RoNS Mill Road Stage 1 Investment Case Executive Summary

June 2025

FINAL

NZ TRANSPORT AGENCY WAKA KOTAHI

Roads of National Significance

Te Kāwanatanga o Aotearoa
New Zealand Government

STRATEGIC CASE

Mill Road Corridor

Project Description:

"Mill Road" has been identified as one of the Roads of National Significance (RoNS) in the Government Policy Statement on Land Transport 2024 (GPS) for priority delivery to improve transport efficiency on the corridor and provide a more resilient roading network.

The Mill Road project involves developing a new four-lane 21.5km road corridor, running parallel to State Highway 1 (SH1), providing residents with a more efficient way to move between the communities of Flat Bush, Manukau, Manurewa, Papakura and Drury. It traverses through three different existing environments, ranging from dense urban and peri-urban areas in the north to a rural environment in the south.

It is anticipated that the corridor will be developed by stages to balance cost efficiency and affordability – with construction of Stage 1 commencing in 2024-27 period. Stages 2 and 3 are required to deliver on the full benefits of the corridor and are in the early development stage. Ensuring the full corridor can be delivered at a later date is very important to realise the benefits of the Stage 1 investment. Therefore, it is important that Stages 2 and 3 are route protected as soon as possible as route options are currently under development pressure.

This Investment Case (IC) intends to:

- Establish a compelling case for investment through a robust evidence-based process, clearly identifying the intended outcomes and benefits of the investment.
- Identify the preferred option and delivery cost.
- Identify the funding and finance option and delivery model.
- Develop the Procurement Strategy, Consenting Strategy, Property Strategy and Communications and Engagement Strategy for an expedited project delivery.

This document summarises the evidence to support the case for investment.

Corridor Problems:

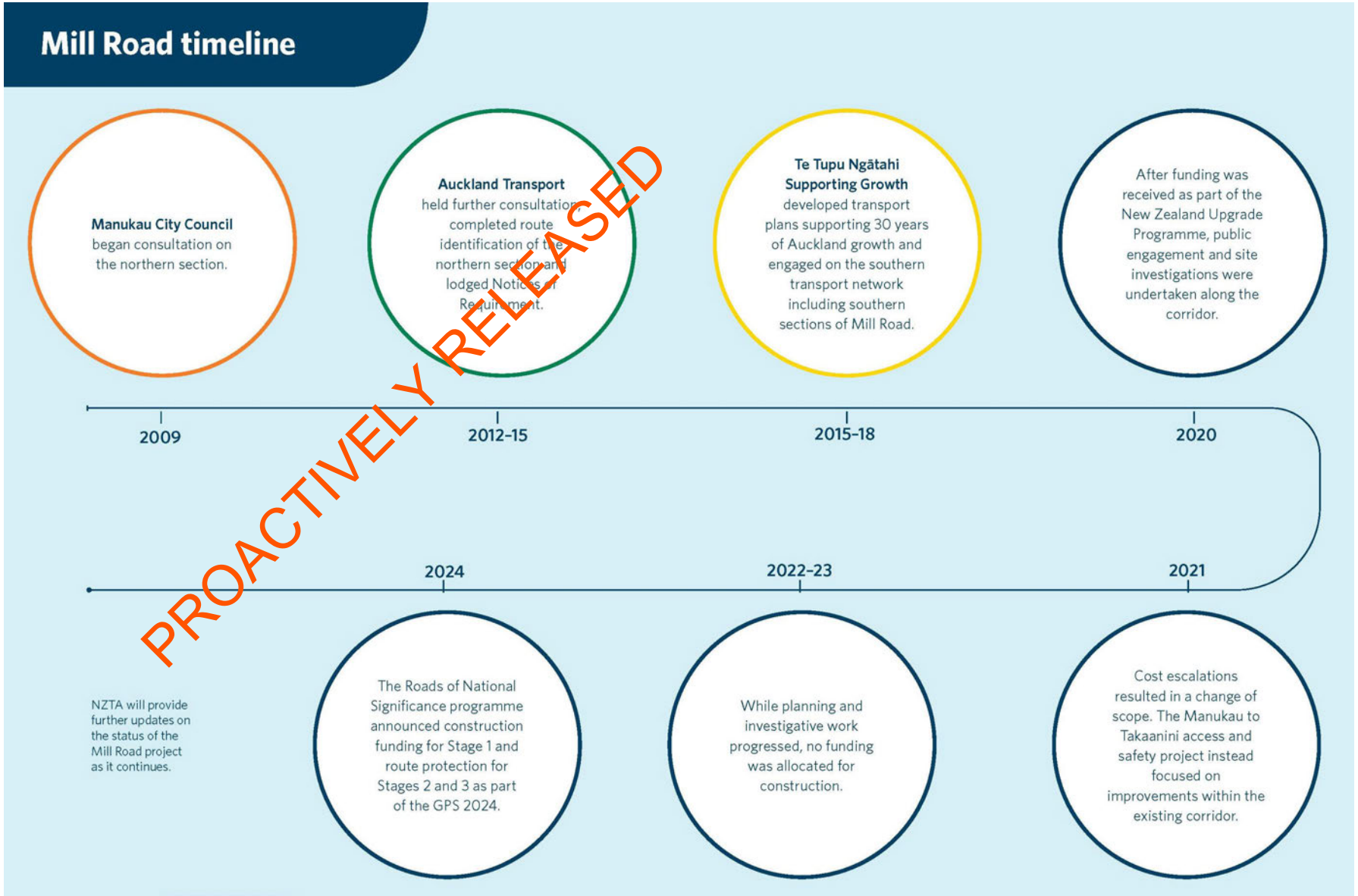
Corridor Efficiency: The two-lane Mill Road corridor experiences significant congestion during peak hours due to its limited capacity and frequent disruptions caused by crashes and turning traffic between Redoubt Road/Mill Road and side roads.

Network Resilience: The south Auckland transport network is vulnerable to disruptions caused by unplanned traffic incidents, which can lead to significant network delays and economic losses. Mill Road in its current state is not considered as an appropriate alternative/detour route.

Development History

STRATEGIC CASE

An upgrade of Mill Road corridor has been considered over the past 20 years by various agencies including Auckland Council, Auckland Transport and NZ Transport Agency. It has been included as one of the Roads of National Significance in the NLTP 2024-34 – with Stage 1 prioritised for delivery.



Key Decision 1: Future Speed Limits

- The Mill Road Stage 1 RoNS project transitions through a combination of densely populated residential areas, developing peri-urban zones, and predominantly rural landscapes. This diverse context necessitates design adjustments to RoNS standards, including lower speed limits and at-grade intersections, to align with the unique characteristics of the corridor and its surrounding environment.
- **Alignment with NZTA Board Decisions**: The project reflects key decisions made by the NZTA Board during the Initial Phase, including the adoption of reduced posted speed limits compared to RoNS standards, the use of at-grade intersections, and adherence to an expected cost envelope. These decisions ensure the project remains context-appropriate while meeting broader objectives.

- **Context-Driven Speed Limits**: The posted speed limits are tailored to the specific character of the corridor, with the following as a starting point:
  - **50km/h in urban areas** to enhance safety, align with local residential contexts, reduce impacts on properties and fit within existing 4 lane designation. This limit was chosen because higher speeds would increase safety risks due to direct property access and multiple intersections along the urban section.
  - **60km/h in peri-urban areas** to balance connectivity with development patterns. Although an 80km/h speed was considered, 60km/h was deemed more appropriate based on safety, cost, designation boundary and property impact considerations.
  - **80km/h in rural sections** to provide a higher-speed environment, albeit lower than the 100km/h to 120km/h typical of most RoNS projects due to constraints imposed by existing designations and topography, and the need to avoid prohibitive time and cost impacts. Higher speed limits would have required going outside the current designation, leading to increased costs and potential delays.

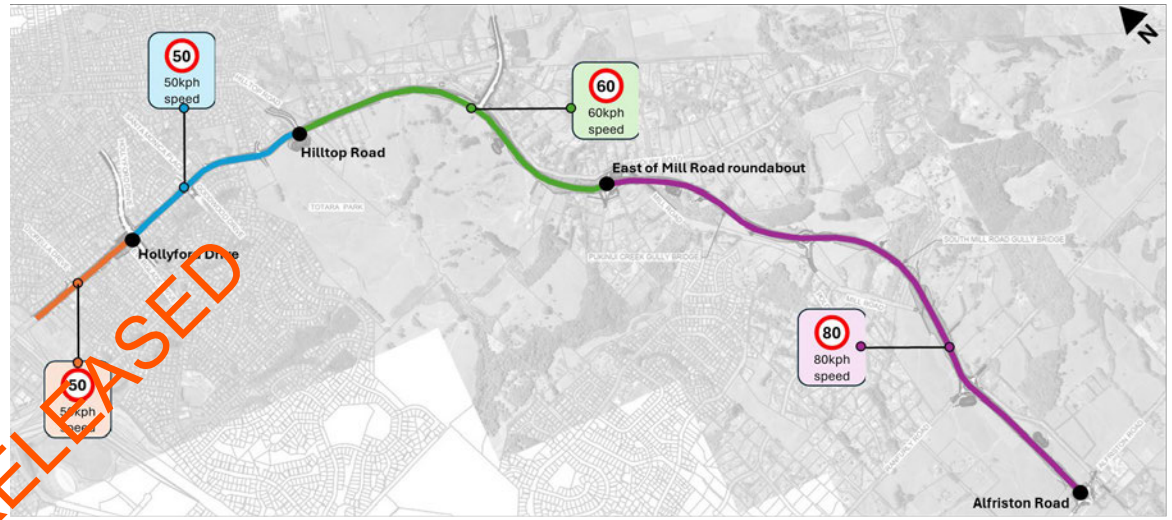
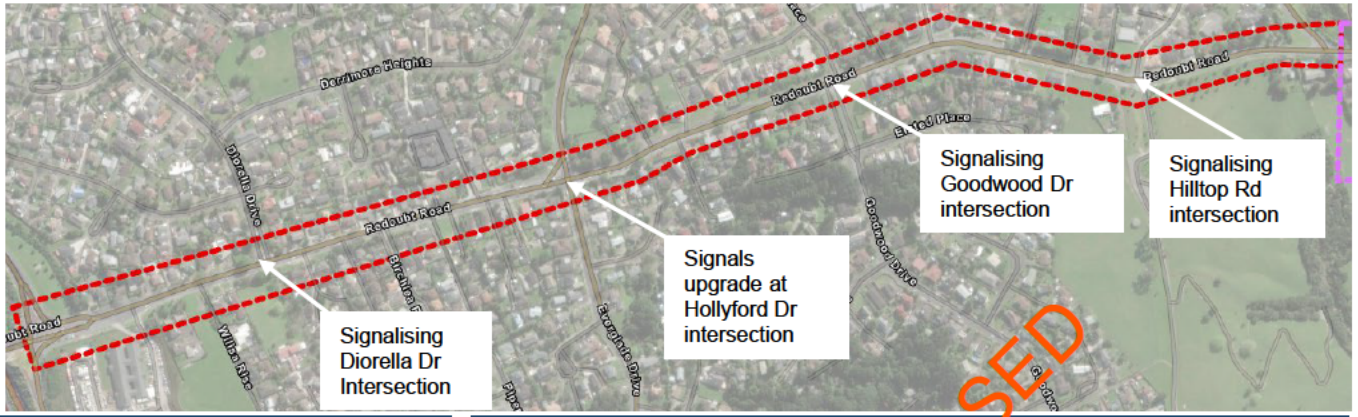


Figure of Context Driven Speed Limits

These measures are designed to respect the unique spatial challenges of the Mill Road Stage 1 corridor while ensuring safety, operational efficiency, and alignment with overall RoNS principles.

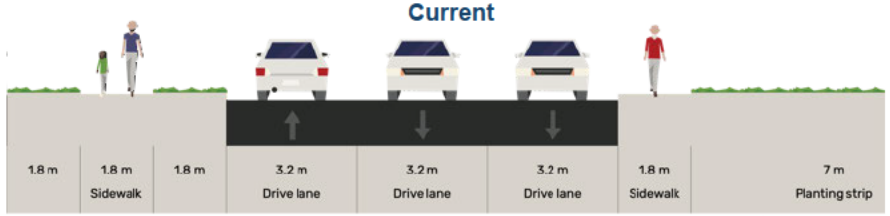
Key Decision 2 – Urban Section Form and Function

This section of the corridor is predominantly urban, featuring multiple direct property accesses and key intersections at Hollyford Drive, Redoubt Road, and Everglade Drive. Reflecting the local environment, the proposed function for Urban Section #1 retains the existing 50 km/h posted speed limit.

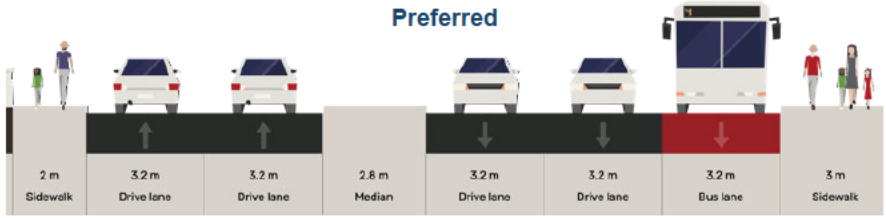


Urban Section #1: SH1 to Hollyford Drive

Current



Preferred

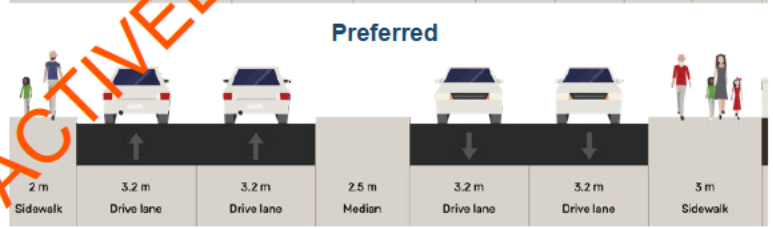


Speed Limit	50kph posted speed limit
General Traffic	2 x 3.2m Eastbound general traffic lanes 2 x 3.2m Westbound general traffic lanes 2.8m raised median
Public Transport	1 x 3.2m Westbound Bus Lane
Active Modes	Existing northern footpath retained. New 3m wide shared use path on southern side (widening of existing footpath)

Urban Section #2: Hollyford Drive to Hilltop Road

Current

Preferred



Speed Limit	50kph posted speed limit
General Traffic	2 x 3.2m Westbound general traffic lanes 2 x 3.2m Eastbound general traffic lanes 2.5m flush median
Public Transport	No dedicated public transport facilities
Active Modes	2m wide footpath on northern side Existing southern footpath widened to 3m shared user path

GPS Alignment

Economic Growth & Productivity

The preferred option increases corridor capacity, reducing travel times and increasing reliability by improving traffic flow and alleviating congestion. This additional capacity supports and unlocks greenfield growth in the Flatbush and Takaanini areas of South Auckland.

Value for Money

This option provides value for money as the existing 2m wide footpath is retained as well as providing active mode provisions that are adequate for the expected volumes along the corridor. Active mode facilities are provided at a level that meets expected demand along the corridor. The existing northern-side footpath is retained, reducing the need for replanting and preserving the surrounding tree-lined environment.

Improved Safety

Safety is significantly improved through the preferred option with the development of a raised median to separate traffic in different directions. This signalisation and intersection upgrades will address the most significant safety concerns along the corridor, as CAS analysis shows this is where the most serious accidents are likely to occur.

Maintenance & Resilience

The addition of increased traffic lanes will improve the resilience of Mill Road as an additional strategic north-south corridor in South Auckland.

The Preferred Option & Benefits

The preferred option for Mill Road stage 1 aligns well with the overarching investment objective of improving traffic efficiency on the Mill Road corridor and enhancing transport network resilience. This option also provides for the GPS priorities of economic growth & productivity, improved safety, maintenance & resilience and value for money.

GPS Alignment

Economic Growth & Productivity

- Reduced journey times and increased travel time reliability.
- Less congestion and increased patronage on public transport.
- Improved access to markets, employment, and areas that contribute to economic growth.
- More efficient supply chains for freight.
- Unlocked access to greenfield land for housing development and supporting greater intensification.

Value for Money

- Better use of existing capacity, including
  - Dynamic lanes
  - Time-of-use charging
- Less expenditure on temporary traffic management

Improved Safety

- Reduction in deaths and serious injuries

Increased Maintenance & Resilience

- Fewer potholes
- A more resilient road and rail network

Design Refinement Benefits

The corridor's form and function decisions were among the most critical made at the outset, as they significantly influence cost, property impacts, ease of delivery, and alignment with the Government Policy Statement (GPS). Key adjustments included rationalising and scaling back active mode provisions, reducing cross-sections by setting lane and feature widths appropriate for urban and peri-urban contexts, and removing on-road cycle lanes. These changes delivered substantial cost savings through reductions in pavement areas, bridge dimensions, and earthwork volumes.

Cost Efficiencies:

- 40% reduction on the bridges in the rural section,
- 25% reduction in the rural section due to the narrower cross section,
- 10% reduction in the per-urban section,
- 5% reduction in the urban section.

Improved Constructability:

Simplified earthworks and reduced construction footprints enhance the project's ease of delivery. The refined Norther and Southern crossover designs allow traffic flow and connectivity to be maintained during construction, ensuring minimal disruption for road users.

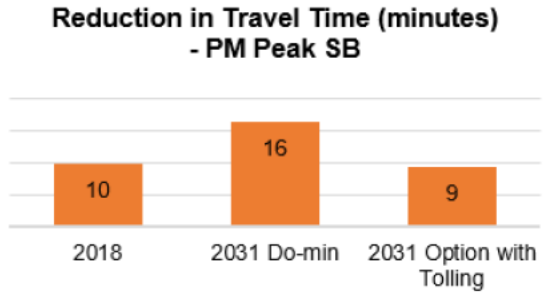
Environmental Benefits:

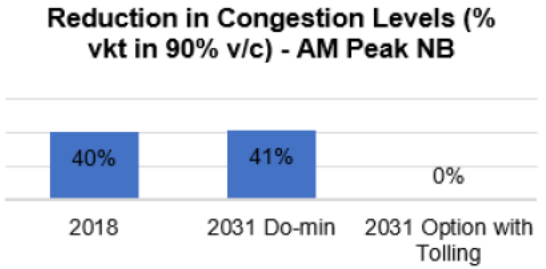
The project minimises ecological disruption by reducing bridge footprints, avoiding permanent works in waterways, and protecting sensitive ecosystems.

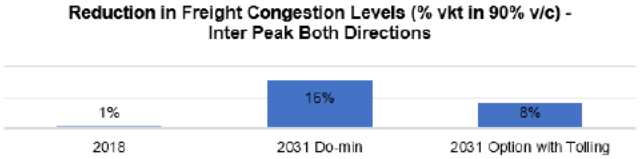
Design Innovations:

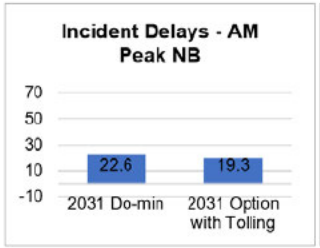
Puhinui Bridge - Width reduced by up to 40% due to bridge refinement and active mode provision consolidation.
Cheeseman's Bush Bridge - Alignment optimised to cross at the narrowest point of the gully.
Northern Crossover - A bridge was recommended instead of bulk fill.
Southern Crossover - A refined grade significantly reduces earthworks by more than 50%

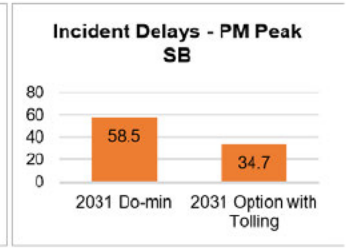
Key Investment Benefits (Summary)



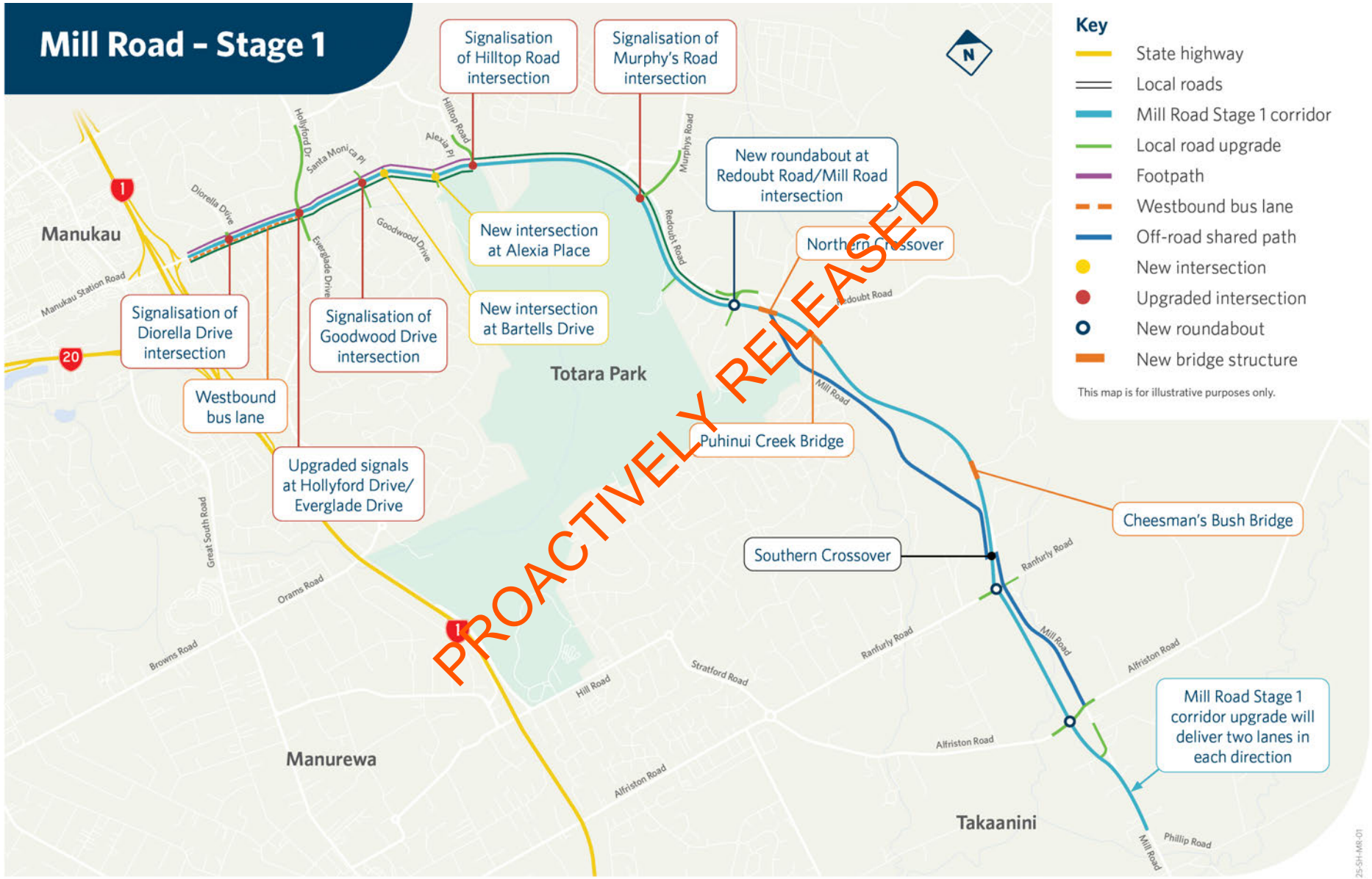








RoNS Mill Road Stage 1 Recommended Option (7.08km)



Procurement Strategy and Programme

	2025	2026	2027	2028	2029	2030-2033
Consenting (Oct 25 application)	Fast Track	Lodge Fast Track Application Oct/Nov 2025			*Remaining P1 works to commence once property acquired	
Enabling Works (e.g. Services)						
Package 1 Urban	Property / Design / Risk Mitigation	Construction – (Targeting early start* Mid-2026)				
Package 2 Rural	Property / Design / Risk Mitigation	Construction (Targeting early win at Alfriston Mid-2026)				

Package 1 Benefit

- South bound travel time savings
- 17% PT travel time reduction
- More reliable journeys
- Corridor Level of Service improves from F to E
- Improved Sth bound SH1 resilience

Package 2 Benefit

- Majority of travel time gains
- Corridor Level of Service improves from F to E (Murphys Rd from F to D)
- Majority of safety improvements
- Improved Sh1 resilience overall

Staging The Packages

- Package 2 construction is staged to 2028 for property acquisition / risk mitigation
- P2 could be staged further with cost / benefit trade-offs e.g. extended corridor disruption

Two Packages tailored to differences in key drivers, risks and commercial outcomes

- **Package 1 (Urban 1.7km) –** s 9(2)(b)(ii) SH1 to Hilltop Road Intersection
  - Urban environment, lower consenting risk.
  - **Start mid 2026 on early win** where sufficient property acquired
  - **Early Contractor Involvement** to mitigate / inform consents on main construction risks (traffic / access / disruption / services)

- **Package 2 (Rural 5.4km) –** s 9(2)(b)(ii) Hilltop Road to Alfriston
  - Higher consenting, geotech. / enviro. risk
  - **Start early wins mid-2026** separate package at southern end (lower property risk). Main work 2028 once all property acquired
  - **Design and Construct** - more commercial tension (requires more front-end design effort on risk)

s 9(2)(j)

Package 1 is recommended to commence first because:

- It carries lower consenting and property risks
- It addresses a significant existing bottleneck which has the potential to temporarily worsen congestion if Package 2 is operational first
- Package 2 has long construction lead in times (e.g. earthworks pre-loading)
- It addresses the highest profile / most visible area of deficiency on the corridor

Property Requirements

Refer to **Appendix H: Property Strategy**

Property Requirements Table

Acquisition Type	Full	Partial	Total
Acquired to date	52	7	**59**
To Acquire	25	242	**267**
Total	**77**	**249**	**326**

Property Costs

Cost Summary	($m)
Gross Acquisition Costs (P95)	s 9(2)(j)
Property Interests Transferred from AT (59)	
Further Advance Purchases Completed Last FY	

Property Acquisition Risk Assessment

Complexity	Risk	Number of Properties	Timeframe	Assessment
Straight forward	Low	s 9(2)(j)	0-9 months	Clear Ownership, low land take & less complex negotiations.
Negotiation	Medium		9-12 months	Greater land take, Mitigation requirements, Shared access ways, more complex negotiations.
Complex/ Statutory	High		12-27 months	See property strategy for detailed risk summary.

s 9(2)(j)

PROACTIVELY RELEASED

Consenting

Existing Designation – Auckland Unitary Plan Reference 1836

- Secured in 2016 and will expire in March 2026/December 2031
- Auckland Transport is the Requiring Authority – Designation to be transferred to NZTA
- **Designation Purpose:** *The purpose of the designation is to enable the Requiring Authority to widen and upgrade the Redoubt Road-Mill Road Corridor. The public works are required in order to provide future corridor capacity to support growth identified within the Takaanini and wider southern area and provide an alternate north/south corridor to State Highway 1.*

Designation Conditions

- The existing designation has a comprehensive set of conditions. The most high-risk conditions are in relation to:
- 'In general accordance' and design elements/restrictions;
- Peer review requirement of Management Plans and Delivery Work Plans;
- Collaborative working process;
- Social Impact Management Plan;
- Stakeholder Engagement Plans; and
- Network Utility engagement requirements.

The proposed consenting approach will include seeking amendments to some of those existing designation conditions to better align with the RoNS design standard, and NZTA processes.

Existing Designation Route – Auckland Unitary Plan reference 1836

Key Assumptions:

- NZTA will be the Requiring Authority for all stages of the Mill Road project.
- The existing Redoubt Road – Mill Road Corridor designations will be transferred to NZTA.
- A key objective of the Mill Road Project is to begin construction in 2026.
- The design team have completed to a design level that is appropriate for consenting purposes.
- A panel will be available for processing through the fast-track process in November 2025.

Consenting

COMMERCIAL CASE

Proposed Consenting Strategy – Fast Track

- Transfer the existing Auckland Transport designation to NZTA.
- Seek referral of the application under the Fast Track Approvals Act 2024 to allow staging of the project consents.
- Prepare a single combined application for submission through the Fast Track Approvals process to:
- Alter the existing designation including updating the designation purpose and seek alterations to some designation conditions including updating design drawings.
- Lodge finalised management plans and obtain an Outline Plan waiver (Option for partial or full Stage 1*).
- Seek all regional resource consents for Stage 1.
- Seek other approvals e.g. archaeological authority and wildlife permits.

*If a partial waiver is sought for Phase 1 or Stage 1 only a subsequent Outline Plan of Works will be submitted to Auckland Council and proceed through the standard consenting process.

Primary reasons (aside from timing) for using the FTA:

- The purpose of the FTA Act is accorded greater weight than other matters; and
- Wildlife permits and archaeological authorities can be included in the process.

Alternative Consenting Options

The Standard Two-Step Process and Direct Referral options have been considered to progress consenting of the project, however, are not the preferred option primarily due to the compressed timelines. Best case scenarios for each option would have consents in place as follows:

- **Two-Step Process:** May/June 2027
- **Direct Referral:** January 2027
- Other concerns in relation to the standard or direct referral process are limited or full notification of regional resource consents which contribute to the longer timeframes.

section 9(2)(g)(i)

How Will NZTA Fund the Corridor?

The financial case summarises the project costs, source of funding and affordability of Mill Road Stage 1.

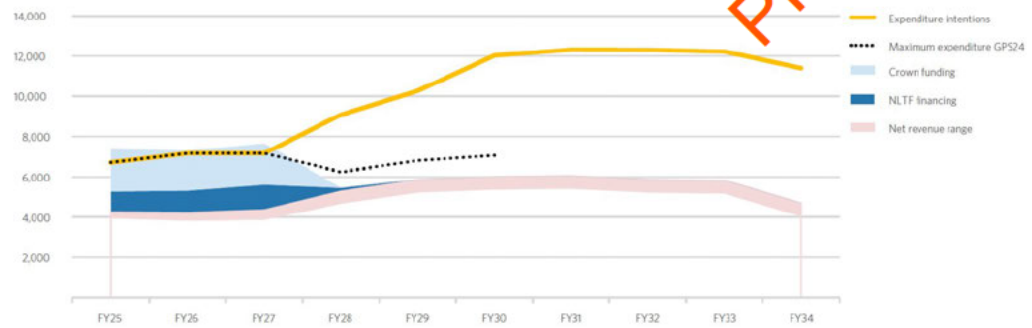
Funding Sources

It is anticipated that the project delivery will be funded from the NLTF. However, NLTF is under significant pressure to fund all the major activities in the next 10 years. While there is enough revenue to fund the activities in the 2024-27 NLTP, there could be an approximately $6 billion shortfall.

The GPS 2024 requires the NZTA to consider alternative funding and financing arrangements for all new infrastructure projects to ensure that New Zealand delivers more infrastructure sooner. The funding opportunities are considered at the RoNS programme level. However, it is noted that the required legislations are not in place to support securing the alternative funding sources at the stage.

These funding opportunities are also considered by the RoNS Mill Road project team at the project level.

- Public Private Partnership (PPP) has been considered as a way to reduce the NLTF cashflow pressure (but likely to increase the overall costs); however, it has been discounted following an assessment by EY in early 2024.
- Tolling could be considered as an opportunity for project cost recovery.
- Infrastructure Funding and Financing (IFF) and developer contribution could also be alternative funding opportunities. These opportunities will be further explored in the Pre-implementation phase.



Project Cost

- Base Estimate
- Expected Estimate
- P95 Estimate

section 9(2)(b)(ii)

Funding Risks

The following funding risks are identified and required to be managed to minimise its impact on the project financials

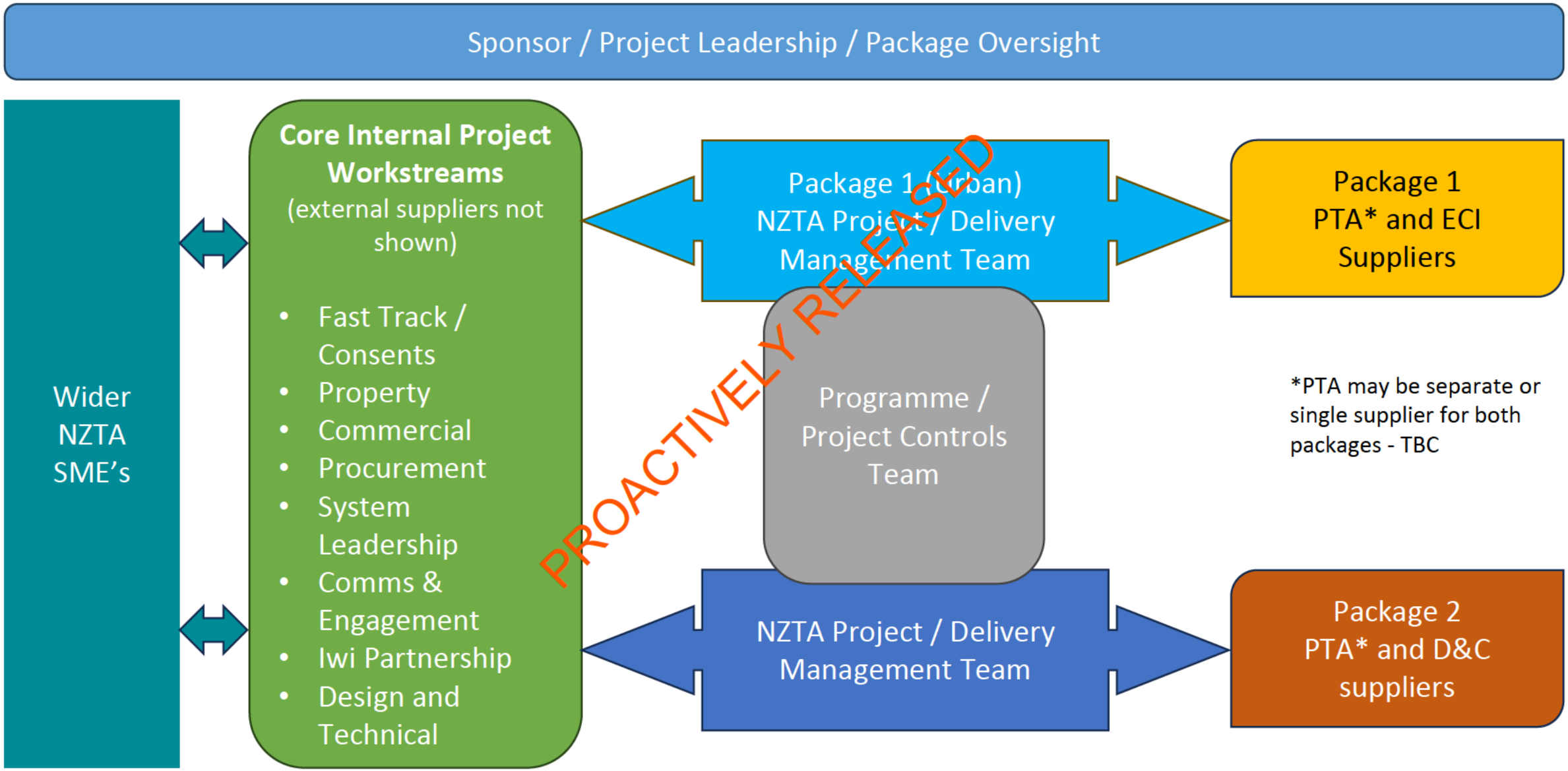
- A change in design or scope due to new information such as government direction, geotechnical investigations – which could result in an increase in the project delivery costs..
- Escalation to exceed what has been allowed in the cost estimation.

The strategy adopted to manage the risks is to undertake scope review (e.g. remove the new Ranfurly roundabout from the project scope) and value engineering in the Design Phase to further reduce the project costs.

However, the likelihood of these risks occurring is low.

s 9(2)(ba)(i), s 9(2)(f)(iv)

Pre-Imp Operating Model to mid/late 2027



section 9(2)(f)(iv)

Key Risk Themes

Project Risks have been identified into 5 Key Risk Themes. Under each Key Risk Theme, it details what are the potential causes of risk and mitigation approach. The most critical project risks are in Property and Consenting, which are highlighted in red to show their significance to the project.

Risk Theme	Risk Cause	Mitigation
Property Acquisition	s 9(2)(g)(i), s 9(2)(j)	
Time Impact; Cost Impact; Programme Impact; Community Impact		
Fast Track Consenting		
Time Impact; Programme Impact; Cost Impact		
Transfer of Designation		
Time Impact; Cost Impact; Programme Impact		

Key Risk Themes Continued

MANAGEMENT CASE

Risk Theme	Risk Cause	Mitigation
Constructability and Traffic Management	s 9(2)(g)(i), s 9(2)(j)	
Utilities and NUO Liaison		
Consent Conditions		

Time Impact
Cost Impact
Programme Impact
Community Impact

Time Impact
Cost Impact
Programme Impact
Community Impact

Environmental Impact
Legal Impact
Cost Impact

Communication & Engagement

Planned communication and engagement in 2025

Key messages

The key messages we deliver in our external communications will hinge on the following strategic anchors, which align with the GPS 2024:

- Supporting urban and economic growth and productivity – Tackling congestion and opening up access to future growth areas.
- Value for money – Focusing on delivering core transport objectives (north/south travel flow and vice versa).
- Increased Maintenance and Resilience – Creating a more viable alternative route to SH1 during unplanned network events.
- Safety – Improvements to intersections and particularly in the rural sections (sections 2&3).
- Progress – The project will be delivered in stages to deliver benefits as and when construction has been completed. Focusing on stage 1 where designation is in place.

2025	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project milestone	NZTA Board – endorses Investment Case and confirms Pre-implementation funding								
Minister (significant events, in addition to ongoing engagement)	- Briefing post NZTA Board decisions - Minister media release (TBC)								
Landowners	- Ongoing formal acquisition - focus on full and strategic purchases then partials - Ongoing landowner access arrangement to support technical surveys								
Neighbours				Neighbourhood drop-in information sessions					
Community	Newsletter and website update	Monthly e-newsletter							
Elected reps (Mayor, MPs, Councillors, Local boards)	Memos to elected members (TBC)		Local board presentations (TBC)						

Iwi Partnership

Mana Whenua Aspirations-Te Ara Kotahi Alignment:

Throughout the previous work on Mill Road, Mana Whenua have noted their aspirations for partnership on the project. These Mana Whenua aspirations are aligned both to the values and principles outlined in Te Ara Kotahi and achieving these aspirations will contribute to 4/5 priority areas within the action plan.

Previous Engagement:

Mana whenua have been engaging heavily in the Mill Road project since 2007 through AT and through Te Tupu Ngātahi since 2017, and NZUP since 2020. Mana whenua bring long standing involvement and understanding on this project.

CVA were prepared in 2014 by four iwi

Mana Whenua Aspirations:

- Partnership at all levels including shared decision-making
- Ongoing engagement throughout all stages of the project
- The importance of building trust even where there are difficult conversations
- Ability to exercise kaitiakitanga/guardianship for the environmental outcomes
- To achieve social and economic outcomes for mana whenua and Māori through the project
- A strong sense of place where mana whenua values are reflected through place names and opportunities for cultural expression.
- Protect and enhance sites and places of significance to mana whenua, including wāhi tapu, taonga, te reo, cultural history.
- Cultural capability of all involved in project is enhanced.
- To ensure that previous work and feedback is utilised and acknowledged.

s 9(2)(ba)(i), s 9(2)(j)