

MINISTERIAL BRIEFING NOTE

Subject	NZ Upgrade Programme update – Drury and Paerata stations
Date	20 March 2020
Briefing number	BRI-1928

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 st contact
Brett Gliddon	General Manager, Transport Services	s9(2)(a)		✓

Action taken by Office of the Minister

- Noted
- Seen by Minister
- Agreed
- Feedback provided
- Forwarded to
- Needs change [please specify]
- Withdrawn
- Overtaken by events

20 March 2020

Minister of Transport

NZ UPGRADE PROGRAMME – DRURY AND PAERATA STATIONS

Purpose

1. This briefing provides you with an update following a review of the costs of the Drury Rail Station component of the Auckland Rail Package, as part of the NZ Upgrade Programme, as announced 29 January 2020.
2. It seeks your agreement to expand the scope of this Project to include a third station at Paerata, which can be accommodated within the existing allocated funding.

NZ Upgrade Programme Background

3. By letter dated 29 January 2020 (Letter of Appointment), you appointed Waka Kotahi, NZ Transport Agency as the Government's agent to deliver the NZ Upgrade Programme.
4. The Letter of Appointment also indicated that details on the delivery mechanism for the Drury rail stations (including whether the project will be led by the Transport Agency or KiwiRail) are still to be determined.
5. The NZ Upgrade Programme has allocated \$247m to fund two new stations at Drury. The summary description of the projects for inclusion in the NZ Upgrade Programme, as provided to the Transport Agency at end December 2019 stated:

Two new stations at Drury East and Drury West that will be platformed based on an island arrangement (i.e. with the tracks either side of the station). Includes Park and Ride and Drop and Ride facilities. Estimated \$247m (\$218m-\$276m).

6. A subsequent consideration of the cost outlined for the two stations has identified that the funding allocation is in excess of what is reasonably anticipated to be required for these works.
7. This presents an opportunity to review the scope of the project to better maximise the outcomes that the investment could provide, without a need to increase the funding allocation.

Summary of cost information

8. Information on station costs has been developed as part of the Supporting Growth Programme, and more recently as part of the Drury Transport Investment Programme.
9. The Supporting Growth Indicative Business Case identified the costs for the three stations at Drury Central, Drury West and Paerata, including Park and Ride facilities and bus interchange, at \$230m (P50) to \$290m (P95).
10. The costs identified by the Drury Transport Investment Programme are provided in the following table:

Scope	Cost (P50 to P95)
Drury Central Station. Includes Park and Ride and bus interchange	\$93 to \$120m
Drury West Station. Includes Park and Ride and bus interchange	\$87 to \$110m
Drury West access road (SH22 to Burt Road)	\$72 to \$90m
Paerata Station. Includes Park and Ride and bus interchange	\$80 to \$100m
Paerata Station access road	\$70 to \$95m

**The Drury Transport Investment Programme is a project led by MOT and Auckland Council, with support by Auckland Transport and the Transport Agency, and tasked with looking at the transport projects and programme required for land in Drury East to be brought forward in timing for development. The costings are Indicative Business Case level but for an updated scope compared with the Supporting Growth Indicative Business Case. These updated costs have not been peer reviewed.*

11. Based on the above, there is an opportunity for the Government to expand the scope of the Drury Stations project to include a third station at Paerata without the need to increase funding. This is the Transport Agency's recommended option, and the one that would maximise the outcomes of the investment.
12. Alternatively, the funding allocation of \$247m is in proximity of the cost estimate (\$252m to \$320m) for the two Drury stations, plus the access road to Drury West, which is critically important to the function of this station.

Issues and benefits

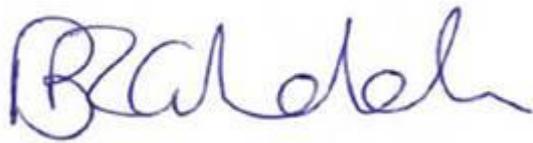
13. Delivery of all three stations would enable each station to be designed to deliver greater benefits. It would also provide efficient delivery opportunities, early mode shift for the live-zoned Paerata area and mitigate stakeholder risks (noting this station was previously envisaged as an early station to be delivered).
14. However, to fully realise the benefits of the station at Drury West, it is critically important that the supporting access is also delivered. Discussions with Auckland Transport are underway, and we are confident that we will have its agreement to deliver the access road in alignment with the completion of the stations (i.e. by 2024).
15. While an access road is also proposed to support the Paerata station, it is not seen as critical to the basic viability of this station to the same extent as for Drury West and therefore not recommended for inclusion. However, we will continue to work with Auckland Transport to progress this access road as a supporting project in the broader programme of works for this area.

Next Steps

16. Subject to your agreement to alter the scope of the project, the next steps would include confirming the delivery mechanism for the project and confirm how this change should be communicated. The delivery mechanism will be addressed through a separate briefing being prepared by the Ministry of Transport and Treasury.
17. Following advice of your preferred option, we will work with your office to prepare appropriate communications.

It is recommended that you:

- | | |
|---|--------------------------|
| 1. Agree to include in the scope of the project, either: | |
| a) (Recommended) a third station at Paerata, or | Agree / Not agree |
| b) the Drury West access road | Agree / Not agree |
| 2. Forward this briefing to Minister of Finance | Yes / No |



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Brett Gliddon

General Manager, Transport Services

Date: 20 March 2020

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Hon Phil Twyford, Minister of Transport

Date:

Attachment 1 - Network map (Station in orange and access road in purple)

