

Proactive Release

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Some information has been withheld on the basis that it would not, if requested under the Official Information Act 1982 (OIA), be released. Where that is the case, the relevant section of the OIA has been noted and no public interest has been identified that would outweigh the reasons for withholding it.

Listed below are the most commonly used grounds from the OIA.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by <ul style="list-style-type: none">(i) the Government of any other country or any agency of such a Government; or(ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)



Cabinet Committee Background Information and Talking Points

Date and time: 9am, Wednesday 5 March 2025

Paper Title: *Public Private Partnership Procurement for Section 1 of the Northland Corridor (Warkworth to Te Hana)*

Portfolios: *Transport*

Attendees: *Mark Hodge, Manager, Transport Financing
Duncan Wilson, Principal Analyst, Transport Financing*

Background Information:

- This note provides information and talking points for Economic Policy Cabinet Committee on 5 March 2025, in relation to the Public Private Partnership (PPP) intended for the Warkworth to Te Hana Road of National Significance.
- In July 2024 Cabinet agreed in principle to an accelerated delivery strategy of a progressive PPP for all three sections of the Northland Corridor and to investigate corridor-specific legislation to provide greater delivery certainty.
- A report back to Cabinet in November was delegated to IIMG who expressed continued support for progressing the project as quickly and practically as possible.
- NZTA market engagement in December revealed:
 - each of the three sections were of sufficient scale to attract international construction and financing partners; and
 - given proposed updates to the *Public Works Act 1981* and new fast-track approvals legislation, bespoke corridor legislation is not necessary.
- On 21 February the NZTA Board approved the Implementation Investment Case and for the project to proceed to Expressions of Interest (EOI) pending Cabinet approvals.
- Consistent with previous Cabinet in-principle decisions, and Cabinet Office circulars, I am seeking:
 - Endorsement of the investment case developed by NZTA; and
 - Approval for NZTA to commence formal procurement of Warkworth to Te Hana through a PPP.
- Permitting the EOI phase to begin now will allow the project to: proceed to Requests for Proposals (RFP) in June 2025; achieve Financial Close in June 2026; and commence construction in late-2026. It is estimated the road would then be operational in July 2034.

Talking Points:

Strategic importance

- Warkworth to Te Hana is one of 17 Roads of National Significance set out as a priority transport project in GPS 2024. The project would enable the four-lane highway alternative for the Brynderwyn Hills (section 2 of the overall Northland Corridor) agreed in the National Party / NZ First coalition agreement.
- The current road is important to the Northland region and overall economy, but increasing freight and light vehicle traffic is causing congestion and wear and tear. The current corridor has a disproportionately high incidence of serious injuries and deaths and is increasingly prone to closures, heightening the need for an upgraded connection.

Economic case

- ~~s 9(2)(b)(ii), s 9(2)(i), s 9(2)(j)~~
This is largely driven by reductions in travel time, with additional benefits in reducing deaths and serious injuries, increased resilience for the roading network, and wider economic benefits for the region.
- The whole corridor, once completed, has an estimated BCR of between 1.1 and 1.4.
- I recognise this investment is sensitive to discount rates noting the BCR is calculated using a 2% discount rate from 2024-53 and 1.5% from 2054-83. However, I am confident this investment will continue to deliver benefits for New Zealand well into the out-years.

Financial implications

- ~~s 9(2)(b)(ii), s 9(2)(i), s 9(2)(j)~~
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- s 9(2)(b)(ii), s 9(2)(i), s 9(2)(j)
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Backpocket information

There are some points that are not discussed in the paper, but for completeness:

- s 9(2)(b)(ii), s 9(2)(i), s 9(2)(j)
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