



Wednesday,
March 26, 2025

PROJECT AUCKLAND

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Supercharging the city

**Convention Centre
raring to go**

'Power broking'
Auckland's future
and why it deserves
a 'city deal'

**City Rail Link's
'final whistle'**

**Politicians, plans
and projects**

PROJECT AUCKLAND 2025

Time to accelerate Auckland's growth

Top Cabinet Ministers have their say on Auckland

Infrastructure Minister **Chris Bishop** will front the annual Project Auckland luncheon at the Northern Club today on Government plans to accelerate Auckland's growth.

The Minister's address will be live on nzherald.co.nz/business at 12.30pm.

He will be introduced by *Herald* Editor-in-Chief Murray Kirkness who will moderate a Q&A session.

They will be followed by Minister for Auckland **Simeon Brown** who is the city's champion at the Cabinet table.

Murray Kirkness will then join Project Auckland Editor **Fran O'Sullivan** and Auckland Business Chamber CEO **Simon Bridges** to unpack the Cabinet Ministers' comments.



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Success for Auckland – that's the deal

City needs to fulfil its potential as NZ's economic powerhouse

It's time for the Coalition Government to back Auckland's call for a regional or city deal – and importantly implement it in double-quick time.

As we report today, there's strong support for the deal – the next step in Auckland fulfilling its potential as New Zealand's economic powerhouse.

Auckland Council submitted an extensive proposal that detailed the region's major priorities with the potential to increase New Zealand's gross domestic product (GDP) by 3-7%.

Phil Wilson, chief executive of Auckland Council, says it's time to stop the parochial argument that somehow investment in Auckland comes at a cost to other regions in the country.

"Actually, investment in Auckland is to the national advantage because New Zealand needs a globally competitive city of scale that provides the next generation with business and employment opportunities."

Wilson is right.

His thesis is backed up by the Committee for Auckland.

As the committee notes, Minister for Auckland, Simeon Brown has signalled stronger collaboration between central and local government.

Similarly, Housing, Infrastructure and Transport Minister Chris Bishop has outlined urban development and transport priorities for Auckland.

"These statements and initiatives are welcome, but they do not yet meet the scale of the challenge or of the opportunity," the committee says.

"Individual initiatives, usually

portfolio-driven, are what both central and local players have brought to the Auckland project in the last 15 years.

"We know now that, no matter how significant they individually are, they are likely to continue to be inadequate. Over the last 15 years no such similar projects have helped Auckland move ahead, relative to its competition."

"For Auckland to move forward, a New Auckland Agenda is needed."

As the Prime Minister told Project Auckland in 2024, "for too long Aucklanders have been sold a vision of their city as one that accepts infrastructure falling apart, congestion worsening, health and education in decline, violent crime commonplace on our streets, and the dream of owning your own home getting further out of reach."

His vision was for a city that is "wealthier, healthier, and more connected to unlock its potential."

A city with deep and decisive collaboration between central and local government, that does the everyday basics well and builds a strong foundation for future growth and opportunities.

There is constructive tension between the Government and city hall.

But when it comes to making critical investment decisions affecting Auckland the Government holds the cards.

It's now time to share the power.

Project Auckland was launched in November 2006 as part of a *New Zealand Herald* leadership campaign. Auckland's then power brokers got

together and determined it was time put an end to a deeply fragmented metropolis, riven with rivalries between the various mayors and cities comprising Auckland.

We supported the campaign for Auckland to be a Super City.

The backstory is telling: Major opportunities had bypassed a deeply fragmented Auckland, riven with rivalries between mayors and cities – then part of the wider metropolis.

A typical example was Auckland's failure to get on board when Helen Clark's Labour Government offered to facilitate a spanking new sports stadium on the waterfront in time for the 2011 Rugby World Cup.

Rival city bosses disagreed. The offer languished.

As we reported in 2024, a working group has been studying rival proposals to build either a new stadium on the waterfront, which would bring thousands of people into downtown, or an expansion of Eden Park.

We're still waiting.

The pace is underwhelming.

The Super City turns 15 this year.

It's time for celebration but also time to lift the tempo for the next 15 years.

Enjoy the report.

Fran O'Sullivan

Executive Editor
Project Auckland

Project Auckland 2025

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PROJECT AUCKLAND 2025

Forging a better partnership



**Project
Auckland
Bill Bennett**

Simeon Brown sees an opportunity for central and local governments to work more closely together

As the Minister for Auckland, Simeon Brown sees his role as making sure the key issues facing the city are addressed at a national level in Cabinet. It also means advocating for those issues across other ministerial portfolios.

"A third of the population lives here. It is a huge part of the economy – 38% of GDP. It's our international city," he told the *Herald*.

"My job is to ensure we deliver what Auckland needs, so it can continue to grow and have a prosperous future for those people who choose to call this part of New Zealand home."

There's a national context here: "Enabling Auckland's growth is fundamental to our government's wider agenda of growing the economy. We know that what matters for Auckland matters for New Zealand."

"That's why the Prime Minister



Simeon Brown and Auckland Mayor Wayne Brown at a press conference on changes to Auckland Transport in central Auckland last year.

appointed me as Minister for Auckland. It's to ensure we've got a joined-up, co-ordinated approach to the key issues facing Auckland."

"That means economic growth, restoring law and order, delivering public services and infrastructure, all of those are critical, not just for Auckland, but for New Zealand."

This means working with Auckland Mayor Wayne Brown.

Both Mayor Brown and Minister Brown say they have a great working relationship. They have successfully negotiated a series of major issues in the nearly 18 months since he be-

came Minister for Auckland, including a deal on Watercare.

"We managed to secure long-term investment in Auckland's water infrastructure. It's one of the reasons Ghella, the company building the Central Interceptor wastewater project and digging major tunnels under the city, decided to keep its tunnelling machine in New Zealand. We've given them confidence that there's a pipeline of water infrastructure work."

Another area where the minister worked with the mayor was on reforms to Auckland Transport. "The deal we made will enable Auckland

Our deals over Watercare and Auckland Transport act as insights into what regional deals could be. They are not full regional deals, they're not wide-ranging, but they demonstrate the kind of opportunities that could exist within regional deals across the country.

Simeon Brown

Council and the government to work more closely on the long-term infrastructure plan needed for transport in the city. It means giving Auckland Council much more say over transport outcomes.

The two haven't agreed on everything. One point of contention was Brown's decision to remove the Auckland Regional fuel tax.

He says: "That was a commitment we made in the election campaign. It provides relief to Aucklanders when they fill up at the pump. The mayor and I have different views on that, but we continue to build on the relationship and deliver where we can."

The transport portfolio was transferred to Chris Bishop in the Prime Minister's recent Cabinet reshuffle to give Brown sufficient leeway to concentrate on his new and very hefty portfolio – Health.

In his role as Local Government

Minister, Brown announced in November that all regions had been invited to submit proposals and work with government to agree on 30-year visions and 10-year plans as part of a regional deal process.

He says the goal is to unlock economic growth, productivity, housing and infrastructure opportunities in the regions. "We've said we'll negotiate at least one deal by the end of the year."

"Auckland Council has put forward a proposal. Cabinet will consider it and decide which region will negotiate the first deal."

Brown sees this as an opportunity for central and local governments to work more closely together on projects that will move the dial. Both central and local governments have funding and regulatory tools they can bring to the table, but he says the question is how the two can work together in partnership.

"Our deals over Watercare and Auckland Transport act as insights into what regional deals could be. They are not full regional deals, they're not wide-ranging, but they demonstrate the kind of opportunities that could exist within regional deals across the country."

The Minister for Auckland role is a new Cabinet portfolio.

Brown says that after more than seven years as a member of Parliament for an Auckland electorate, the new role has given him greater insight into the issues facing the entire region, the challenges of delivering for the entire city and what that means for the nation.

Labour has recently appointed Carmel Sepuloni to the shadow Auckland portfolio.

Light at the end of the tunnel

The machine tunnelling New Zealand's longest wastewater tunnel - the Central Interceptor - will reach its final destination this Friday.

Running for 16.2kms from Herne Bay to Māngere Bridge, it promises to deliver cleaner beaches and waterways in central Auckland.

Final breakthrough this Friday

Find out more: watercare.co.nz

Central Interceptor

Watercare



PROJECT AUCKLAND 2025

Glass half-full, half-empty year ahead for Auckland



Project Auckland
Simon Bridges

Aucklanders must remain motivated to do more and fill our cup up

It's going to be a glass half-full, half-empty year ahead for Auckland and New Zealand businesses.

At one level, I've no doubt we will end the year better than we started, out of recession, due to several macro factors.

First, the effect of interest rates continuing to fall will make a significant difference.

My rough diagnosis of much of our malaise in the last year or more is that businesses and households have been entirely squeezed and cash strapped by higher costs and lower cash levels.

Lower interest rates obviously really help with this as, whether we are a shop on the high street or a regular Joe or Joanne paying off a loan, we all have lower repayments to make and more disposable income.

Second, again at a helicopter level, is our low dollar against the greenback.

There are probably plenty of reasons why farming in New Zealand is going better – actually really well – right now. But a low dollar has to be right near the top, meaning more competitive pricing by us internationally and thus more sales and better margins for us at home.

The funds from this will over time slosh around our economy into more investment and consumer spending in regional New Zealand, and also more going into our one big city whether that's at large services firms or on a weekend away to watch the rugby or a concert.

Look slightly beyond and there are other "game-changers" coming.

SkyCity's convention centre will be a big deal, meaning hundreds more jobs and thousands more domestic and international tourists in our city centre.

The City Rail Link, which I am biased about as a key progenitor of



The Prime Minister should guarantee one-third of the cost of roofing the Auckland Tennis Centre stadium – if Auckland can find the rest.



the project, will also be massive.

Even with a few teething issues, it will make for much more efficient Auckland travel and will bring welcome commercial rejuvenation around the impressive stations at Aotea Square, just off K Road, and at Mt Eden.

But there are also reasons to note that the glass is still half empty.

These positives I have mentioned are off the back of a very low starting point of recession and poor sentiment.

Moreover, ongoing Official Cash Rate cuts and our low dollar are evidence of how weak things have been.

No one should be patting themselves on the back over these matters; they are hardly accomplishments.

Instead, we need to remain motivated to do more and fill our cup up, if not to overflowing anytime real soon, at least to fuller than it is.

My discussions with many in Auckland business and wider community point to at least a couple of ways to achieve this.

Government and business need to act swiftly and boldly in key sectors – with government reforming them and business stepping into them again in a big way and making them hum. The sectors I have in mind are

When the cities of Australia have nearly all roofed their tennis stadiums and are attracting international events they didn't used to as a result, us staying still is in fact going backwards and puts our Summer ASB Classic at risk.

ones I have written about for the *Herald* before – tourism and international education which are both low hanging fruit and can add billions more into our region.

Our target shouldn't simply be to get back to pre-Covid levels here (though this would be a start) but to well exceed the revenue made from those times.

This sectorial approach isn't about "picking winners" but instead focusing where quickest gains can be achieved.

Longer term we must continue pushing in on sectors such as our

technology and innovation industries, our universities, and also our cultural sector.

These can be big drivers of growth, and the way forward is to continue clearing away regulatory hurdles, to support and incentivise where practical, and to foster collaborative models whether this be in the form of physical hubs or more virtual.

Finally, we at the Auckland Business Chamber have also been thinking a heap about energy, transport (water is also significant), and our major events infrastructure.

Congestion is unproductive and so finishing the network and then pricing it must be right. In energy, we need more abundant supply, more affordably.

A 10-point plan the Chamber put forward last month points to the reforms required to ensure this, as well as the industry and tech (think data centres, AI and more) that will be enabled to grow as a result.

All the talk of stadiums for events can be wearying.

The realist in me doesn't see any government stumping up billions for anything entirely new when they haven't finished our roads or other more basic infrastructure yet.

We should, however, keep chipping away on this and one small start would be roofing the Auckland Tennis Centre on Stanley Street (the Manuka Doctor Arena).

When the cities of Australia have nearly all roofed their tennis stadiums and are attracting international events they didn't used to as a result, us staying still is in fact going backwards and puts our Summer ASB Classic at risk.

The answer to raise the inconsequential \$14 million for the roof is simple.

Our Prime Minister should guarantee a third of the funding if Auckland can raise the rest. In terms of that other two thirds, local government, business and philanthropic Auckland then all need to step up.

Progress such as on this roof may seem small beer but would be meaningful in terms of economic impact for the city.

It would also mean that when it rains in Tamaki, no one would get wet at the tennis while the glass would certainly be more than half full.

● Simon Bridges is CEO of the Auckland Business Chamber.

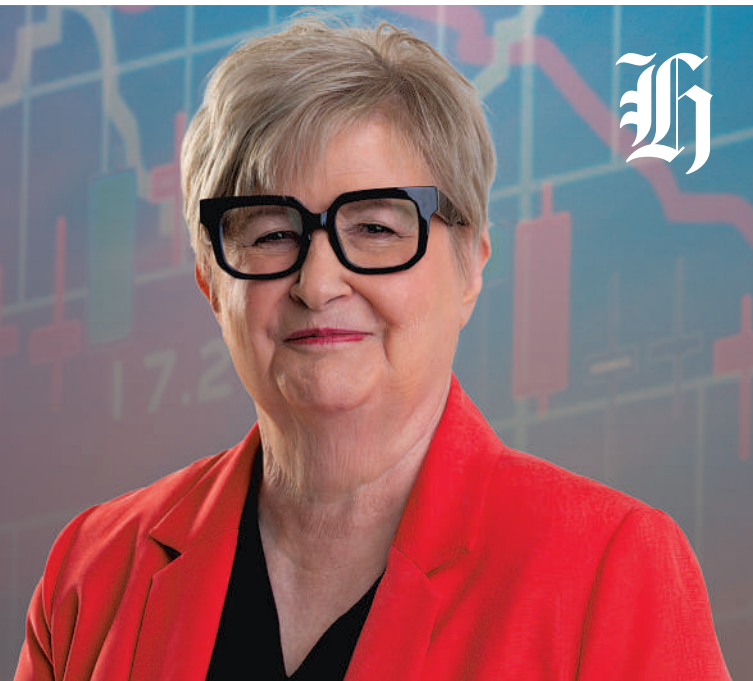
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A New Zealand Herald Business Report

CAPITAL MARKETS & INVESTMENT

Fran O'Sullivan navigates the ever-changing financial landscape to provide a comprehensive overview of the Capital Markets sector in 2025.

• **Read the report Wednesday 14th May**



PROJECT AUCKLAND 2025

Asian business leaders can help unlock Auckland's economic potential

Auckland 'needs to engage with Asian business groups and integrate their perspectives into city-wide economic strategies'



Project Auckland
Natalia Rimell

New Zealand's largest city is home to a large and rapidly increasing Asian population, but would benefit from greater input from its Asian business community, say Lisa Li and Sameer Handa.

Li, China Travel managing director, and Handa, an advisor to the Asia New Zealand Foundation, agree the city needs to utilise its rapidly increasing Asian community to help shape the economic landscape.

But the wider business community fails to recognise the valuable contribution Asian business leaders can provide and they remain under-represented in key decision-making roles.

The pair argue greater recognition of Asian businesses leaders is required to spark fresh opportunities and strengthen Auckland's position as an international hub for business.

"Auckland has the largest Asian population in New Zealand, and Asian business leaders offer invaluable insights and networks that can strengthen our city's economic resilience," says Li. "However, their voices often go unheard, and their expertise remains underutilised."

Handa says the days of New Zealand primarily aligning with Europe are behind us: "We are part of the Asia-Pacific region, and our economic future is tied to Asia."

"Auckland's role as a bridge between New Zealand and Asia is critical, and leveraging the relationships of Asian business leaders can enhance trade and investment."

"With over three billion people in China and India alone, the opportunities for trade and export growth are enormous."

Handa, who was a business delegate in the Prime Minister's recent mission to India, says New Zealand needs to position itself strategically to tap into these markets, not just for traditional goods but also in emerging sectors such as infrastructure, aviation, and technology.

He emphasised the broader significance of exports for New Zealand's economy: "We are a country of around five million people. For us to do well as a country, we need to export more. That's where Asia provides us a much bigger market."

"China and India alone are three billion people out of eight billion in the world. So those are massive markets, including premium markets like Japan and South Korea, where we can get good prices for our products."

The untapped potential of Asia business isn't just about trade.

"Many Asian countries have substantial funds that they could invest in Auckland if we make a compelling case for why our city is a safe and stable place to invest," he adds.

Tourism focus

Li stresses Auckland needs to maintain its status as an international business and tourism destination. "The city needs to actively bid for global events and invest in marketing itself as a prime destination for business and leisure. If we cut marketing budgets, we risk fading into the background," she says.

They believe many of the city's Asian business leaders feel sidelined



Lisa Li

Managing Director, China Travel

Originally from China, Lisa Li moved to New Zealand in 1998. She has a Masters in International Business from the University of Auckland, leads China Tourism Group's New Zealand branch, sits on multiple advisory boards, and has served as Secretary General of the Chinese Chamber of Commerce for 20 years.

If we want to drive economic growth, we need to listen to and involve Asian business leaders more in decision-making ... their insights and global networks are key to Auckland's success.

Lisa Li

in Auckland's policy-making and business development discussions.

Auckland Business Chamber is actively engaged with the city's Asian business community and Tātaki Auckland Unlimited is dedicated to fostering a vibrant business environment that includes support for Asian enterprises.

But as Li notes, there is a distinct lack of Asian directors on Auckland-based company boards where their input could make a vast difference to bridging gaps.

"There are already established Asian business associations doing incredible work, but they need more support," she says. "Auckland needs to actively engage with these groups, recognise their initiatives, and integrate their perspectives into city-wide economic strategies."

Another key issue is lack of visibility. "Asian business leaders often fly under the radar," says Handa.

"They are doing outstanding work, but mainstream media and business forums don't highlight their contributions enough. If Auckland wants to strengthen its global competitiveness, we must do a better job of showcasing these leaders and their achievements. As Lisa mentioned, there are many networks and associations focused on Asian businesses and Asian leaders."

He points to associations like New Zealand Asian Leaders, the Asean Business Council, Asia New Zealand



Sameer Handa with former Black Caps captain Ross Taylor on the Prime Minister's 2025 Indian mission.

Foundation, and the Asia advisory board recently set up by the Auckland Business Chamber.

Overcoming challenges

Existing challenges including the high cost of living, talent migration and underdeveloped infrastructure are a threat to the city's growth, he says.

"The past 18 months have been the toughest we've seen in a long time," he explains. "The high cost of doing business, coupled with skilled profes-

sionals moving to Australia, is creating a brain drain that could take years to recover from."

He says it is critically important to invest in infrastructure. "We need to build a world-class city. A direct transport link between the airport and city should be a priority and improving infrastructure will boost productivity and make Auckland more attractive to global investors."

Li concurs: "Auckland has the potential to be an international metro-

Sameer Handa
MNZM

Chair: Bank of India (NZ).

Sameer Handa is the managing director of Glowbal NZ Ltd and Three 60 Construction Ltd. He chairs Bank of India (NZ) Ltd, is an advisor to the Asia New Zealand Foundation, and has contributed to multiple trade delegations to Asia. Sameer holds a mechanical engineering degree and an MBA from Sydney University.

We are part of the Asia-Pacific region, and our economic future is tied to Asia. Auckland's role as a bridge between New Zealand and Asia is critical, and leveraging the relationships of Asian business leaders can enhance trade and investment.

Sameer Handa

politan destination, not just a gateway to the rest of New Zealand. But right now, confidence is low. Many restaurants and businesses are shutting down, and the tourism sector is suffering. We need investment and marketing to rebuild the momentum we had before Covid-19."

"If we want to drive economic growth, we need to listen to and involve Asian business leaders more in decision-making. Their insights and global networks are key to Auckland's success."

PROJECT AUCKLAND2025

Inspiration from public transport nirvana

A month back from Japan and I'm still fizzing, writes **Viv Beck**

We circled half of Japan using only public transport and our own legs to get around. We saw tiny kids getting themselves to school alone in big cities. And it's so clean. It's easy to think the grass is greener on holiday but it sure was good to get around so easily and to feel so safe – day and night – with so much to see and do.

If a train is due to depart at 9.32am and arrive at 11.16am, it does, to the minute, every time.

One card gets you on every type of public transport – bullet trains (phenomenal at 320km/h), ferries, buses, express and local trains.

When it gets you where you need to go affordably, public transport is great. It's had a bad rap here but when the City Rail Link finally opens next year, we don't have a moment to waste waiting for a return on this huge investment of public money.

The sooner people jump on board and make the most of improved services and faster journey times, the better. More people off the region's roads will help ease congestion. This will help drive growth and productivity and bring more people back to the city centre, not just to work but for recreation you can't get elsewhere. We want it to be an enjoyable, accessible place for Aucklanders and visitors alike.



More people add scale, which helps people feel safer. Tokyo is incredible: the densest population in the world with 37 million people and dubbed the safest city in the world.

Increased police have helped people to feel safer here too. We're expecting more; the new police station will be halfway between the waterfront and Karangahape Road, and right by the train station tipped to be the busiest in the country.

Rejuvenation is happening
A person who raised concerns about the Auckland city centre stopped me in the street recently to say he can see green shoots.

He's right. And while there are areas where development is further advanced, like the waterfront,

When it gets you where you need to go affordably, public transport is great. It's had a bad rap here but when the City Rail Link finally opens next year, we don't have a moment to waste waiting for a return on this huge investment of public money.

rejuvenation is happening in other places too.

Take Vulcan Lane. A heritage gem located just off Queen Street. It has a history of outdoor dining outside pubs like The Occidental. Recently a few new businesses have opened, and it has been a joy to see day after day, night after night, people spilling out on both sides of the lane – from Queen Street through to the historic O'Connell Street.

Lorne Street also has a new spring in its step, with a vibrant, diverse offering that is popular day and night.

Our diversity is a point of difference. Over the last few years, we've been offering walking tours of some of the ethnic eateries that people may not know about. We're ecstatic to see people coming from

around the region, some returning again and again for these tours.

With a mandate to support business, we have been concerned that some decisions have been counter-productive to rejuvenation, such as not allowing drop-offs and taxis through the Aotea Arts Quarter in Queen Street. If we had millions of people living close by and impeccable public transport like Japan for those who don't, the impact would not have been so marked.

Now we are coming out the other side of a decade of construction, we need to keep evolving as a place that is ripe for more apartment living, student life, tourists, arts and culture. Even with the CRL, we won't have Japan's infrastructure, but we can and will increasingly be a vibrant place that attracts people to spend time here.

Growth is just the tonic
More people, more business, more events, more investment – growth is the number one priority right now.

We continue to stress the need for customers and suppliers to get around and also for investors, including those willing to repurpose old buildings for new uses.

Importantly, growth needs cohesive and purposeful leadership across the political spectrum, alongside the private and social sector, to get the best return on all the investment to date and to attract more.

The sum of growing parts will create a vibrant, safe 24/7 international place that delivers more than 20% of Auckland's GDP.

● *Heart of the City is an advertising sponsor of the Herald's Project Auckland report.*

2021





2025



MAUNGAWHAU STATION

DELIVERING AUCKLAND'S FUTURE

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PROJECT AUCKLAND 2025



Nine events booked for 15,500 people at NZ International Convention Centre



Project Auckland
Anne Gibson

Pest managers, school principals, coral reef scientists, dairy specialists, public health officials and ecologists are some of the 15,500 people already booked to attend nine conventions and conferences at the New Zealand International Convention Centre.

As Fletcher Construction slogs the final months on the \$1 billion-plus hub, the SkyCity casino, hotel and restaurant business has been quietly notching up bookings.

The numbers are huge. The first event for coral reef experts is to bring 2500 to Auckland in one event alone.

Fletcher is due to finish its work on the centre between Hobson St and Nelson St at the end by June 30.

Then, SkyCity will begin the seven months of intense commissioning and preparation of its huge new venue, ready to open next February.

In a strong showing of early success, a spokesman released to the *Herald* details of all the events for the first time, but said more than this will be announced.

"These are the ones we can talk about publicly," the SkyCity spokesman said.

"We are still working through bookings around opening, given the announcement a couple of weeks back, so are unable to announce our first event at this time," he said.

He was referring an earlier announcement from SkyCity setting the opening date for February 2026.

SkyCity chief executive Jason Walbridge said then: "The date is later than we'd hoped but offers contingency, as well as certainty for our customers."

"We are thrilled to name February 2026 as the date we can open the NZICC's doors to the New Zealand public and the world."

The building would be a world-class hub that would transform the visitor and events economy in Aotearoa, Walbridge said.

Last month, the NZICC began unveiling the food offering, at the Asia Pacific Incentives and Meetings



Top: Around 15,500 people are already booked to attend events at the NZICC. Above: Horizon by SkyCity is between TVNZ and the NZICC. Inset Robert Cullen, executive chef at the NZICC.

Photos / Michael Craig, Supplied

Event, known as AIME, in Melbourne.

The business "shared a sneak peek of its culinary identity at the hosted buyer lunch on day one of the tradeshow", the NZICC said.

"This event offers a first taste of NZICC's food offerings, providing an exclusive glimpse into the innovative and sustainable dining experience that will define New Zealand's premier convention centre. As Asia Pacific's leading trade event for the meetings and events industry, AIME provides the perfect platform for NZICC to share a preview of its culinary vision ahead of the building's

completion later this year."

Executive chef Robert Cullen is overseeing the NZICC's culinary operations.

"Michelin-trained, Cullen has gained extensive experience from his work across the United Kingdom, Russia and Southeast Asia.

"Most recently, he provided his culinary expertise for King Abdullah II at the Royal Hashemite Palace in Jordan," the NZICC revealed.

In Melbourne, Cullen served a signature lamb dish and Kiwi canapés including Southland's cheese rolls and lamingtons.

Upcoming events:

1. International Coral Reef Symposium, July 2026: estimated 2500 people;
2. International Society for Microbial Ecology, August 2026: estimated 1700 people;
3. International No-Dig, September 2026: estimated 800 people;
4. The International Confederation of Principals Convention, September 2026: estimated 1600 people;
5. Federation of Asian and Oceania Pest Managers Associations Conference, November 2026: estimated 2200 people;
6. International Dairy Federation World Dairy Summit, November 2026: estimated 1500 people;
7. International Association for Educational & Vocational Guidance Conference, November 2026: estimated 1200 people;
8. World Congress on Public Health, April 2028: estimated 2000 people;
9. IEEE International Geoscience and Remote Sensing Symposium, July 2028: estimated 2000 people.

Increased tourism revenue and stronger global business connections are being forecast when the NZICC opens.

Lynda Keene, Tourism Export Council chief executive, said that the outlook for tourism was a mixed bag and recovery "still has some way to go".

The council is forecasting the tourism sector to lift nationally.

In the year to March 2026, arrivals are forecast to climb to 3.72 million, which is 96% of pre-pandemic actuals, and by the year-end of 2027, the projection is for 3.95 million arrivals, (102% of pre-pandemic levels).

Ken Pereira, Tā-taki Auckland Unlimited head of business events, expects to see strong numbers generated by the NZICC.

The Auckland Convention Bureau – a specialist unit within Tā-taki Auckland Unlimited – has examined the economic impact for all business events at the NZICC from next February onwards.

The estimated economic impact to Tāmaki Makaurau of the upcoming publicly announced events at NZICC is approximately \$34m and expected to deliver approximately 92,000 visitor nights to the region, Pereira said.

Benefits from the announced events (and the not yet publicised ones) were put at approximately \$47.5m and are expected to deliver 126,000 visitor nights to the region.

"If all future bids in progress for NZICC are successful, these will have an additional estimated economic impact of \$37.7m and 87,000 estimated visitor nights," he said.

Business events such as conferences, conventions and incentive programmes, bring value to Auckland in many ways. That can be via attendee and event spending on accommodation, dining, transport, entertainment and shopping.

This spending directly benefits local businesses and contributes to the overall economy of the region.

There were also benefits in terms of cultural and knowledge exchange, job creation and infrastructure development, Pereira said.

NZICC numbers

32,500
sq m of floor space, divisible into 33 meeting areas;

6674
sq m of multi-purpose hall space;

3000
people theatre, exhibition or dinner space

2700
people pre-function capacity

3150
people convention capacity

4000
people one-off events capacity

938
SkyCity hotel rooms, connected via Hobson and Federal St airbridges; The Grand by SkyCity, SkyCity Hotel, Horizon by SkyCity linked to NZICC.

2700
sq m of meeting space, configured for up to 33 events:

10
restaurants within a 10-minute walk;

8000
hotel rooms, dining precincts, shopping, entertainment within 20 minutes' walk.

Estimated economic impact

The upcoming publicly announced events are expected to deliver

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\$37.7m
and

87,000
estimated visitor nights

PROJECT AUCKLAND 2025

Smarter ways to fund the city's future

Deputy Mayor Desley Simpson is driving financial sustainability

Managing Auckland's finances is a constant balancing act – funding essential services and infrastructure while keeping costs under control.

With a growing population and rising expenses, the challenge is finding smarter ways to fund the city's future without overburdening ratepayers.

Deputy Mayor Desley Simpson is leading that effort. Chair of the Revenue, Expenditure, and Value Committee, she continues to drive financial sustainability while safeguarding the services residents rely on.

Auckland Council's total revenue for 2024/25 is \$7.9 billion, with around 35% coming from rates.

Simpson is determined to keep that percentage low, maximising revenue streams to reduce the council's reliance on rates.

"The Future Fund was established at the end of last year with \$1.3b from the sale of airport shares. Due to a higher price and lower fees, we received approximately \$31 million more than anticipated," she says.

"From the next financial year, the Future Fund will return around \$68m to council per year. That is \$42m more than the original \$26m estimated from holding the airport shares."

Another key source of revenue is Port of Auckland, expected to deliver \$1.1b in profits over the next 10 years.

"In 2023/24, the port delivered \$42m back to Council, and by 2027, that figure will rise to \$110m. This kind of profitability within the group helps



reduce our reliance on rates as a revenue source."

Over this financial year, Auckland Council is working toward \$66m in additional savings, having already achieved \$43.2m of that, on top of ongoing savings of \$90m per year.

Simpson is clear that financial efficiency isn't just about cutting costs but about ensuring that every dollar is spent wisely and delivers value for ratepayers.

"We also need to prove to Aucklanders that we can manage the delivery of projects well and deliver value for money. Sadly, that's not always been the case."

Simpson says council staff have admitted they may have been "desensitised to costs" in the past.

To address this, the council has launched the Better Value Projects programme, aimed at improving how capital projects are procured and executed.

"We have started by analysing three projects: the Milford Beach steps, Jubilee Bridge, and the Meola Rd upgrade," explains Simpson.

"In each case, staff acknowledged that the projects could (and should) have been delivered better."

"This is just the beginning. Every meeting will continue to analyse pro-



Aucklanders are not the Eftpos machine of Auckland Council. We must demonstrate that we are changing the way we do things to operate as efficiently as possible.

Desley Simpson

jects across the council and its CCOs until we reach a point where cost-consciousness and efficiency are embedded across all departments.

"Aucklanders are not the Eftpos machine of Auckland Council. We must demonstrate that we are changing the way we do things to operate as efficiently as possible."

Leadership and clear communication

Simpson's focus on financial sustainability is about more than just balancing the books; it's about ensuring Auckland is prepared for the challenges ahead.

With a growing population, increasing congestion, and the ever-present risks of climate change, she believes the city needs to think ahead, make smart investments, and communicate openly.

The Auckland Anniversary floods in 2023 provided a stark reminder of why proactive leadership is essential.

As the city faced one of its most significant crises in recent memory, Simpson was widely recognised for her decisive and practical approach, ensuring Aucklanders had the information they needed when it mattered most.

That experience reinforced her belief that strong leadership isn't just about making decisions, it's about bringing people along on the journey.

She says clearly articulating the city's long-term vision and ensuring people understand the benefits of today's investments will be key to shaping a thriving, sustainable future.

Major infrastructure projects like the City Rail Link, transport initiatives and resilience planning are all part of ensuring Auckland remains a city that works well not just today, but for decades to come.

"One of the biggest challenges we have as a city is helping people think about the long-term, not just today."

From congestion charging to new urban developments, she believes it's crucial to show Aucklanders the bigger picture and that shifting the conversation from short-term inconveniences to future benefits is essential.

"These changes aren't just about the present."

"They're about a city that runs more smoothly, is more sustainable, and works better for everyone in the long run," Simpson says.

"We have a unique opportunity ahead of us," she says.

"Auckland has a wonderful future as long as we continue to think ahead, plan smart, and take people along on the journey."

'The issues Auckland faces are huge'

Herald: Looking back on this term, what stands out as a highlight?

Richard Hills: A huge focus this term, has been our response to the floods and recovery efforts. Securing \$2 billion for the buyouts, road and parks repairs and the making space for water programme was crucial. I'm leading the hazards plan change, it's waiting until we can remove Plan Change 78, but once implemented, it will ensure much greater focus on hazards when we build. Through the Future Development Strategy, we pushed back against building in floodplains. Some resisted that, but we can't keep putting people in danger, we also can't afford buyouts every time a storm hits. Another major focus has been increasing investment in climate action, the natural environment, and water quality – and convincing the Mayor to grow these programmes rather than cut them.

Herald: You've managed to work effectively with the Mayor despite his reputation for a difficult leadership style. How?

Hills: I decided from the start to work with him. Auckland voted him in, and it's important to work with the mayor while making sure he understands what my community wants. We don't always agree, but we argue it out, then move on. If I can prove something benefits Aucklanders or the environment and is cost effective, he'll support it. But it goes both ways. For example, I didn't expect to support selling the airport shares, but that decision helped reduce debt and create extra revenue through the Future Fund. In exchange, the mayor

Richard Hills, chair of the Policy and Planning Committee, talks to **Tim McCready** on the past three years and what's ahead.



Business leaders, young people, and mana whenua all tell me: we need to stop the back-and-forth political cycle on climate action.

Richard Hills

backed off \$50 million in cuts to arts, culture, and environmental programmes – things I fought to protect. I also ensured we kept the Climate Targeted Rate and Te Tāruke-ā-Tāwhiri, Auckland's Climate Plan. Before taking this role, I told the mayor: If I'm leading this committee, we have to honour our climate pledges. He agreed.

Herald: Are we moving fast enough on climate action?

Hills: No. We're still too slow, both in reducing emissions and preparing for extreme weather. Business leaders, young people, and mana whenua all tell me: We need to stop the back-and-forth political cycle on climate action. We're rolling out busways and rail projects, electric buses, improving cycling and walking options, and investing in clean energy, but compared with Australia, Europe, and Asia, we're falling behind. Other cities are moving faster, and if

we don't keep up, we'll pay for it economically too.

Herald: You've worked with two different governments during this term. What has that relationship been like?

Hills: The issues we face are huge, and it feels like we're always in reaction mode, no matter which party is in power. We have good engagement with Chris Bishop (Housing, Transport, Infrastructure) and Simon Watts (Local Government). But the biggest challenge is always funding tools. We have massive responsibilities, but the funding doesn't follow. We lost the regional fuel tax, which made a big difference to transport investment. There's an expectation that Auckland pays half of major infrastructure projects, yet we don't have the same revenue-raising abilities as central government. That's frustrating, no matter who's in power.

Herald: What's one thing you're excited about for Auckland over the next three years?

Hills: When the City Rail Link opens, there will be an explosion of love for public transport. We're already seeing \$6b in private investment around CRL stations. Once people experience faster, more convenient travel, they'll demand more. This happens everywhere. In Australia, when metro or light rail opens, people suddenly want more. The same will happen here. That's why it's frustrating light rail was cancelled. The city to Māngere corridor still has no rapid transit, despite being one of Auckland's fastest-growing areas.

PROJECT AUCKLAND 2025

'I want to keep the pressure on'

Auckland Mayor Wayne Brown feels his job is not done and he'd like another term to get on with it, writes **Bill Bennett**

Auckland Mayor Wayne Brown has unfinished business. He says he is standing for re-election so he can fully implement his vision for the city and complete the work he started.

When Brown first campaigned for the mayoralty in 2022 his platform focused on reforming council-controlled organisations (CCOs), addressing transport issues and improving the council's financial efficiency.

"I was elected on five policies and have made a lot of progress," Brown told the *Herald*. "But I haven't completed all of them."

"Take CCO reform. It took me a couple of years to get the votes to get that through council."

"Eventually I got unanimous support and now I'm still waiting on the government to pass legislation to give me much more control of Auckland Transport."

"One of the reasons I'm running again is that I probably won't get my hands on Auckland Transport completely until about the time of the election. I want to get stuck in and really improve its performance. AT's



Wayne Brown campaigns in the 2022 mayoral election.

performance on public transport has been quite good, but its performance on everything has been woeful. We've bickered with AT, advised AT and encouraged AT and nothing much has happened."

He compares this with Port of Auckland which he says was a mess when he was elected. "Just by threat-

ening to sell it, suddenly it became a profitable, efficient organisation."

When Brown took office in late 2022 he inherited a significant budget shortfall.

He quickly moved to drive efficiency and cost savings. "We introduced new capital purchasing rules. We're now spending money much

more cleverly – and we're spending less. As well as filling the budget hole, we've made an additional \$200 million in savings so the city is about half a billion better off since my arrival. I want to keep the pressure on."

It's a process he plans to continue if re-elected.

"I want to stop wasting money. Every decision I make, I'm thinking of the ratepayers who are struggling with their mortgages. There are close to 20,000 people who are behind

local councils across New Zealand.

He says though he shares some of their frustrations, in general he sees little affinity between Auckland and smaller councils.

"That's why I left Local Government New Zealand. It wasn't because I didn't like them – our scale is simply too big. We have nothing in common."

He argues that Auckland Council is so large it is, in effect, a regional government with responsibility for a third of New Zealand's population

I want to stop wasting money. Every decision I make, I'm thinking of the ratepayers who are struggling with their mortgages.

Wayne Brown

with their mortgage. I want to keep their rates down while delivering good services."

This is behind Brown's push for a bed-night visitor levy which will impose a small charge on visitors staying in hotels or bed and breakfast accommodation. It's no different from the fee for using payWave in the dairy. The money will be used to fund major events and promote the city as a tourist destination.

"I'm not going to ask struggling households to pay for these events. Hotels make money from them, they want them, so they should contribute ... I don't understand why the Government is not approving it."

Brown has frustrations with central government. He says Wellington has far too much say about what happens in Auckland and the other

and close to 40% of its GDP. He wants the city to be treated with the respect it deserves by government. This is why he is enthusiastic about the regional deals work Cabinet Minister Simeon Brown began.

"The main thing is that it treats us like a third of the country, it recognises our importance".

It's not all about conflict. Mayor Brown has praise for Minister Brown's prior work on Auckland Transport and says he can work with new Minister Chris Bishop.

Then there is Building and Construction Minister Chris Penk.

"He is doing something Auckland needs. He is going to drop us out of those seismic rules."

"He's worked out that they really apply to Wellington and Christchurch while we have volcanoes."

Join our team: Port of Auckland celebrates women in the workforce

Port of Auckland recognise the talent and valuable contribution of women to the port. From marine pilots to digital experts, stevedoring and customer service, women play an essential role in driving our success.

As an employer dedicated to diversity, we're looking for more women to join our dynamic operations team.

Right now, we're seeking women who want to start their port careers as Stevedores.

If you're ready to take on an exciting, hands-on opportunity and would like to learn more, check out the job advert on our careers website:

careers.poal.co.nz



PROJECT AUCKLAND 2025

Airport has a plan to get Auckland flying again

The new terminal development is essential to the long-term future of Auckland Airport writes **Bill Bennett**

Auckland Airport chief customer officer Scott Tasker says domestic and international air traffic is still recovering post-Covid.

While near-term air capacity challenges remain, the airport pushes ahead with an ambitious infrastructure programme to secure its long-term future.

"Domestic capacity is running at 89% of its pre-pandemic levels," says Tasker. "In part that's because fleet and engine issues at Air New Zealand mean fewer flights."

"At the same time, Jetstar has been growing. The airline has added additional aircraft to its fleet and is flying more from Auckland."

Government travel has declined, especially on the Auckland-Wellington route, but this isn't immediately apparent because Air New Zealand has reduced seat capacity. As a result, load factors remain high, sitting in the mid-80% range, meaning flights are near full capacity.

International capacity and connectivity have also rebounded, with both Auckland Airport and New Zealand overall operating at 90% of pre-Covid levels.

"We've got 26 airlines flying to 42 destinations. That's one destination short of where we were, and there are two airlines that haven't yet returned," says Tasker.

While this is positive, he says New Zealand's recovery is not yet on a par with the countries that we compare ourselves with.

"We've fallen behind. Australia's international capacity is 99% of its pre-Covid level. Singapore is about the same. Canada, the US and the UK are now operating above 2019 levels. It means there are fewer seats for Kiwis to get out into the world, fewer seats for visitors to come here and less choice."

It can also potentially mean higher seat prices.

Over the summer carriers have been operating at very high load factors on international flights into Auckland. "It's been running at 87% which is about as high as it can get across the total system".

New Zealand outbound travel has, in effect, fully recovered, so the gap is with international visitors.

The number of visitors was up during the early part of this summer when compared to the previous summer, yet Tasker says it is only sitting at about 85% of the 2019 level.

His goal is to ensure there are more available seats to get visitor numbers back to pre-Covid levels. It's not a trivial task given the constraints.

"Air New Zealand accounts for just under half of the international seat capacity at Auckland Airport," explains Tasker.

"We recently heard Air NZ CEO Greg Foran say that in the second half of the year the airline will have 11 of its jet fleet grounded due to engine issues, refurbishing and so on. It means Air NZ seat numbers are not going to grow."

"We need to convince foreign carriers to grow their capacity and connectivity at Auckland."

China remains an important market. The Chinese carriers are back at



We need to convince foreign carriers to grow their capacity and connectivity at Auckland.

Scott Tasker

Auckland with six airlines flying to six destinations in China.

There are two new routes. Hainan Airlines now flies from Haikou which acts as a hub with connections across China and Southeast Asia. China Eastern added a new route to Hangzhou.

Seat capacity on Chinese flights is at 102% of the pre-Covid level. The flights are full. It's not just Chinese passengers, flights from China also bring visitors from Japan, Southeast Asia and Europe.

The two airlines that have yet to return to Auckland in the post-Covid period are both from Southeast Asia.

"Thai Airways used to operate daily to Bangkok, so that's a big gap. And then there is the Philippine Airlines route to Manila."

The other missing piece of the equation is Virgin Australia, which has had a significant presence flying across the Tasman in the past. It still flies direct to Queenstown but is otherwise focused on Australian domestic routes.

Tasker says Auckland Airport is missing about 180,000 Australians who have yet to resume flying to New Zealand.

"They are an important target for our growth agenda. The Prime Minister and Tourism Minister Louise Upston recently made a statement about an investment in an Australian Tourism New Zealand campaign. That's going to be important."

"Australia is a good place to look



for more visitors. We need to have a relevant story for Australian visitors."

Auckland Airport isn't just about passengers, it is a vital cargo hub. "Auckland Airport handles a phenomenal amount of cargo. It's about \$26.6 billion of trade a year, of which \$17b is essential imports. That's pharmaceuticals, critical manufactured inputs and ecommerce parcels."

"There's about \$9.2b worth of high value and time sensitive exports. We send lobsters to China, fish from the Chatham Islands and during the summer the pit fruit from Otago."

"We are New Zealand's third largest port by value and about 91% of all air freight is in and out of Auckland Airport."

There is a lot riding on just a single runway at Auckland Airport. There are plans for a second runway, but that is some time into the future.

Before then, the airport will need to upgrade the existing runway, but the job must be interleaved with the

major terminal upgrade programme.

Upgrades to the main runway will see the current taxiway used for take-offs and landings. This sits nearer to the terminal buildings than the existing runway.

With today's larger aircraft, there's not enough safety in between the taxiway and the apron, where planes connect to today's air bridges or where aircraft push out. A less busy airport could juggle aircraft ground movements, but Auckland is too busy.

All of which goes to explain why the new terminal development is essential to the long-term future of the airport.

Tasker says it will add capacity and improve the customer experience, but the airport also needs it for efficient operations. Tasker says: "Not building it would have a massive economic impact on the whole country."

Another long-term planning issue now emerging is the move to new flying technologies.

Auckland Airport

Domestic capacity is running at

89% of its pre-pandemic levels.

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91%

of all air freight.

"Like everyone else, airlines have a decarbonisation obligation. Globally they have said they want to achieve net carbon zero by 2050."

"That will require different types of propulsion or different types of fuels."

"If domestic carriers start to operate electric aircraft, these will tend to be smaller than today's aircraft and will probably move slower as well. This could lead to more flights than today, as each flight will carry fewer passengers and move more slowly."

"This could mean we need to build a new runway sooner rather than later."

● Auckland Airport is an advertising sponsor of the Herald's Project Auckland report.

PROJECT AUCKLAND 2025

Putting us on the world stage

A year-round calendar of activity could keep locals engaged and happy and hotels and restaurants full, writes **Bill Bennett**

As director of destination for Tātaki Auckland Unlimited, Annie Dundas would love the city to host a tournament like the FIFA Women's World Cup every winter.

The 2023 event put Auckland on the world stage, saw an out-of-season influx of international visitors and delivered a significant economic benefit.

Yet there's more to attracting tourists than international sporting tournaments. "I would love to see a balanced year-round calendar of amazing activity that keeps our locals engaged and happy and keeps our hotels and restaurants full," says Dundas. "Both drawcards require funding. That's the challenge if we are to build a pipeline of major events."

"Auckland faces a serious shortfall in funding for major events. The tourism sector is ready, the city is prepared, businesses are now looking for a long-term sustainable source of funding that is independent of local and central government cycles."

"If we can get surety of funding, we can proactively go out and look for great new things to make sure there is something happening every year as we would like it to. There are endless opportunities for Auckland."

There are opportunities beyond large events. While the number of inbound tourists has recovered well since the border was closed in the early stages of the Covid pandemic, the number of services flying into Auckland has yet to return to the earlier highs. Dundas acknowledges that Auckland International Airport is addressing that problem. Meanwhile Tātaki Auckland Unlimited is exploring other strategies.

"We don't run full all year, which means there are certain months and seasons where we can shift the dial. A lot of our activity centres on markets where these are opportunities. We work closely with partners in China and across Asia, particularly in India. Our winter months are a great time for Indians to travel here and we have plenty of available capacity."

She says there is potential for direct flights from India in the near future and that will bring a huge opportunity.

"The US remains the shining star in terms of international arrivals and the amount visitors spend. We are doing a lot of work in the US market to attract visitors here during our shoulder seasons".

(The shoulder season is the period between peak and off-peak travel times when fares are lower).

Australia remains the biggest market, but Dundas says it is much more competitive and there is an issue with capacity. Auckland has lost some trans-tasman capacity in recent months in part due to Air New Zealand's much publicised engine issues which have grounded up to 11 planes. On top of this, Virgin Australia has yet to resume Auckland flights.

This means that, for now at least, Trans-tasman flights are close to fully booked with business travellers and with people visiting friends or family. This has put upward pressure on fares. The other challenge is that Auckland competes for Australian tourists with the South Island ski resorts which are popular in winter



We found the way people use the city at night is changing. People working from home often don't come in on Friday. Which means Thursday has become the new Friday.

Annie Dundas

Above: Auckland nightlife. Below: Te Arai Links is only 70 or 80 minutes up the motorway from downtown Auckland.



months. Auckland does attract visitors from Queensland and increasingly from Sydney and Melbourne.

Boosting Australia visitors

Tātaki Auckland Unlimited has a Destination Partnership Programme that is an industry marketing initiative to attract visitors to the city.

"We spend the lion's share of those funds in Australia," Dundas says. "It centres on our urban story but also

tells them about Waiheke Island which is a rural oasis sitting on our doorstep. That story about proximity to nature, great food and wine is very strong. We've also got an incredible golf story with the opening of Te Arai Links which is only 70 or 80 minutes up the motorway from downtown Auckland."

"We have a lot of new products that are unfamiliar to Australians. We get a lot of feedback from Australians

who visit Auckland. We find those who haven't been here for a while are really impressed by the quality of our hotel accommodation, which they tell us is as good as it is in Sydney. They tell us our local food scene is incredible; and they love the easy access to nature, including the Hauraki Gulf. It's not only Waiheke; they have discovered Great Barrier Island and other spots.

"While Sydney and other Austra-

lian destinations have many of these attributes, their beaches are jam-packed, here they can have a different experience."

The other aspect of Auckland that appeals to many Australian visitors is our Māori culture. They find it interesting and intriguing, they're interested in finding ways to engage with it.

Australia is the key focus for Tātaki Auckland Unlimited because it represents such a huge opportunity; the visitor numbers have yet to fully recover to pre-Covid levels. It's a significant market with 745,000 business, holiday and family visitors arriving here last year from across the Tasman.

In comparison there are around 300,000 visitors from the US. They are predominantly holiday visitors and spend more money while here.

Nightlife important

Historically Auckland has not been celebrated for its night life. Dundas says that's changing. "We want Auckland to be seen as somewhere that has an active nightlife, so visitors and locals feel energy, vibrancy."

Tātaki Auckland Unlimited has researched Auckland's night-time economy to understand the effects of the pandemic and the switch to more people working from home. The results were surprising.

"The research told us 55% of all spending in the city is after 6 o'clock at night. We found the way people use the city at night is changing. People working from home often don't come in on Friday. Which means Thursday has become the new Friday."

The next step is adapting strategies to deal with new pattern of night-time activity.

This could mean providing better transport links. In the past, ferries would operate later services on a Friday, but maybe they should switch to Thursday: "There are a lot of levers we need to pull to make sure people know things are going on in the city."

"Safety remains an issue, but we need to work on ideas like pick-up and drop-off zones to make it easier for people to get in and out safely. We're working on initiatives with stakeholders across the city centre to improve the night economy."

Dundas says this will step up again when the City Rail Link and International Convention Centre open next year. "It's an amazing time to talk about how the nighttime can be activated; we are getting our ducks in a row in readiness".

● Tātaki Auckland Unlimited is an advertising sponsor of the Herald's Project Auckland report.

PROJECT AUCKLAND2025

How we can create a

I know and love Auckland. I lived there for two years, many of my friends live there, and I am there almost every week.

It is our capital city of growth, home to one-third of New Zealand's population and nearly 40% of our national GDP.

It has higher labour productivity than the rest of New Zealand and is incubating some of New Zealand's most exciting growth-industries, with 116 of our country's top 200 tech firms calling Auckland home.

Next year is shaping up to be an exciting one. The first trains will run on the City Rail Link and the New Zealand International Convention Centre will finally open its doors.

The Government is investing heavily into transport in Auckland, through new Roads of National Significance, new busways, and commuter rail. We have started serious work on an additional Harbour Crossing and the new Northland Expressway connecting Auckland to Northland.

These investments build on the significant progress made in recent years, particularly by National-led Governments – think of Waterview, Victoria Park Tunnel, and the starting and funding of City Rail Link.

A couple of months ago, it was my pleasure to mark the start of Auckland's commuter network extension with the completion of the electrification of the line from Papakura to Pukekohe. Later this year, the Third Main line rail project will conclude, helping ease congestion and enabling faster train journeys.

The growth of Auckland's commuter rail network since the



Auckland is critical to New Zealand's future. As Minister of Infrastructure, Housing, Resource Management Act Reform and Transport, I am determined to help build an Auckland that is a world-class, international city, writes **Chris Bishop**

'Auckland is our capital city of growth, home to one-third of New Zealand's population and nearly 40% of our national GDP. It has higher labour productivity than the rest of New Zealand and is incubating some of New Zealand's most exciting growth-industries.'

early 2000s has been remarkable, and the Government is keen to encourage that growth.

The reality is, congestion is choking Auckland.

The average Auckland commuter spends over five days in traffic each year. In fact, in 2024 the Auckland metro area had the highest congestion levels in Oceania.

This means Auckland is less productive, less accessible, and less liveable than it should be.

Congestion stifles economic growth in Auckland, with studies showing it costs us between \$900 million to \$1.3 billion a year. Congestion is essentially a tax on time, productivity, and growth.

And like most taxes, I'm keen to reduce it.

The Government will be progressing legislation this year to allow the introduction of Time of Use pricing on our roads.

The Government will prioritise working with Auckland Council on designing a Time of Use pricing scheme that increases productivity and reduces congestion.

Modelling has shown that successful congestion charging could reduce congestion by up to 8-12% at peak times, improving travel times and efficiency significantly.

Auckland Housing

Fixing our housing crisis is critical to driving economic growth in Auckland.

There is a mountain of economic evidence that cities are unparalleled engines of productivity, and the evidence shows bigger is better.

New Zealand can raise our



Driving change

Vehicle data for a better transport future

Connected vehicle data is transporting Auckland into the future.

Smart data holds the keys to a safer, more efficient city. It's fine-tuning freight routes while enhancing safety and optimising network performance.

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PROJECT AUCKLAND 2025

world-class Auckland

Bridge or tunnel? Second harbour crossing

Project status

NZTA has been assessing the scope and cost of a harbour connection project

2023

Indicative business case commenced

LATE 2024 TO EARLY 2026

Detailed options assessment
Ship in harbour assessing ground and seabed conditions.

Decision making

MID 2026

Delivery planning

Waitematā harbour bridge is the most travelled stretch of New Zealand's State Highway network.

750,000 people rely on the Auckland Harbour Bridge.
290,000 jobs are connected by it.

14% of all vehicle kms travelled in Auckland are on the bridge.
Includes 12,000 freight trips and 235,000 people/day.

There are more than **1000** daily bus crossings on the Northern Busway, carrying **35,000** passengers.

By 2051 122,000 public transport trips are expected daily.
\$29b of annual GDP will rely on this key connection.

Existing bridge can't handle expected demand growth.

Market sounding

Waitematā Harbour Crossings engagement process

APRIL 2025

Early market sounding

MID 2025

Briefing and written questionnaire

Second market sounding

2026

Government decision in 18 months whether a new bridge or tunnel will be **tolled**.



Source: NZTA/Infrastructure Investment Summit / Herald Network Graphic

productivity simply by allowing our towns and cities to grow up and out. We need bigger cities and, to facilitate that, we need more houses.

As our biggest city, Auckland has to be a leader in this mission.

As Housing Minister, I am focused on getting the fundamentals of the housing market fixed.

The Government's Going for Housing Growth agenda involves freeing up land for development and removing unnecessary planning barriers, improving infrastructure funding and financing, and providing incentives for communities and councils to support growth.

Report after report and inquiry after inquiry has found that our planning system, particularly restrictions on the supply of urban land, are at the heart of our housing affordability challenge.

Last year Cabinet agreed to several actions it would take to free up land for development including in Auckland.

These changes build on the existing Auckland Unitary Plan, which evidence shows has made a real difference to rental and housing affordability in Auckland.

It also builds on the National Policy Statement on Urban Development brought in by the last government, which we support.

Our infrastructure funding and financing system for housing is not fit for purpose and we have recently announced changes to make it simpler and easier to fund and finance infrastructure.

Our new flexible planning system will have a flexible funding and financing system to match. Development Contributions will be replaced with a Development Levy system and there will be regulatory oversight of the levies to ensure charges are fair and appropriate.

City Rail Link

Under the feet of Auckland for the better part of a decade has been the most ambitious, and one of the most expensive, projects in the city's history. Thousands of workers have been building 3.5 kilometres of tunnel to bring Auckland's transportation system into the 21st century.

Once open next year, City Rail Link will double Auckland's rail capacity and reduce congestion across the city, enabling Aucklanders to get to where they want to go faster.

This will be huge for the city. The privilege of never worrying about a missed train because another is only minutes away is freeing.

I've been down to the new stations. Aucklanders are going to be blown away.

It is critical for the city's future that we take advantage of City Rail Link and ensure that the maximum benefits are felt by Aucklanders.

Transit-oriented development

I believe that to properly unlock economic growth in Auckland, we must embrace the concept of transit-oriented development adopted by the world's best and most liveable cities.

This approach promotes compact, mixed-use, pedestrian friendly cities, with development clustered around, and integrated with, mass transit. The idea is to have as many jobs, houses, services and amenities as possible around public transport stations.

This is not an untested theory: transit-oriented development has been adopted across the world in cities like Stockholm, Copenhagen, Hong Kong, Tokyo, and Singapore.

Cities that embrace this approach consistently outperform those that don't across multiple metrics: they experience increases in productivity, lower unemployment, higher

population growth, increased availability of homes, and more stable rents.

Are we doing all we can to fully take advantage of City Rail Link?

The answer is clearly no.

The Government has kicked off a

Auckland has a bright future. Whenever I visit Auckland, I get a palpable sense of opportunity knocking. Auckland isn't waiting, it's getting on with the mission of growth. It is bursting at the seams with opportunities – now, it is the responsibility of all of us to help make it happen.

Chris Bishop

work programme to properly unlock the opportunities transit-oriented development could bring to Auckland, and what actions we can take to better enable development clusters around City Rail Link stations.

Right now, Auckland Council is only required to zone six stories around rapid transit stops. We need to go much, much higher than that around the City Rail Link stations if we truly want to feel the benefits of transit-oriented development.

My aspiration is that in 10-20 years' time, we have 10-20 storey apartment blocks dotting the rail line as far west as Swanson and Ranui.

Take Kingsland, for example.

Once City Rail Link opens, Kingslanders will have a 20-minute travel time saving to Aotea station from the project.

But Kingsland's population actually declined by 4.7% between 2019 and 2023; and while Auckland averaged 15,375 annual new builds over the last five years, Kingsland built just 22.

Kingsland is still predominantly made up of single-storey dwelling zones.

How about if our aim is to make the special character of suburbs be that they are thriving, liveable, affordable communities with access to regular and reliable public transport?

Viewshafts

One barrier to proper high-density in Auckland, including around City Rail Link stations, is undoubtedly the current settings of the 73 viewshafts that have restricted the height of the city since the early 1970s.

Some of these viewshafts don't make a lot of sense. The Unitary Plan protects the view from the tolling booths on the North Shore, so that people sitting in their cars getting ready to pay their toll for the Harbour Bridge have a nice view of Mt Eden. Of course, there hasn't been tolling booths on the North Shore since the mid-1980s. Forty years later, we are still protecting a view that would be

considered dangerous driving to admire. A study done in 2018, looking at this one view shaft – the E10 – showed that its cost was roughly \$1.4 billion in lost development opportunities. This is just the impact of one of the 73 viewshafts.

It is worth stressing that the cost is almost certainly much greater than \$1.4b. It only includes costs to the city centre, and about half the land under E10 falls outside the city centre. So, add that on.

It doesn't look at the positive externalities of intensification, such as agglomeration and other wider economic benefits. It doesn't look at public land, just private, and it's based on 2014 land values. And this is just one viewshaft. Mayor Brown and I have had discussions on this issue, and he said he is open to taking a fresh look at Auckland's viewshaft settings in its Unitary Plan.

We are committed to trying to find a way though – alongside mana whenua – to get the balance right between economic growth, and the special role these māunga play in the unique identity of Auckland.

We are not proposing to remove these viewshafts. Rather, we are recognising that as the city changes, there will be areas where the viewshafts should change with it.

Conclusion

Auckland has a bright future. Whenever I visit Auckland, I get a palpable sense of opportunity knocking. Auckland isn't waiting, it's getting on with the mission of growth. It is bursting at the seams with opportunities – now, it is the responsibility of all of us to help make it happen.

● Chris Bishop is Minister for Infrastructure, Minister Responsible for RMA Reform and Minister of Transport.

PROJECT AUCKLAND 2025

If Auckland thrives, NZ thrives

The time for a New Auckland Agenda is now, writes

Mark Thomas

Over the past year, positive steps have been taken. Auckland Council has established a \$1.3 billion Auckland Future Fund to reduce reliance on rates to fund infrastructure. Work on a new Integrated Transport Plan between the government and Auckland Council was agreed and Watercare's financial sustainability was strengthened through a new joint government/council agreement.

Minister for Auckland Simeon Brown has signalled stronger collaboration between central and local government. Similarly, Housing, Infrastructure and Transport Minister Chris Bishop has outlined urban development and transport priorities for Auckland. These statements and initiatives are welcome, but they do not yet meet the scale of the challenge or of the opportunity.

Individual initiatives, usually portfolio-driven, are what both central and local players have bought to the Auckland project in the last 15 years. We know now that, no matter how significant they individually are, they are likely to continue to be inadequate. Because over the last 15 years no such similar projects have helped Auckland move ahead relative to its competition.

For Auckland to move forward, a New Auckland Agenda is needed. This must be a structured, long-term strategy, developed in partnership with Auckland Council, that clearly defines the roles of local and central government. It must set measurable targets for economic growth, transport, housing, and infrastructure. It should establish a coordinated approach to securing funding and execution timelines and move beyond fragmented, portfolio-driven decisions to an integrated, outcome-focused plan.

The Regional Deal: A Starting Point

Auckland's Regional Deal proposal, approved by Auckland Council in February, provides a strong framework for discussion with the government. It identifies five key priorities: housing, transport, innovation, tourism and environment.

Internationally, Regional Deals have proven effective in the UK and Australia over the last 15 years. There is a wealth of evidence on what is needed to ensure they are effectively implemented, including that they be actionable, jointly committed to, appropriately resourced, and well monitored. However, the New Zealand government has only committed to initiating three deals by 2026, while all 78 councils were invited to apply. In contrast, the UK launched eight deals in its first year alone. Given the scale of Auckland's economic contribution, the government must match this level of ambition.

Strengthening Government's Focus on Auckland

Simeon Brown, as Minister for Auckland and as a senior cabinet minister, has the potential to be a powerful direction setter for an Auckland agenda. However, to drive meaningful change, government structures must be reformed.

The six-monthly Cabinet reporting introduced by the Minister is a positive start, but it focuses on identifying conflicts and reporting on workstreams, rather than setting a clear Auckland strategy.

This does not contemplate the



Simeon Brown, Minister for Auckland, addressing the Committee for Auckland. Committee directors Simon Vannini, Andrea Rickard (Managing Director, Beca New Zealand) and Mark Thomas with Minister Chris Bishop.



Auckland Council will soon reach adulthood and will require a different strategy and approach to what was needed in its formative years.

Mark Thomas

need for a plan for Auckland that the government would want to prioritise and act on in partnership with Auckland Council. However, a new joint plan, the New Auckland Agenda, is essential, and to give effect to this, the Minister needs more assistance within government.

Usefully, a plan does exist to assist with this.

Auckland's former chief executive, Doug McKay, raised these issues a decade ago in a 2014 report to government, calling for stronger Auckland leadership within central government.

He said better system-wide oversight of government activity in Auckland was required and the Auckland Policy Office (APO) should be revitalised to coordinate policy and investment.

The 2023 Auditor-General's report echoed similar concerns, criticising government agencies for failing to provide a clear picture of their spending and activities in Auckland. This lack of co-ordination must be fixed.

The Auckland Policy Office plays an important role guiding central government agencies of Auckland-specific policy developments and responses.

But today it is under-utilised.

To more fully support the Auckland Agenda, both the government and council need the

office to have a stronger mandate and be empowered as an advisory and coordination body ensuring Auckland-specific considerations are better considered, embedded in policy and reported on efficiently.

A refreshed approach to McKay's recommendations could help resolve longstanding ineffectiveness and inefficiencies within government/Auckland activity, and ensure Auckland gets the focus required.

A Cabinet-Level Auckland Sub-Committee

The Minister for Auckland needs to play a more central role.

The Prime Minister could assist by establishing a Cabinet sub-committee chaired by the Minister for Auckland alongside key ministers in the areas of infrastructure, housing, transport, education, innovation, climate change and of course finance.

Additional economic development, trade, immigration, and Māori development ministers should also be involved as needed. This would ensure regular engagement with Auckland Council's Mayor and senior leaders, greater alignment of decision-making with Auckland's needs and stronger leadership to drive progress across government.

A New Auckland Agenda

Auckland Council will soon reach

Aucklanders unhappy with quality of life

Auckland Council turns 15 years old this year, and since its creation, billions have been invested in the city's infrastructure.

The \$6 billion City Rail Link and the \$1.2b Central Interceptor are just two of the more significant projects initiated since 2010.

While both promise major long-term benefits, they have also caused significant disruption and are yet to deliver their full potential.

Beyond these major initiatives, Auckland has seen billions invested in transport projects, including the \$1.4b Waterview Tunnel, as well as more than 160,000 new dwellings consented.

Community infrastructure projects such as the \$31 million Tōia Ōtāhuhu Recreation Precinct and the \$19m Albany Pool have also been delivered.

However, despite this considerable investment, Aucklanders remain dissatisfied.

The latest Quality of Life survey found that only 72% of residents rate Auckland as a good or great place to live – well below the satisfaction levels of its peer cities.

Concerns about crime, transport, and housing affordability dominate public sentiment.

Additionally, only 57% of Aucklanders think the city has a positive look and feel. Only 33% believe public transport is reliable and affordable and 31% believe housing is affordable. 81% think congestion is a problem and 67% consider crime a major issue.

Auckland's economic performance also lags.

The 2023 *State of the City* benchmarking report, produced by the Committee for Auckland

alongside Deloitte and Tātaki Auckland Unlimited, found that Auckland ranks only mid-tier among peer cities, and its position declined in 2024.

GDP per capita growth continues to trail other cities and productivity levels remain below the OECD average. Congestion costs the region \$1.3b per year and housing affordability remains among the worst in the world relative to incomes.

This is important not just for Auckland.

Holding nearly 40% of New Zealand's GDP, Auckland has the highest concentration of tech businesses in the country.

In a globally competitive world, even incremental improvements in Auckland's productivity can drive outsized gains for New Zealand as a whole.

Conversely, its continued underperformance is an economic handbrake on the nation.

Auckland continues to have key strengths: it remains overwhelmingly New Zealand's largest and most diverse economic hub, has a strong sustainability profile, a resilient services sector, and solid global connectivity. The challenge is to leverage these advantages while addressing barriers to growth and productivity – as our peer cities are accelerating.

The city still lacks the resources, authority, and investment to shape its own future and central governments have failed to deliver the action required to break this cycle. Without bold, co-ordinated action, the city risks stagnation, holding back not just itself but the entire country.

adulthood and will require a different strategy and approach to what was needed in its formative years. A New Auckland Agenda must be bold, coordinated, and outcome driven. A New Auckland Agenda can provide that direction and structure for the city's next decade, providing a clear framework for Auckland's next decade of growth.

A Regional Deal can serve as the foundation, while the Minister for Auckland and the Auckland Policy Office are already in place to be

strengthened and empowered to collaborate with council in shaping the agenda. However, this can only succeed with strong leadership, clear priorities, and a firm commitment to delivery. If Auckland thrives, New Zealand thrives. The time for a New Auckland Agenda is now.

● Mark Thomas is managing director of urban technology company Serviceworks. He is a Regional Director of the Smart Cities Council and a Director of the Committee for Auckland.

PROJECT AUCKLAND 2025



**Project
Auckland
Richard Harman**

The Government's involvement with the Auckland is more complex than with other councils

The relationship between the Beehive and the Auckland Council has hung on what is one of politics' oddest couples.

On the one hand, in Wellington is the Minister for Auckland, the relentlessly partisan conservative evangelical Christian, Simeon Brown and in Auckland, the maverick, outspoken, take-no-prisoners political roughneck, Wayne Brown.

But, perhaps surprisingly, by all accounts, they get along.

Last December, when Simeon Brown was still Transport Minister and announced the proposal to restore Auckland Transport's policy-making powers to the council, Wayne Brown was enthusiastic about the relationship between the pair.

"The Government is recognising that most of their voters are here," he said.

"So it's a very sensible thing and I've enjoyed working with the Minister because it's something we've both been working for."

Simeon Brown is now easing out of the picture with his Transport portfolio being assigned to Chris Bishop and his Local Government job to Simon Watts.

That he got along with Simeon Brown was important because Wayne Brown's relationship with the Prime Minister seems slightly more restrained.

That the Auckland Mayor has employed two of Christopher Luxon's biggest critics, the columnist Matthew Hooton and the former National Party political advisor Tim Hurdle, to run his re-election campaign won't have enhanced his relationship with the often overly defensive Prime Minister.

There may be a hint of that in the way that even the frequency of "catch-up" meetings between Brown and Luxon has apparently begun to decline.

The test will now be whether he can establish the same rapport with the new Transport Minister, Chris Bishop, that he had with Simeon Brown.

However, it is Wayne Brown's idiosyncratic personality that defines any relationship he has.

One of National's Auckland MPs said Brown's political appeal was bipartisan because the left liked him because he was anti-government and the right liked him because he was anti-bureaucrat.

Ministers are wary of him because he does have such widespread political appeal, yet at the same time, Auckland is so big and so economically important that they know they have to try and work with him even if, from time to time, they groan that it is "Wayne being Wayne".

Government involvement with the Auckland Council is more complex than that of most other councils.

Unlike most New Zealand local bodies, many of the big issues that confront the Auckland Council require bespoke solutions, often meaning specific legislation.

That is evident now with the "time of use" road charging legislation heading off to a Select Committee.

Already, it is evident that exactly the same issue that the council objected to in last year's legislation to separate Watercare from council control is evident in the Land Transport (Time of Use Charging) Amendment Bill.



THE ODD COUPLE

Once again, the council is pushing back against Wellington's proposal to run any charging scheme Auckland may introduce.

The Bill proposes that a charging scheme be run by a joint council-New Zealand Transport Authority board on which the NZTA would have the casting vote.

That is similar to the original proposal for Watercare, which would have a Crown Monitor appointed by the Minister of Local Government to prepare a charter for Watercare and then monitor its performance against it.

This was eventually changed to having the Secretary for Local Government consult with the Auckland Council on the preparation of the Charter and then for Watercare to be accountable to the Crown Monitor for its day-to-day performance against the Charter.

The council wanted to be consulted on the appointment of the Crown Monitor, but Simeon Brown did not agree with that. Nevertheless, the Watercare experience underlines the ongoing structural tension between the council and the Government over the dispersion of power between the two bodies.

The council will not be encouraged that there is the will in Wellington to devolve power by some of the provisions in the Time of Use Charging Bill that include, for example, a provision that public transport vehicles will have to pay the charges.

Wayne Brown has always emphasised that the pay-off for introducing charging would have to be an enhanced public transport system.

The council and Auckland Transport have released the draft of their submission on the charging legislation, which essentially wants the decisions about which roads

would be charged, the pricing structure and the use of the revenue obtained to be made by the council and AT rather than the government.

The other challenge for the council is that governments have tended to be nervous about imposing tolls on motorists.

One of National's Auckland MPs said Brown's political appeal was bipartisan because the left liked him because he was anti-government and the right liked him because he was anti-bureaucrat. Ministers are wary of him because he does have such widespread political appeal.

Now a councillor, National's then Transport spokesperson, Maurice Williamson, lost that portfolio in the run-up to the 2008 election when National leader John Key sacked him after he talked about a \$5 toll on the Southern Motorway.

However, the legislation to allow the Auckland charging was voted

against in Parliament by the Maori Party alone.

It is transport that dominates the relationship between the council and the government.

Legislation this year will confirm the restoration of transport policy-making back to the council from AT.

That will then lead to the development of an integrated 30-year transport plan for Auckland, which will feed into the Government Policy Statement on Transport, which will be published in 2027.

As a consequence of announcements made at the Government Infrastructure Investment Summit that plan will be required to resolve the priority that will be put on a second harbour crossing.

The Government has a number of other proposals which will impact local government generally.

Currently, Infrastructure Minister Chris Bishop says he is sitting on a number of proposals from regions for Regional Deals.

These are long term agreements – often between 10-20 years – which hinge on central and local government agreeing to make joint funding commitments and provide a basis for local authorities to have greater autonomy to deliver a range of initiatives which are basically long term infrastructure plans for a region.

The structure of the deals might help to reassure the council that it, rather than Wellington, was in control of the infrastructure pipeline.

The Auckland Council, like many others around the country, also faces the challenge of how to deal with climate adaptation issues, particularly managed retreat from flood-prone areas or, particularly in Auckland's case, coastline vulnerable to the effects of sea-level rise.

The new Resource Management Act, to be introduced next year, is

expected to contain provisions allowing planning authorities to decline land-use consents or attach conditions where there are significant risks of natural hazards.

All of this legislation points to future areas of agreement between the council and government and, maybe, a slow-growing recognition in Wellington that the council's desire for autonomy on major issues is not just a political move but also a practical response to its greater local knowledge and responsibilities.

This has been confirmed by the Government's agreement to legislate for the Auckland Future Fund.

That legislation is now before a Select Committee.

Ultimately, however, most of the static between Auckland and Wellington comes down to money.

The big ticket item on the financial agenda is the operating costs for the central rail loop when it opens in 2026-27.

The rail project is to be funded jointly by the government and Auckland Council, and the council is expected to bear a significant portion of the annual operational costs.

The project is estimated to cost the council around \$220 million in operating costs from the first full year of operations.

The Government and the council have yet to agree on how the funding will be split, but given the fiscal pressures facing the Government, those could be tense negotiations.

What is clear is that under Brown, the council has clawed some power back from Wellington. With the power issue now more or less under control, and with big ticket items likely to be on the agenda like the operations of the CRL and a possible second harbour crossing, it could be money that begins to dominate the relationship over the next few years.

PROJECT AUCKLAND 2025



Adjusting the Unitary Plan will enable housing intensification in the right places

Regional deal will benefit country

NZ's biggest council has developed a blueprint for growth and prosperity in partnership with central government

Auckland is hoping to become the first recipient of a regional deal with the government to drive productivity and economic growth that will be good for the country.

Auckland Council submitted an extensive proposal at the end of last month that detailed the region's major priorities with the potential of increasing New Zealand's gross domestic product (GDP) by 3-7%.

Phil Wilson, chief executive of Auckland Council, says it's time to stop the parochial argument that somehow investment in Auckland comes at a cost to other regions in the country.

"Actually, investment in Auckland is to the national advantage because New Zealand needs a globally competitive city of scale that provides the next generation with business and employment opportunities.

"We have a third of the population (now more than 1.7 million and heading for 2.5m in the late 2040s) and nearly 40% of the national GDP.

"New Zealand needs Auckland to function really well to attract and retain talent; otherwise, they are going overseas for the opportunities not reflected here," says Wilson.

"There is an opportunity to invest in innovation and new technologies, knowledge sharing and a high-order services industry. There is a narrative around the need to recognise the opportunities and change the nature of the New Zealand economy."

Wilson expects the government to select one regional deal in the short term to test the concept and develop a national template. The council is expecting feedback on its proposal within two months.

Auckland was one of 18 regions or sub-regions to submit a proposal, and the government has indicated three deals would be in place by October next year.

"In terms of the rationale for a regional deal, Auckland is in a strong position of making the case to be the first one. It's a great opportunity and is of high importance for Auckland and the country."

If the Auckland region is given the nod, then the council will enter negotiations with the government to refine the proposal – work that will take up most of the year.

Auckland has one other advantage, says Wilson. "Auckland Council covers the entire region, 140km from north to south, and is a unitary authority, normal council and regional council. The government can deal with just one council."

Wilson says Auckland has been



Project Auckland
Graham Skellern

down in the mouth for a while, not helped by the Covid pandemic and extended lockdown that had a greater impact on communities.

"When the Super City went live in 2010 there was a sense that Auckland knew where it was heading – New Zealand needed a globally competitive city. Auckland's self-belief and identity were coming together, but then we stopped talking about aspirations and what we were striving for.

"It can't just be about population growth or having a lag in housing.

"The positive story is about having high-quality jobs and business development, and realising our vision of being a competitive global city.

"We see the regional deal as a reset in our relationship with government, and to get our mojo back.

"We've got to align investment and infrastructure through long-term integrated planning, moving away from constant changing plans. We need to be on the same page about where growth will happen," says Wilson.

"The mayor (Wayne Brown) is fond of observing, and he's right, that generic solutions envisaged for the whole country don't work for Auckland.

"We have a younger population than regional New Zealand that needs different interventions.

"We have a growth dynamic such as the Drury corridor and need to get jobs in closer proximity to where people are living."

An Auckland Deal, says Wilson, would empower the region to fix key challenges and constraints that are holding back growth. Auckland needs the tools to plan, fund and share the benefits of growth.

Major public investment in projects like City Rail Link, the Eastern Busway and Central Interceptor (wastewater) and private investment in data centres and other large-scale development is poised to dramatically improve Auckland's connectivity, productivity and capacity for growth if leveraged well.

The regional deal proposal says Auckland's GDP per capital premium of 10-15% is more productive than the rest of New Zealand but not as high as comparable cities with 25-35%.

If Auckland achieved that premium, New Zealand's GDP could be 3-7% higher. A more productive Auckland would drive higher wages, in-

Investment in Auckland is highly important because NZ needs a globally competitive city of scale that provides the next generation with business and employment opportunities.

Phil Wilson



vestment and living standards.

The proposal outlines five priorities that will have the greatest impact on growth and productivity over the next 30 years:

- Abundant quality housing alongside transport, business and industry; reducing housing supply constraints could increase national GDP by 0.9-1.8%; make changes to the Unitary Plan to enable greater intensification in the right places such as transport corridors and hubs; and stronger regional spatial planning framework.

- Transport – enabling people and goods to get around faster and cheaper, with lower emissions; decongestion would be worth \$1.4-\$1.9 billion a year or 1.5-2% of Auckland's GDP and 80% of the workforce can reach jobs within 45 minutes.

- A thriving innovation and technology sector that attracts international investment and talent, hosts the new Advanced Technology Institute; and leverages the existing ecosystem of universities, start-ups, finance and global connections.

- Gateway to the world – a connected and diverse city that drives international trade, investment, immigration and tourism; amend visa settings to make it easier and faster for visitors from key international markets to access New Zealand through Auckland.

- Stunning natural environment, including harbours and parks, that contribute to a liveable and thriving city with global appeal; Ministerial approval to consult on an Upper North Island Clean-Hull Vessel Plan (consistent biosecurity standards); and co-funding for pest eradication and weed control on offshore islands, which are tourist destinations.

The proposal seeks land-use reform to enable flexible and residential

location but also account for flood-prone areas and natural hazards; expanded infrastructure funding and financing tools to ensure major urban growth areas are supported by timely investment; streamlined consenting and fast-track approvals to remove regulatory bottlenecks that slow housing development and increase costs.

The council is establishing the Auckland Development Office, replacing Eke Panuku, to lead urban regeneration – particularly around transport hubs – co-ordinate public-private investment and unlock large-scale housing and commercial precincts that align with national productivity goals.

"We are creating a grunty, co-ordinated development plan and a pathway for developers, ensuring better co-ordination of everyone's investment," says Wilson. "There will be a specific focus on realising opportunities from transit-oriented development, including around the City Rail Link (CRL) stations.

"We don't necessarily need the government to provide funding – just the tools to do it ourselves."

The council wants quick action on new legislation to introduce a bed night visitor levy, and time-of-use (congestion) charging, which has the potential to reduce peak traffic volumes by 10-30%.

It also wants backing for removing up to 42 dangerous and congested level crossings (at a cost of \$2.9b) and maximise the benefits from the CRL investment, with train services doubling on the Southern, Eastern and Western Lines.

Removing the level crossings will unlock \$20 billion in benefits, and allow more-frequent trains and traffic on the wider transport network to flow freely and safely.

Over the past decade, 643 near-

misses and collisions have occurred at level crossings, with network disruptions of up to five hours.

Wilson says a bed-night visitor levy will generate sustainable revenue for tourism infrastructure and promotion including hosting major events that will provide an economic boost for Auckland and the country – whether it be the America's Cup, Taylor Swift concert or a State of Origin league game.

On transport, Wilson says "we haven't prioritised 100 road improvements (in the proposal); instead, it's saying for the short term let's agree on a few priorities to move ahead.

"CRL – it's a transformational investment – will increase the frequency of trains around the region and we don't want traffic sitting at the level crossings and wasting time. The solution is to put the road under or over the rail line, remove the level crossing or close off the road.

"Time-of-use charging is a tool to manage traffic volumes at key times. It will generate some revenue but it's more about behaviour and people optimising the road network by managing travel times," Wilson says.

"I'm sure we will see some sort of charge within two years through enabled legislation – whether it's at a national level or just Auckland."

The proposal says Auckland is ready for a new type of relationship with central government that will unlock long-term, sustainable growth that benefits both the region and the country. It would cut out layers of advice and allow Auckland and the government to create quick, specific solutions to the region's problems – a bespoke approach instead of a one-size-fits-all.

The regional deal would unlock private and iwi investment by removing barriers, working to open investment opportunities, and being open to unsolicited bids and private capital (including public private partnerships) to accelerate projects and growth, the proposal says.

Wilson says "it's important for me to record that this is not only a piece of advocacy from Auckland Council in the development of the proposal. We worked on this for six months and brought together a range of key players such as the EMA, Business Chamber and airport.

"It has to be the Auckland story, and there is a lot of support and goodwill sitting behind the proposal," Wilson says.

● Auckland Council is an advertising sponsor of the Herald's Project Auckland report.

PROJECT AUCKLAND 2025

Welcoming in the world



**Project
Auckland
Andrea Fox**

What must Auckland do to help the port fulfil its potential?

With the Port of Auckland having put its own house in order, chief executive Roger Gray is thinking about what Auckland needs to do to help the port fulfil its potential as an import and export gateway leader.

His wishlist is short and sharp.

Bring in congestion charging, as mayor Wayne Brown wants; persuade the downstream supply chain to operate 24/7 like the port to alleviate congestion; extend The Strand optimisation project now under way so it joins the port to the motorway; enable development of an “amazing welcome front door” to Auckland.

Gray has just been discussing the Auckland Council-owned port's solid financial results for the first six months of the 2025 financial year, and welcomes the chance to explore with Project Auckland what its future might look like now the uncomfortable choppy swell about its management, ownership and survival in Auckland's CBD has settled.

Calmer waters prevailed last year when Brown, a fiery critic of the port's poor productivity and financial returns to the city, binned his idea for a 35-year lease to a global port operator, in favour of an agreement with port leaders and the Maritime Union that the company would contribute \$1.1 billion of profits to the council over the next 10 years.

Brown didn't have enough support around the council table for his plan. And the port's steadily improving financial results since Gray came on board in 2022 undermined the previously vociferous support in some city quarters for the port to be moved, sold or leased to a commercial party that knew what it was doing.

Contrast these financial results:
● Full year 2022, net loss \$10.3m; revenue \$265.2m, dividend to council \$14.2m.

● Half year 2025, net profit \$42m, revenue \$195m, interim dividend to council \$25m. Announcing the HY25 result, the port upgraded its 2025 financial year earnings guidance to \$75m-\$80m after tax and said the full year dividend was expected to be at least \$45m.

Back to the port's ambitions and how it plans to contribute to Auckland.

“We expect us to be here for at least the next 40 years,” Gray says. “I think that was confirmed by the decision on the proposal by the mayor to sell a 35-year operating lease. There's an acknowledgement we're here for the future.”

“Our potential is to become New Zealand's most efficient and effective import port for what is effectively the third of the country's population which lives close by. We also want to ensure that we facilitate exporters within the area getting their product out.”

“(There's also) the potential for us to invest in tourism, making sure this is an amazing cruise ship destination. But also to make sure that the car importers and the steel for the cities to be built get here, that the aggregates needed for big city construction and growth are here.”

“We see a very good future. We've



What Auckland needs is an amazing welcome front door and we plan to build that at Bledisloe wharf

Roger Gray, chief executive Port of Auckland

got plenty of capacity. This is a relatively small port in comparison to others from a hectare perspective but that smallness makes us highly efficient.”

Gray asserts Port of Auckland is “by far the most efficient port in the country” if its cargo throughput, particularly that of containers, is compared to others per hectare.

“16,000 TEU (twenty foot equivalent boxes) is a quiet week for us now. When I arrived, if we were doing 10,500 we thought we'd had a good week.”

So what does the port need from Auckland to accomplish its aims?

With traffic congestion being a major city issue in Gray's book, he says the supply chain is at a “tipping point” where the downstream supply chain needs to transition from operating five days a week, 12 hours a day, to being a 24/7 operation – like the port.

“We're committed to being a 24/7

operation – shipping arrives 24/7 – and we're encouraging our customers to start running their supply chain at night and on weekends, rather than just Monday to Friday, 9 to 5.”

He says the company is working with supply chain players such as KiwiRail, Nexus Logistics and the Port of Tauranga to facilitate use of the new Ruakura Superhub inland port, designing solutions for big importers like Kmart.

“And we're using pricing to influence that with our peak and off-peak charges and alternate rail charging. We're working very hard to make sure we push trucks into the evening and night and get cargo off trucks.”

To fast-track that work, the port needs two actions from other infrastructure providers, Gray says.

“One is significant investment in The Strand and the completion of that link to the motorway.”

“We think Auckland Transport and NZTA should finish The Strand properly. There's a minor upgrade going on but it really needs to be turned into a motorway from the port to the motorway.”

“The second, which is about to be enabled by central government, is congestion charging. We support the push by the Mayor of Auckland to introduce congestion charging. We think that will add to the effectiveness of the work we're doing with peak and off-peak charging.”

Gray makes no bones about higher charges being a cornerstone of the

port's financial improvement, now and in the future.

“We've been very public about this ... in our view, as a leadership team and the board, importers and exporters were not paying a price that matched with the investment being made here.”

He says the previous pricing model was a historic result of competition between Auckland's port and Port of Tauranga.

“We've started to change the pricing model and move it up. We're basically aligning our pricing with regional pricing throughout the Australian and New Zealand markets and we're doing that in order to improve the profitability of the port.”

“We weren't making our weighted average cost of capital (Wac), we weren't investing in the infrastructure needed and off the back of that, the city wasn't getting a fair return.”

“We will target a return of equity in excess of our Wac, which is at 8.5%.”

“In our view importers and exporters, particularly the container trade, were being subsidised by the rate-payers.”

But Gray thinks the “most important aspect” of the port's turnaround has been its new partnership with the unions who represent its employees.

“Moving from combative conflict and aggression to high performance, high engagement and partnering has enabled us to unlock a significant number of initiatives.”

“There's been a massive improve-

ment in safety and the rollout of the approved code of practice, which is standardised port loading and unloading of ships across the country.

“It's allowed us through the operational improvement team to lift the capacity of the container terminal to handle cargo.”

The new relationship with the unions has also helped the port with one of its main objectives – developing career paths and leadership at the port.

Last, but certainly not least, what the port needs from Auckland is the green light to develop “an iconic welcome entry point” to the City of Sails, he says.

Tourism via cruise ship visits is a significant part of the business, but the entry point is “substandard”.

“They either come in on Princes Wharf through the Hilton Hotel or through a temporary set up that's done in Shed 10, which is also used for events.”

“What Auckland needs is an amazing welcome front door and we plan to build that at Bledisloe.”

The port continues to work with Auckland Council on implementing its 2024-2034 long-term plan, lodging a consent application to complete Bledisloe North and Fergusson North wharves.

Gray says the work will make the port big ship-capable and provide long-term, fit-for-purpose port infrastructure. It will also create more waterfront access for the public, reduce vessel congestion in the ferry basin and meet the increasing freight requirements of the city, he says.

“We want to work with iwi to ensure that the front door provides an amazing cultural welcome and shows off the wonders of Auckland and New Zealand. If we create that kind of great experience, it has a flow-on effect for businesses that really appreciate the summer cruise trade. And with some of those facilities, we'd explore ways the community can access them in the off-season.”

Gray says his main message to Auckland is that “the port is here”.

“We are building the infrastructure, be it through dredging or wharves or a cruise terminal, to service the city for the next 40 years.”

“It's a privilege being on the doorstep of this country's largest city.”

“We don't take that privilege for granted in any way and will continue to work closely with all stakeholders group to be a good corporate citizen for Auckland and New Zealand.”

● Port of Auckland is an advertising sponsor of the Herald's Project Auckland report.

PROJECT AUCKLAND 2025

Watercare – The \$16.1b



Project Auckland
Grant Bradley

Watercare unveils its more-than-1000-project business plan – and a commitment to inter-generational fairness

Watercare is embarking on one of the country's biggest infrastructure builds as it moves closer to financial independence from Auckland Council.

That's a step that will allow it to refine how it pays for new work costing \$3.8 million a day.

It has today unveiled its first 10-year business plan which details how the company will invest \$13.8 billion in over 1000 projects while ensuring what it says will be an affordable price path for customers. It is also aimed at bringing intergenerational fairness in the Auckland region forecast to grow by 215,000 people or 13% in the coming decade.

The new financial structure has allowed the business to reduce increases in water and waste water charges to 7.2% from threatened hikes nearly four times that.

While still fully owned by council, its financial independence will allow it to borrow on different terms which Watercare chief executive Dave Chambers says will mean those who need the services today are not also paying for plant that won't be built for decades.

Watercare will be able to borrow outside the constraints of Auckland Council's debt limit.

MinterEllisonRuddWatts analysis says this is similar to an underlying premise of the previous Government's Three Waters Programme, but delivered in a way that maintains council ownership and control.

Chambers says Watercare builds assets that are there for a 100 years, but it was paying them off too quickly.

"This (new borrowing regime) enables us to spread the cost of those over a longer period of time.

"So Aucklanders who come here in 20 years will be paying for things that we do next year, not just the Aucklanders who are here today."

The verdict on its credit rating will soon be delivered and this will help determine the interest costs Watercare will face.

As at June of last year, debt stood at \$3.6b and this is forecast to increase to \$9.9b during the current 10-year period.

"We will not borrow one cent to pay operating costs (which last year stood at \$367m) so we will only be borrowing to build long-term infrastructure for Auckland."

The massive shakeup in Watercare's governance came as Three Waters plans were dumped and replaced with Local Water Done Well, allowing Auckland Council, Watercare and the government to put together a trailblazing strategy.

While Watercare has been at the forefront of tackling an infrastructure deficit, Chambers acknowledges that there are decades of work ahead of it. One mantra at the Newmarket-based business – the country's biggest utility company – is to further minimise and eliminate black flagged beaches.



A new pump station at Watercare's Māngere Wastewater Treatment Plant takes flow from the Central Interceptor.



We will not borrow one cent to pay operating costs (which last year stood at \$367m) so we will only be borrowing to build long-term infrastructure for Auckland.

Dave Chambers

"With some of these projects the can has been kicked down the road for a while. New Zealand has an infrastructure deficit and in Auckland we have some of that although we've been doing a bit in recent years," he says citing the flagship \$1.7b Central Interceptor project as a key to help clean up the city's beaches.

Although Watercare has had a

separate balance sheet for the last 15 years, financial independence day comes on July 1 for the company with an asset base of \$16.4b.

Ahead of the government and the Auckland Council confirming a pathway for financial separation early last year, the company was facing a tough decision: to prioritise the affordability or reliability of services.

"With this plan, we will achieve both."

The July increases of 7.2% means households that use an average volume of water will pay about \$7 more a month. In 2027 and 2028, the price rises are likely to be around 7.2% and 5.5% respectively.

Watercare's business plan shows revenue will climb from nearly \$1.1b in 2024 to \$2.1b in 2034. Water and waste water makes up the bulk of Watercare's income, and this will climb from \$682m to \$1.5b during the decade. Net profit is forecast to climb from \$96.6m to \$286m.

Among more than 1000 projects over the next 10 years, including two mega-programmes of work valued at over \$1b.

"As our Central Interceptor project successfully winds down, two mega-programmes of work will get under way," says Chambers.

In West Auckland, it will replace the ageing Huia Water Treatment Plant with a plant that can produce up to 160m litres a day to improve system resilience.

As part of this project, it will replace two water mains that convey water from the dams to the plant and

build two large storage reservoirs.

"Our other largest area of investment is the Māngere Wastewater Treatment Plant which serves three-quarters of Auckland's population. We will upgrade equipment and improve processes to ensure we can continue to meet strict discharge requirements protecting the Manukau Harbour."

Watercare's 18,000km network of water and wastewater pipes would stretch from Auckland to London and during the next 10 years 51% of the \$13.8b spend will be on renewing and upgrading existing assets over its area of operation stretching from Wellsford to Tuakau and serving 1.7 million people.

Upgrades include replacing ageing water and wastewater mains, progressively replacing mechanical water meters with smart meters, upgrading treatment processes at Ardmore Water Treatment Plant, replacing the ageing Huia treatment plant and building a new one for Waiuku.

Rosedale, Army Bay and Wellsford treatment plants will have hundreds of millions of dollars spent on them.

Last month the Central Interceptor project, passed a milestone with the southern half of the 16.2km tunnel (Blockhouse Bay south to Māngere Wastewater Treatment Plant) going live.

Auckland Mayor Wayne Brown gave an order to start up giant pumps sending wastewater flows from the Central Interceptor tunnel to the nearby treatment plant at a rate of 1200 litres per second.

Brown said that as an engineer himself, he appreciated the skills involved to achieve this outcome: "It's a significant milestone for Aucklanders and a huge engineering feat for the team who have been working for the past six years."

The project would be completed next year and achieve and 80% reduction in wet weather overflows.

Chambers said work was nearing completion on a waste water pipe in Parnell damaged by a storm in 2023 which resulted in raw sewage being spilled into Judges Bay.

The big financial build at HQ

The sprint to re-engineer the company's financial and regulatory structure has been rapid. And the numbers are enormous for Watercare, which will be on its own from July 1.

Legislation prevents Auckland Council from providing financial support and there is no form of Crown guarantee although there are several ways the Government can intervene including that in the event of a natural disaster – under Civil Defence law the Government provides up to 60% of rebuilding costs.

Chambers says that from July 1, Watercare needs a \$2.6b revolving credit facility to let it operate for two years and cover the costs associated with a bank debt capital raise as well as capital commitments – primarily the infrastructure investment programme. There will be an \$800m standby fund to cover any delay in getting an insurance payout following a natural disaster.

Watercare must also pay back Auckland Council for borrowing on its behalf under an intercompany loan agreement.

That will be superseded by an arm's length transitional debt facility and around \$4.2b will be paid back over a five-year period.

"And then from July 1, we will owe the council \$4.2b or thereabouts, depending on our capital programme this year. We have five years to pay that back," says Chambers.

Those repayments will be covered by a bond issuance programme.

Following the passage of legislation, a Watercare Charter has been developed to cover its pricing until it falls under a regulated regime covering all water companies and

PROJECT AUCKLAND 2025

giant going its own way

Watercare's projects in the next decade

1 Warkworth/Snells wastewater scheme \$176m

Complete the new Snells Beach Wastewater Treatment Plant, which will serve Warkworth and the Snells-Algies communities, build the new growth servicing pipeline and rehabilitate local wastewater pipes.

2 Hibiscus Coast wastewater upgrades \$434m

Upgrade the Army Bay Wastewater Treatment Plant, upgrade pump stations and large transmission pipes to enable population growth.

3 Western water supply scheme \$1.12b

Replace the aged Huia Water Treatment Plant with a larger plant, building two new storage reservoirs and replacing two water mains that carry water from our dams to the treatment plant.

4 North Harbour 2 Watermain \$785m

Build a new 32km watermain between Titirangi and Albany to support population growth and improve service reliability.

5 Rosedale Wastewater Treatment Plant upgrades \$660m

Carry out several major upgrades to the Rosedale Wastewater Treatment Plant to improve treatment processes, reduce emissions and boost treatment capacity.

1 ↑

**6 Devonport 2 watermain \$49m**

Replace the 4.5km Devonport 2 watermain, as it's nearing the end of its life.

7 Eastern Isthmus water quality improvement programme \$245m

Upgrade local wastewater networks and build a new wastewater storage tunnel in Newmarket gully to reduce overflows and support growth.

8 Khyber/Konini watermain \$86m

Build a 7.5km watermain that connects the Hūnua 3 watermain to our two water mains supplying the North Shore.

9 Ōtara wastewater network \$136m

Upgrade an ageing pump station and rising main to increase capacity in the Ōtara catchment.

10 Waitematā water quality improvement programme \$876m

Working with Auckland Council's Healthy Waters department to work on a series of projects that reduce overflows from the combined wastewater/stormwater networks. This programme is enabled by the Central Interceptor wastewater tunnel.

11 South Auckland wastewater servicing scheme \$550m

New and upgraded infrastructure to support growth in Hingaia Peninsula, Drury and Ōpaheke.

12 Southwest wastewater scheme \$578m

Transform wastewater services in the Southwest region to improve water quality in the Manukau Harbour and support new housing.

13 Pukekohe wastewater upgrades \$342m

Upgrade the Pukekohe Wastewater Treatment Plant to increase capacity, build a new pump station and expand networks to support population growth.

14 Waikato River water supply \$760m

Build a new water intake and pump station which will supply our treatment plants in the future, and start building the new Waikato 2 watermain. Existing treatment processes will also be upgraded.

Central Interceptor \$1.67b

The 16.2km wastewater tunnel in service in 2026. It will significantly reduce overflows to central Auckland beaches and waterways. The final \$443m of the project budget will be spent in this period.

Māngere Wastewater Treatment Plant upgrade \$1.11b

Carry out a comprehensive programme of work to improve treatment capacity and performance at New Zealand's largest wastewater treatment plant.



Source: Watercare / Herald Network graphic:
RICHARD DALE

enforced by the Commerce Commission, as it does with other utilities.

"The Watercare Charter requires us to develop and implement a new pricing methodology by 2027 that rebalances revenue so that growth pays for growth. While we work on the new methodology, the charter specifies the minimum increases in infrastructure growth charges."

Infrastructure growth charges are paid when a property connects to our networks and helps fund projects to increase the capacity of bulk infrastructure such as treatment plants.

On July 1, infrastructure growth

charges will go up by a minimum of 15.5%, in line with the requirements of the charter. They are not paid by existing customers as part of their monthly water and wastewater bills. Revenue from infrastructure growth charges is forecast to more than double to \$400m during the 10-year period.

A map released late last year showing areas where wastewater systems are constrained – notably the Hibiscus Coast, Waitakere, Ōtara and Beachlands – caused some consternation in the property sector but served as a reminder that developers

must check with Watercare at the early stages of a project. While work is planned to overcome constraints, it won't be finished for several years.

Chambers said that taken on a case by case basis nearly all projects (90% so far) can be connected to the network but there are exceptions especially on the Hibiscus Coast and he made no apology for spelling this out to developers. "I would struggle to see that Watercare would always be ready for development anywhere, anytime." Maps showing how individual streets are affected by constraints are being developed.

Chambers – a former Watercare board member – was appointed interim chief executive in 2023 but will hand over the reins to a new CEO from the middle of the year as he pursues other directorships.

He says if Watercare's 1300 staff are doing their job, customers don't have to think about the work it's doing. "We should be invisible to Aucklanders because it should just happen."

While a financial split with Auckland Council is coming, Watercare works closely with the city, including contracting treasury services for its

financial overhaul.

"That part won't change. We have been working hard on strengthening our relationships (in) a really practical way around planning. And Mayor Brown has been strong on it, how do we dig once and disrupt Aucklanders once?"

"I know very clearly from the mayor, the expectation is that we are a great engineering business and impacts Aucklanders to the minimum."

● Watercare is an advertising sponsor of the Herald's Project Auckland report.

PROJECT AUCKLAND 2025

The final whistle nears for

CRL's benefits for Auckland when it opens in 2026 are enormous writes **Patrick Brockie**

Eight years ago, City Rail Link Ltd (CRL Ltd) was established to deliver a world class underground railway for Auckland's future.

Ambitious and visionary, a completed City Rail Link will be the "missing link" in Auckland's rail network, unlocking travel benefits exactly as the Auckland Harbour Bridge did for roads 66 years ago.

We're in the final straight now, but it's a very long straight ahead of us. And we know from overseas experience that this is the trickiest part of the "game".

We now have a big push, which includes finishing 9000-plus individual tests on all the systems installed to make CRL safe to use so that we can hand over a railway line that will revolutionise Auckland travel and, at the same time, deliver far reaching benefits for the rest of the country."

CRL is New Zealand's largest transport infrastructure project. Twin concrete tunnels curve their way deep below central Auckland for 3.45 kilometres – the country's first underground railway – connecting directly Auckland's main, and currently dead-end, Waitematā (Britomart) Terminus



We're in the final straight now, but it's a very long straight ahead of us. And we know from overseas experience that this is the trickiest part of the 'game'.

Patrick Brockie

with Maungawhau (Mt Eden) Station on the Western/North Auckland line. The project includes two central city underground stations – Te Waihorotiu and Karanga-a-Hape.

Besides building for Auckland's growth and prosperity, CRL Ltd also recognised back in July 2017 an ad-

ditional responsibility – acknowledgement that with CRL's huge scale and complexities came an obligation to hold up the project as an exemplar and lift the bar for the wider construction industry.

Nothing of CRL's size had been undertaken in New Zealand before, certainly not in the middle of a busy and growing city.

CRL's benefits for Auckland when it opens in 2026 are enormous, but the bar we set higher for innovation, job skills, worker health and safety, protecting the environment and a rewarding partnership with Māori are also legacies that will endure for generations of New Zealanders.

Ambition and the vision are not new. Putting Auckland rail underground was first suggested around 100 years ago.

Auckland Council and its transport arm, Auckland Transport, began CRL's initial construction in 2015. When the Government stepped in as a joint funder with Auckland Council, they set up CRL Ltd as a Crown entity with an independent chair and board.

Immediate Challenges

CRL Ltd's immediate challenges extended well beyond its building sites.

Accelerating CRL's works programme coincided with an aggressive construction boom – a "forest" of around 100 cranes crowded Auckland's skyline; Fletchers withdrew as a main bidder; across the Tasman, RCR Tomlinson, part of the consortium to deliver CRL's rail systems such as power and signalling, collapsed.

Difficulty, however, turned quickly

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Altogether Auckland.
Tāmaki Turuki.




PROJECT AUCKLAND 2025

CRL's 'game of two halves'

to opportunity. CRL Ltd folded the separate rail systems contract into the station and tunnels contract – known now as C3 – and decided that a single Alliance, with its greater design, delivery, innovation and flexibility benefits, would deliver all three C3 components.

The project's earlier C1 and C2 contracts, meanwhile, celebrated two big milestones: the start of cut and cover trenching in lower Albert St and 14,000 tonnes of the heritage-listed Chief Post Office – home to Waitematā station – was successfully, and delicately, lifted on to temporary foundations without a single crack to the building so tunnels could be built in its basement.

The construction timetable ramped up in 2019.

CRL Ltd reviewed two bids for C3 from New Zealand and international design and construct companies. The contract was won by Link Alliance led by the French firm Vinci Construction Grands Projects SAS, and including Downer, Soletanche Bachy, WSP, AECOM, Tonkin+Taylor – and CRL Ltd.

It was tasked with boring the remaining sections of tunnel, building Te Waihorotiu and Karanga-a-Hape stations, redeveloping Maungawhau station and leading installation of the many systems needed to operate a completed CRL safely.

C3's decision followed agreement by the Government and Auckland Council to increase CRL funding by \$1billion to \$4.4b after two independent reviews of project costs, and, with a further focus on Auckland's future, a decision to extend station platforms for longer nine-car trains and future proofing for platform screen doors.

With the ink barely dry on the C3 contract work at Te Waihorotiu, Karanga-a-Hape and Maungawhau began almost immediately, and planning for an innovative tunnel boring machine started.

Excluding those employed on CRL-related work off-site, Link Alliance would employ at peak construction more than 2000 people representing 64 nationalities. All our sites have been great, vibrant communities – some of our people have left homes in troubled parts of the world to come here and build CRL for New Zealand.

Over the years, more than 12,000 people – staff and subbies – have been inducted on to CRL sites and completed almost 22 million hours of work and still counting.

Pandemic's shadow

Covid overshadowed CRL construction in 2020. Sites were shut initially for four weeks. The Alliance model did provide the agility to respond effectively with changes to work hours and shifts, health initiatives to keep workers safe, and to continue critical design and planning work from home.

Nevertheless, by the time the pandemic had passed, CRL had lost an unprecedented 230 days because of lockdowns and restricted working conditions.

The pandemic also disrupted supply chains, forced up prices, created access issues for overseas workers. It was the primary reason for another \$1b injection of funds – there was also funding for additional scope, too.

There was, however, one thing that not even a world-wide pandemic could stop – CRL's state-of-the-art tunnel boring machine (TBM).

Following mining tradition, the TBM was given the name of a notable woman – after a public vote, CRL honoured Dame Whina Cooper, the Māori lands and social champion. Dame Whina Cooper was responsible for driving the two tunnels between Maungawhau and Te Waihorotiu. Even during lockdowns progress continued – a skeleton crew kept Dame



Whina Cooper and its 7.15-metre-wide cutter head moving forward slowly to prevent the earth settling and trapping the TBM.

Mission accomplished for Dame Whina Cooper happened in September 2022 with its second breakthrough at Te Waihorotiu. During 13 months, it removed 260,000 tonnes of spoil and lined the tunnels with 2118 concrete rings, clearing the way for construction sites to transform into a railway ready for the fit out of tracks and systems.

Reshaping industry

Underpinning CRL's construction was a set of core values that helped reshape the delivery of large-scale projects. Even before CRL had taken its first bite of Auckland's volcanic soil, it broke new ground with a radical initiative – establishing a partnership directly with Tāmaki Makaurau/Auckland Māori.

Eight iwi are represented on CRL's Mana Whenua Forum – a proactive, meaningful and rewarding collaboration strengthening CRL's design, employment, environment and sustainability goals, procurement policies and worker support and wellbeing.

Notable gains from the relationship include opening employment opportunities for young Māori and Pasifika with an extensive on-site training and mentoring programme that boosted the pool of qualified workers for the project and the wider industry; winning international recognition for the cultural design of CRL stations; supporting health and wellbeing programmes for workers.

What seemed a radical idea at the time has now become 'normal' practice in our industry.

Setting new boundaries did not stop there

Health and safety have been a critical objective from the start of construction when the New Zealand infrastructure industry was not set up for international project safety standards.

Safety requirements matched an ever-changing cycle of risk management as the project's stages shifted from demolition, utilities upgrades, civils works, tunnelling, working under mining regulations, constructing buildings and streetscapes, fitting the project out with architectural and rail systems, and multiple energisations in the stations and tunnels.

Initiatives range from the basics – insisting that hard-hats and other protective gear are always worn, using toolbox and start-up meetings to educate, formatting strict health guidelines to keep sites open, and training exercises with emergency services that reflected CRL's changing landscape.

CRL Ltd and Link Alliance believe strong leadership and embedding the right structures and processes has paid off.

With around 22 million work hours recorded, the C3 contract reports two serious accidents requiring hospital stays.

CRL's health and safety success has seen other big projects in Canada and Australia seek out our processes which the Link Alliance freely provided to help ensure workers everywhere get home safely to their loved ones.

Environmental Protection

Sustainability and environmental protection have been project cornerstones with CRL making industry-leading changes a "business-as-usual" function.

Our contractors were challenged to think not only about cost and programme, but resource efficiency as well and that's paid off handsomely.

Concrete and cement have a heavy carbon footprint. CRL aimed to reduce its use in the 230,000m³ of concrete it needed using fly ash as a cement replacement. On average, the amount of fly ash used in the main stations and tunnels was 29.3% – a phenomenal achievement given supply chain challenges and a Concrete NZ report stating that 3.7% was the industry average.

Other numbers add up to impressive outcomes, too: 95% of construction and demolition waste diverted away from landfill sites; over 77% of materials carbon savings made by replacing cement with fly ash in concrete; socially, contracts worth more than \$146m were spent with Māori and Pasifika businesses and over 350 secondary school students toured CRL sites to learn about infrastructure careers.

CRL was one of the first in New Zealand to go for Infrastructure Sustainability Certification through the Australian-based Infrastructure Sustainability Council. With five of six ratings completed to date the project has been ranked as Excellent and Leading, the highest levels achievable.

Another environmental dividend will come too, when CRL opens and improved train services will encourage people to leave cars at home, easing pressure on roads for those who need to use them.

New boundaries

Lifting the historic Chief Post Office on to its temporary foundations set new boundaries for the way complicated construction is completed successfully.

Two years of meticulous planning was supported by technical innovation that included the design of a low headroom hydro fraise (reverse circulation rig) able to work in the cramped basement and 50mm high strength steel reinforcing bars required for new foundations manufactured in New Zealand for the first time.

The CPO is now supported securely on new foundations that include

continued on B22

PROJECT AUCKLAND2025

The final whistle nears for CRL

continued from B21

diaphragm (D) walls sunk 20 metres below ground, new foundation columns, cross beams and the tunnel boxes themselves. Shifting the CPO reflects a bold and extraordinary “can do” attitude that gives the wider infrastructure industry confidence to tackle complex challenges. (CRL’s C3 Contract was signed in the CPO while it was perched on its temporary supports.)

City Challenges

Along with the gains, CRL has tackled many challenges while building in the heart of a bustling city. Delays caused by the pandemic, the weather, and other organisations taking advantage of CRL work to undertake their own required works contributed to criticism being levelled at the project by commercial neighbours impacted by construction.

Importantly, the project committed to maintaining strong communication channels – not only to inform but to listen, too – so that neighbours could plan ahead for CRL work.

While restricted at times, the project maintained pedestrian and vehicle access around sites. Business advice and limited financial support was available through Link Alliance’s Small Business Support programme. In 2021, CRL began administering a \$12m Targeted Hardship Fund established by CRL’s sponsors, the Government and Auckland Council, to support small businesses worst impacted by disruption from CRL works.

With the heavy civil engineering works now complete, CRL Ltd and the Link Alliance recognise that finishing the job is not something they can do alone.



Collaboration

The project works collaboratively with the combined expertise of Auckland Council, Auckland Transport and KiwiRail on the installation and commissioning of systems to ensure CRL merges successfully and safely into Auckland’s wider rail network.

The task is huge

Building CRL is a game of two halves – in the first half we tackled heavy construction, in the second its installation, testing and commissioning all the systems needed to operate the tunnel safely.

Although we’re ticking off milestone after milestone such as the start of train testing, lessons learned from overseas tell us the risks, challenges

With the countdown to practical completion at the end of that long home straight well under way, CRL already has much to be proud of.

Patrick Brockie

and complexities stay with us as we progress further.

By the time we’re ready to hand over to Auckland Transport and KiwiRail we will have to complete 9000-plus individual tests on the various systems needed to operate CRL safely – systems such as ventilation, heating, lighting, fire emergency, security, and communications.

All those systems are being tested and tested again to make sure they do the job they are designed for – keeping everyone safe.

It’s hard, meticulous, necessary work.

With the countdown to practical completion at the end of that long home straight well under way, CRL already has much to be proud of.

Our people have and continue to demonstrate the very best in outstanding teamwork, collaboration and groundbreaking innovation and design – when our work is finally done, the very values we set out to achieve from day one will leave both Auckland, and New Zealand, as better places.

● Patrick Brockie is CEO of City Rail Link. City Rail Link is an advertising sponsor of the Herald’s Project Auckland report.



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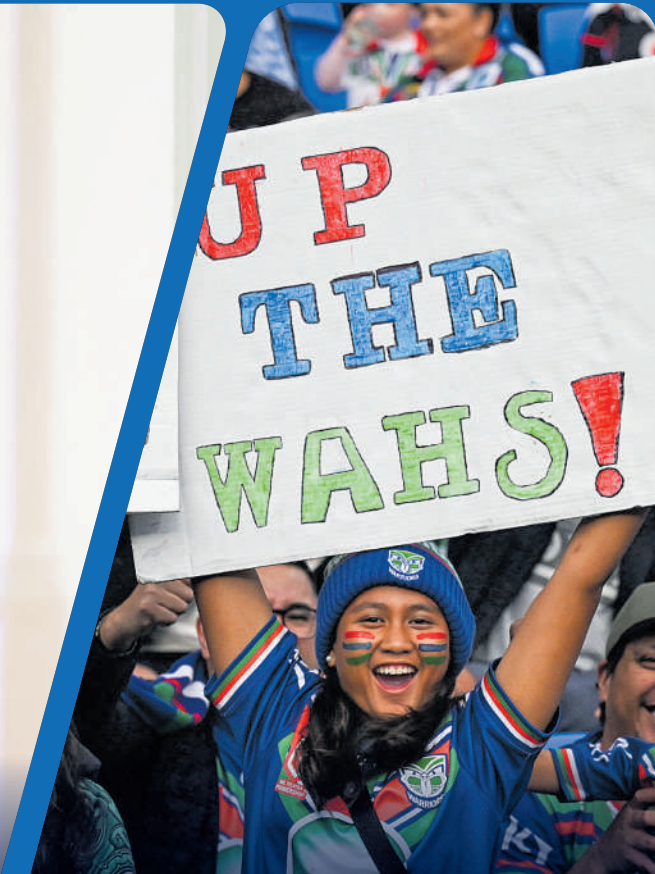




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**Taane Mete presents HĪKOI**
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PROJECT AUCKLAND 2025



Finding a cure for congestion

Changing how roads are used at different times of the day is a big part of moving more people around, writes AT's

Dean Kimpton

Aucklanders tell us their main transport bugbear is congestion.

We get it, and like you we see it on the roads and public transport services. And it costs – Auckland's traffic congestion problem will cost us \$2.6 billion a year by 2026.

We readily see the impacts in March which is consistently our busiest time of year. No doubt you have noticed a longer wait on your commute, or you're standing on the bus. With everyone back to work, university and school we experience the sheer number of people travelling at the same time, getting where they need to be. Our busiest days on public transport this year have all been this month, with some days more than 385,000 trips being taken.

As Auckland grows, so does our need to move more people and goods more easily.

Some interesting numbers. This year we are targeting over 95 million trips on public transport. We travel some 16 billion kilometres on our roads each year. We also measure average journey times on main roads at peak hours. At the moment it averages at 23 to 24 minutes over 10km, but varies significantly across Auckland. Our target is no more than 20 minutes for that 10km journey – but that is deeply challenging as Auckland grows, and we are constrained for road space.

So to keep Auckland moving we are making significant investment.

I will cover public transport and the City Rail Link shortly. But other investments include smarter, more dynamic use of our roads. This is all about maximising and making most of what we already have. Initiatives that use AI to enhance traffic management, increasing the use of transit

and bus lanes, to give greater control over who can work in the road space especially in peak travel times, and time of use charging or demand management. All these, and more, add up to new ways to use our finite road space, and, funding better and minimising disruption wherever we can. Changing how roads are used at different times of the day is a big part of moving more people around in our existing road space, rather than building more roads.

In the urban environment 30% of our land area is already used for transport. Auckland has limited funding and even less space, so we need to leverage fully what we have. Walking and biking also remain critical elements of our overall network.

CRL is New Zealand's largest transport project.

That brings us to the City Rail Link (CRL), New Zealand's largest transport project. And it is a big key in addressing the congestion challenge we have.

The rail network will then be capable of carrying up to 24,000 passengers per hour in each direction through the city centre, with the ability to further increase capacity as more people use it to move around. That equals less congestion giving us great public transport service and making the roads available for those that truly need them.

City Rail Link Ltd is close to finishing the construction. Twin train tunnels up to 42 metres below the city, connect downtown's Waitematā Station (Britomart) with the Western Line at the new Maungawhau Station (formerly Mt Eden). This link will make it easier for people to move around Auckland and to get into the city centre thanks to two brand new underground stations – Te Waihorotiu Station, with entrances near the Sky Tower and Aotea Centre, as well as Karanga-a-Hape Station on Karangahape Road.

CRL benefits the whole rail network by getting rid of the dead end at Waitematā Station (Britomart). Trains will be able to travel through Britomart, increasing the capacity of the whole rail network, improving resilience and enabling a new configuration of Auckland's train lines with additional routes and connections to more places.

City Rail Link Ltd is now in the final stretch of its work – focusing on testing, commissioning and integrating thousands of individual new sys-

Ahead of City Rail Link we'll change the bus timetables so they connect seamlessly with trains. That will mean passengers won't have to worry about the timetable when connecting between bus and rail anymore.

Dean Kimpton



Dean Kimpton is the Chief Executive of Auckland Transport, having held the role since April 2023. Prior to this, he served as the chief operating officer at Auckland Council, was a Board member for Infrastructure New Zealand, and held the position of Managing Director at the civil engineering firm Aecom.

AT BY NUMBERS

95 million
targeted trips on public transport
16 billion
km travelled on our roads each year
23-24
minutes
average 10km journey time now
20 minutes
targeted journey time

tems with the existing network and testing trains through the tunnels.

Auckland Transport and KiwiRail are responsible for opening and operating this new part of the rail network.

International experience shows these final phases of a complex new railway project are the most challenging, with a number of potential scenarios to plan for.

A whole of transport network change

There's a lot of work happening across the whole transport network to be ready to open City Rail Link. AT, CRL Ltd and KiwiRail are working together to complete the Rail Network Rebuild and upgrade projects, test and integrate new CRL systems, update technology essential for rail operations and complete a lot of work related to providing a great customer service. For example, driver recruitment and training, planning the detail of new train operations then updating timetables and maps, adding 23 new electric trains to our fleet and completing safety tests and certifications.

One of the most important things that must happen before opening to the public, are large numbers of practice runs across the entire rail network of the new, more frequent services, on rail lines operating completely differently to how the Eastern, Western and Southern lines do today. Opening City Rail Link, means constant rehearsals, essential to ensure passengers have reliable journeys and a great experience from day one.

With that in mind, trains will be more reliable and run every 5-8 minutes at peak across much of the network. Journey times will be cut, for example by up to 25 minutes from Henderson. The number of people within a 30-minute train ride of the city centre will double.

Supporting public transport to ease congestion

A key ingredient in making all this

happen is our frequent transport network. This is growing too, with over 40 frequent bus routes now serving Aucklanders with buses running at least every 15 minutes from 7am to 7pm, seven days a week. Over 15 million people have used new ways to pay, by tagging on to a bus, train or ferry with a credit card or smart device since it launched in November. More Aucklanders now have more choices to get around the city. And while we are focused on using roads differently, getting ready for CRL next year is something all of AT is gearing up for.

In 2026, when CRL opens, a range of rail, bus, road and city centre transport improvements will come together making it easier to connect to friends and family, places to eat and drink, go out to music, theatre and sports, as well as get to work.

This will benefit all Aucklanders. City Rail Link, other public transport projects like Eastern Busway, and roading improvements will work together to make it easier for people, freight, and those walking and cycling to move around our region.

Easy train-bus connections

Currently, our rail and bus services speak a different language. Rail uses a 20-minute frequency, and most buses use 15 minutes. When City Rail Link opens there'll be more trains each hour, due to an increased 15-minute frequency between 7am and 7pm, seven days a week. Ahead of City Rail Link we'll change the bus timetables so they connect seamlessly with trains.

That will mean passengers won't have to worry about the timetable when connecting between bus and rail anymore, because you'll be able to show up and not wait long.

City Rail Link and the other transport projects across the region will give Aucklanders more choice – leaving our roads a bit more freed up for those who need to drive.

This will enable what matters most to Aucklanders: a convenient, well-connected, accessible transport system that will help people enjoy our region now and into the future.

We expect to see the benefit of all these investments turn up in reduced congestion, meaning we all get some of our day back and contribute to a positive, growing Auckland economy

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PROJECT AUCKLAND 2025

An ambitious vision for

Transforming Auckland's centre is not just important for the wider city but for the nation, writes **Bill Bennett**

When it opens next year, the City Rail Link will have a transformative impact on Auckland's city centre boosting national GDP.

It has already spurred private-sector investment of around \$6 billion in the midtown area alone. Auckland Council planners have worked to create attractive mixed-use neighbourhoods around the three key CRL stations improving access, walkability and integration with other forms of public transport.

Simon Oddie says transforming Auckland city centre is not just important for the wider city but for the nation. "The city centre produces about \$33 billion of the nation's GDP each year. It covers 4.5 square kilometres or 5.5% of the total city area, but it accounts for 20% of the city's output and about 8% of national GDP." That makes it the most productive patch of land in the country – it's equivalent to the entire Waikato region.

Oddie, who works as Priority Location director for the City Centre Lead Agency says it is the only dense urban area of its kind in Aotearoa.

"We're starting to broaden our understanding of what the city centre is. We used to call it the central business district, it's still very much about business, but it has become so much more. Today it is home to a huge number of residents.

"It is home to two of the nation's largest universities and that means there are around 70,000 students in the city. A large proportion of them reside in the city centre.

"It is important from the experience perspective. Where else can you get access to some of the best restaurants, the best cafes, Waitematā Harbour, the ability to get to the islands and the different experiences that are there? We have something for everyone. There is nowhere else in the country that can sustain such a diversity of activities."

For Oddie, one of the key things about the city centre is that it is a place where people come to meet each other face-to-face. That's important in an increasingly digital world.

Which puts the council's planning for the immediate areas around the three city centre stations into perspective. Oddie says Te Waihorotiu, Karanga-a-Hape and Waitematā (formerly Britomart) have been the focus of the Council's investment for the last decade.

"We're investing in surface-level public transport, making sure we have walkable neighbourhoods so that when people arrive on trains, they can get where they need to go quickly and safely. We've developed laneways and made land available for developers so we can create the mixed-use station networks that were first envisaged in the city-centre master plan."

Parul Sood, Auckland Council's deputy director of Infrastructure and Resilience, applies high-level thinking to the station neighbourhoods.

She starts by asking what Auckland wants to tell the world: what do overseas visitors see when they step off a cruise ship? What do people see when they step off a train? "We spent a lot of time getting the design right. We want to tell people about our partnership with mana whenua.

"This is our opportunity to showcase who and what we are."

Beyond sending the right impressions, Sood wants to create places that people will want to visit. This includes making areas safe and walkable, using trees to provide shade and pleasant spots for people to sit.

Sood's colleague Jenny Larking, the Council's head of City Centre Programmes describes the CRL as a



Neighbourhoods within walking distance at Quay St by Waitemata Station (above) and Te Komititanga, Waitemata Station.



PROJECT AUCKLAND 2025

a fully connected city

a gateway for people visiting the city and the environment surrounding the railway stations as the city's welcome mat.

She says: "When we develop the projects, we engage very closely with what is a diverse community and we are responsive to them as well as mana whenua. We work with private sector developers, business owners and anyone who might be providing city experiences. We take care to bring our story while being responsive to the community and allowing them to make use of the places."

Larking says that over time the CRL will be as instrumental in shaping how we see and use Auckland as the Harbour Bridge which changed the face of the city more than 60 years ago. "It will be a catalyst propelling the city to evolve."

Auckland Transport programme director Eric van Essen says his organisation has been working on projects to improve access beyond the immediate areas around the new stations. "For the last 12 months, we've worked on extending the bus lanes at the top of town around Karanga-hape Rd into Pitt St, Vincent St and Mayoral Drive through to downtown."

The idea is to create the north-south connections to maximise the benefit of the CRL and help people move quickly to different parts of the city centre.

"City Rail gives us the opportunity to create an extreme form of integration and connectivity. It's not just bus and rail, it's also with cycling, walking and with scooters or whatever mode you choose."

"The cycleways connect Karanga-hape to Te Waihorotiu station where one of its portals opens on to Te Hā Noa-Victoria St.

"There's the city's busiest cycleway on Quay St that links with Wai-tematā Station.

"We're now putting the last pieces into that jigsaw so that when CRL opens everything is fully connected. When you step out of the rail, you'll have many more options to move across the city."

Walking around the city will be easier with wider paths, trees and better flows.

Van Essen says Te Hā Noa will be a more pleasant experience than the poor footpaths and busy traffic that characterised Victoria St in the past.

"It's a place where you might stop and sit for a coffee, enjoy your lunch outside under the shade of a tree and have a chat."

Auckland Transport is also working to mesh the suburban bus network into this integrated plan. That means, for example, routes from the North Shore passing through the city centre instead of terminating there.

Van Essen says business owners don't like having bus engines idling or passengers queuing outside retail outlets or cafes.

"That requires a lot of kerb space and it is not attractive to have multiple double deckers parked in the centre.

"Buses from the North Shore will now travel beyond the city centre to its periphery which is much more efficient and better for the customer. It also activates areas that, until now, may have been under-used."



From left to right: Auckland Council head of City Centre Programmes Jenny Larking, priority location director City Centre Lead Agency Simon Oddie, deputy director infrastructure and resilience Parul Sood and Auckland and Transport programme Director Eric van Essen.

Photos / Auckland Council

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The digital way forward to a smarter city

Smart thinking coupled with practical solutions can quickly make a positive difference, writes **Bill Bennett**

Ben Ransley says the term smart city can mean many things. But it comes down to using digital technologies and data to improve day-to-day operations and give citizens a better quality of life.

Ransley is the founder and managing director of Smart City, an Auckland-based business focused on transport, waste and urban furniture.

His company works on a project to monitor traffic flows, collecting data to make more informed decisions that increase network efficiency, reduce congestion and improve air quality.

"Being a smart city comes back to monitoring and sensing everything in real time.

"That means we can see how the city moves and how it reacts to things. Then we can roll with the punches in an informed way.

"This is relatively new to Auckland but has been done overseas in places like Beijing, Singapore, Dubai and Seoul. All these cities are developing smart city ecosystems to basically improve the way everything's run and improve the quality of life for their citizens through all these different technologies and all these different data sets.

"Doing this requires a strategic overview and a change in thinking. We've been slow to do that in Auckland."

Auckland is more advanced in terms of the digital nervous system needed to operate a smart city.

Ransley says it means using a lot of small sensors and devices which collect and process data locally using small built-in Internet-of-Things (IoT) computers.

"They then send the data to a cloud service. Having a 5G network is ideal for that, it means backhaul is easy. Fibre is even better. If you want to stream high resolution video, maybe from a CCTV system, fibre will do that efficiently.

"5G and fibre are the infrastructure needed to support a smart city".

Auckland Transport approached Ransley and Smart City looking for an innovative way to promote public transport use on key routes during peak hours.

"We were asked to come up with a solution that would help Auckland Transport send a positive message about the benefits of public transport. They wanted to target people on the roads in traffic at peak hours in order to change their thinking about public transport.

The idea was to showcase how much quicker and easier it can be to travel on public transport during those peak times.

"We used roadside real-time travel time messages to show how much faster it would be to get to the central city using public transport when compared to private passenger vehicles."

Ransley says the message was effective because people get angry sitting in traffic. They would rather spend time with their families than commuting.

Smart City's role started by using its expertise to dig into the real time traffic data collected by sensors and by trackers installed on buses.



You have to think about what we're trying to achieve and not focus on the flashy components. It meant working closely with the client to ensure we went about it in the right way. That meant going back and looking at it from the citizens point of view, putting ourselves in their place and asking: 'how would I feel about this?' and 'how would it benefit me?'

Ben Ransley



"By displaying this information simply at the side of the road using our SmartVMS (Smart Variable Message Signs) we successfully changed people's travel behaviour."

The project was effective, in part because it carried such a simple message.

Ransley says a driver would see the sign and realise that it would be twice as fast to take a bus to town when compared to commuting by car.

"It was exciting to work on and we picked up some great survey results from the trial initiative.

"One interesting piece of feedback from commuters was about the accuracy of the data."

There was a 96% positive feedback rating on the signs from the public.

More importantly, Ransley says: "We had 63% of public transport users say they made changes to how they travel as a result of the messages.

"It goes to show how some smart thinking coupled with practical solutions can quickly make a positive difference.

"The trial was two months long and we were able to make an impact on that many people in such a short time."

Ransley sees this kind of smart city project as being able to have a positive influence, changing long established behaviour patterns and improving people's lives in a messy world.

Yet he sees the human side of the project and the thinking behind it as far more important than the technology itself. "You have to think about what we're trying to achieve and not focus on the flashy components. It meant working closely with the client to ensure we went about it in the right way.

"That meant going back and looking at it from the citizens point of view, putting ourselves in their place and asking: 'how would I feel about this?' and 'how would it benefit me?'"

Ransley says in the past he has used the SmartVMS technology to handle road detours, to manage driver expectations with messages showing how long it might take to reach the airport or the city centre.

"We had a project in West Auckland along Lincoln Rd, where crews were doing road rejuvenation works.

"Typically, you might have VMSs along the road telling drivers that there are roadworks ahead and they might consider taking these alternative routes. It's useful, but it doesn't give the road user much information.

"We wanted to improve the road user experience giving them more meaningful and actionable insight into what's actually going on up ahead.

"So we used our smart traffic system to define alternative detour routes, then collect the travel times along these routes and display them on the signs in real time. They are updated every 10 minutes.

"So when a road user reaches the signs they can see their options.

"This puts the decision-making back into the road user's hands.

"This effectively minimises congestion through roadworks and optimises travel time."

From there Ransley moved on to similar work helping road users navigate the Eastern Busway project. This involved pulling down real time data to help people make more informed decisions about their journeys.

In this case Ransley says it meant 5% of drivers switched to taking public transport, which resulted in a meaningful reduction in overall congestion.

● Smart City is an advertising sponsor of the Herald's Project Auckland report.

PROJECT AUCKLAND 2025

Making a meaningful difference

What a summer it's been! Tāmaki Makaurau has shone, hosting world-class events almost every week, from the Manu Championships at Karanga Plaza to Six60 at Silo Park and Outdoor Cinema at Takutai Square.

It's great to see Aucklanders getting out and embracing everything our city has to offer. We have a lot to be proud of, and there's more to come.

The opening of the City Rail Link next year will be a transformative leap forward, adding to a legacy of investment that started with the first America's Cup defence and continued through the revitalisation of Britomart, the hosting of the 2011 Rugby World Cup and the development of Commercial Bay. It feels like Auckland is maturing and stepping confidently on to the world stage.

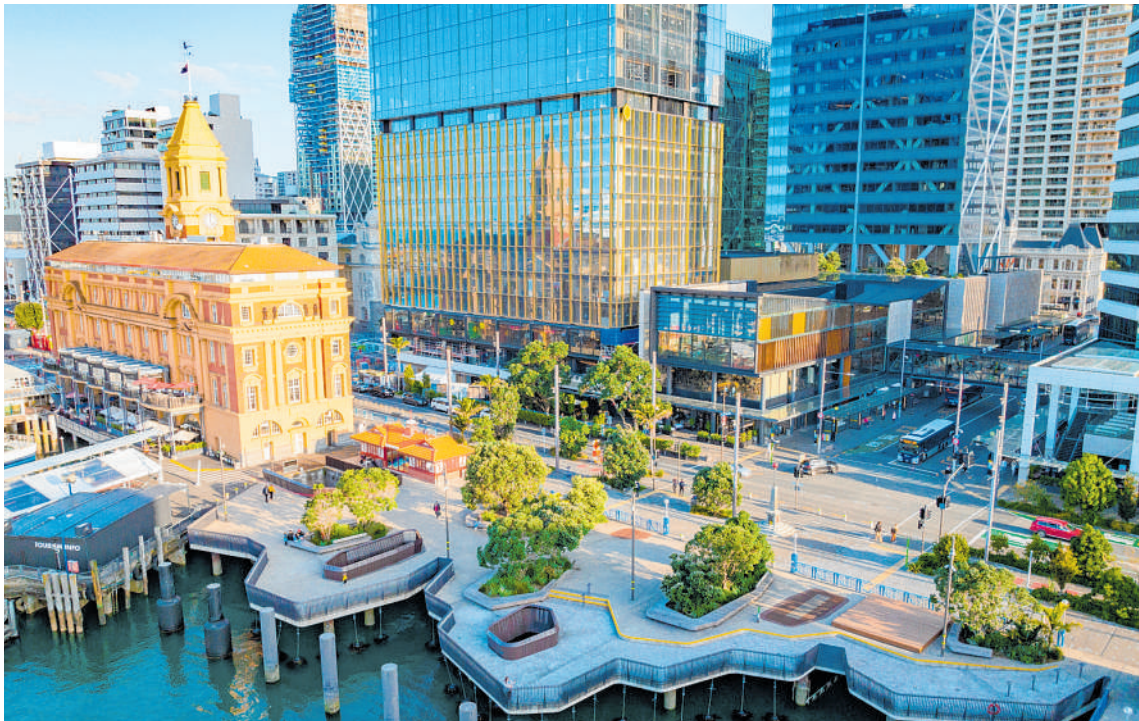
Yet, while there's lots of positives, there are also areas we need to work on – chief among them, raising our productivity and prosperity.

The 2024 *State of the City* report flagged prosperity (defined as the cities' ability to deliver sustainable, inclusive economic growth and well-being for all) as an ongoing challenge compared to our peers, driven by a range of factors, including stubbornly low productivity. A significant opportunity lies in improving our connectivity.

Transport as the catalyst for economic growth

Connectivity is about how easy it is for people to get around and reach other places. It's important from a productivity perspective because it

Maintaining momentum on Auckland's transport investment is key to unlocking growth, write **Cameron Law** and **Lauren Jewell**



The legacy of investment that began with the first America's Cup defence is seeing Auckland transform into a world-class city.

affects our choices about where we live, work and study, as well as how easily we can access goods and services.

For businesses, better connectivity gives them access to more customers

and a broader talent pool.

Investing in transport is a major driver for economic growth. It reduces congestion, encourages urban development and agglomeration – the enhanced productivity

and innovation from bringing businesses and talent closer together.

Making a meaningful difference to connectivity in Auckland requires robust investment in public transport – particularly rapid transit, which is

fast, frequent public transport that carries large numbers of people in corridors separated from other traffic.

Traffic congestion is stifling our city's potential, costing an eye-watering \$2.6 billion each year and forcing the average Aucklander to spend 17 precious hours stuck in traffic every year. Imagine the gains in productivity and quality of life if we could reclaim that time for work, family, or leisure. While policies like time-of-use charging are steps in the right direction, they need to go hand in hand with a solid public transport network.

Efficient public transport options also free up space on our busy roads for those who have no option but to drive – be it tradespeople, couriers, business owners and freight services.

A common argument in New Zealand is that our population is too small to warrant significant public transport investment. But you only need to look across the Ditch at cities like Adelaide, the Gold Coast, and Brisbane, all of which have embraced light rail and bus rapid transit systems, improving connectivity and reshaping their urban landscapes. With our own Auckland population expected to grow to between 2.3 million and 2.6 million by 2048, the urgency for public transport investment has never been clearer.

The City Rail Link will unlock significant economic benefits when it opens in 2026, as will Eastern Busway in 2027, but we must seize the moment and consider additional transport projects that could further address congestion and boost productivity – like the Northwest

continued on B28

More trains more often are coming in 2026

See how on our interactive 3D website

↓

A better, more-connected transport system is coming to Tāmaki Makaurau. The City Rail Link will introduce faster and more frequent trains, making it easier to connect with the people and places you love.



Your city — connected



PROJECT AUCKLAND2025

Making a meaningful difference

continued from B27

Rapid Transit, Airport to Botany, or Avondale to Southdown that could further alleviate congestion and boost productivity.

Integrating transport and housing
Housing is another challenge that can be tackled with integrated transport solutions.

This will require a multi-faceted, long-term strategy that includes co-ordinated infrastructure investment and some courageous calls on enabling denser development in city fringe and near transit hubs.

Rapid transport investment is a significant piece of the puzzle. Improved transport options influence land use, making areas adjacent to key public transport nodes more attractive to developers, driving demand for housing and offering undeniable economic benefits (provided we're open to allowing denser and taller developments).

Take Sydney, for example. Anecdotally, apartments within a 500-600 metre radius of new metro stations often command price premiums of A\$200,000 to A\$400,000 compared to those further away and single-family homes see even higher premiums.

This is because these areas encourage developers and drive demand. While Auckland hasn't seen such stark disparities, the City Rail Link has the potential to change that, making living near a station a lifestyle choice to beat congestion into central Auckland.

The NSW Productivity Commission found building closer to Sydney's



Gadigal Station. The City Section of the Sydney Metro M1 Line opened in August 2024.

Image / Sydney Metro

CBD could save up to A\$75,000 in infrastructure costs per new home. This solidifies the NSW Government's commitment to aligning housing targets around transport links to deliver well-designed, well-located homes in places where people want to live.

Many Aucklanders argue that we can't afford to invest in rapid transit and density, but our current model of standalone houses connected by roads is unaffordable and locks future generations into long unproductive commutes. An urban form that makes greater use of rapid transit and transit orientated development will be more efficient and ultimately more affordable.

Apartment living isn't for everyone, so what's important is providing a range of housing choices. To achieve this, we need an integrated approach to urban planning, allocat-

ing clear areas for development while aligning transport projects. This strategy will allow us to offer diverse housing choices tailored to residents' preferences in well-connected locations, something we've observed at various scales, from Singapore to Australia.

Reflecting for future prosperity
Investment in rapid transit infrastructure can also unlock business growth by enabling businesses and people to interact seamlessly and thrive (agglomeration).

The projected economic benefits of the City Rail Link are around \$4.2b in increased productivity and economic output alone – on top of the transport and decongestion benefits.

This isn't a new story. The creation

of Britomart Station significantly boosted rail patronage and reshaped the city's economic dynamic. What was once a north-south business axis along Queen St has transformed into a vibrant east-west corridor facing the waterfront, drawing in businesses, driving up rents, and boosting demand for tenancies.

The City Rail Link is set to supercharge this growth once again, especially with Te Waihorotiu and Karanga-a-Hape stations on the way. Some exciting developments, like the Symphony Centre, are in the pipeline, but are we truly maximising the potential of City Rail Link?

Have we created an environment conducive to investment post-CRL? Are we capturing the financial gains that can come with these developments?

Towards a brighter future
Tāmaki Makaurau Auckland is an exceptional city with incredible potential. Fostering prosperity and stimulating economic growth must be our top priorities if we want to remain competitive and attract talent, tourism, and investment.

This will require a concerted effort from both the public and private sectors to propel our city forward.

Maintaining our recent momentum in strategic transport investment will be key: we must push ahead with progressing the next major transport projects and seize the opportunities that arise from investment around our stations.

As we look to the future, let's grab this moment to shape a thriving, connected and resilient Auckland, ensuring that the best days are yet to come.



Cameron Law is Director - Auckland Growth, New Zealand, and **Lauren Jewell** is Industry Director, Precincts - Australia for Asia Pacific engineering, design and advisory company Aurecon.



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Northwest is their Oyster

Oyster Capital's Spedding Road industrial site will be a major hub for growth, writes **Bill Bennett**

When complete, Oyster Capital's Spedding Road industrial site at Whenuapai will be the largest industrial development north of Auckland airport and part of a major growth hub in the city's northwest.

Cameron Wilson, a director of Oyster Capital, says the project remains on track for completion in July.

"The scope increased when we added a couple of internal roads to enhance the project, but we are still definitely on time. We may even be running a little ahead of schedule. The construction season has been kind to us with dry weather letting us get on with the work programme."

One key aspect of Spedding Road is its size, which allows for large sites rarely available in the Auckland region. Wilson says this means it has proved popular with expanding businesses that need to upscale their existing premises.

Two of the large lots have been sold to Property for Industry. "They have taken advantage of the scale and have a large pool of clients they will be working with."

"We also have CDB coming in as an owner-occupier. It currently occupies one of the best buildings in Albany."

"They've outgrown the existing site and need more space. Each time they've moved, they upgraded to a better, more technically advanced building."

CDB group managing director Mark Rice says the business was looking for new premises in the north or northwest of Auckland after being in Albany for close to 25 years.

"We needed increased capacity and wanted a site convenient to both our team and transport providers."

The firm's Spedding site is around 2ha and will have a finished floor area of approximately 18,000sq m including warehouse, breezeway, mezzanines, and office spaces.

Rice says he was drawn to the site by its proximity to the motorway network: "Especially to the port and our freight network. It's also a reasonable location for most of our staff."

"The site allows us to build a brand new, state of the art facility in a very desirable location in the northwest of Auckland."

Others already committed include advanced manufacturing companies, some of which will become owner-occupiers. "Most of the owner-occupiers that have bought so far appear to be on the 3.0 version of their building, where they expanded as much as they could at their current location. They are taking the opportunity to enhance their building."

"In many cases, that means incorporating modern green features and updated technology."

Wilson says sustainability and green credentials are essential components for companies looking for new premises and expects all the developments on the site to have significant levels of green certification.

To underscore this, Oyster committed to preserving the natural wetlands in the immediate area.

There are 5.3 ha of riparian planting along Sinton Stream and Totara Creek. This is in addition to 7488sq m of existing natural wetlands that is being retained and planted with fresh native vegetation.

At the time of writing, 37% of the lots remain available for sale. There are still some large lots including a 3ha block. Wilson anticipates there will be a wide variety of users which means a range of employment opportunities at a variety of levels.

It's too soon to estimate the number of jobs Spedding will create; that will only become clear once the remaining lots are purchased and de-



Oyster Capital director Cameron Wilson with Dempsey Wood project engineer Amala Jain at the Spedding Industrial development. Below: The Brigham Creek Road Bridge construction and Spedding industrial development.



veloped. However, he anticipates the precinct will make a significant contribution to the 32,000 new roles across industrial, commercial, retail and other sectors that are projected to be created in the wider catchment area between now and 2038.

Wilson says the economic slowdown has not dampened demand for sites. He says if he had known about the current conditions in advance, he might have been concerned, but in the event those fears would have been unfounded.

"We've had an extraordinary take-up, not just in the number of sales but the pricing has been strong too. This reflects the lack of opportunity in the industrial space and the site's connectivity. Given the economic environment, it has gone well. There are still industries showing significant growth."

Its strategic location is a key advantage in today's market. Spedding sits

near the junction of State Highways 16 and 18.

Infrastructure improvements in recent years, especially the upgrade and extension to the Upper Harbour Motorway, the expansion of the Northwestern motorway and the completion of Waterview Tunnel, means traffic to and from the site can avoid the bottlenecks at the Harbour Bridge and Spaghetti junction.

Access to the city and South Auckland's industrial areas is straightforward; reaching outer areas is easy. The site is five minutes from Westgate town centre and 14 minutes to central Auckland. Takapuna and Albany are 15 minutes away.

Wilson says Oyster Capital's nearby residential development in Whenuapai, completed in 2023, complements the site.

It includes 1000 households, but other residential projects in the area mean there are employment oppor-

tunities for people who will not need to travel long distances.

The houses are a mixture of sizes. "There's everything from one- and two-bedroom properties up to standalone houses."

Wilson says aside from its location, the area is set to become Auckland's next growth centre due to its scalability and proximity to a growing population.

The Northwest has been identified by planners as the next industrial and employment hub for more than a decade now and was earmarked by the, now defunct Waitakere Council for development before that.

The site is well-positioned to service the growth around Red Hill, Westgate, West Harbour and Hobsonville.

"We've known about this area for well over a decade now. It's been our main focus for that time and we are doing our best to create a modern environment to make it happen."

Oyster is now completing the site's nine critical infrastructure upgrades, an investment of around \$56 million, that are in or around the precinct.

They are all due to complete by June and that includes capacity improvements to the existing roundabout where State Highway 16 meets State Highway 18.

Elsewhere the developer is replacing the existing bridge on Brigham Creek Road, that is due for completion in March or April. There are road extensions, carriageway upgrades and phased signals to ease the flow of traffic in what will soon be a busy network of roads.

Also under way is a new pedestrian and cycle link between Trig Road and the development.

The roading upgrades will include a new through route linking the two motorways. Wilson expects this to relieve some of the transport challenges in that part of West Auckland.

We've had an extraordinary take up, not just in the number of sales but the pricing has been strong too. This reflects the lack of opportunity in the industrial space and the site's connectivity.

Cameron Wilson

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PROJECT AUCKLAND 2025

How data is revolutionising the management of road traffic

With connected vehicle data, traffic can be measured at all times of the day and year, writes

Bill Bennett

Connected vehicle data is transforming traffic management by providing unprecedented insights into understanding road network behaviour. GHD market leader for digital Theresa Wells says it is only now starting to be used in Auckland.

She says: "Every car manufactured since 2019 has a chip that records almost everything happening in the vehicle. Car manufacturers use this chip to track data such as your speed, when you brake, how harshly you brake, how much you accelerate, and how aggressively you accelerate. It can also record details like the air temperature inside the car and whether the radio was on."

Carmakers use the data to improve the performance and safety of vehicles. Fleet management organisations like Eroad and Smartrak install similar technology in freight vehicles. When these sources of information are combined, planners have a more complete view of where vehicles are on the roads.

This contrasts with the old way of collecting vehicle data. Wells says: "In the past we would go out and collect the data, you would see people standing on the side of the road counting vehicles. And you've probably driven over the black tubes on the road. These are also used to collect data. They can tell whether a vehicle is heavy freight, a bus, car or motorbike. Sometimes they can even detect cyclists. The tubes were put out for maybe two weeks. We were making decisions based on two weeks of the year."

With the connected vehicle data, Wells and her colleagues can measure what traffic is doing at all times of the year and all times of the day everywhere.

The data doesn't include every vehicle on the roads. Much of the road fleet is older than 2019. Wells says the average vintage of vehicles in Auckland is around 2014.

"But if you think ahead, in five years the data will cover most vehicles and, in a decade, it will include almost everything."

Planners and traffic managers are already able to plug-in to digital data derived from mobile phones and GPS products like TomTom, but that's aggregated. Wells says connected vehicle data is much more granular. With say Google Maps, planners can see the average speed of traffic on a busy road, but that might include slow moving cars inching forward and buses whizzing down the transit lane. With connected vehicle data, you get a more complete picture.

"It takes a reading every two metres or every five sectors. With that level of detail our transport engineers know so much more about what is happening."

Insurance companies and car makers can use the data to understand how their individual customers drive. GHD's traffic planners get completely anonymised data. "Anything that can be used to identify a car and its driver is wiped, including the place where a journey starts and its destination."

"Crash data is also wiped. The only way this data set can be successful



Nobody knows
they're being
recorded. It's
capturing real
driver behaviour,
not what they do
when they think
someone is
watching.

Theresa Wells

is if there is total privacy and anonymisation."

This means traffic engineers and planners can immediately see the effectiveness of safety treatments. "When we reduce speed limits on a road or install a speed camera, we can take a before and after view of what happens. Did the reduction have the desired effect? Did it have the desired effect all along the road or do people slow down then speed up again?"

"We know people don't like speed humps, but we can see whether they are effective. The same is with safe speed zones in heavily populated urban centres, near schools or near shops. We know people speed everywhere, but what we care about is whether people slow down from excessive speeds in the areas of highest risk."

When it comes to improving road

safety GHD's traffic engineers are finding new ways to understand the data. "Now we're no longer looking at those tubes on the road, which drivers slow down to go over anyway because they can see them."

Wells says that's why connected vehicle data is beautiful: "Nobody knows they're being recorded. It's capturing real driver behaviour, not what they do when they think someone is watching."

When captured the data is used in a variety of ways. Wells says it offers many options to improve the way traffic flows through a network. It can be used to make far better decisions about what a traffic network might need to look like in the future.

She says there is so much data that engineers are still exploring possibilities. "It may be used eventually for real time decision making like deci-

ding when to change traffic lights or the signals used on motorway on ramps. But for now the focus is on making longer term changes to the road network, its layout and interventions. We can also work through different scenarios."

One case looked at what happened when speed humps were installed in an urban centre. Engineers could immediately see where the safety interventions were because they could see vehicle speeds drop off, then speed up.

"We knew drivers would decelerate and accelerate, but for the first time engineers could see that the acceleration and deceleration was rapid and that tells us there's a carbon emission impact."

"When you put your foot down you burn fuel less efficiently. While the humps work well for safety and speed control, they may not be ideal from other perspectives."

The improved granularity of connected vehicle data means engineers can get a better understanding of the effectiveness of speed cameras.

There is something traffic engineers call a halo effect; that is, drivers will slow down for a distance beyond the camera before accelerating. Wells says the data can help engineers optimise where they place speed calming tools like cameras to get the most value from the spending.

Another application is getting the best heavy goods vehicles using freight routes. "You want to keep large trucks moving freely, which is good for the economy. We need to keep freight routes congestion free, but do we know where those trucks need to travel?" says Wells.

"With better data, engineers can optimise routes and identify where new freight roads may be needed."

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PROJECT AUCKLAND 2025

Building sustainability

Argosy's emphasis on greening its retrofitted portfolio helps attract high-quality, long-term tenants, writes

Bill Bennett

Argosy Property Management is developing the light industrial park at the foot of Mt Richmond in Ōtāhuhu.

Head of development Marilyn Storey says international healthcare company Viatrix Ltd has signed a 10-year lease for the first building and will move in early next year.

She says the tenant will have modern office space with breakout areas.

"One of the boundaries to the site is the Ōtāhuhu Mount Richmond Domain, so while it's in an industrial area, it has a campus-like feel," Storey explains. "Most of the site is asphalt, but we've created a 5m landscaping strip at the base of the mountain instead of the three required by Auckland Council."

"We've got some landscaping on the site. Aside from the strip, there's not a huge amount of greenery, but the open space in the Domain behind provides green views."

"A natural waterway at the back of the site, at the base of the mountain, adds to this. It is also our overland flow path. That means there is no need for water retention tanks on the site."

Argosy development manager Simon Brake says Viatrix, the first tenant to sign for the site, says it values the landscape, the view of the mountain and the proximity to the Domain's green space. He says the overall site is conceptually similar to



At 224 Neilson Street, Auckland, Argosy is developing a \$100 million industrial park

Industrial occupiers are among the most sophisticated occupiers... they need to attract the best talent... which means they need a good level of attractive office space.

Simon Brake



Simon Brake

office in the centre of town."

Brake says this matters to potential tenants. "Industrial occupiers are among the most sophisticated occupiers. If you look at what's happening in the industrial space, they need to attract the best talent – it's just the same as your inner-city barrister chambers. Which means they need a good level of attractive office space."

"Logistics is a sophisticated operation. Some of our logistics tenants spend many millions on advanced handling equipment. They run intelligent operations. They need to have an office environment that matches the quality of their operations."

It's not uncommon for developers to talk about sustainability, but Argosy has a distinctive approach to carbon reduction. It focuses on retrofitting existing buildings. Brake says it is more sustainable and, in the long term, better for the environment, to repurpose an existing building rather than to demolish it.

A classic example is the high-profile, heritage-listed building at 8 Willis St in Wellington. Storey says: "We achieved a 38% carbon saving and a 5.5 NABERSNZ rating." NABERSNZ is the National Australian Built Environment Rating System that measures the sustainability performance of a building compared with others.



Marilyn Storey

Storey says many commercial tenants choose retrofitted buildings over new constructions. "It's all about the sustainability push and lowering the carbon footprint. You are making significant carbon savings by using an existing structure. A lot of carbon goes into producing the cement, concrete and steel in a new construction."

Closer to home, Argosy retrofitted three buildings on Carlton Gore Rd in Newmarket opposite the Domain and one is now tenanted by Kāinga Ora.

Brake says when Argosy is looking for property suitable for retrofitting, the key is if the building has "good bones". "Our most recent commercial office upgrade is 105 Carlton Gore Rd. Like the building at 8 Willis St, it has good bones – meaning it is structurally sound. It requires some NBS upgrading like all buildings of a certain vintage."

"NBS is the New Building Standard. Since the Christchurch earthquakes all new buildings and all existing buildings have to be upgraded to a seismic standard. New buildings need to reach the 100% mark; existing buildings have to reach 67%."

When Argosy retrofitted 8 Willis St it took the NBS up to 130%, because that was a requirement of Stats NZ, which is a tenant in the building.

"The building at 105 Carlton Gore

It's all about the sustainability push and lowering the carbon footprint.

You are making significant carbon savings by using an existing structure.

Marilyn Storey

Rd was below the threshold, so we had to do the seismic upgrade.

"But it had good bones, it's in a great location and, because it was built before the Unitary Plan, it has a good parking ratio. We're allowed to keep existing parking ratios. It made sense to recycle the building."

Though not everyone needs generous parking ratios, they can be vital for some tenants. "Say they have engineers working there who have to continually go out on site visits. Other tenants might have clients coming to visit who need car parks."

There are other benefits from retrofitting besides the lower carbon footprint and legacy planning requirements. It's faster than building from scratch, typically developers can save six months, which means the buildings cost less.

Storey says tenants get a building up to the latest modern standard but at a lower price.

"If they want a six-green-star-rated building, it costs less for us to reach that level by retrofitting than by constructing an entirely new building. Tenants get the benefits of a new building at a lower rent."

● Argosy Property Management is an advertising sponsor of the Herald's Project Auckland report.

a mini-Highbrook.

Ten minutes away, at 224 Neilson Street, Argosy is developing a \$100 million industrial park, its largest site to date. The company has leased a recently completed 5000 sq m building to logistics and storage business Bascik Transport, which is now moving in. Next door, Argosy is constructing a 12,000 sq m facility, due for completion in August, which is still awaiting tenants.

Brake says the site is already making a positive impact on the area, which has long history of being industrial. "It's a brand new state-of-the-art industrial estate that looks slightly out of place among its grungier neighbours. There's a neighbouring residential precinct which should provide a local pool of labour."

Argosy has a long-term goal for half its buildings to be green-rated by 2030. "By the time we finish the two industrial parks at Neilson Street and Mount Richmond, around 59% of our portfolio will be green," says Storey.

She says Argosy's focus on sustainability helps attract high-quality, long-term tenants.

There's another benefit. "A lot of innovation comes from sustainability and climate adaptation. We now provide high-grade, quality offices in our warehouse and industrial buildings. The working environment in one of these is as good as working in an

PROJECT AUCKLAND 2025

A final push on the journey

KiwiRail's CEO **Peter Reidy** shares the highs and lows of readying the rail network for the City Rail Link

KiwiRail is delivering infrastructure upgrade work across the Auckland metro area at a huge scale as we move into the final, intensive push to get the network ready for City Rail Link (CRL). Aucklanders can start to get excited.

We appreciate the public's ongoing patience as we deliver more than a decade's worth of work in time for CRL to open next year. We've worked hard with our rail partners to design a programme where we close the network entirely only at the quietest times (public and school holidays) across 2025 into early 2026.

This allows us to deliver intensive work safely, in shorter timeframes – compared to a scenario where we attempt to keep trains running, impacting on timetables and reducing train frequency on an ongoing basis.

Auckland's metro network is old.

It's been historically underfunded, and it was designed for freight. The fact that it needs to accommodate an ever-increasing number of passenger services is great news for us all in the sense that public transport demands are growing, it's a more sustainable form of travel and it takes cars off the road. But the network is not yet up to standard to support these increases on train movements – that's our focus between now and 2026.

The extensive programme we are delivering across the Auckland metro – the Rail Network Rebuild – addresses the "priority" areas – those that most need upgrading.

This will uplift the network to enable it to support the faster, more frequent trains that CRL will bring. Although we are moving at pace, safety remains our key priority and working while trains aren't running is the safest option.

But there's still a lot of work for us and our partners Auckland Transport and City Rail Link Ltd to do, to manage public and stakeholder expectations around this.

The first test train ran through the CRL tunnels in February which was an exciting milestone but so much more needs to happen before it's ready to open.

So, we need to keep on sharing the journey we are on – what we need to work through to opening day and how capacity will grow from there.

By the time we complete the testing programme we will have completed around 8000 tests – covering everything from the infrastructure and rail systems interfaces, the emergency procedures and scenarios and the stations and urban realm, finishing with simulated stress testing (running lots of trains through tunnels over a short period of time) to really put the new rail system through its paces.

We also have the Auckland Transport-led driver training, developing and implementing new timetables and updating a number of systems to ensure they're ready for opening.

We'll carry out a variety of practice and readiness exercises before confirming we can ensure a safe, reliable service that provides a great experience for Aucklanders in 2026.

These final phases of a complex new railway project are known from international experience to the most challenging, with various potential scenarios to plan for.

We're integrating new systems with old, in a complex environment,



When City Rail Link opens, the pain Aucklanders have gone through will no doubt be forgotten in the light of the huge gain of transformed travel.

Peter Reidy

keeping trains running wherever possible – and there will inevitably be teething issues.

One of the most effective actions we've taken is to create an informal

"alliance" with Auckland Transport and CRL – to ensure we are all aligned and all accountable for delivering CRL successfully.

KiwiRail's network readiness projects

We've delivered some huge milestone projects recently and we've got an ongoing series of them coming up. Seeing the fruition of significant government investment, the hard work from our teams and the improvements to the network as these start to come online is really rewarding.

Southern Auckland

In January the electrification of an extra 19km of the network from Papakura to Pukekohe opened – extending the metro and enabling residents of Southern Auckland to get a train direct to the city without having to change from a diesel train at Papa-

kura. On this same stretch we are building three new stations – Drury, Paerātā and Ngākōroa. When they open in 2026, these stations will serve the population growth forecast in Southern Auckland where housing intensification is already responding to demand from an estimated increase of 120,000 residents in the area over the next 30 years.

The Third Main Line

Around mid-year, the Third Main Line – which separates freight from passenger rail at the busiest part of the network will come into operation, immediately decongesting that section and increasing resilience for the entire metro.

Our challenges

As we head into the transformed transport era of the City Rail Link, part of our challenge is managing expecta-

tions. We've had an injection of funding over recent years – \$15 billion across the Auckland metro, enabling us to support these increased services, but it will not be a "magic" network that will never have issues again.

In common with any metro railway we will need to continue maintaining and updating the infrastructure, but we will have a new, cyclical way of delivering that, which will mean lengthy whole network closures should be a thing of the past.

Future maintenance strategy

The work we are doing pre-CRL has been designed to create a "maintainable network".

The entire Metro maintenance model will change. We have a new management plan which identifies the repairs, replacements or upgrades needed.

The plan, coupled with the massive improvements being made now allows KiwiRail to shift from a reactive maintenance state to a preventative long-term forecasted approach. It offers significant benefit to passengers including far fewer disruptions, proactive maintenance and replacement work and allows our partners to deliver a more resilient, reliable, timetable with reduced disruption.

Customer focus

One of our key focuses at KiwiRail is to grow our value and win customer loyalty and this relates to our "above rail" side of the business – meaning freight services, ferries, and our Great Journeys passenger rail.

We are working hard to improve performance in these parts of the business and give our customers the efficiency and reliability they want. Doing that will help us grow and help our customers meet the needs of their customers.

We have delivered, on time, over \$4b of infrastructure upgrades and new projects across New Zealand over the past three years.

This is part of a \$10b investment to modernise the rail system to benefit freight customers to connect with global and domestic markets and

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to get Auckland moving

connect people to communities.

The work we are delivering on the Auckland metro impacts our freight customers when we close the network to all trains while delivering our intensive work programmes.

During these times we organise freight transport by road.

This comes with logistical challenges and impacts on roads and congestion, so it's a big job and we appreciate the patience of customers and other road users.

We also need to ensure additional noise or road movements are communicated with stakeholders, businesses, retailers and communities.

Each full closure is a chance for us to learn lessons and implement these learnings at the next opportunity as we deliver the intensive shut-downs that allow us to safely and efficiently blitz the network while trains aren't running.

Looking to the future

When CRL opens, the pain that Aucklanders have gone through will no doubt be forgotten in the light of the huge gain of transformed travel. As well as a more resilient network, faster, more frequent trains and shorter journey times, there is a whole interconnected system of buses and ferries designed by Auckland Transport that will open up the entire city to improved public transport.

When we look back at past large infrastructure projects around the city, the frustrations disappear once the outcome is realised.

We can't imagine life without the harbour bridge, for example.

We will know our job is done when CRL becomes part of the fabric of the city.



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Auckland productivity can fire up national economy

Auckland has long been the business powerhouse of the country. But the scary thing is that over the past two decades the region has failed to improve its advantage in economic activity.

Housing a third of the population and contributing 38% or \$149 billion (for the year to March 2023) to the national economy, Auckland has held a 15% premium on the rest of New Zealand for gross domestic product per capita (GDP).

Auckland stands out as the commercial centre for financial and professional services; having the largest share of manufacturing; being a gateway for imported goods and distribution; and the entry point for international visitors and migrants.

Auckland's five largest industries – professional services, banking and insurance, manufacturing, wholesale trade and construction – make up 35% of the regional GDP.

Auckland's international connectedness and ability to provide specialised goods and services make it a preferred location for multi-national companies operating in New Zealand.

It's no surprise that Auckland is more competitive and its companies are more productive than in other regions.

Gary Blick, the chief economist for Auckland Council, says the 15% premium reflects Auckland's density and scale as the country's largest urban area.

Auckland has grown in people and economic activity at a faster rate than the country as a whole because of employment opportunities, higher incomes and attractive natural amenities such as the harbours, gulf islands, ranges and volcanic cones.

But its productivity growth has been low, as is the case nationally, Blick says. The 15% premium on GDP per capita is no higher than at the turn of the century.

Auckland's GDP per capita was \$60,000 in 2000 compared with about \$52,000 for the remainder of the country and grew to \$86,700 and \$75,300 respectively in 2023.

The gap closed between 2010 and 2014 – in 2012 Auckland GDP per capita was \$65,000 compared with the national average of \$60,000 – and the premium has wavered between 13% and 15% since 2000.

Blick says "primary cities in prosperous economies typically have a premium that is a quarter to a third higher than their national average, raising the question of whether Auckland, with a large chunk of the national economy, should be doing better."

Auckland Council tracks productivity in comparable cities overseas. Based on 2022 statistics, Stockholm has a 37% premium for GDP per capita, Copenhagen 32%, Oslo 29%, Helsinki 27%, Seoul 27%, Brussels 25%, and Dublin 24%.

The Treasury in the past has noted New Zealand's small domestic market, low capital intensity, the slow diffusion of innovation, low savings, and high exchange rate as reasons for the low productivity growth. Addressing this is critical to improving living standards.

The Treasury has commented that Auckland's performance requires attention, as a boost to national productivity seems unlikely – unless Auckland improves too.

Blick says cities tend to be more productive when urbanisation enables ease of access (shorter distances), easier knowledge sharing, business specialisation and economies of scale in infrastructure.

"If Auckland's GDP per capita premium could be lifted from 10-15% to

The country's biggest region hasn't quite met its full potential in economic activity, but moves are afoot to step up the pace, writes **Graham Skellern**



25-35% in line with comparable international cities, the region and the country overall would be better off. A more productive Auckland would drive higher wages, business investment and specialisation. And a more prosperous Auckland would generate higher tax revenues, and provide greater resources for nationwide public infrastructure and services," he

Primary cities in prosperous economies typically have a (GDP per capita) premium that is a quarter to a third higher than their national average. Auckland's premium is 15%.

Gary Blick, Auckland Council chief economist

says. Blick's cure for improving Auckland's productivity includes:

- Adjusting the Unitary Plan to enable more flexible use of existing urban land, thus creating more new homes, and greater choices, especially in high-demand locations near transport hubs. The intensification, using less land for more homes, can help improve housing affordability.

- Price public infrastructure to better reflect costs and charge those who benefit. For example, congestion charges for the use of road capacity at peak times can reduce travel times and improve certainty for higher value trips. The power of rapid transit

and connectivity can make the transport network and people movement more efficient.

- Prioritise limited public funds to their highest-value use on evidence from cost benefit analysis and thus make informed decisions.

- Provide as much information as possible to developers on the cost of development contributions (for pipes, roads and lighting) before they are triggered. As the regulator of land, council can do better in signalling the costs and risks for new subdivisions based on the distance from existing networks and infrastructure.

Blick says restrictive urban land use policies in Auckland had reduced national GDP by 0.9% to 1.8%, while congestion costs – estimated at \$1.1b annually – are equivalent to 1% of regional GDP.

Housing affordability is also a productivity issue. The median house price to median household income was 5 times in Auckland in 1996, and for the country 4.2 times. This rose to 7.4 times in Auckland in 2023 and 6.4 times in New Zealand.

The ownership rate has dropped from 69.2% in 1996 to 59.5% in 2023, impacting retention and attraction of skilled people.

Blick says the present median house price in Auckland is \$1 million. "If the ratio was still 5 times, the median price would be \$680,000."

Auckland's relatively poor housing affordability makes it harder to retain skilled people, with large outflows internationally and a net loss to other regions, he says. A lower skill base inhibits take-up and diffusion of innovation, with business surveys identifying human capability as a key constraint.

Blick says the Auckland Unitary Plan, enacted in 2016, was a huge step forward in influencing where households and businesses are located – more homes in existing urban areas

having access to transport networks and jobs, and how goods are moved around the region.

The distribution of new homes within 14km of the city centre increased to 51% from 46% before the introduction of the Unitary Plan.

That radius now contains 61,000 of the 119,000 new homes, and before the Unitary Plan it was 21,000 of 46,000.

Blick says the rising house prices incentivised people to put more of their savings into the property market in the hope that prices will keep increasing.

"No wonder New Zealand has a low savings rate with the rising house prices caused by land constraints that are not good for productivity."

"Auckland Council is a big leader in land use and transport – making people more mobile and houses a bit cheaper – and taking the heat out of the housing market is good for capital allocation into more productive assets," says Blick.

"But taking the heat out of the property market has yet to be seen, and housing affordability is still not great. The Government wants to see more intensification around transport modes."

"The council is now in the middle of a programme about how to manage this," he says. "It is taking another look at land use settings and how to expand and capture more value out of the existing (transport) network rather than building a new one."

"There is a choice over how we grow and we have to respect the preferences of the private sector and households," Blick says.

He says investment in rapid transit such as the City Rail Link will improve access to employment in the city centre, increase service frequencies and move more people around faster.

Auckland has lost out on some outputs in terms of productivity while

Comparable cities

How Auckland ranks on GDP premium per capita

15%

Auckland

37%

Stockholm

32%

Copenhagen

29%

Oslo

27%

Helsinki

27%

Seoul

25%

Brussels

24%

Dublin

people sit in traffic, says Blick.

The mid-town Te Waihorotiu on the City Rail Link is poised to become the busiest station in the country. And within 10 minutes of the station 18 projects worth billions of dollars have been consented. There will be new apartments, hotels, offices and retail stores.

"The Unitary Plan is a gift that keeps giving and runs are being added to the board," says Blick. "We are still better off with the number of new consents. The more new homes per person have gone from 5.9 between 1996 and 2016 to 9.5 between 2017 and 2023."

"Local government is an enabler to create opportunity. It can make specific interventions to address fundamental issues around land use and infrastructure such as greater mobility and charges."

"The council needs to work closely with the private sector which has the capital and innovation to get things done and increase productivity."

Blick says Auckland has been growing over time and is relatively prosperous, but there's a question about whether the region is fulfilling its role in the national economy.

"A more productive Auckland would drive higher wages, business investment, and specialisation."

"It would support and grow the chain supply and high-value services, and make their delivery more efficient," he says. "A more prosperous Auckland would generate higher tax revenues, providing greater resources and distribution for nationwide public infrastructure and services."

"That's the role Auckland should be playing. Auckland, and the country, benefits from more profitability," says Blick.

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PROJECT AUCKLAND 2025

Turbocharging Auckland's creativity

Te Puna Creative Hub will boost Henderson's reputation as a creative industry stronghold, writes **Andrea Fox**

When more than 200 players from Auckland's \$8 billion creative economy answered an invite to discuss turbocharging Henderson's film, theatre and performance industry, planners knew they must be on the right track.

The result is the Te Puna Creative Hub, the genesis of an Auckland Council-backed effort to add muscle to Henderson's reputation as a creative industry stronghold, and to create jobs and export opportunities by attracting business and investment to a district where only 200 new jobs have surfaced in 20 years.

The hub will be the heart of a wider initiative called the Te Puna Creative Innovation Quarter, a precinct of creative industries linking Henderson Village, Corban Estate Arts Centre and Auckland Film Studios in Henderson Valley. The Te Puna hub is the quarter's first stage.

Its prospects look bright, says Pam Ford, a director at Tataki Auckland Unlimited, Auckland Council's economic and cultural agency, which is driving the bid to create a world-class centre of excellence for creative industries in Auckland. The agency's partner in the innovation project is the mana whenua authority for Henderson, Te Kawerau ā Maki.

Ford says emboldened by the large and enthusiastic turnout to her agency's call for creative community opinion, it last year took a five-year lease of the former Whoa! Studios site on



Henderson Valley Rd to provide space for collaboration, innovation and upskilling and offering creative businesses and the local community access to world-class resources and training opportunities.

The lease will cost \$8 million, offset by expected revenue of around \$5.5m. The agency will finance the shortfall of \$2.5m out of its council budget. The former studios have been refitted and refurbished, now offering a multi-functional 159-seat digital theatre and black box studio, along with spaces for performance, filming, conferences, award ceremonies and exhibitions.

The facilities are available for hire with purposes to date including mu-

sic video shoots, soundtrack recording and cultural performance rehearsals. Additional facilities including office space, a boardroom, mezzanine, kitchen and podcast production sites are due for completion in April. The hub includes the site's existing cafe and childrens' playground.

The hub's first tenant is Crescendo, a commercial studio and social enterprise specialising in sound recording, music production and training. Ford says screen industry tenants have been secured that she can't reveal yet.

The agency has reason to be confident about the future success of the development. "The creative sector is growing at 5.6% per annum and is worth \$8.8b GDP (gross domestic pro-

duct) to the Auckland economy.

"Film and television production has a strong history in Henderson and you've got spinoff businesses from that or businesses that support them. You've got the train station and the City Rail Link and better access."

"Creative industries need a collaborative environment where like-minded people can be together, work together and connect. That needs infrastructure, space where people can have equipment, and a place that attracts international visitors or businesses. We need a creative talent pipeline... to provide education and training."

Another reason for confidence is that her agency's already had success

Creative industries need a collaborative environment where like-minded people can be together, work together and connect.

creating an innovation precinct – GridAKL in the Wynyard Quarter. That venture has just celebrated its 10th year. But Ford acknowledges it's not easy building innovation precincts. "They are hard projects to get off the ground. They go through phases. The emergence phase is where we are at the moment."

"It's like a life cycle (in that) it builds up interest and then that attracts more people. Then you'll have more people meeting at the cafe. It's an ecosystem... it will start coming alive, but these things take time."

Ford says with the land immediately around the creative hub designated by the council for development, the agency wants to help encourage "the right kind of development that supports and reinforces the employment opportunities and the vibrancy we want to create to regenerate Henderson."

She notes many people that work in the creative industries live in the west. "It's got this great heritage of being a place for creative people."

The agency is not deterred by the tough economic climate in which to launch such a project.

"Often recessions are a good time to start these things because you have to do the hard yards and then you're ready for the upswing. As a council, it's our role to intervene and get something started, then attract the private sector and philanthropy."

"I think we are really capturing the rise of the creative industries which is so important for Auckland with (the prospect of) export dollars and jobs in a part of Auckland that desperately needs good jobs – and leveraging off that history of Henderson being a creative and film industry area."



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PROJECT AUCKLAND 2025

An innovation to boost growth

Auckland Unlimited has devised a three-year tech plan to make the city even more competitive on the global stage and increase prosperity, writes **Graham Skellern**

Auckland is the innovation capital of New Zealand and is looking to become the home for the new Advanced Technology Institute.

Providing more than half of the country's revenue from the top 200 technology companies and the technology sector as a whole, Auckland has a strong argument.

"Auckland plays a very important role in the national innovation system," says Pam Ford, director economic development for council-controlled organisation Tataki Auckland Unlimited.

"The country will benefit if the proposed institute is located in Auckland and leveraged off the present innovation ecosystem," she says. "The Crown Research Institutes have been pastoral based, and there's a deliberate intent to focus on advanced technologies. What we need to help improve our (innovation) ranking against peer cities is a focus on investment and government support."

Part of the Government's move to drive economic growth is revamping the seven Crown Research Institutes into four, and concentrating on earth sciences, bioeconomy, health and forensic sciences, and advanced technology including artificial intelligence, quantum computing, aerospace, medical and synthetic biology.

The Government is also establishing Invest New Zealand as a one-stop-shop for foreign direct investment – in effect, a welcome mat for streamlining the investment process and providing tailored support to foreign investors.

The Advanced Technology Institute, backed by public and private sector funding, will link science and business. The institute will support technology-based innovation and commercialisation, with services for testing, certifying and rapid prototyping of new products.

These are facilities that are uneconomic for individual companies to own. The institute will be a catalyst and magnet for overseas collaborations and investment into New Zealand high-tech firms and sectors.

Auckland will include hosting the institute in its regional deal application – the 'light-touch' proposal was due with the government on February 28. The regional deal builds stronger relationships between central and local government and co-ordinates investment to deliver the infrastructure needed for economic growth and productivity.

With the likes of GridAKL, Icehouse Ventures and Outset Ventures (the birthplace of Rocket Lab and Lanza Tech) supporting a wide range of start-up and early-stage businesses, Auckland has developed an active and flourishing innovation sector.

Auckland is home to 110 of the Technology Investment Network (TIN) top 200 companies, producing revenue of \$9.4 billion (of the total \$17.95b), 18,645 team members and an average salary of \$104,051. Nearly 90% of the Auckland TIN companies' revenue came from exporting. In the wider technology and digital sector, 12,000 firms contributed \$16.5b to



Auckland region's gross domestic product, and delivered more than 73,000 jobs (2023 statistics). Technology is now the region's second-biggest export. Investment in early-stage businesses increased from \$147 million to \$243m.

Auckland Unlimited is leading the charge to grow the sector, create high-quality jobs, build international relationships, attract talent and investment, and increase prosperity through its three-year Tech Tamaki Makaurau strategy.

Ford says "we benchmark ourselves against nine other cities – Brisbane, Dublin, Portland, Austin, Vancouver, Helsinki, Copenhagen, Tel Aviv and Fukuoka. We are all growing; it's just that the other cities are growing faster."

"The benchmark studies are a useful tool to enable us to focus on our whole ecosystem and improve our ranking."

"Auckland has an incredible untold story about the success of innovative companies. We have all the ingredients, we just need to bake the cake and put it on display," says Ford.

"We need to champion our innovation ecosystem and tell the story better to build pride and belief."

"We need some enabling infrastructure with the support of the city and government; we need to attract investment and PhD students and provide better ways of connecting people with each other and encourage entrepreneurship; and we need good international relationships for the entrepreneurs to enter the markets."

"A lot of this is happening but we need to keep growing," Ford says. "Innovation is our future; that's where

Auckland can really shine on the international stage. The Advanced Technology Institute is the kind of infrastructure that is important to attract investment and talent."

She says the whole of the city centre is an innovation precinct from Wynyard Quarter through Quay St, Parnell, Newmarket and Grafton – representing the biggest concentration of New Zealand's innovation ecosystem.

GridAKL in the Wynyard Quarter hosts 133 companies and 870 team members in two buildings – start-ups in John Lysaght and scale-ups at 12 Madden St. The Media Design School and Google are located next door. Grid AKL also supports co-working spaces at Manukau, The Reserve in Glen Innes and Click Studios in Avondale.

There's the Icehouse and Outset deep tech incubators in Parnell, the Newmarket Innovation Precinct as part of Auckland University, and the medical technology at Auckland University in Grafton.

Auckland University has the award-winning Centre for Innovation and Entrepreneurship and UniServices which helps commercialise new innovative products.

Outset has a co-operation agreement with New Zealand Steel to explore future pilot plant opportunities relating to decarbonisation technology, green energy and industrial innovation more generally.

Auckland Unlimited is facilitating the Te Puna Creative Innovation Quarter in Henderson as a hub for screen production, video gaming, creative technology, music and the arts. The Te Puna central hub, fitted out with a multi-purpose theatre,

office space and cafe, will be the home for a creative technology academy run by sound record and music production studio, Crescendo Trust.

Next to the Henderson railway station, the former Whoa! Studios with its theatre space can be hired by creative businesses and community groups. The quarter will also incorporate the Corban Estate Arts Centre and Auckland Film Studios.

GridAKL, which celebrated 10 years on March 10, has become the lynchpin of the Auckland innovation ecosystem, and hosts meet-ups including Migrants in Technology, a group that has grown to 1000 people. GridAKL is also home for FintechNZ and Aerospace Auckland.

GridAKL has established city-to-city relationships overseas, connecting with the Denver Economic Development & Opportunity, as well as the Stone & Chalk Melbourne Startup Hub and Startup Fukuoka.

The agreements provide Auckland technology businesses access to co-working spaces, talent, incentives and grants in partner cities, and fosters innovation in areas such as aerospace, cleantech and biotech.

Ford says there used to be 40 New Zealand start-ups in San Francisco and now they go to Denver. "They have opened their doors and made it easier to land there. Denver has a big aerospace industry."

Auckland Unlimited is organising the city's first start-up week straight after the South by South West Sydney (SXSW) conference from October 14-20.

The conference and festival started in Austin, Texas, is a convergence of tech, film, music, culture and education.

"We've timed the start-up week so people, entrepreneurs and investors from the Sydney conference, can stop off in Auckland on their way home," says Ford. "I expect that looking back in 10 years' time this will be a pivotal event."

"We have the opportunity to showcase and celebrate our amazing innovation ecosystem. Start-up week can put the spotlight on successes, build relationships and highlight what we need to do more of."

More investment is expected in the technology sector now that the government is simplifying the Active Investor Plus visa into two categories:

- **Growth:** focusing on higher-risk investment, including directly investing in local businesses. The category requires a minimum investment of \$5m over three years.

- **Balanced:** focusing on mixed investments with the ability to choose ones that are lower risk. The category requires a minimum investment of \$10m over five years.

Not speaking English has been removed as a barrier to investment.

Ford says "we done a lot of work with investor migrants, helping them connect with the innovation ecosystem and providing opportunities."

"The change in government policy (for the investor visa) is a good sign for growing the Auckland innovation economy."

Auckland plays a very important role in the national innovation system, providing more than half of the revenue.

Pam Ford, director economic development at Tataki Auckland Unlimited

"By investing \$5m or \$10m to receive visas, they will over time invest more money once they get to know the companies and entrepreneurs. We want to ensure they are welcome and understand the ecosystem," she says.

Two of those investor migrants were Masood and Massih Tayebi who founded Miami-based investment firm Bridgewest Group. They established a New Zealand subsidiary 10 years ago and became a leading deep tech investor and incubator here, supporting a portfolio of 14 innovative companies.

One of the companies is Avasa which is developing advanced medical solutions in the field of reconstructive surgery.

Avasa's potential Arterial Coupler is helping surgeons reconnect microvascular arteries simply and efficiently in tissue transfer and transplant surgery.

Ford says the likes of Outset, Icehouse and Bridgewest are the jewels in the Auckland ecosystem. They bring investors and founders together.

For example, Bridgewest has strong international connections and their growth over the last 10 years has been extraordinary.

Auckland has made plenty of progress in advanced technology and innovation over the past 15 years, and how does it plan to stay competitive on the global stage?

"We need to keep championing our innovation ecosystem by telling our story and waving the flag."

"We need to keep supporting our companies by providing places and opportunities for connections."

"Public-private partnerships are critical, as we did with GridAKL."

"We need to keep opening international doors through city-to-city engagements, and intentionally keep driving international competitiveness," says Ford.

● *Tātaki Auckland Unlimited is an advertising sponsor of the Herald's Project Auckland report.*

PROJECT AUCKLAND 2025

New Zealand's innovation future

Auckland University has sharpened its focus to create a vibrant entrepreneurial campus, writes **Dawn Freshwater**



Innovation is often described as the engine of economic growth, yet building and sustaining an effective innovation ecosystem is a complex undertaking. Waipapa Taumata Rau, University of Auckland, demonstrates how a university can meet this challenge. It combines research, education, entrepreneurship, and industry engagement to create an ecosystem that fosters innovative thinking, drives commercialisation, attracts investment, and delivers societal impact.

Over decades, the University has sharpened its focus on innovation to create a vibrant entrepreneurial campus. Central to this is the University's capacity to merge world-class research with entrepreneurial efforts. Through collaborative initiatives and partnerships, the University has built an infrastructure that allows ideas to transition from concept to market, tackling challenges in healthcare, advanced manufacturing, sustainability, and education.

This all begins when students

arrive to study. Regardless of their course, they can take part in innovation and entrepreneurship training and events at the Centre of Innovation and Entrepreneurship (CIE).

CIE's Extensive programmes include Summer Lab, Start-up Studio, Start-Up Support, access to a 'maker-space' (the Unleash Space) and Venture Lab, and the flagship \$100k Velocity Challenge competition.

In 2024, more than 7000 students and staff participated in CIE programmes. Over the past two decades, CIE has supported tens of thousands of students and staff in developing the mindsets and skills needed for innovative careers and venture creation, connecting aspiring innovators and entrepreneurs with seasoned entrepreneur mentors.

Any researcher, including students, can also access technical and intellectual property support and early-stage seed funding through the University's Investment Committees and its \$41 million Inventors' Fund.

Forty companies have chosen to co-locate alongside researchers and like-minded innovators, creating a vibrant shared environment with incubator spaces that foster ideas and innovations and launch tech companies into the world.

The University supports start-ups and spin-out companies through its wholly-owned tech transfer and commercialisation company, Auckland UniServices. Its 'easy start-up' programme provides incentives for staff and students to consider starting businesses. UniServices provides critical financial knowledge and support through domestic and global venture capital fund connections. For two years running, UniServices has been ranked the top public research organisation across New Zealand and Australia for the most active start-up and spin-out companies.

The University is also realising its ambition for the Newmarket Innovation Precinct (NIP).

Twelve years ago, the University acquired the former Lion Brewery site and has since developed it to accommodate a range of science and engineering disciplines, including computer science, AI, virtual reality, advanced manufacturing and design, and innovation teams. Forty companies have chosen to co-locate alongside researchers and like-minded innovators, creating a vibrant shared environment with incubator spaces that foster ideas and innovations and launch tech companies into the world.

The New Zealand Product Accelerator (NZPA) is based at the NIP.

It brings together more than 100 researchers and practitioners from nine research organisations and several government organisations. This positions the NZPA uniquely within New Zealand's innovation ecosystem, acting as a bridge between academia and industry.

Since 2013, NZPA has worked on

approximately 600 projects and released more than 300 products and processes to market. A Ministry of Business, Innovation and Employment-commissioned review concluded that with adequate funding and recognition, NZPA's impact could be significantly increased.

The University plans to gradually consolidate various aspects of its innovation efforts at the NIP. This includes MedTech, Auckland UniServices, and a satellite of the City Campus-based CIE, alongside enhanced co-location and incubator spaces and advanced manufacturing capability. The NIP has the potential to be the innovation and investor gateway for the city and the country and a key hub for the recently announced Advanced Tech Public Research Organisation (PRO).

NIP is within walking distance of the University's City Campus, Faculty of Medical and Health Sciences, Auckland Hospital, Mercy Hospital, Orion Health and several schools. This concentration of educational and medical institutions has been recognised internationally as a driver of economic development in metropolitan areas. Known as "eds and meds," these anchor institutions are tied to the city, are among the region's largest employers, feature highly educated workforces, and are supported by research that fosters innovation.

As the nation focuses on its tech and innovation future, the University is working to maximise its offerings to accelerate opportunities for New Zealand.

● Professor Dawn Freshwater is Vice-Chancellor of the University of Auckland Waipapa Taumata Rau

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PROJECT AUCKLAND2025

A new industry PhDs initiative

Simon Malpas and Kitea Health

Talent fuels innovation, and a newly launched initiative seeks to provide a new generation of researchers with the business skills that industry requires. The Applied Doctorate Scheme, launched by the Minister for Research, Technology and Innovation, Dr Shane Reti, will enhance the country's innovation ecosystem by supporting the partnership between industry and universities.

The scheme will cost \$20 million over five years. It will equip a cohort of graduates pursuing advanced research interests embedded within industry with practical skills in areas ranging from project management and finance to commercialisation and entrepreneurship. Industry leaders say these graduates will speed up innovation.

"Graduates will bring a strong combination of research expertise and practical business understanding to the businesses that hire them. They will connect recent advancements from research – especially research in science and technology – with industry challenges, accelerating any company's pace of innovation. This, in turn, will result in delivering effective solutions and creating meaningful outcomes for businesses and communities." – **Jess Tucker, Principal, Systems Engineering, BECA.**

"It's vital that New Zealand develops targeted research that aligns with the needs of industry. The Applied

Doctorates Scheme is a significant step forward for the nation and it will contribute to the growth of a more vibrant aerospace sector." – **Mark Rocket CEO, Kea Aerospace.**

"We see this initiative as a valuable mechanism to foster deeper engagement between academia and industry, accelerating the translation of research into real-world applications." – **Max Arshavsky, Founder and CEO, Zenno.**

"The new Applied Doctoral Scheme presents an opportunity for research to tackle real-world challenges by focusing on the specific needs of organisations or sectors. This approach ensures that the research findings have immediate practical applications, addressing pressing industry or business problems." – **Dr Parin Rafiei-Thompson, Tātaki Auckland Unlimited.**

"This partnership between industry and academia creates tangible opportunities to address real challenges facing our sector, says. By working alongside research graduates, we can combine technical expertise with fresh perspectives to develop solutions that benefit the future of the infrastructure industry." – **Craig West, New Zealand Country Lead, Downer.**

● The Applied Doctorate Scheme is a programme led by a consortium of the University of Auckland, Victoria University of Wellington, the University of Otago, and Massey University.

Pioneering innovator Professor Simon Malpas' story demonstrates the impact of MedTech innovations on lives and how they evolve into high-tech businesses.

Fourteen years ago, this professor at the Auckland Bioengineering Institute was asked if he could help with a life-threatening brain condition called hydrocephalus, which affects 100 New Zealanders, mostly children, a million people in the United States, including 200,000 children.

Caused by fluid building up in the brain, hydrocephalus has been treated for decades by inserting a tiny silicon tube, which drains fluid from the brain harmlessly into the abdomen.

The problem is that the tubes are prone to blocking, particularly in children.

A blocked tube leads to increased pressure in the brain and, especially in babies and children, the symptoms of this mimic symptoms of common childhood illnesses.

Determining whether the cause is indeed a blocked shunt often requires admission to hospital and invasive tests, such as MRI scans and blood tests and sometimes a lumbar puncture – a painful and difficult procedure to take some of the built-up fluid to test for infection.

Professor Malpas, who had dedicated much of his career to studying pressure in the brain and heart, had to design a device that would remotely measure brain pressure instantly, thereby telling parents and healthcare professionals whether a blocked tube was the issue.

"I knew fixing the problem of the shunts failing would be incredibly



Professor Simon Malpas was an Innovator finalist in the 2025 New Zealander of the Year awards.

challenging – hundreds and hundreds of people had tried that without success. But what if you could come up with a sensor that could measure brain pressure – in a patient's home – so if someone with hydrocephalus got a headache, they knew whether their shunt was failing?"

There began the journey, which, in 2017, secured a \$12 million grant from the Ministry of Business, Innovation and Employment.

Kitea Health and the Kitea System

Professor Malpas eventually launched the spin-out company Kitea Health.

The Kitea sensor is the world's smallest and most accurate device designed for implantation anywhere in the body.

The first human trials are under way

at Auckland City Hospital, in which the device is implanted into the brain at the same time as the tube to drain the fluid is inserted.

Patients enrolled in this trial are the first anywhere in the world to monitor brain pressure at home, reducing hospital admissions and exposure to unnecessary scans and other tests.

Funding is now a critical issue for Kitea Health as it seeks to put its device into the hands (or rather brains) of everyone who needs it.

The company is currently crowdsourcing funding to run larger clinical trials in the US as a precursor to regulatory approvals.

The capital raise is nearing its \$7m minimum target, with the maximum set at \$10m.

As it advances towards clinical trials in the US, Kitea Health has forged relationships with major test sites and neurosurgeons, including Texas Children's Hospital, Children's Hospital of Orange County, Johns Hopkins, and the University of Alabama Birmingham.

While Kitea focuses on obtaining regulatory approval for hydrocephalus, its technology has broader potential, such as pulmonary artery pressure monitoring.

The Kitea sensor for the brain has a total addressable market of around US\$2 billion for hydrocephalus.

The global cardiac monitoring market, which Kitea plans to target in its next phase, is projected to grow from US\$8.24 billion in 2022 to US\$20.23 billion by 2032.

<https://www.kiteahealth.com>
<https://www.snowballeffect.co.nz/offers/show/kitea-health-kfln9>

University spin-out cleans up space junk

FronD Space Systems offers space clean-up solutions to meet tightening global regulations to reduce space debris with deployable dragsails that enable the speedier destruction of spacecraft at the end of their life.

While 60 years of human activities in space have brought huge benefits to the world through telecommunications and earth monitoring, all this activity has left behind junk. With accelerating growth of the space sector, that pile of roaming, floating junk is growing. Defunct satellites contribute to space junk and add to the growing risk of collisions in space.

FronD, founded in 2023 by Dr Ben Taylor and Dr Jason Shore, grew out of the University of Auckland's Space Institute, Te Pūnaha Ātea, at the heart of New Zealand's emerging and energetic space ecosystem.

It is now at the forefront of satellite



FronD Space Systems' co-founder Dr Ben Taylor shows Space Minister Judith Collins a dragsail.

end-of-life solutions. FronD's family of dragsails enables robust accelerated deorbiting, minimising space debris and contributing to a cleaner space environment.

FronD's dragsails decrease end-of-life satellite deorbiting time by an order of magnitude, reducing lifetimes from years to months.

The company remains closely connected to the Institute, using streamlined access to its clean room and world-class National Satellite Testing facilities at Te Pūnaha Ātea. This means FronD's design, assembly, testing, and qualification are all conducted under one roof, enabling efficient project and product delivery. Technologies being commercialised through FronD will be demonstrated on the upcoming Te Pūnaha Ātea satellite mission, TPA-1, due for launch in a few months. The mission will demonstrate the university's end-to-

end mission capability and provide operational demonstrations of in-house developed technologies.

In 2024, FronD was contracted to supply a dragsail system for Australia's Gilmour Space Technology's MMS-1 satellite mission, which Dr Taylor describes as a "great opportunity to showcase our innovative deployable space technology and contribute to the responsible use of space."

Since delivering a 10 sq m MICRO dragsail system for the 100kg class MMS-1 mission, FronD Space Systems has secured a follow-up order from Gilmour Space Technologies' next mission.

The company is also expanding into other areas of deployable space technology and gaining global interest.

<https://frond.space>

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The reports are distributed within the Herald and the editorial content is carried online at nzherald.co.nz/business.

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Project Auckland	Published
<i>To coincide with the annual Project Auckland luncheon</i>	
Capital Markets & Investment	Wed 14 May
Agribusiness & Trade	Wed 11 June
<i>To coincide with Fieldays</i>	
Infrastructure	Wed 6 Aug
<i>To coincide with Infrastructure NZ's Building Nations Summit 2025</i>	
Mood of the Boardroom	Thu 2 Oct
<i>To coincide with the Mood of the Boardroom breakfast and finance debate</i>	
Sustainable Business & Finance	Wed 5 Nov
Dynamic Business	Fri 5 Dec
<i>To follow the Deloitte Top 200 Awards</i>	

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PROJECT AUCKLAND 2025

Alimetry focus on US market

Digital healthcare and diagnostic company Alimetry is a prime example of how academia and industry can collaborate to create pioneering innovations. Alimetry started its journey in the Auckland Bioengineering Institute (ABI) and Faculty of Medical and Health Science's Surgical Engineering Lab, where years of interdisciplinary research laid the groundwork for their breakthroughs in digestive health.

Alimetry's story began when co-founder Dr Armen Gharibans met scientists from ABI. Armen had been pursuing a PhD in wearable devices at the University of California, San Diego, and became inspired by Professor Greg O'Grady's work. Armen then followed him to New Zealand after Greg secured a grant in 2018.

Professor Greg O'Grady, a seasoned entrepreneur who co-founded The Insides Company, played a big role in Alimetry's start. Armen credits Greg's confidence and experience in MedTech as what pushed him to co-found Alimetry. Additionally, the support he received from Waipapa Taumata Rau, University of Auckland's UniServices, through convertible notes at spinout and seed round investment, was crucial in bridging the gap between research and business during the company's early days.

Alimetry also has a strong connection to the Business School's Centre for Innovation and Entrepreneurship, where the team had previously participated in the Velocity \$100k Challenge with a related concept. Armen remembers: "CIE supported us during our first steps. The journey is very long, and the initial condition is quite critical to the path you take. As you grow, it becomes more stable, and the trajectory cannot be changed as



Associate Professor Peng Du leads the Alimetry team.



Case studies

These case studies have been provided by Auckland University at the request of Project Auckland

dramatically from day to day, but having support at the start is instrumental to being on the right path."

Alimetry's core offering revolves around body surface gastric mapping, a first-of-its-kind non-invasive

diagnostic aid for gut health. Their wearable device, Gastric Alimetry, offers a non-invasive solution for gastric disease diagnosis. The device is applied to the abdomen and senses the stomach's electrical activity

through the skin. The resulting data is then sent to the cloud for analysis and is used by clinicians to determine the causes of gastric symptoms.

Specialising in gastromechanical distress, the company addresses disorders that may not present with visible evidence, such as gastroparesis.

With more than 2500 patients to date, Alimetry's strong beginnings showcase how their innovative approach is transforming the landscape of gut health diagnostics.

Having obtained US Food and Drug Administration (FDA) approval for Gastric Alimetry, the doors to a broader market are wide open for the company. In 2024, Alimetry hit the ground running, with the American Medical Association recognising the importance of their innovative approach by assigning a new Current Procedural Terminology (CPT) III reimbursement code specifically for Body Surface Gastric Mapping, describing their Gastric Alimetry test.

The CPT III code is a key step in ensuring their next-generation diagnostic tool becomes more accessible to patients across the United States.

With FDA approval and clearance for clinical use in the United Kingdom and here, Gastric Alimetry is using the capital from its latest funding round to transition from development into the commercialisation phase. It will seek additional regulatory approvals in Canada and Australia, but its primary focus remains on the US market, where it is currently based in Minneapolis. Alimetry plans to expand its team and strengthen its commercial presence.

Additionally, it is exploring future product developments and advancing research and development projects. <https://www.alimetry.com>

Kami's star shines brightly

One of the most successful ventures to emerge from the Auckland University innovation ecosystem is Kami, an EdTech company that began with four friends and the Centre of Innovation and Entrepreneurship's Velocity programme.

Kami's digital classroom platform is now used by 90% of K-12 schools in the United States, reaching millions of learners worldwide. Recognised by *Time* magazine as one of the world's most influential companies in 2022 and featured in the Deloitte Fast 50 as the fastest-growing company and leading exporter in 2021, Kami showcases how New Zealand innovation succeeds globally.

Kami was supported by NZ Growth Capital Partner established in 2002 to assist world-class early-stage technology businesses and investors. The company's recent exit from the self-funded NZGCP delivered a record 70-times return on investment, described by NZGCP chief executive Rob Everett as an "outlier." It was the largest return for the fund and came thanks to a strategic growth investment from US private equity firm BV Investment Partners.

Investors include leading Australian venture capitalist firm Right Click Capital, CapitalPitch, New Zealand-based Flying Kiwi Angels, New Zealand Venture Investment Fund, and notable Silicon Valley investors such as Sam Altman of Y Combinator and Scott Nolan of Founders Fund.

<https://www.kamiapp.com>

Tiny lasers positioned at honey bee hives could provide a non-pesticide solution to the worst pest globally: the varroa mite. This mite continues to cause chaos in the honey industry, and its economic impact is estimated to be in the hundreds of millions.

Scientists Dr Francesco Merola and Professor Cather Simpson at Waipapa Taumata Rau, University of Auckland, in collaboration with Plant and Food

Laser to combat varroa mite

Research, are investigating how different laser blasts affect bees and mites at a containment laboratory.

"Our goal is to free bees to do their important agricultural work by allowing beehives to thrive again, to be more resilient, healthy homes for

bees," says Dr Merola. The project, which aims to create a device for New Zealand and abroad, is supported by a \$1 million "Smart Idea" grant from the Ministry of Business, Innovation and Employment's Endeavour Fund. Professor Simpson describes it as

"an ambitious project that, if we're successful, will make a difference all over the world".

Varroa mites feed on honey bees, larvae, and pupae. They spread disease and can cause bee colonies to collapse. As bees are critical crop pollinators, Varroa mites represent a global threat to food security.

In a five-year plan, research and development are slated to take two

years, followed by commercialisation. Challenges will include creating a device that is easy to fit into hives, which bees are happy to move through.

The science team is using advanced optical spectroscopy methods to understand the structures of key biochemical components in bees and mites, including proteins, lipids, and pigments.

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