventions will be considered through the Partnership, drawing on evidence being prepared through transport planning activities by NZTA, Auckland, Waikato Region and Hamilton City councils.

48. An emerging priority, however, is to investigate the role of rapid rail in anchoring the growth of this important corridor, and I am seeking Cabinet approval to prepare a business case in this respect.

The vision for a rapid intercity rail service

49. The draft Corridor Plan describes how phased investment in rapid rail is needed to dramatically reduce journey times between Hamilton and Auckland, better connecting the Corridor's metro hubs and significantly improving economic interaction between the two cities. I am seeking the endorsement of Cabinet to help me deliver this vision.

The start-up service – a down payment for future investment

50. In May 2018, Cabinet agreed to support the development of a detailed business case for an initial rail service between Hamilton and Auckland. This is a small but significant step forward, and demonstrates this Government's commitment to investing in rail.

51. The detailed business case for a diesel-hauled service has been developed by a joint local-central government working group. It is being framed in a way that is consistent with the Corridor's objectives and my long term vision for future rapid rail.

52. Against these objectives, the business case process has considered issues such as which stations would be built or upgraded to form part of the start up service, and to what standard. This has been informed by the opportunities for growth revealed through the draft Corridor Plan, as well as opportunities for future proofing the service. Subject to approval for funding by the NZTA Board, a service could be operating by March 2020.

The vision for rapid rail

53. Beyond this, and lying at the heart of my vision for the Hamilton-Auckland Corridor, is rapid rail (shown conceptually at **Appendix B**). I want rapid rail to harness the combined contribution of Hamilton and Auckland to the national economy, and to radically transform access to employment and opportunities throughout the Corridor. My vision is for:

- **A transformational railway** linking Auckland and Hamilton, helping re-draw the economic map of the Corridor and the Upper North Island
- **New trains** that can reach speeds of over 140km/hour on a largely segregated alignment
- **World class interchange**, with services connecting the central areas of Auckland and Hamilton, and linking with metro and local public transport services at key locations
- **A change in the nature of travel** in the Upper North Island
- **A future phase to Tauranga**, uniting the 'Golden Triangle' as a single 'tri-city' economic entity
- **An accessible railway** that meet the needs of all users.

54. The scheme would meet current and future demand for speed, reliability and quality. This will help reduce car dependency and achieve mode shift away from the car, bringing significant reductions in congestion and emissions.

55. Rapid rail will also deliver much more than just transport benefits. It would drive productivity and increase economic activity and business-to-business contact in the region, including around Auckland and Hamilton airports. It will help unlock land for housing and support new higher density, compact and vibrant urban centres. These are the essential elements of a strategy to reduce urban sprawl and make more efficient use of land.

56. In the future, it may be possible to develop a phase linking Hamilton and Tauranga. The existing rail line between Hamilton and Tauranga provides a well-utilised freight corridor that is vital for both Auckland and Hamilton's economic success. Whilst this would need to be protected, a new alignment supporting high-speed passenger services could help unite the economies of three of our largest cities.

The proposed business case

57. Having regard to this vision, I propose that the Ministry of Transport, working with the Ministry of Business, Innovation and Employment, the Ministry of Housing and Urban Development, The Treasury, KiwiRail and the NZTA, prepares an indicative business case for a rapid rail.

58. The business case will confirm the strategic context and the need for intervention, much of which has been identified through the draft Corridor Plan. The business case will provide early consideration of the impact of rail in meeting objectives for the Corridor and the national economy, and identify a preferred option.

Strategic context and problem definition

59. The business case will use the outputs of the Corridor Plan to provide an overview of the challenges facing the Corridor now and in the future. This would include matters such as the nature, scale and distribution of projected population and employment growth, the scale of the housing challenge, as well as barriers to economic prosperity and productivity. The current and future constraints of the transport network and the barriers to mode shift will also be discussed.

60. It will consider the respective economic functions of Auckland and Hamilton, their levels of interdependency and the types and 'value' of their jobs. This will include a discussion of the extent to which business agglomeration should remain focussed in Auckland as opposed to spreading this across a wider urban system.

An assessment of options and alternatives

61. Within this wider context, the business case will consider the potential suitability of a rapid intercity rail link to meeting objectives. Its ability to achieve mode shift will be considered, having regard to fixed costs and the value of time of rail travel relative to alternative modes (especially the private car). Future customer expectations for accessibility, speed, capacity, comfort, quality and ease of interchange will all be accounted for.

62. It will also be crucial to consider the costs and specific challenges associated with the construction of significant new railway infrastructure in the region. The nature of these challenges cannot be understated, including the need for a railway to cross marsh land and for extensive tunnelling.

63. An appraisal of a rail intervention of this scale would be considered against a range of alternative public transport investment scenarios, having regard to their costs, as well as their likely ability to deliver similar outcomes. Withheld under section 9(2)(g)(i) of the Official Information Act 1982

64. [redacted]

Unlocking growth

65. The nature and ongoing viability of a new rail service will depend on the coordinated delivery of higher density, better quality, mixed-use growth within Hamilton, Auckland and their metro regions, anchoring a critical mass of jobs and economic activity. The business case will draw both on the Corridor Plan and other planning activities within the Hamilton and Auckland metro areas to identify where and when this necessary growth might happen.

66. In this respect, the business case will have regard to the specific characteristics of rail scenarios, the availability of development sites and the impact of supportive land use policies. It will make recommendations in relation to the role of localised master planning around stations, land assembly and opportunities for joint ventures with other parties and investors to deliver development.

67. Based on the outcomes of this, there could be a role for the Urban Development Authority to help in the delivery of development alongside rail investment. This will be considered as part of the business case.

Funding and financing, and procurement

68. The business case will identify indicative costs for different scenarios of rail intervention, informing budgeting and financial planning. It will be necessary that these are viewed in the context of the overall package of works and interventions required to realise the full potential of the Corridor.

69. Delivering an integrated approach to growth will generate multiple costs over the coming decades, not least in relation to infrastructure and utilities, land assembly, development and the delivery of public services. The capital and operational costs associated with public transport interventions will represent a significant proportion of this.

70. The business case will explore a range of financing options which could help deliver the aspirations for the corridor and wider region. This will consider the options that could be available to attract private financing and the extent to which this depends on the delivery of transformational rail as part of an urban development package, rather than as an isolated project. This will be relevant when considering potential funding mechanisms, including the ability to create and capture value from land and development.

Considering a future phase to Tauranga

71. In contrast to the Hamilton to Auckland corridor, the potential for a development corridor between Hamilton and Tauranga is not currently being explored. The business case will need to examine the potential economic benefits of improving connections to Tauranga. Direct links between Tauranga's economy and those of Hamilton and Auckland are currently considered to be limited, which could have a bearing on the viability of a passenger rail service to Tauranga.

72. Informed by the business case, it may be appropriate for the alignment between Hamilton and Tauranga to be protected until such time as the nature of transport and development demand along this corridor is clearer.

The proposed next steps

73. I am seeking Cabinet approval to scope and initiate an indicative business case.

74. Once sufficient progress has been made to identify the potential contribution that rapid rail could make to realising opportunities for economic growth, I propose to provide an interim report to the Economic Development Committee.

Withheld under section 9(2)(g)(i) of the Official Information Act 1982

75. Following this, I will return to Cabinet to outline the findings of the business case and to seek approval to proceed with more detailed business case work and market testing.

76. [redacted] I am requesting Cabinet approval for $300,000 to be made available to scope and initiate the business case. It is vital that initial funding is provided now to maintain the momentum gathered through the development of the Corridor Plan and the detailed business case for the start-up service, as well as to meet the expectations of stakeholders within the corridor.

77. [redacted]

Withheld under section 9(2)(j) of the Official Information Act 1982

Consultation

78. In preparing this paper, the Ministry of Transport has been working closely with the Ministry of Business, Innovation and Employment, The Ministry of Housing and Urban Development, Treasury, KiwiRail and the NZTA. The paper has also been shared with the Department of Internal Affairs.

Human Rights, gender implications and disability perspective

79. There are no human rights, gender or disability issues or implications associated with this paper.

Legislative Implications

80. The business case will be crucial to identify any legislative changes that may be necessary to deliver a new rapid intercity railway.

Regulatory Impact Analysis

81. The regulatory impact statement requirements do not apply to this proposal.

Publicity

82. No publicity or announcements are required at this stage.

Recommendations

83. The Minister of Transport recommends that the Committee:

1. **note** the draft outputs and recommendations of the Hamilton-Auckland Corridor Plan
2. **note** the next steps to finalise the Corridor Plan and develop a new and enduring growth management partnership
3. **note** the progress that has been made to introduce a start-up rail service between Hamilton and Auckland
4. **note** the potential for rapid rail to enable significant growth and economic prosperity within the Corridor and beyond
5. **approve** the initiation of an indicative business case for investment in transformational rapid rail
6. **approve** the following changes to appropriations to allow the Ministry of Transport to scope and initiate the indicative business case, with a corresponding impact on the operating balance:

	$m – increase/(decrease)				
Vote Transport **Minister of Transport**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23 & Outyears**
Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs MCA Departmental Output Expense: Policy Advice (funded by Revenue Crown)	0.300	-	-	-	-

7. **agree** that the proposed changes to appropriations for 2018/19 above be included in the 2018 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

8. **agree** that the expenses incurred under recommendation 6 above be a charge against the between-Budget operating contingency, established as part of Budget 2018;

9. [redacted]

Withheld under section 9(2)(j) of the Official Information Act 1982

Authorised for lodgement

Hon Phil Twyford
Minister of Transport

Appendix A - CONCEPTUAL PHASING OF TRANSPORT INVESTMENTS

CONCEPTS FROM THE WORKSHOP...	Stage 1: A possible shorter term (years 1-3) package	Stage 2: A possible medium term package (years 4-10)	Stage 3: A possible longer term (year 10+) package
Intercity rail services	Introduce non-stop diesel rail service from Rotokauri (or Frankton) to Papakura (or if at all possible, to Puhinui-Manukau) with a level of service that ideally matches customer needs and expectations	Add tracks and improved alignment (where needed) to achieve higher speeds. Extend service to new Hamilton CBD stations and a stop closer to Britomart	Electrify whole corridor; add tracks and new alignment (where need) to achieve higher speeds
Metro services (as noted above under other focus area)	AUCKLAND: Extend current Papakura-Pukekohe diesel shuttle service to Tuakau and Pokeno (would need 2 new stations and related tracks etc.)	Electrify Papakura to Pukekohe and Tuakau and Pokeno, if at all possible – and then run EMU rail service all the way to Pokeno	Electrify to Pukekohe Pokeno, if not done in medium term
	HAMILTON: Introduce a new diesel metro rail service from Huntly-Ngaruawahia-Rotokauri-Frankton-Hamilton CBD-Ruakura-Cambridge as part of a larger mass transit network. Would require new stations, related tracks, signals and possible route protection to the airport etc.		Extend rail to Hamilton airport and electrify the new metro network
Regional/rural services (as noted above)	Introduce peak and more frequent off peak bus services between Huntly, Te Kauwhata, Meremere, Mercer and Pokeno	Upgrade all bus stations and service frequency, and possible extend bus services north from Pokeno to new Drury station (bus runs along SH1)	Add bus lanes on SH1 Pokeno-Drury and/or Replace bus service with all-stop rail service on new electrified track

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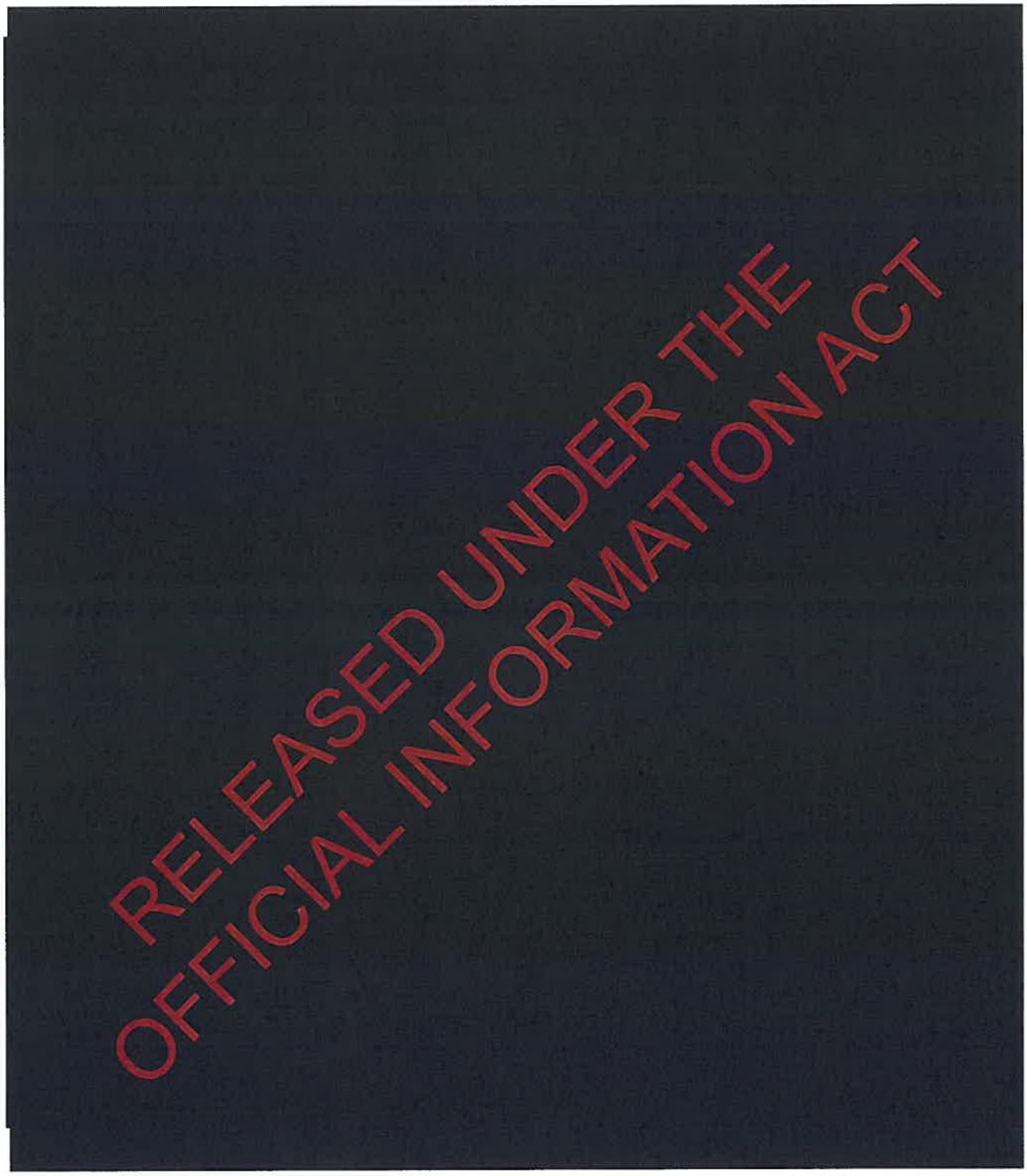
[redacted]



Document 3

Ministry of Transport
TE MANATŪ WAKA

Ministry of Transport: Aide Memoire

To: Hon Phil Twyford

From: [redacted] Urban Development and Environment

Date: 8 March 2019

Subject: **Hamilton-Auckland Corridor – Rapid Rail Business Case**

OC Number: OC190191

Withheld under section 9(2)(a) of the Official Information Act 1982

Purpose of this aide memoire

1. This aide memoire updates you on our proposed approach to preparing an Indicative Business Case (IBC) for Rapid Rail in the Hamilton-Auckland Corridor.

2. It updates on you on our progress to date and outlines the indicative scope, timeframes and governance arrangements for the IBC, as well as our intended approach to procurement.

Background information

3. In November 2018, Cabinet considered a paper on the potential for Rapid Rail to help deliver this Government's aspirations for growth and economic development in the Hamilton-Auckland Corridor. This responded to a key recommendation of the draft 'Shared Spatial Intent' that fast rail services between Auckland and Hamilton should be considered to help integrate and strengthen the respective labour, housing and business markets of south Auckland and the Hamilton-Waikato metro area.

4. Cabinet agreed to allocate $300,000 to fund the initial stage of the business case, and asked for this to consider a full range of options for rapid transit. Cabinet also acknowledged that the case for a future link to Tauranga was less certain and that the initial focus should be on connections between Hamilton and Auckland, in line with the work of the Corridor Partnership.

5. Since Cabinet's decision, we have been considering the scope and timescales of the IBC, the governance arrangements associated with this, and the most appropriate approach to procurement, given the need for external specialist support.

6. We also submitted a budget bid initiative in late 2018 to secure ongoing funding for detailed business case work beyond the initial funding allocation agreed by Cabinet.

Broad scope of the IBC

7. The IBC will be complex and will need to be framed within the context of an overall opportunity to fundamentally transform patterns of housing and economic growth, urban development, and travel behaviour, throughout the Corridor.

8. It will also need to question the extent to which the overall relationship between Hamilton and Auckland can be altered in terms of their economic and development profiles and interdependencies.

9. To ensure that the IBC is correctly structured to respond to these opportunities, we are proposing to divide the work into two stages, undertaken over approximately the next 9 months. Our initial discussions with key agencies have confirmed the suitability of the approach and timescales. It also allows for close integration between the project and spatial planning work in south Auckland and the Hamilton-Waikato metro area.

Stage 1 – defining outcomes (c. 2-3 months)

10. Stage 1 will define the outcomes we are seeking to achieve, identify the scale of the opportunity, and establish a set of criteria against which different interventions/options can be assessed.

11. Whilst there is a clear understanding of why the Corridor is significant, this first stage of work is necessary to confirm the specific criteria against which a range of interventions can be considered.

12. Stage 1 will therefore include work to:

- Define the opportunities presented in the corridor by stronger interregional connections and agree the outcomes sought
- Establish a set of criteria against which options can be appraised
- Establish an evidence base in relation to economic and housing trends and opportunities, travel behaviours and land use
- Consider evidence from a number of relevant international case studies
- Scope the requirements for Stage 2, including conducting necessary market engagement and commencing procurement processes.

13. By the end of Stage 1 we would expect to be in a position to determine the broad strategic fit of Rapid Rail in meeting the specific opportunities presented in the Corridor.

14. We anticipate that Stage 1 will take two to three months to complete, at which point you may wish to update your Cabinet colleagues on progress.

Stage 2 – appraising options (c. 6 months)

15. Using the criteria and outcomes defined through the first stage of the IBC, we propose that Stage 2 appraises a long-list of possible interventions, identifies a short-list, and recommends a preferred route forward for more detailed assessment.

16. The detailed scope of this options appraisal will itself be determined through the first stage of work. However, we anticipate that a key element of this will be to consider the potential for incremental improvements to the existing rail line, as well as for its partial/full segregation, over time. It may also consider whether other non-rail interventions might be necessary in the interim.

17. This indicative scope recognises both the need to identify a clear pathway of improvements beyond the initial 'start-up' service, as well the fact that transformational change in patterns of economic growth and urban form will emerge over time and may need to be embedded at an early stage.

18. In line with the Treasury's business case methodology, Stage 2 will also most likely consider the management and commercial aspects of a rapid rail scheme, as well as an assessment of its overall affordability.

19. Depending on the agreed scope, we anticipate that Stage 2 could take approximately 6 months to complete. Indicatively, this suggests that the IBC could be concluded by late 2019/early 2020.

Governance arrangements

20. The Ministry of Transport will be the lead agency in the development of the IBC.

21. In shaping the above outline scope, we have had a number of working-level discussions with officials at KiwiRail, NZTA, MHUD and the Treasury, as well as Auckland Council, Auckland Transport, Waikato Regional Council and Hamilton City Council. We are proposing to establish a technical working group to support us in developing the IBC, made up of representatives of these bodies.

22. It will also be important for the working group to engage closely with those preparing for the introduction of the 'start-up' service recently approved for funding by NZTA.

23. We are also working with colleagues in MHUD to ensure that appropriate senior governance arrangements are in place to help guide the IBC and address any key issues that emerge during the project. This will most likely draw on a 'sub-committee' of the ongoing governance group within the wider Corridor, arrangements for which are in the process of being agreed.

Communication and market engagement

24. Whilst no public announcements have yet been made in relation to this project, stakeholders throughout the Corridor are aware that a business case process will be underway soon. In preparation for likely enquiries from interested external parties, we are in the process of preparing a set of 'lines to take'. We will consult with your office on these.

25. It will be necessary for the Ministry to procure some targeted consultancy support to help progress Stage 1 of the IBC. Subject to relevant procurement rules, we propose to appoint an appropriate consultant to help facilitate working group discussions, gather relevant evidence and support us in agreeing the parameters of the options appraisal at Stage 2.

26. As we progress with Stage 2 of the IBC, it will be necessary to procure more comprehensive consultancy support, which will most likely require us to communicate with the market more broadly. In doing so, we may want to encourage innovation in the market in responding to a request for proposals, including suggesting that consultancies partner with one another. We may also seek appropriate expertise from overseas. The requirements for this will be shaped through the first stage of work.

27. It may be appropriate for any such market engagement exercise to be preceded by more formal public communication on the intent to conduct a business case. We will provide further advice in relation to this in the coming weeks.

Funding

28. Our budget for the IBC is $300,000, which Cabinet allocated to the Ministry in November 2018. We will work to ensure that this covers the cost of both Stage 1 and Stage 2 of the work and we will keep you informed in this respect.

29. [redacted] This was identified as most likely being needed to consider matters beyond the scope of the IBC, including detailed transport modelling, route alignment/engineering assessments, station and interchange design, property acquisition requirements, detailed environmental impacts and provisional operating arrangements.

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30. [redacted]

31. As part of our reporting on the outputs and next steps arising from the IBC, we will outline the options that might be available to you to fund further, more detailed project development work.

Next steps

32. We propose to commence work on Stage 1 this month, including the appointment of an appropriate consultant and holding the first meeting of the working group. We will keep you informed of our progress.

33. Officials are available to discuss the content of this aide memoire, should this be necessary.

Contact:
[redacted]
Principal Adviser
Urban Development and Environment
Phone: [redacted]

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Document 4

Ministry of Transport
TE MANATŪ WAKA

BRIEFING

Update on H2A Rapid Rail Indicative Business Case

Reason for this briefing	This briefing updates you on progress being made to consider the potential for Rapid Rail in the Hamilton to Auckland Corridor. We are also seeking your feedback on the emerging objectives for the Indicative Business Case to help guide the project.
Action required	Provide officials with feedback on the emerging objectives for the Indicative Business Case.
Deadline	22 May 2019
Reason for deadline	Your feedback on the emerging objectives will guide the next meeting of the Technical Working Group, which is due to be held during the week commencing 27 May 2019.

Contact for telephone discussion (if required)

Name	Position	Telephone	First contact
Erin Wynne	Manager	[redacted]	✓
[redacted]	Principal Adviser	[redacted]	
Bryn Gandy	Deputy Chief Executive	[redacted]	

MINISTER'S COMMENTS: Withheld under section 9(2)(a) of the Official Information Act 1982

Date:	15 May 2019	**Briefing number:**	OC190364
Attention:	Hon Phil Twyford	**Security level:**	In Confidence

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. This briefing updates you on progress being made to consider the potential for Rapid Rail in the Hamilton to Auckland (H2A) Corridor. We are seeking your feedback on the emerging objectives for the Indicative Business Case (IBC) to help guide the project.

2. Having regard to the budget available and your desire to progress quickly, we propose that these objectives are initially aimed at addressing strategic, corridor-wide considerations.

3. As the scope of the business case evolves, we will keep you updated on the extent to which more detailed site-specific or operational rail considerations can be included in the business case.

Background

4. The Ministry has begun work on an IBC that will consider the extent to which Rapid Rail can contribute to achieving the economic and development potential of the H2A Corridor, alongside a number of alternatives.

5. This is in response to a key recommendation of the draft H2A Corridor Plan that fast rail services between Auckland and Hamilton should be considered to help integrate and strengthen the respective labour, housing and business markets of South Auckland and the Hamilton-Waikato metro area.

6. As we advised in March 2019 (OC190191 refers) the initial task at hand is to define the outcomes we are seeking to achieve, identify the scale of the opportunity, and establish a set of criteria against which different interventions/options can be assessed. This will determine the scope of a procurement exercise to engage consultants to conduct the business case itself.

7. To support the Ministry in undertaking the business case, a technical working group has been established. This includes representation from NZTA, KiwiRail, Treasury and the Ministry of Housing and Urban Development, Auckland Council, Auckland Transport, Waikato Regional Council, Waikato District Council and Hamilton City Council.

8. The first meeting of this group was held on 15 April 2019, in Auckland. The group discussed a number of matters in relation to governance and timescales, as well as the outcomes and scale of opportunities that could be explored through the business case.

Proposed objectives

9. A total of $300,000 has been allocated to fund the IBC, and we are currently aiming to complete this by late 2019/early 2020. Given the restrictions that these parameters place on the project, however, it is important that we are clear on your primary objectives for the IBC. This will help us develop a realistic scope and work programme with the technical working group.

Proposed primary objectives

10. As noted in the original Cabinet paper 'Supporting the Hamilton to Auckland Corridor Through Investment in Rail' [DEV-18-MIN-0280 refers], the IBC will be critical in identifying how investment in rail can help realise a number of economic, transport and urban development opportunities within the Corridor. Some of these opportunities are of national or inter-regional significance, such as driving agglomeration and enabling a more efficient and affordable pattern of growth.

11. Given that these opportunities relate to the fundamental 'value proposition' of rapid rail as the backbone of the Corridor's development around mass transit, we propose that priority is given to addressing these through the IBC. This would mean that our objectives for the business case would primarily relate to:

- The extent to which rail can **harness the nationally significant economic contribution** that the H2A Corridor plays in increasing New Zealand's productivity, including supporting agglomeration and investment, and better integrating the regional economies of Hamilton and Auckland.
- The extent to which rail can **improve access to opportunities** for those within the corridor, for example through increasing access to employment, improving transport choice and reducing congestion.
- The extent to which rail can enable **a more efficient and affordable distribution of growth** within the corridor, for example by anchoring urban development and unlocking capacity for housing (especially affordable housing) at either end of the corridor.

12. The above objectives pitch the business case towards considering the fundamental relationship between Auckland and Hamilton from the perspective of economic interactions and the distribution of future growth. This will require the business case to consider the ability of rail to connect the central business districts of both cities, and their wider metropolitan areas. This extends beyond the tighter geographic definition of the H2A spatial planning area.

Considering other more detailed matters

13. In addition to these strategic considerations, we will need to work with the technical working group to consider the extent to which more site specific ('bottom up') or operational matters can be considered through the business case.

14. For example, we may wish for the IBC to assist our understanding of where, when and to what extent specific opportunities for development are dependent on rail, as well to consider how investment would be phased and how rail services would link with other mass transit networks in the Corridor.

15. Such a level of detail may extend beyond the traditional scope of an IBC, and in any case will be limited by budget and time constraints. We will keep you informed of how the scope of the business case evolves in this respect, including whether our budget and timescales need to be revisited.

16. There are nevertheless a number of other projects and programmes of work that are currently underway within the Corridor that will complement the IBC by providing more of this 'bottom-up' analysis. This includes work on the Southern Urban Growth Area as part of the Crown-Auckland joint work programme, as well as the following key initiatives recommended for action by the H2A Corridor Plan:

- Spatial planning for the River Communities, from Pokeno to Huntly and Taupiri
- The Drury-Opàheke Future Urban Area and work on the Southern Grown Corridor, including extension of mass transit from Papakura to Pukekohe and Pokeno

- Joint Council-Crown-Iwi spatial plan for the Hamilton-Waikato metropolitan area and associated growth nodes, including the Hamilton metropolitan mass transit plan.

17. We would intend for the IBC to both influence, and be informed by, these initiatives, and will be working with stakeholders throughout the corridor to ensure this happens.

18. We will keep you updated on how all of these initiatives are working together to build a picture of the role of rail in the corridor, as well as the emerging priorities for investment.

Considering a future link to Tauranga

19. The Cabinet paper acknowledged that the primary focus of the business case would be the link between Hamilton and Auckland, given the work conducted to date in emphasising the Corridor's significance and unique qualities.

20. The case for a future link to Tauranga is less certain, with direct links between Tauranga's economy and those of Hamilton and Auckland considered to be limited. This will have a bearing on the viability of a passenger rail.

21. Being mindful of timeframes and available budget, we do not propose that a link to Tauranga is considered in detail by the IBC. However, we would propose that recommendations are developed as part of the IBC regarding the factors that might have a bearing on the viability of a future link to Tauranga.

22. Informed by the IBC's consideration of the potential for rail in the H2A Corridor, this could include a high-level summary of the potential benefits of uniting the 'Golden Triangle' as a single 'tri-city' economic entity, as well as the necessary economic and urban development conditions that would be needed to underpin the case for doing so.

Communication messages

23. Prior to a more formal announcement regarding the project, the Ministry is developing some key communication messages concerning the business case. These can be used by your office, the Ministry and members of the technical working group when responding to queries from external parties.

24. A draft of these key messages is provided at Annex A of this briefing. We will seek to refine these in consultation with your office and the technical working group.

Next steps

25. A second workshop with the technical working group to define the business case outcomes, based on the objectives discussed in this paper, is scheduled to be held at the end of May. This will be supported by our consultants Tonkin and Taylor, who we have recently appointed to help us in initiating the business case process.

26. We are also working with the technical working group to gather background evidence and details of relevant international case studies.

27. Using the outputs of these exercises, we will begin to draft the necessary material to allow us to procure consultancy services to prepare the business case.

28. We will continue to provide you with regular updates on our progress.

Recommendations

29. The recommendations are that you:

(a) **note** the proposed primary objectives of the IBC

(b) **note** the proposal that a future link to Tauranga is afforded a lower priority within the IBC

(c) **note** the draft communication messages concerning the project

(d) **provide** any feedback you may have to officials by Wednesday 22 May.

Erin Wynne
Manager, Rail & Freight

MINISTER'S SIGNATURE:

DATE:

ANNEX A – DRAFT LINES OF COMMUNICATION

- The Government is working as part of a Crown-Council-Iwi growth management partnership that is focussed on identifying housing, employment, social, environmental and network infrastructure priorities between Hamilton and Auckland over the next 30 years.
- The Hamilton-Auckland Corridor connects two of New Zealand's fastest growing cities. With the right investment the Corridor can support growth to meet increasing demand.
- As part of considering the role that transport can play in the Hamilton to Auckland corridor, we are developing a business case to consider how fast passenger rail connections between the two cities could help meet the Corridor's full potential and enable growth.
- The business case will also look at what alternatives there are, and how these compare to fast passenger rail.
- We are working with local and regional councils, Auckland Transport, KiwiRail, the New Zealand Transport Agency, the Ministry of Housing and Urban Development, and the Treasury.
- This business case is one part of the work being done to look at growth in the Hamilton to Auckland corridor – including other improvements to the Corridor's public transport network.