CRL – Questions and Answers

1. **What is the City Rail Link (CRL)?**

The City Rail Link is a 3.4km double track underground rail line that will turn Britomart into a through station, and link it to two new central city stations (near Aotea Square and Karangahape Road). The new line will connect to a redeveloped Mount Eden station, where it will rise to the surface to meet the existing Western line.

2. **What are the benefits of CRL?**

The City Rail Link will improve access into Auckland’s city centre, reduce journey times for rail commuters in Auckland and double the capacity of Auckland’s rail passenger network.

3. **What is the total cost of CRL expected to be?**

Auckland Transport’s 2015 business case for the CRL estimated the cost of the project to be between $2 and $3 billion, applying a 20% cost range.

After completion of more detailed design work to further refine the needs of the project, officials put the current estimated cost at between $2.8 billion and $3.4 billion. This is an estimate and will be subject to further changes following formal engagement with the market. The Government will be expecting the final cost to represent best value for money for taxpayers and ratepayers.

4. **Why have the costs increased?**

As is common with large infrastructure projects, early estimates of the costs represent a best-informed estimate at the time, and are subject to change as planning and design progresses. More detailed design work by Auckland Transport to further refine the needs of the project has allowed cost estimates to be more accurately developed. However, these still reflect a best-informed estimate using the information currently available and are subject to further changes following formal engagement with the market.

5. **Why is the Government providing funding?**

The Government’s commitment to the CRL reflects strong growth in rail patronage in recent years and provides more investment certainty for property developments around Auckland’s CBD, including around the new and improved stations at Aotea Square, Karangahape Road and Mount Eden.

6. **What is a “Heads of Agreement”?**

A Heads of Agreement sets out the main issues relevant to a partnership, including the roles and responsibilities of the parties involved, before a more detailed partnership agreement is drawn up.
7. What does the Heads of Agreement cover?

The Heads of Agreement contains an in-principle commitment from the Crown and Auckland Council to fund the CRL on an equal basis, subject to a number of arrangements around the funding, governance and risk management of the CRL.

8. What does the Heads of Agreement mean for CRL construction?

The Heads of Agreement provides certainty to suppliers of the Government’s involvement in the project on an equal basis with Auckland Council and both party’s intention to establish an independent Special Purpose Vehicle to deliver the CRL, working with Auckland Transport, KiwiRail and others as necessary. Auckland Transport will continue to deliver the project in the interim period.

9. What is yet to be agreed?

The Government and Auckland Council will need to develop several agreements to bring the funding, governance and risk management arrangements into effect, principal among which is a Sponsors’ Agreement.

10. What will be covered in the Sponsors’ Agreement?

The Sponsors’ Agreement will set out the detailed terms of the Crown and Auckland Council’s partnership to deliver the CRL, including a target cost for the project and framework for responding to cost overruns, the parties’ requirements for the project and how the project will be governed and delivered.

11. When will a Sponsors’ Agreement be signed?

The Sponsors’ Agreement is likely to be signed in early 2017.

12. When will CRL be completed?

The CRL is expected to be completed by 2023/24.