

## MINISTERIAL BRIEFING NOTE

<b>Subject</b>	Funding of Canterbury transport projects
<b>Date</b>	7 November 2024
<b>Briefing number</b>	BRI-3215

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 <sup>st</sup> contact
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### Action taken by Office of the Minister

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- ☐ Withdrawn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

7 November 2024

**Hon Simeon Brown – Minister of Transport**

## Funding of Canterbury transport projects

### Purpose

1. Further to BRI-3136 provided to you on 4 October 2024, this briefing outlines the delivery mechanism for the Collins-Simeon overbridge and the Second Ashburton Bridge, which you nominated for consideration of Crown investment as capital expenditure from the \$78 million *New Zealand Upgrade Projects – Tagged Capital Contingency*.

### Executive summary

2. The P50 cost estimate for the Collins-Simeon overbridge is \$29.25 million. A parallel estimate and a 'no frills' assessment will be completed in December 2024. As previously noted in BRI-3136, NZ Transport Agency Waka Kotahi (NZTA) recommends that the Collins-Simeon overbridge – component of the State Highway 76 (SH76) Brougham Street project – is fully funded from the tagged contingency.
3. The Second Ashburton Bridge is estimated to cost \$134 million, based on the Ashburton District Council (ADC) Long Term Plan (LTP) for 2024-2034 which assumes a \$7.5 million of local share from debt and funding, \$83 million of National Land Transport Fund (NLTF) share, and \$44 million of Crown funding. A 'no frills' assessment, investment case update and cost estimate update are also underway, and NZTA is supporting ADC to deliver these to ensure alignment with the Government Policy Statement on land transport (GPS) 2024.
4. As ADC is unlikely to be able to afford its 49% local share contribution that would apply under standard funding arrangements, NZTA recommends the Second Ashburton Bridge to be funded from the remaining balance of the tagged contingency.

### Options for constructing the Second Ashburton Bridge from New Zealand Upgrade Projects – Tagged Capital Contingency

#### ***Declaring the Bridge a state highway (recommended approach)***

5. NZTA can rely on its powers under the Government Rounding Powers Act to build and own the Bridge. As a state highway improvement, the balance of the cost beyond that funded from the tagged contingency can be funded at 100% Funding Assistance Rate (FAR) from the State Highway activity class.
6. s 9(2)(g)(i)

s 9(2)(g)(i)

7. s 9(2)(g)(i)

8. We remain supportive of ADC paying a minimum of \$7.5 million which they have included in their LTP by contributing the local share at normal FAR (49%) for the local road connection and improvements (Carters Street to Grahams Street). These local road connections are not eligible for funding from the Crown's tagged capital contingency.

***Transfer ownership to Land Information New Zealand (LINZ)***

9. NZTA has met with LINZ to discuss the potential of LINZ holding the ownership of the bridge. The road on top could then be legalised as local road for ADC.
10. LINZ has investigated this option and advised NZTA that its powers are solely to control and own land, not assets like bridges. This option would therefore require an overly complex land transfer for them to become the asset owner. As such, we do not support this option.

***Redesigning the project to make it a primary state highway corridor***

11. This is a more comprehensive option where NZTA designs and builds a new state highway corridor including the Bridge. This option requires proper assessment which would take time for planning and investment casing. It would be however a more run-of-the-mill capital project for the Crown and be more routine for NZTA.

**Benefits of the projects**

12. These two projects will support securing the resilience of the Lyttelton Port to Timaru Port corridor, which NZTA intends to do further work on in 2025/26 under the NLTP 2024-27 probable activity, the Canterbury System Plan. NZTA plans to explore the future capacity required of the corridor, the replacement of State Highway 1 (SH1) bridges, the role of rail and potential four-laning of the corridor.
13. The Second Ashburton Bridge will:
- allow for further network capacity for through traffic, particularly freight.
  - enable the upcoming replacement of the existing state highway bridge when it reaches the end of life (~2040)
  - support the reliability of the route by providing an alternate bridge if weather events or a crash impact the current state highway bridge.
14. The Collins-Simeon overbridge will reduce travel time delay, improve travel time reliability for freight by removing the at-grade signalised crossing.

## Next steps

15. The immediate next steps are as follows:

- the Crown to agree the use of the tagged contingency for the two projects.
- NZTA and yourself to discuss the implications for the Second Ashburton Bridge project with ADC and seek their agreement to the proposal, including their contribution to the local road connections to the Second Ashburton Bridge.
- NZTA to prepare a report to the Board outlining the funding for the projects.
- ADC to complete the business case update ('no frills' assessment, investment case update and cost estimate update).
- NZTA to seek Board agreement to shift to pre-implementation phase by approving the preferred solution, the NLTF contribution and gazetting the bridge as a State Highway.
- The Crown to amend the listed project schedule of the Fast Track Approvals Bill (before it is passed this year) to add NZTA as an applicant for the Second Ashburton Bridge and amend the project description (NZTA can advise on precise wording).

## It is recommended that you:

1. **Agree** on the following preferred option:

Yes / No

- fully fund the Collins-Simeon overbridge from the tagged contingency
- NZTA to build and own the second Ashburton Bridge as a state highway with funding of \$48 million from the tagged contingency with the balance at 100% FAR from the NLTF and the local road connections delivered by ADC as local road improvements at the normal FAR (51%).

2. **Direct** the Ministry of Transport to prepare a Cabinet paper seeking to repurpose the funding to deliver the Collins-Simeon Overbridge and Second Ashburton Bridge.

Yes / No



Sara Lindsay

Group General Manager, Corporate and Commercial

Hon Simeon Brown, Minister of Transport

Date:

2024