

Note: Information in this document was accurate when presented to the NZTA Board; some details may have since changed.

Attachment 2

East West Link RoNS Investment Case

Overview

- **Project objective:** The East West Link RoNS project will improve travel times and travel time reliability between businesses in the Onehunga-Penrose industrial area and State Highways 1 and 20. The improvements will also support business by improving productivity through improved transport connections.
- The project completed an options assessment process and identified a recommended option (Option 4c). The recommended option has been further developed to allow a fair comparison with the modified Board of Inquiry (BOI) option.
- The investment envelope for the project is \$2.35b to \$3.1b (un-escalated). The s 9(2)(b)(ii)
- The project has provided both escalated and un-escalated estimates, based on the proposed staged delivery. Escalation would change if stages 2-4 are delivered in parallel or with different sequencing. Flexibility will be retained during the Pre-Imp phase regarding the sequencing and timing of stages.
- The recommended option has a BCR of 2.6 for tolled and untolled scenarios. The BCRs with wider economic benefits the BCR is 3.2.
- The tolling assessment has been completed s 9(2)(ba)(ii), s 9(2)(f)(iv)
- The project is ready to proceed to the pre-implementation phase involving route protection and detail design, seeking funding of \$102m.

Why invest In East West Link

1. Importance of Onehunga – Penrose Industry Area

The Onehunga–Penrose industrial area is an economic hub for Auckland, generating **8% of the region's GDP**. This area is comparable to 33% of Wellington City's GDP or the 9th largest regional GDP in New Zealand equal to Hawke's Bay.

2. Strategic Crossroads

Centrally located between **SH1, SH20, and the national rail network**, this area is a **keystone of New Zealand's freight network**. KiwiRail's Southdown precinct is a **key container transfer site** between Ports of Auckland and Ports of Tauranga accounting for 49% of NZ exports and 66% of NZ's imports (by tonnes).

3. Growth Pressure

With **business land in high demand** and **employment expected to grow by 30%**, this area is poised for major expansion. Without reliable connections this growth is put at risk.

4. Transport Cost to Business

Transport is a cost centre for businesses within the Onehunga-Penrose area. Businesses are estimated to spend around **\$800m per year** on transport associated costs. Inefficiencies along the transport network hit the bottom line.

5. Increasing Congestion

Rising congestion is limiting productivity. **Freight vehicles are caught in delays** to reach nearby motorways and rail access. Without investment, by 2051 it will take up to 36mins to access the area to and from SH1 and SH20.

Recommended Option

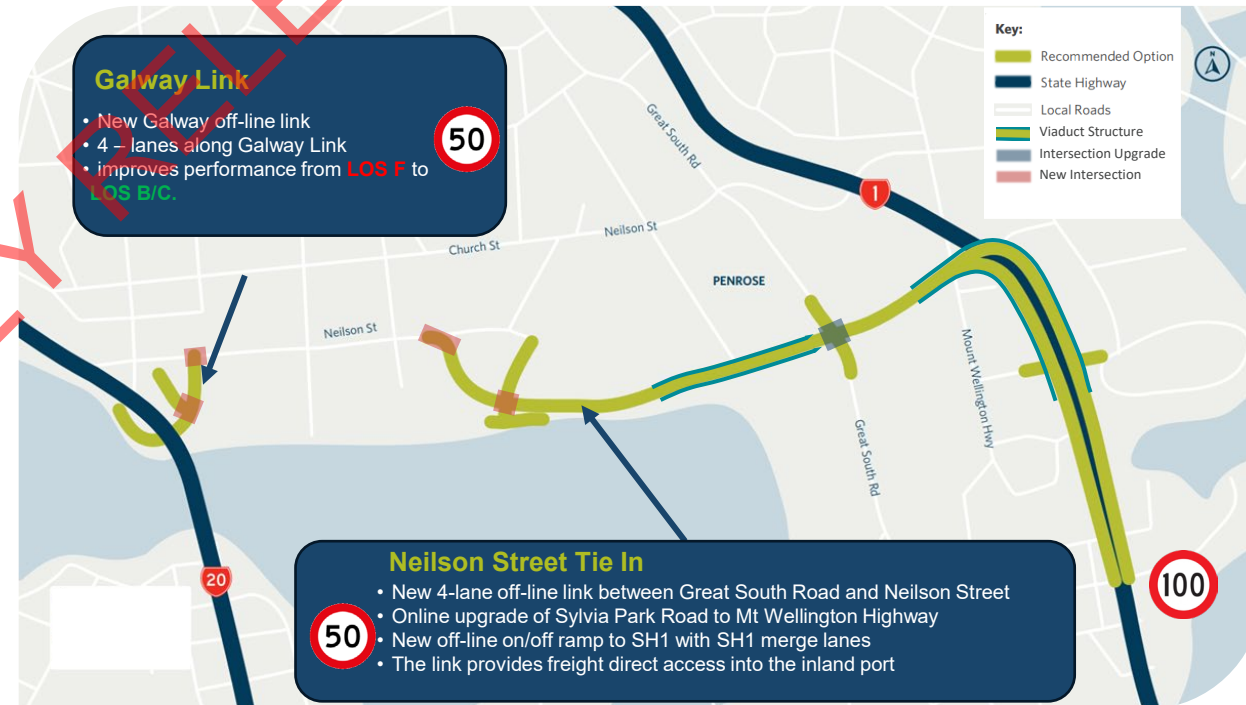
Project outcomes

- **Economic Growth and Productivity:** Benefits of \$6.92b – \$8.51b (NPV) from travel time and reliability improvements, along with wider economic benefits provided to the regional economy.
- **Economic Growth and Productivity (Travel Time):**
 - Travel time savings of up to 11.6mins for 30,000 vehicles per day to SH1.
 - Travel time savings of up to 3.2mins for 40,00 vehicles per day to SH20.
 - Accommodating an additional 1,200 HCV (20%) on Neilson Street west increasing freight throughput for the industrial area in 2051.
 - 98,200 additional people have access to Onehunga-Penrose Industrial Area within a 30 mins passenger vehicle trip in 2051.
- **Economic Growth and Productivity (Businesses):** 860 additional jobs and a \$49.5M increase to GDP per year in the Onehunga - Penrose economy.
- **Without East West Link:**
 - Travel time increasing by 45% from 13.5 mins to 36 mins in 2051 during the PM Peak.
 - Increase delay of up to 12 mins by 2051 in the PM. Significantly affecting freight movements and in the area.

Project scope

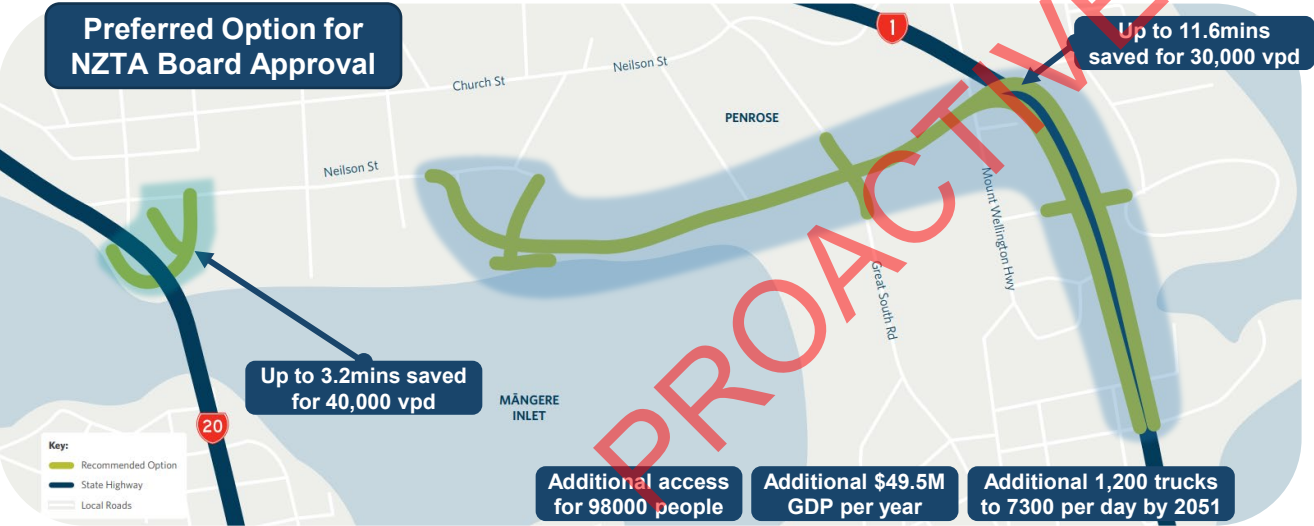
The project includes the following design features:

- A 50km/hr to 60km/hr speed limit.
- Access points and at grade intersections.
- Four traffic lanes.



Recommended Option

What are the key trade-offs?		
	Option 4C	Modified BOI Option
Affordability	✓	
Transport Benefits		✓
Value for Money	✓	
Risks	✓	
Comments		
Option 4c remains the more affordable option with a significant reduction in capex cost compared to the modified BOI option. Both options have some ability to be tolled.		
The Modified BOI Option provides greater overall benefits with Option 4c providing around 71% of benefits by comparison. Benefits of Option 4c are less long lasting at the western end of the corridor which can be improved with targeted optimisation.		
Option 4c is ~\$1 billion lower in cost with 71% of the benefits.		
Both options have high risk profiles, including interface with key land holdings and infrastructure. The Modified BOI Option has additional consenting and environmental risk compared to Option 4c due to directly traversing high value areas in the coastal environment and extensive reclamation requirements.		



Key Measure Comparison

	Option 4c	Modified BOI
Value for Money	BCR: 2.6	BCR: 2.7
Transports benefits	\$6,92b (71% of Mod BOI)	\$9.74b
Travel Time Savings	Up to 11.5 Mins travel time saving	Up to 11.3 Mins travel time saving
Travel Time Reliability	Improve by: AM Peak: 11.5 Mins PM Peak: 9.5 Mins	Improve by: AM Peak: 8.3 Mins PM Peak: 6.0 Mins
Time Spent in Congestion	Reduce by: AM Peak: 4.0 Mins PM Peak: 8.0 Mins	Reduce by: AM Peak: 4.2 Mins PM Peak: 8.0 Mins
State highway Impacts	Up to 2.2 Mins less time in congestion on SH1 and 1.3 Mins less on SH20	Time in congestion increases by 1.0 min on SH1 and 3.7mins on SH20
Project Objective	Aligned	Aligned
Environmental Impacts	Lower environmental impacts	Higher environmental impacts

Option 4c is the Preferred Option for NZTA Board Approval

- Option 4c provides the majority of the transport benefits (71%), meeting the project objective, and is approximately \$1 billion lower in cost.
- Compared to Modified BOI, Option 4c has a marginally lower BCR but still represents a strong case for investment.
- Option 4c has a less complex consenting pathway – in particular with respect to foreshore impacts

Staging

Stage 1 ^{s 9(2)(ba)(ii)}

What: New Galway Link to Neilson Street from Onehunga Harbour Road and widening along Onehunga Harbour Road.

Why: Delivers significant early benefits while developing the wider project.

Risk: Property, Consenting, and Delivery ^{s 9(2)(g)(i)}

VfM: 25% of benefits, ^{s 9(2)(b)(ii)}

What Next: Route Protection, Detailed Design and Property Acquisition (total).



Travel time Savings up to 3.3 mins

Stage 2 ^{s 9(2)(ba)(ii)}

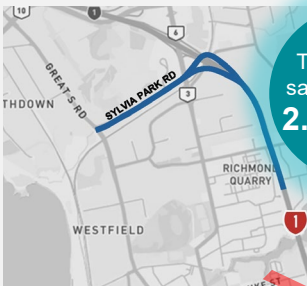
What: New SH1 south facing On/Off ramps, Sylvia Park Road widening to Great South Road and merge lanes along SH1.

Why: Significant benefits to the congested Mt Wellington Highway interchange, Sylvia Park Road and Gt South Road.

Risk: Property, Consenting, and Delivery ^{s 9(2)(g)(i)}

VfM: 25% of benefits, ^{s 9(2)(b)(ii)}

What Next: Route Protection and initiate Property Acquisition.



Travel time Savings up to 2.9 mins

Stage 3 ^{s 9(2)(ba)(ii)}

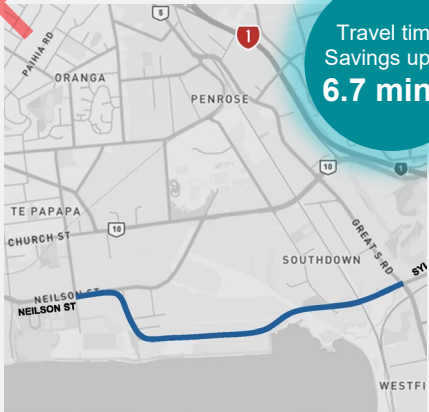
What: New 4-lane median separated link from Neilson Street to Great South Road.

Why: Linking Neilson Street and Gt South Road will unlock wider project benefits and SH1 access challenges. Staging later enables time to resolve complex interface challenges.

Risk: Property, Consenting, and Delivery ^{s 9(2)(g)(i)}

VfM: 30% of benefits, ^{s 9(2)(b)(ii)}

What Next: Route Refinement followed by Route Protection. Targeted Property Acquisition only.



Travel time Savings up to 6.7 mins

Stage 4 ^{s 9(2)(ba)(ii)}

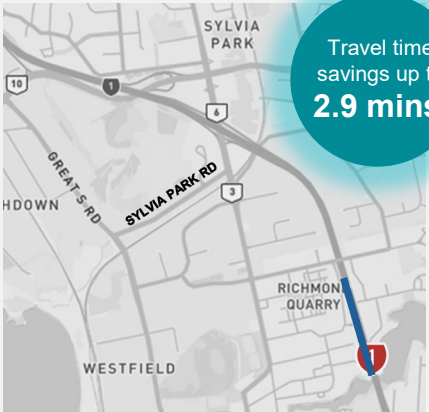
What: SH1 widening along the remaining project extent. Comprising of widening from Kotahi Road to Princes Street.

Why: The remaining portion of SH1 to fully realise the project benefits as well as wider system benefit.

Risk: Property, Consenting, and Delivery ^{s 9(2)(g)(i)}

VfM: 20% of benefits, ^{s 9(2)(b)(ii)}

What Next: Route Protection and initiate Property Acquisition.



Travel time Savings up to 2.9 mins

High Level Staging



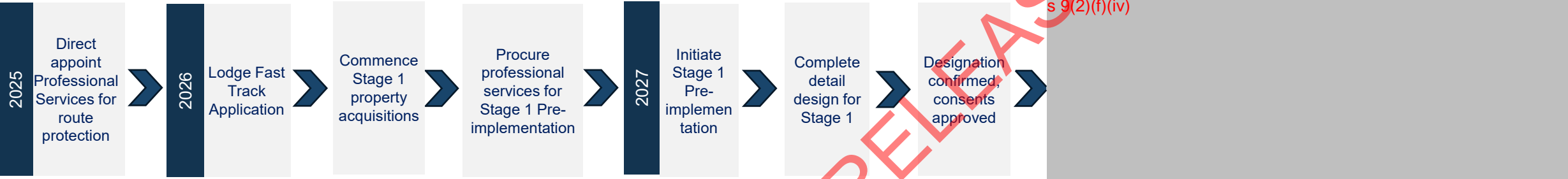
Benefits of Staging

- The recommended staging has been developed to balance priority transport and economic outcomes with degrees of confidence, risk and uncertainty across the project.
- The approach is to begin work on stages with clear priority needs alongside better understood risks and potential programme complications.
- This enables more time to work on the more complex stages of the project to refine and respond to areas of uncertainty and risk alongside potentially further improving outcomes.

*Staged travel time savings are stage only benefits exclusive of the preceding stages.

Delivery

Approving route protection funding will enable the below milestones up to end 2028. We will return to the NZTA Board for construction funding approval for Galway Link as well as pre-implementation funding for stage 2 to 4.



Delivery Pathway	
Procurement and Delivery	s 9(2)(b)(ii)
Consenting Pathway	The consenting strategy is based on using the Fast Track Approvals Act (FTAA) provisions. Engagement with Iwi and key planning partners is well progressed. The consent pathway is to seek the FTAA referral in early 2026 and to subsequently lodge the substantive application in mid 2026.
Proposed Property Strategy and Status	Land Requirements Plans will be developed based on the Consent Design. Targeted engagement has occurred with key property owners only. s 9(2)(j)
Key Risks with Delivery Pathway	s 9(2)(g)(i)

Key Risks

s 9(2)(g)(i)

PROACTIVELY RELEASED

Cost and Contingency

s 9(2)(g)(i)

PROACTIVELY RELEASED

Funding and Finance

Funding source		Comment
Public Private Partnerships (PPP)	✗	A RoNS programme assessment has been carried which ruled out the EWL as a candidate primarily due to the brownfield nature of the corridor and complexity with the local roading network interfaces.
Tolling Assessment	✓	Suitable for tolling. s 9(2)(ba)(ii), s 9(2)(f)(iv) and the BCR of a tolled scheme is 2.6 (untolled BCR is 2.60). s 9(2)(ba)(ii), s 9(2)(f)(iv)
Regional Fuel Tax	✓	The current government has reversed the previously approved regional fuel tax. If available next term, it could generate 4% of the P95 capital costs.
IFF Levy	✓	<ul style="list-style-type: none"> <u>Development</u>: This area is a highly built out industrial area. There may be some modest local development. The analysis is based on a city-wide IFF charge on new rating units (3% of the P95 capital costs). <u>Businesses</u>: Charge would be an IFF levy on commercial properties. There could be a geographic premium charge for properties where there is expected to be a clear benefit. (2% of the P95 capital costs). <u>Residential</u>: Current analysis based on a city-wide charge (2% of the P95 capital costs).
Time of Use Charging	✗	Not intended as a revenue tool, & surplus expected to be primarily used for local government projects.
National Land Transport Fund (NLTF)	✓	A mix of NLTF and / or Crown funding will be required to cover the funding gap.

Tolling Proposal

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

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

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

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

Appendix: Next Steps Stage 3 Refinement (1/2)

s 9(2)(ba)(ii)

PROACTIVELY RELEASED

Appendix: Next Steps Stage 3 Refinement (2/2)

s 9(2)(ba)(ii)

PROACTIVELY RELEASED