



# Indicative Business Case

Waterloo Interchange  
Redevelopment  
[DRAFT]

# Contents

|    |                                                                  |     |
|----|------------------------------------------------------------------|-----|
| 1. | Executive Summary                                                | 3   |
| 2. | Defined terms and Acronyms                                       | 17  |
| 3. | Strategic Case                                                   | 19  |
| 4. | Economic Case                                                    | 70  |
| 5. | Commercial Case                                                  | 105 |
| 6. | Financial Case                                                   | 122 |
| 7. | Management Case                                                  | 135 |
|    | List of Appendices                                               | 147 |
|    | Appendix A: Alignment with Strategic Priorities                  | 148 |
|    | Appendix B: Investment Logic Map                                 | 165 |
|    | Appendix C: Risk Approach and Detailed Qualitative Risk Analysis | 166 |
|    | Qualitative Risk Assessment                                      | 171 |

|                                                                                           |     |
|-------------------------------------------------------------------------------------------|-----|
| Appendix D: Detailed Long list of Options                                                 | 186 |
| Appendix E: Detailed Critical Success Factors                                             | 194 |
| Appendix F: Detailed Long List Evaluation                                                 | 199 |
| Appendix G: Economic Analysis Model                                                       | 200 |
| Appendix H: Commentary re Community Benefits of Healthcare & Social Service Accessibility | 201 |
| Appendix I: Financial Models Preferred Option (LGFA and alternative funding Scenarios)    | 204 |
| Appendix J: Financial Model Essential ++ Option                                           | 205 |
| Appendix K: Financial Model Optimised Option                                              | 206 |
| Appendix L: Bibliography                                                                  | 207 |
| Qualifications, Assumptions and Limitations                                               | 215 |

# 1. Executive Summary

## 1.1 Purpose

Waterloo Interchange is a critical gateway to the Hutt Valley and a key connection in Wellington's regional transport network. However, it does not currently operate as an effective, safe or integrated transport hub. Limitations in layout, asset condition and integration with surrounding areas and other transport options constrain connectivity, reduce accessibility and undermine Waterloo's ability to support growth and regeneration in the surrounding areas.

This Indicative Business Case (IBC) sets out the case for investing in the redevelopment of Waterloo to address these constraints and reposition it as a high-quality, integrated interchange that supports efficient movement, improves travel choice, and enables sustainable urban development. Investment in Waterloo seeks to deliver infrastructure that is fit for purpose today and capable of supporting future growth in housing, employment and community activity.

The proposed investment recognises the interchange's strategic role in enabling integrated public transport, supporting increased use of public transport and active modes, and delivering safer, more legible and inclusive movement for all users. Without intervention, the performance of the interchange and the surrounding transport network will continue to deteriorate, constraining land use outcomes and reducing the value of wider network investment.

Specifically, this IBC:

- ◆ Confirms the strategic context for the Waterloo Project and its alignment with relevant transport, land use and urban development policies.
- ◆ Establishes the case for investment in Waterloo by clearly defining the challenges, opportunities and outcomes the Project seeks to address.
- ◆ Assesses a range of options and identifies a preferred investment option, including the core interchange concept and associated transport interventions required to deliver an integrated and efficient transport outcome.

- ◆ Defines the scope, scale and indicative cost of the Preferred Option, and outlines key risks, staging considerations and next steps.

The objective of this IBC is to seek endorsement of the preferred investment option for the Waterloo Interchange and approval to progress the project to a Detailed Business Case.

## 1.2 Background to this IBC

The development of this Project has followed an incremental, evidence-based approach, with earlier phases focused on understanding the opportunity, testing feasibility and progressively reducing uncertainty ahead of investment decisions.

Between 2022 and 2023, GWRC undertook a staged programme of investigations into the potential transit-oriented development of Waterloo. Phase I involved a concept study that explored a range of use-case scenarios for the site, including mixed residential and commercial development, and assessed their high-level feasibility. Phase II comprised a commercial study, including a high-level economic review, to further test the viability and value of the identified opportunities.

In parallel, GWRC commissioned supporting technical studies, including investigations into the Waiwhetū Aquifer and a condition assessment of Waterloo Interchange's space-frame roof. Together, this work identified that station renewal and interchange functions should be progressed independently of any future commercial development, enabling the core transport investment to proceed on its own merits.

Building on this foundation, GWRC commenced a reference design phase in 2025. A multidisciplinary design team was engaged to develop and assess interchange options through a structured multi-criteria assessment, focused on achieving the best balance of transport performance, urban integration, constructability, operational efficiency, affordability and deliverability.

The preferred reference design received unanimous support from the relevant GWRC committee in August 2025. This endorsement provided the basis for progressing to this IBC, which consolidates the preceding investigations and design development and seeks agreement on the case for investment, the preferred option, and the proposed path forward.



## 1.3 Strategic Case Summary

### 1.3.1 Region Growing Along Narrow Corridors

The Wellington region is growing rapidly, but within tight geographic constraints. Framed by the Tararua and Remutaka Ranges, growth is channelled along two north–south converging on Wellington City. Over the next 30 years, the region is expected to accommodate around 164,000 additional residents and 100,000 jobs, with the majority of this growth occurring along these corridors. This settlement pattern places increasing pressure on the transport system, particularly on high-capacity public transport capable of moving large numbers of people efficiently into and through the metropolitan core. The performance of key transport nodes within this system will be decisive in determining whether growth can be supported sustainably.

Wellington in 2055:

**+164,000  
residents**

**+100,000  
jobs**

### 1.3.2 Public Transport as the Backbone of Regional Mobility

Public transport is fundamental to how Wellington functions. The region has the highest public transport use per capita in New Zealand, with rail and bus operating as complementary backbone modes. Rail is particularly critical north of the CBD, serving around three-quarters of the region's population and carrying a significant share of peak-period commuting. Bus services provide extensive coverage, feeding into rail hubs and enabling access for communities beyond the rail network.

Together, these modes underpin economic productivity, access to employment and education and the efficient functioning of constrained transport corridors. Their effectiveness depends on the quality, capacity and integration of major interchanges.

### 1.3.3 Waterloo: A Critical Node – and a Missed Opportunity

Within this system, Waterloo Interchange is a pivotal asset. It is the third busiest station on the Wellington rail network and the principal interchange for the central Hutt Valley, connecting Lower Hutt, Upper Hutt, the Wairarapa, Wainuiomata, Eastbourne and Wellington City. It is a major transfer point between rail and a high-frequency bus network and serves a broad and diverse catchment.

Despite this strategic role, Waterloo does not function as an effective interchange. Aging infrastructure, poor layout and fragmented connections impose high interchange penalties, limit accessibility, and degrade safety and customer experience. The station also occupies a large, strategically located site that is underutilised and dominated by surface parking. Poor east–west connectivity and inactive edges mean it acts as a barrier within Lower Hutt, constraining urban intensification, commercial activity and community revitalisation.

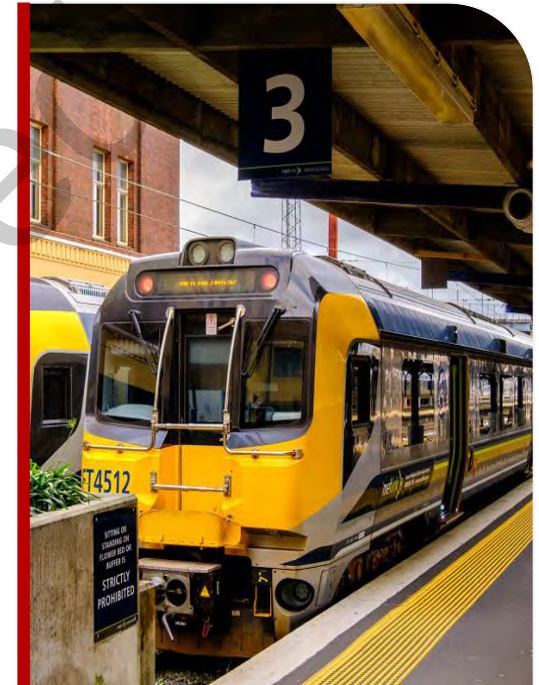
### 1.3.4 A Critical Asset at a Breaking Point

Waterloo's core infrastructure is now at, or beyond, its economic and design life. Asset condition issues are compromising safety, accessibility, resilience and customer experience, while maintenance expenditure is increasingly reactive and delivers diminishing returns. Continued deferral of renewal would expose the network to escalating operational, safety and reputational risks, while locking in poor value for money through ongoing regretful spend.

As one of the busiest and most interconnected stations in the region, failure at Waterloo would have system-wide consequences.

### 1.3.5 From Constraint to Catalyst

The need to renew Waterloo's aging infrastructure presents a strategic opportunity to deliver far greater public value than asset replacement alone. Evidence from New Zealand and internationally shows that well-designed interchanges can



materially reduce perceived journey costs, improve safety and accessibility, and drive sustained increases in public transport use. When integrated with high-quality public realm and active land uses, interchanges can also act as catalysts for urban regeneration and growth.

Waterloo's scale, location and role in the network uniquely position it to deliver these outcomes for the Hutt Valley and the wider Wellington region.

### 1.3.6 Strong Alignment with National and Regional Direction

Redevelopment of the Waterloo Interchange is strongly aligned with national transport, housing and infrastructure policy, which increasingly prioritises the following:



At the regional and local level, Waterloo is consistently identified as a priority investment in GWRC's Long Term Plan, the Regional Land Transport Plan and the Regional Public Transport Plan, and is designated as a Priority Development Area within spatial planning frameworks.

The Project also enables and is enabled by a wider investment programme, including new rolling stock, national ticketing reform, signalling and timetable upgrades, accessibility initiatives and major urban projects such as RiverLink. Together, these investments form a coherent strategy to modernise the region's transport system and support long-term growth.

### 1.3.7 What the Investment Seeks to Achieve

The project is driven by five clear investment objectives:

- Enable seamless transport connections to grow public transport use
- Deliver accessible and functional infrastructure
- Position Waterloo interchange as a catalyst for growth and resilience
- Optimise land use to unlock value and opportunity
- Prioritise placemaking and social well-being

### 1.3.8 The Outcomes That Matter

If delivered, the investment will result in:

- Safe, accessible and reliable infrastructure
- Better connection and easier travel
- Growth and development around the interchange
- Reduced environmental impact and greater resilience
- Value-optimising and cost-efficient infrastructure

## 1.4 Economic Case Summary

### 1.4.1 Why an Investment Decision Is Required

The Economic Case assesses how best to respond to the challenges and opportunities at Waterloo Interchange and determines the option that delivers the greatest public value for money. Using the Better Business Case framework, it applies a rigorous, transparent and evidence-based process to identify, test and compare alternative investment responses.

A structured optioneering process was undertaken, progressing from a broad range of potential responses to a refined shortlist and, ultimately, a Preferred Option. This process integrated qualitative multi-criteria assessment with quantitative cost-benefit analysis, ensuring that decisions are grounded in both strategic judgement and economic efficiency.

### 1.4.2 Focussing on Credible and Proportional Options

An initial feasibility sweep was undertaken to remove options that were clearly non-viable, outside GWRC's scope or accountabilities, or disproportionate to the benefits they could deliver. This included rail corridor reconfiguration, station relocation, large-scale over-rail development and landmark design concepts. These options were found to involve high cost, complexity and disruption without delivering commensurate incremental benefits and were therefore excluded.

The remaining long-list options were developed using the NZTA intervention hierarchy, a project-specific intervention scale (ranging from compliance-driven upgrades to full interchange redevelopment), and Treasury's Five Dimensions of Options Analysis. This ensured that a balanced and comprehensive range of proportionate responses was tested, from targeted safety interventions through to more transformative redevelopment scenarios.

### 1.4.3 The Cost of Inaction

The Baseline / Do Minimum scenario represents the continuation of current arrangements, characterised by reactive management of deteriorating assets, particularly the station roof, without planned renewal or redevelopment. While this avoids upfront capital expenditure, it exposes GWRC to escalating safety,

compliance, operational, and financial risks over time, without delivering improvements in customer experience, accessibility, resilience, or network performance. The Baseline therefore provides an appropriate and conservative counterfactual for assessing the incremental costs and benefits of alternative investment options.

### 1.4.4 From a Long List to Preferred Option

Nine long-list options were assessed against an agreed set of Critical Success Factors, including strategic fit, value for money, supplier capability and capacity, affordability, and achievability. This assessment was undertaken through a structured multi-criteria analysis process, facilitated with GWRC's technical and operational experts and moderated by the Steering Group. This resulted in a focused shortlist of four options: the Baseline, Essential++, Developed+ (Preferred Option), and Optimised.

These options represent distinct levels of ambition, with clear trade-offs between cost, risk and outcomes. Essential++ is a compliance-led option focused on addressing the most acute safety and asset condition risks through minimum intervention. While it stabilises the interchange, it is deliberately incremental, does not support future intensification, and delivers limited wider economic or place-based benefits.

At the other end of the spectrum, the Optimised option delivers the highest level of integration and development intensity, fully realising transit-oriented development outcomes. However, these benefits come at significantly higher cost, complexity and delivery risk, with outcomes more sensitive to market conditions



Figure 1: Key stages in Economic Assessment

and funding availability. When weighed against these risks, the incremental benefits over Developed+ diminish.

Developed+ (Preferred Option) provides the best balance. It delivers a clear step change in safety, accessibility, functionality and customer experience, replaces end-of-life assets, and materially improves interchange performance, while remaining proportionate, affordable and deliverable. Crucially, it enables future transit-oriented development without requiring speculative or premature investment, delivering strong immediate benefits and preserving flexibility over time.

Table 1: Summary of the Shortlist assessment against CSFs

| Options                          | Baseline / Do Minimum | Essential ++ | Developed + (Preferred Option) | Optimised |
|----------------------------------|-----------------------|--------------|--------------------------------|-----------|
| CSF                              |                       |              |                                |           |
| Strategic Fit                    |                       |              |                                |           |
| Value for Money                  |                       |              |                                |           |
| Supplier Capacity and Capability |                       |              |                                |           |
| Affordability                    |                       |              |                                |           |
| Achievability                    |                       |              |                                |           |

#### 1.4.5 What the Economic Appraisal Shows

The Preferred Option was assessed using the Treasury-endorsed CBAX framework over a 45-year appraisal period and discounted at Treasury's prescribed real discount rate. The analysis was deliberately conservative, relying on well-established and defensible benefit categories, including travel time savings,

vehicle operating cost savings, safety improvements, wider economic benefits and carbon emissions reductions.

The results demonstrate a strong economic case for investment. The Preferred Option delivers a Net Present Social Value of approximately \$257 million and a Benefit–Cost Ratio of 2.67, meaning that every dollar invested is expected to return around \$2.67 in social and economic value. Sensitivity testing using Monte Carlo simulation confirms the robustness of the results, with positive net benefits across all tested scenarios.

Importantly, these results are achieved without relying on more speculative or difficult-to-quantify benefits. Additional outcomes, including improved access to healthcare and social services, harm-reduction benefits and place-making impacts, are recognised as material but are not required to demonstrate value for money at this stage.

Table 2: Net Present Social Value of the Preferred Option

| Benefit Category               | PV (\$m)        | Description                                                                   |
|--------------------------------|-----------------|-------------------------------------------------------------------------------|
| Travel Time Savings            | \$169.4m        | Value of reduced commute time for ~1.5m annual passenger trips                |
| Vehicle Operating Cost Savings | \$38.2m         | Reduced vehicle-km from mode shift (420 fewer car trips/day)                  |
| Safety (Crash Savings)         | \$40.1m         | Fatality-equivalent crashes avoided through reduced vehicle travel            |
| Wider Economic Benefits        | \$151.8m        | Productivity and land value uplift within 800m walkable catchment             |
| Environmental (Carbon)         | \$10.8m         | CO <sub>2</sub> emission reductions valued at \$120/tonne shadow carbon price |
| <b>Total Benefits (PV)</b>     | <b>\$410.4m</b> |                                                                               |

**Total Costs (PV)**      **\$153.7m**      Capital (\$124m) + operating (phased 0.5% to 1.5% of Capex)

**Net Present Social Value**      **\$256.7m**      Benefits minus costs

**Benefit-Cost Ratio (BCR)**      **2.67**      Every \$1 invested returns \$2.67 in public value

### 1.4.6 What the Preferred Option Delivers

The Preferred Option comprises a focused and integrated package of investment that replaces failing assets, materially improves accessibility and interchange functionality, enhances passenger amenity and safety, and strengthens network integration. It also preserves flexibility for future intensification as demand and market conditions evolve, ensuring the investment remains resilient over time.

Overall, the Economic Case demonstrates that the Preferred Option represents a robust, proportionate and economically efficient response to the challenges at Waterloo Interchange and provides a strong and defensible basis for progressing to the next stage of business case development.

Table 3: Summary of the Preferred Option

| Category                                                                                                                       | Developed+ (Preferred Option)                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Core Infrastructure</b>              | New platform roof (~60% coverage), full platform refurbishment and levelling, replacement of end-of-life assets.                                                           |
| <br><b>Connectivity &amp; Accessibility</b> | Fully accessible overbridge replacing the underpass, improved east-west connectivity, new pedestrian crossing at Cambridge Terrace, and step-free access across all modes. |



#### Bus-Rail Integration

Partial consolidation of bus interchange on Cambridge Terrace, upgraded Oxford Street stops, improved operational efficiency.



#### Amenity, Safety & Facilities

Material uplift in bus shelter, lighting, seating, wayfinding, toilets on both sides of the interchange, improved staff facilities, and intelligent security systems.



#### Active Modes

Relocated and expanded bike parking (up to 100 spaces) with improved security, lighting, CCTV, and weather protection.



#### Future Development Enablement

Demolition of existing buildings and provision for modest commercial space within interchange, disposal of adjoining land (with transit-oriented development alignment).



## 1.5 Commercial Case Summary

### 1.5.1 A Commercial Approach Matched to a Complex, Live Environment

The Project will be delivered in a complex operating context, adjacent to live rail infrastructure, critical water assets, and an active public transport network. This environment requires a commercial strategy that is flexible, market-informed, and disciplined, capable of managing construction risk while maintaining operational continuity and protecting long-term public value.

The Commercial Case confirms that the Preferred Option is commercially viable, provided procurement and delivery arrangements are carefully structured to reflect market capability, funding constraints, and the realities of delivery in a constrained urban rail environment.

### 1.5.2 No One Size Fits All Solution

The Project comprises multiple interrelated components, design, construction, financing, facilities management, and potential commercial or transit orientated development elements, each with distinct commercial characteristics. As a result, a single delivery or contracting model is unlikely to be optimal across the full scope.

Instead, the Commercial Case adopts a component-based approach, allowing different elements of the Project to be delivered using the procurement and contracting arrangements best suited to their risk profile, complexity, and market appetite. This approach supports achievability while preserving competition and value for money.

### 1.5.3 Maintaining Flexibility While Protecting Affordability

At this Indicative Business Case stage, GWRC has deliberately not pre-committed to a single delivery or partnership model. This flexibility is critical given construction market volatility, uncertainty around private sector appetite, and the potential inclusion of commercial or transit orientated development enabled components.

All commercial options will be tested explicitly against GWRC's long-term affordability and debt settings. The Commercial Case confirms that any

partnership, incentive, or risk-sharing arrangement must be affordable, defensible, and aligned with whole-of-life value, not simply attractive to the market.



### 1.5.4 Delivery Models Under Consideration

Based on early assessment and informal market feedback, the Commercial Case identifies D&C and JV / development partnership-style arrangements as the most promising models to explore further:

|                                 |                                                                                                                                                                                                                                                                                         |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>D&amp;C-based</b>            | D&C based approaches offer a pragmatic balance of cost certainty, programme efficiency, and risk transfer for the delivery of core transport infrastructure, provided performance and operational requirements are clearly specified.                                                   |
| <b>JV or partnership models</b> | JV or partnership models, where appropriate, offer the potential to integrate development capability, commercial expertise, and possibly private capital alongside transport investment, particularly where transit orientated development or value-creation opportunities are pursued. |

These options are indicative only. Further targeted market engagement is required before any preferred delivery model is confirmed.

### 1.5.5 Market Sounding: Interest Exists, But Structure Matters

Early informal market engagement indicates that there is credible, though selective, private sector interest in the Waterloo opportunity. Experienced developers and investors see potential, particularly where the Project can be structured around clear, bankable cashflows and well-defined risk allocation.

However, market appetite is highly sensitive to:



This feedback reinforces the need for GWRC to play an active role in shaping a commercially compelling proposition rather than relying on standard procurement models.

### 1.5.6 A Disciplined Procurement and Governance Framework

Procurement will be undertaken in full compliance with GWRC's Procurement Policy, the Waka Kotahi Procurement Manual (where applicable), and recognised government procurement principles. These frameworks ensure probity, transparency, fairness, and a focus on whole-of-life value.

The Commercial Case confirms that:

- ♦ Procurement will be proportionate to risk and complexity;
- ♦ Risk will be allocated to the party best able to manage it;
- ♦ Standard public-sector contract forms will be used where appropriate to support market familiarity;
- ♦ Independent probity and assurance will be applied where risk warrants; and
- ♦ Social procurement, sustainability, supplier diversity, and Te Tiriti-consistent outcomes will be embedded as part of public value delivery.

### 1.5.7 Managing Risk in a Volatile Market

The Commercial Case recognises that the Project will be delivered in a market characterised by labour constraints, price volatility, and heightened risk sensitivity. Over-transfer of risk would likely result in higher prices, reduced competition, or delivery failure.

Accordingly, the proposed commercial approach balances cost certainty with deliverability by:

-  Sharing escalation and interface risks where appropriate
-  Using staged pricing, ECI, or flexible contracting mechanisms where they improve outcomes
-  Retaining system-critical transport and reputational risks with GWRC

### 1.5.8 A Staged, Informed Decision Pathway

Key commercial decisions, including delivery model selection, risk-sharing arrangements, and any partnership structures, will be staged and aligned with business case and funding approval gateways.

Following endorsement of this IBC, further targeted market engagement will be undertaken to refine commercial models, test affordability, and clarify incentives and risk allocation. This work will inform the Detailed Business Case and enable GWRC to return to decision-makers with a robust, evidence-based commercial proposition.

### 1.5.9 Commercial Case Conclusion

The Commercial Case confirms that the Preferred Option is commercially achievable, provided GWRC retains flexibility, engages the market deliberately, and applies strong commercial discipline. By avoiding premature commitment and grounding decisions in market evidence, GWRC can secure a delivery approach

that is attractive to capable suppliers, affordable within long-term financial settings, and capable of delivering enduring public value.

## 1.6 Financial Case Summary

### 1.6.1 Purpose and Focus

The Financial Case assesses whether the Preferred Option is affordable and financially feasible for GWRC, taking into account realistic funding sources, financial constraints, and financial risks over the life of the Project. It complements the Economic Case by focusing on affordability, funding feasibility, balance-sheet impacts, and financial risk, rather than value for money.

As a council-led project, there is a strong emphasis on affordability, cost discipline, and retaining control over financial outcomes. At the Indicative Business Case stage, the Financial Case is therefore framed to test whether the Project can be progressed responsibly within GWRC's financial settings, while recognising that cost estimates are indicative and subject to refinement.

### 1.6.2 Indicative Costs and Market Uncertainty

#### Preferred Option

**\$124m**

Capital Cost

**FY2031**

Commissioning

#### Lifecycle-based

**OPEX**

(rather than a flat annual percentage)

Cost estimates at this stage are high-level, indicative and appropriate for affordability testing rather than funding commitment. The Preferred Option has an indicative baseline capital cost of approximately \$124 million, with a Monte Carlo mean capital cost of \$138 million, reflecting uncertainty in construction market conditions. Capital expenditure is assumed to be phased across approvals and three construction years, with commissioning in FY2031.

Incremental operating expenditure is modelled on a phased, lifecycle-based basis rather than as a flat percentage of CapEx. Under a LGFA funding scenario for the Preferred Option, operating costs are assumed to be

minimal in the early years following commissioning (including a warranty period),

increasing progressively over time as the asset matures and maintenance and renewal requirements increase. This approach provides a more realistic representation of whole-of-life operating impacts.

The Financial Case explicitly recognises the highly volatile nature of the current construction market, including ongoing material and labour price pressures, supply-chain constraints, and capacity risks. As a result, the current cost estimates should not be treated as fixed. Further cost confirmation, refinement, and risk reduction will be essential as the Project progresses.

### 1.6.3 Affordability and Baseline Comparison

Affordability has been assessed relative to a Baseline / Do Minimum scenario, representing the minimum investment required to manage immediate safety and operational risks associated with an end-of-design-life asset. This approach provides a realistic and conservative counterfactual and allows the incremental affordability impact of the proposed investment to be assessed transparently.

On this basis, the analysis indicates that the proposed investment is potentially affordable for GWRC, subject to:

Confirmation of NLTF funding assistance rates and timing;

Integration with GWRC's wider capital programme and Long Term Plan; and

Appropriate staging of delivery to manage cashflow and debt impacts.

No material financial barriers have been identified that would prevent progression to the next business case phase.

### 1.6.4 Funding Context and Options Considered

GWRC's funding framework reflects its role as a regional council, with funding derived primarily from regional rates, passenger fares, and co-funding from the National Land Transport Fund (NLTF).

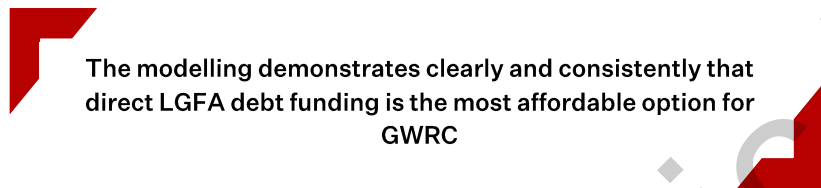


Public transport infrastructure is typically delivered through a co-funded model with Waka Kotahi NZ Transport Agency, with GWRC funding its share through rates and, where appropriate, borrowing.

A broad range of potential funding sources has been identified, including council funding, NLTF co-funding, LGFA borrowing, potential Crown contributions, and supplementary development-linked or private-sector funding. While some alternative and supplementary funding mechanisms may help support delivery or long-term outcomes, the Financial Case does not rely on speculative or unconfirmed funding sources to establish affordability.

### 1.6.5 Preferred Financing Approach and Scenario Testing

Three funding and financing scenarios were modelled to test affordability, financial resilience, and whole-of-life cost impacts. These include a base case involving direct borrowing by GWRC through the LGFA, and two notional private-sector funding structures (Sale and Leaseback and a Joint Venture Build-Operate-Maintain model).



**The modelling demonstrates clearly and consistently that direct LGFA debt funding is the most affordable option for GWRC**

The analysis demonstrates that direct LGFA debt financing delivers:

- ♦ the lowest whole-of-life cost;
- ♦ the lowest cost of capital; and
- ♦ the most manageable balance-sheet and operating impacts.

Alternative private-sector scenarios were modelled to demonstrate that a range of credible funding mechanisms has been considered and to quantify the cost and affordability trade-offs associated with higher private-sector cost of capital and margin requirements. These scenarios are not preferred and do not offer affordability advantages relative to the LGFA-funded approach.

### 1.6.6 Debt Capacity and Financial Resilience

Monte Carlo analysis indicates that peak LGFA debt under the base scenario remains well within GWRC's prudential limits, with:

- ♦ Average peak debt of approximately \$136 million;
- ♦ a 95th percentile outcome of approximately \$148 million; and
- ♦ a peak debt-to-revenue ratio of approximately 1.9x, compared with a covenant limit of 2.8x.

Sensitivity testing confirms that affordability outcomes are most sensitive to construction cost escalation, interest-rate movements, and the timing and extent of NLTF co-funding.

No immediate affordability "red flags" have been identified; however, affordability remains contingent on continued alignment with GWRC's Long Term Plan and careful management of competing capital priorities.

### 1.6.7 Cost Control, Governance, and Financial Risk Management

The Financial Case explicitly recognises that construction cost escalation represents the most significant financial risk to affordability. Sector experience demonstrates that while some cost pressures are market-driven, many cost overruns are driven by factors within client control, including:

- ♦ client-led scope and design changes during delivery;
- ♦ insufficient design maturity at procurement;
- ♦ escalation of cost estimates between investment decision points; and
- ♦ weak enforcement of contractual risk allocation and cost controls.

Maintaining affordability will therefore depend on strong governance and disciplined cost management, including tight scope control, progressing design to an appropriate level of maturity prior to procurement, procurement strategies aligned to market conditions, and active contract management to enforce agreed risk allocation.

### 1.6.8 Financial Case Conclusion

At this Indicative Business Case stage, the Financial Case demonstrates that the proposed investment is financially feasible and potentially affordable for GWRC, subject to further refinement of costs, confirmation of funding sources, and continued integration with GWRC's long-term financial strategy.

In summary, the Financial Case shows that:

- ♦ costs are understood at an appropriate, indicative level;
- ♦ credible and affordable funding pathways are identifiable;
- ♦ LGFA debt funding provides the most financially efficient and resilient approach;
- ♦ no material affordability barriers have been identified; and
- ♦ ongoing cost refinement, governance discipline, and cost control will be critical to protecting affordability as the Project progresses.

Further financial analysis, cost refinement, and funding confirmation will be undertaken as the Project advances to the next phase of business case development.



## 1.7 Management Case Summary

### 1.7.1 A Delivery Approach Built for a Live, Constrained Environment

The Preferred Option will be delivered in an operationally sensitive environments in the region: a live metropolitan rail corridor, a major bus interchange, a critical pedestrian link, and a site constrained by adjacent water infrastructure. The Management Case confirms that the Project is achievable, manageable, and capable of being delivered successfully within this context.

The management approach prioritises safety, service continuity, and community access, while providing clear governance, strong assurance, and disciplined project controls aligned with GWRC's established risk appetite and delivery practices.

### 1.7.2 Governance That Is Proven, Proportionate, and Fit for Purpose

The Project will be governed through GWRC's existing governance and decision-making framework, consistent with best-practice guidance for projects that are well understood and within organisational capability. While the Project is complex, it does not involve novel technologies or untested delivery models, and the risks are familiar to GWRC and its partners.

Accordingly, no bespoke governance structures are required. Instead, targeted enhancements will be applied within the existing framework to strengthen coordination, transparency, and decision-making across multiple interfaces. These include an integrated approvals calendar, a central decision log, explicit interface management arrangements for rail and water infrastructure, and structured gateway reporting between business case and delivery stages.

This approach ensures governance is robust without being heavy, enabling timely decisions while maintaining accountability, probity, and public-sector assurance.

### 1.7.3 Clear Roles, Clear Decisions, Clear Escalation

Roles and responsibilities across GWRC, executive leadership, Metlink, GWRL, the Steering Group, and the Project Group are clearly defined, with decision rights aligned to



statutory accountabilities and operational expertise. This clarity reduces the risk of delay, rework, or inconsistent direction and supports effective coordination with key partners including KiwiRail and Hutt City Council.

The governance model is designed to manage complexity, not add to it.

### 1.7.4 Capability and Capacity to Deliver

GWRC has demonstrated experience delivering complex transport and infrastructure projects and will resource the Project through a combination of internal capability and targeted external expertise. Critical skills, particularly rail-interface management, health and safety leadership, groundwater protection, and programme controls, will be secured early and maintained throughout delivery.

Resourcing risks will be actively monitored through governance reporting, with flexibility to scale capability as the Project moves from planning into delivery.

### 1.7.5 Assurance Focused Where Risk Is Highest

Assurance will be applied proportionately and deliberately, focused on the Project's highest-risk decisions rather than uniformly across all activities. This includes independent review at key points such as consenting affecting the

Waiwhetū Aquifer, the Water Treatment Plant, confirmation of rail-adjacent construction staging, and major procurement commitments.

This targeted assurance approach provides confidence in decision-making while avoiding unnecessary delay or cost.

### 1.7.6 Managing Disruption, Change, and Community Impact

Delivery will occur alongside wider transport disruption across the Hutt Valley and Wellington region. The management approach explicitly recognises cumulative impacts on passengers, pedestrians, residents, and businesses.

Change management and communications will therefore be tightly integrated with construction staging and network coordination, ensuring that impacts are identified early, communicated clearly, and mitigated wherever possible. Maintaining continuous east–west pedestrian access and safe public transport operations is a non-negotiable management principle.



### 1.7.7 Benefits Realisation Embedded from the Start

Benefits realisation is treated as a core management responsibility, not a post-delivery afterthought. Benefits are clearly linked to the problems identified in the Strategic Case and will be owned by operational teams to ensure they translate into real-world outcomes.

While benefits are defined at a high level at the IBC stage, governance reporting will continue to test decisions against their impact on benefits, cost, and risk as the Project progresses.

### 1.7.8 Risks Are Understood and Actively Managed

Management risks have been assessed through a Qualitative Risk Assessment and are well understood. Key risks, such as governance clarity, service disruption, safety in a live rail environment, water infrastructure protection, and cumulative network impacts, have clear mitigation strategies embedded in governance, staging, and assurance arrangements.

Importantly, the Management Case confirms that these risks are manageable, not exceptional, and consistent with risks GWRC routinely manages on complex infrastructure projects.

### 1.7.9 Management Case Conclusion

**The Management Case demonstrates that the Project is ready to proceed from a governance, capability, and delivery perspective.**

The Management Case shows appropriate arrangements are in place to manage complexity, coordinate partners, maintain safety and service continuity, and deliver intended benefits.

Taken together, the governance framework, delivery capability, assurance approach, and risk management arrangements provide confidence that the Project can be implemented successfully, consistently with GWRC's strategic objectives, risk appetite, and public accountability obligations.

## 1.8 Recommendations and Next Steps

It is recommended that GWRC endorses this IBC and note:

1

**A significant investment at Waterloo is required regardless of the preferred transport outcome.** Key assets including the interchange roof and associated structures are at or approaching economic end of life, and the Do Minimum approach requires substantial expenditure to demolish and remediate the existing assets to maintain safety and operational continuity.

2

**Under a Do-Minimum scenario, this investment would be largely regretful expenditure,** addressing asset failure without delivering meaningful improvements in transport performance, customer experience, accessibility, or wider urban outcomes.

3

**Under a Do-Minimum scenario, this investment would be largely regretful expenditure,** addressing asset failure without delivering meaningful improvements in transport performance, customer experience, accessibility, or wider urban outcomes.

4

**This Project presents an opportunity to address this unavoidable investment need in a way that delivers significantly greater value,** by integrating asset renewal with a coordinated interchange solution that improves public transport integration and functionality while also facilitating opportunities for wider growth and rejuvenation in the wider precinct and Hutt Valley.

5

**Investment in Waterloo supports many positive outcomes,** including improved connectivity between rail, bus and active modes, enhances the attractiveness and usability of public transport, and enables mode shift consistent with strategic transport, climate, and urban development objectives.

6

**The Preferred Option identified through this IBC provides an integrated and scalable interchange solution** that balances customer outcomes, operational efficiency, deliverability, and value for money, while allowing for staged implementation aligned with funding availability and surrounding development.



**7**

**Delivery of the Preferred Option will generate a range of benefits beyond asset renewal**, including improved safety and accessibility, enhanced customer experience, increased public transport use, improved network resilience and reliability, and positive environmental outcomes through reduced reliance on private vehicles.

**8**

**The Economic Case demonstrates that investing beyond the Do Minimum provides a more efficient and effective use of public funds** by leveraging necessary asset renewal to achieve broader transport and place-based outcomes.

**9**

**Key risks and uncertainties identified through the IBC, including funding, interfaces with the live rail corridor and adjoining water infrastructure, can be further managed and mitigated** through progression to the next phase of business case development.

**10**

**Endorsement of this IBC will enable the project to progress to a Detailed Business Case**, where the Preferred Option will be further refined, costs and benefits confirmed, delivery and procurement strategies developed, and funding approvals sought.

Public Excluded



## 2. Defined terms and Acronyms

| Term / Acronym                  | Definition                                                     |
|---------------------------------|----------------------------------------------------------------|
| BCR                             | Benefit Cost Ratio                                             |
| BOM                             | Build Operate and Maintain                                     |
| CBAX                            | Cost Benefit Analysis                                          |
| CPTED                           | Crime Prevention Through Environmental Design                  |
| CSF                             | Critical Success Factors                                       |
| D&C                             | Design and Construction                                        |
| ECI                             | Early Contractor Involvement                                   |
| FAR                             | Funding Assistance Rate                                        |
| GPS LT                          | Government Policy Statement on Land Transport 2024             |
| GWRC                            | Greater Wellington Regional Council                            |
| GWRL                            | Greater Wellington Rail Limited                                |
| HCC                             | Hutt City Council                                              |
| IBC or Indicative Business Case | This indicative stage business case in relation to the Project |

| Term / Acronym        | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment Objectives | The specific objectives that the proposed investment is intended to achieve, as set out in Section 3.9.1.                                                                                                                                                                                                                                                                                                                                                                                                                                |
| JV                    | Joint Venture                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| LGOMIA                | Local Government Official Information and Meetings Act 1987                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| LNRIM                 | Lower North Island Rail Integrated Mobility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| LTP                   | Greater Wellington Regional Council Long-Term Plan (2024-2034)                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| MCA                   | Multi Criteria Analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Monte Carlo analysis  | A statistical modelling technique used to assess uncertainty and risk by running a large number of simulations. Key cost, time, or demand inputs are assigned probability ranges rather than single point estimates, and the model repeatedly samples from those ranges to produce a distribution of possible outcomes. This allows the identification of expected values, confidence levels (e.g. P50, P90), and the range and likelihood of potential cost or schedule outcomes, rather than relying on a single deterministic result. |
| NLTF                  | National Land Transport Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| NLTP                  | National Land Transport Programme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| NPSV                  | Net Present Social Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| NPV                   | Net Present Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Term / Acronym          | Definition                                                                                                                                                                                                                                                                                                                                          |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>NTS</b>              | National Ticketing System                                                                                                                                                                                                                                                                                                                           |
| <b>Preferred Option</b> | The 'Developed +' Option, being the option progressed beyond the initial long list and short list assessment and further developed to refine scope, design intent, costs, benefits, risks and deliverability, and which has been identified through this IBC as best meeting the Project objectives, Critical Success Factors and investment logic. |
| <b>PDA</b>              | Priority Development Area                                                                                                                                                                                                                                                                                                                           |
| <b>Project</b>          | The proposed investment in the renewal and redevelopment of Waterloo Interchange, including the planning, design and delivery of works to replace or upgrade existing station and interchange infrastructure, and adjoining land, as further described in this IBC.                                                                                 |
| <b>PV</b>               | Present Value                                                                                                                                                                                                                                                                                                                                       |
| <b>RiverLink</b>        | The multi-agency programme in Lower Hutt that integrates flood protection and river restoration for Te Awa Kairangi / Hutt River with transport improvements and urban revitalisation, including upgrades to State Highway 2, the Melling Interchange, walking and cycling connections, and the city centre.                                        |
| <b>RFI</b>              | Request for Information                                                                                                                                                                                                                                                                                                                             |
| <b>RLTP</b>             | Wellington Regional Land Transport Plan 2021                                                                                                                                                                                                                                                                                                        |
| <b>RPTP</b>             | Wellington Regional Public Transport Plan 2025–2035                                                                                                                                                                                                                                                                                                 |

| Term / Acronym                          | Definition                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Steering Group</b>                   | The governance group established by GWRC to provide strategic oversight and direction for the Project, including endorsing key assumptions, guiding the development of the Indicative Business Case, managing inter-agency and stakeholder interfaces, and making recommendations to GWRC decision makers.                                                                         |
| <b>TOD</b>                              | Transit Orientated Development                                                                                                                                                                                                                                                                                                                                                     |
| <b>VOSL</b>                             | Value of a Statistical Life                                                                                                                                                                                                                                                                                                                                                        |
| <b>Waka Kotahi or NZTA</b>              | Waka Kotahi NZ Transport Agency                                                                                                                                                                                                                                                                                                                                                    |
| <b>Waterloo Interchange or Waterloo</b> | The existing rail and bus transport interchange located between Oxford Terrace and Cambridge Terrace in Lower Hutt, comprising the Waterloo railway station, associated platforms and track interfaces, bus interchange facilities, passenger buildings and amenities, pedestrian accessways and subways, park-and-ride facilities, cycling infrastructure, and associated assets. |
| <b>WRRPPBC</b>                          | Wellington Regional Rail Plan Programme Business Case                                                                                                                                                                                                                                                                                                                              |

### 3. Strategic Case

The Strategic Case outlines how the Project aligns with the strategic priorities GWRC, central Government policy directives, iwi aspirations, and the objectives of regional stakeholders. It sets out the key requirements any redevelopment must achieve and presents the rationale for changing from the current state.

The Strategic Case is presented in two parts:

- ♦ **Part A: Strategic Context and Alignment:** Describes the role of Waterloo Interchange within Wellington's wider transport system, its strategic importance, and how the Project aligns with relevant strategies and policies.
- ♦ **Part B: Case for Change:** Identifies the challenges, investment objectives, outcomes, risks, and constraints that underpin the need to redevelop the interchange.

#### 3.1 Strategic Context

##### 3.1.1 A growing region constrained by geography

Wellington is New Zealand's second largest city, with a population of over 200,000. The wider metropolitan area, including Lower Hutt, Porirua, and Upper Hutt, has approximately 430,000 residents, while the total Wellington Region served by GWRC exceeds 540,000.<sup>1</sup>

Greater Wellington's distinctive geography, shaped by the Tararua and Remutaka Ranges, has resulted in two main north-south corridors for urban development and transport converging at Wellington City. The topography limits opportunities for direct east-west connections between these corridors, and as a result, both historic and projected growth are concentrated along these linear corridors. Over the next 30 years, the region is expected to add 164,000 residents and 100,000

<sup>1</sup> Statistics New Zealand. *Subnational Population Estimates, 2025*.

<sup>2</sup> Wellington Regional Growth Framework Partners. *Wellington Regional Growth Framework: 30-year spatial plan for the Wellington-Horowhenua region*.

jobs, with around 75% of this occurring along the eastern and western corridors.<sup>2</sup> The highest growth is projected in Porirua, the Kapiti Coast and the Wairarapa.<sup>3</sup>

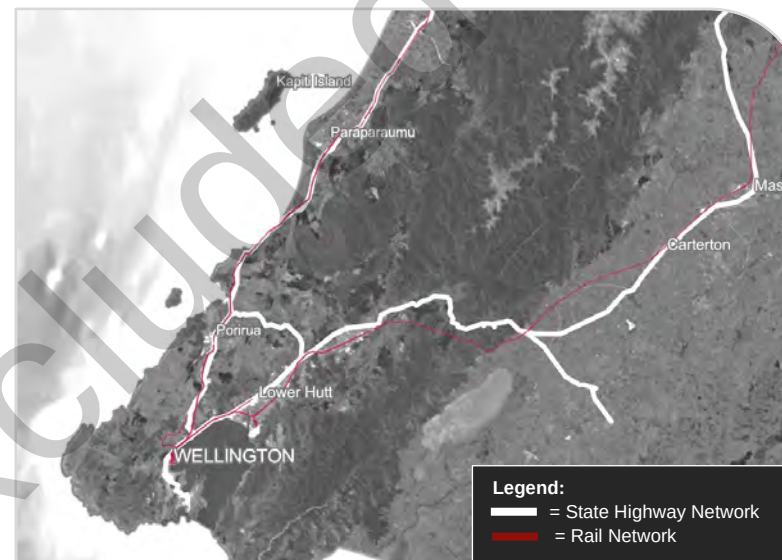


Figure 2: The Y-shape settlement distribution of the Wellington region

##### 3.1.2 The Backbone of Regional Mobility: Wellington's Bus and Rail Network

Public transport is critical to regional mobility and access to economic and social opportunities. Wellington has the highest public transport use per capita in New Zealand and among the highest in Australasia.<sup>4</sup>

Every weekday there are approximately 120,000 public transport boardings in the Wellington region with Wellington City as the primary destination for employment

<sup>3</sup> Ibid.

<sup>4</sup> Greater Wellington Regional Council, *Wellington Regional Public Transport Plan 2025-2035*.

and education. The network operates primarily through two complementary backbone modes: rail and bus.

### 3.1.3 Rail

Rail is a foundational component of the regional public transport system particularly north of the Wellington CBD, where approximately 75% of the region's population resides.

The Wellington metropolitan rail network comprises four principal lines, Johnsonville, Kāpiti, Wairarapa, and Hutt Valley, as well as the Melling branch. Electrified since 1955 (excluding the diesel-operated Wairarapa Line), the network covers approximately 154km of track and serves 48 stations.

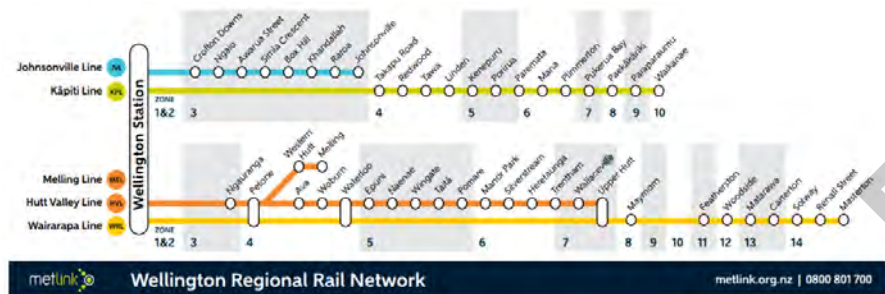


Figure 3: Wellington Regional Rail Network

In 2024, Metlink delivered 10.8 million rail trips with the network delivering over 2,250 weekly services.<sup>5</sup> Prior to the COVID-19 pandemic, annual patronage reached 14.32 million trips, an increase of more than 20% over the previous decade, outpacing population growth. During peak periods, rail accounts for over 40% of trips from the northern suburbs and approximately 20% of all trips into the Wellington CBD, highlighting its critical role in providing high-capacity access to

<sup>5</sup> Greater Wellington Regional Council, *Wellington Rail Programme Business Case: Wellington's Strategic Rail Plan*.

<sup>6</sup> Ibid.

<sup>7</sup> Noting that this includes the Capital Connection and Northern Explorer services.

the city centre and in mitigating congestion along State Highway 1 and parallel arterial routes.<sup>6</sup>

Beyond Metlink passenger services, the network supports over 100 weekly freight trains and 16 interregional passenger services operated by KiwiRail.<sup>7</sup> The Kāpiti Line serves as the southern terminus of the North Island Main Trunk (NIMT), connecting Wellington to Auckland and the broader North Island freight network. The Hutt Valley and Wairarapa Lines facilitate both commuter and freight movements, including forestry-related freight from the Wairarapa and access to KiwiRail's Gracefield engineering facility.

Given Wellington's compact urban form, constrained geography, and limited ability to accommodate additional road capacity, the regional rail network is a critical enabler of growth. It allows population and employment growth to be concentrated along existing corridors while managing congestion, supporting mode shift, and protecting the efficiency and resilience of the wider transport system.<sup>8</sup>

### 3.1.4 Bus

Buses are the primary mode of public transport for most of Wellington City and its surrounding suburbs, providing mobility in areas not served by rail. While rail carries the main commuter flows, buses offer comprehensive coverage across the city's hilly terrain and dispersed neighbourhoods. They are also essential beyond Wellington City, feeding passengers into rail hubs and extending the reach of the wider Metlink network. This integration ensures communities across Wellington, the Hutt Valley, and Porirua remain well connected to key service and employment centres.

<sup>8</sup> As is consistent with the long-term spatial direction set out in the Wellington Strategic Spatial View. Waka Kotahi NZ Transport Agency, *Wellington Strategic Spatial View*.

Nearly 97% of Wellington City residents live within walking distance of a bus stop, making buses the region's most accessible transport mode.<sup>9</sup> In 2024, Metlink buses delivered 26.6 million passenger trips, around 70% of all public transport journeys in the Wellington region. The network includes approximately 100 public routes and more than 180 school services, supported by high-frequency corridors through the Wellington CBD and core routes such as Route 130 in Lower Hutt. Targeted services extend access to areas like Wainuiomata and Eastbourne, ensuring coverage across the region.

### 3.1.5 Organisation Overview



#### Greater Wellington Regional Council

GWRC is a regional council governed by the Local Government Act 2002. It is a statutory body with legal obligations to enable democratic local decision-making and promote the social, economic, environmental, and cultural well-being of its communities.

Across the greater Wellington region, GWRC manages natural resources, public transport, flood protection, land and water management, regional parks, harbours, emergency management, biosecurity, pollution control, and regional planning.

GWRC's work is guided by three key outcomes:



Figure 4: GWRC territory



**Nui te ora o te taiao | Thriving Environment:** Healthy waterways and coastal waters, clean and safe drinking water, unique landscapes, indigenous biodiversity, sustainable land use and a prosperous low emissions economy.



**He hapori Kotahi | Connected communities:** A vibrant and liveable region in which people can move around on safe, sustainable, and effective public transport, there is inclusive and equitable participation, and our sustainable rural and urban centres are connected to each other.



**He manawaroa te āpōpō | Resilient Future:** A strong and thriving regional economy, adapting to the effects of climate change and natural hazards, community preparedness and modern robust infrastructure.



#### Metlink

Metlink is GWRC's public transport brand and business unit, responsible for planning, designing, managing, and overseeing bus, rail, and ferry services. Metlink manages a comprehensive system of buses, trains and ferry services. The network includes the five rail lines, nearly 100 public bus routes, over 180 school routes, and a harbour ferry service, supporting more than 30 million annual trips.

Metlink maintains stations, bus stops, signage, Park & Ride facilities, and manages service design and customer communications. It works in partnership with Waka Kotahi, KiwiRail, and district councils to ensure the network meets current and future needs.

<sup>9</sup> Wellington City Council, "Bus Priority," <https://wellington.govt.nz/parking-roads-and-transport/transport/bus-lanes/bus-priority>



## 3.2 Waterloo Interchange: Its Strategic Role, Current Infrastructure, and Future Readiness

Waterloo Interchange is a critical node within the Wellington metropolitan rail network and a cornerstone of the Hutt Valley's public transport system. Located between Oxford Terrace and Cambridge Terrace in Lower Hutt, the total interchange (including rail corridor) occupies a substantial footprint of approximately 32,000m<sup>2</sup> and serves as a major multimodal interchange, integrating rail and bus services with active and private transport modes.

### 3.2.1 Infrastructure Overview

Waterloo's built environment comprises a range of facilities that support its function as a high-volume commuter hub:

|                                                                                     |                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | A 4,700m <sup>2</sup> space frame roof spans the station's main platform and atrium areas. This structure, while once a defining architectural feature, is now in poor condition and approaching the end of its functional life. |
|    | A former NZ Bus office building, currently leased to community groups.<br>A standalone toilet block and a waiting room for passengers.<br>A coffee kiosk that provides limited retail amenity.                                   |
|  | Platform shelters for weather protection.<br>Numerous lighting fixtures, signage, and CCTV assets that support safety and wayfinding.                                                                                            |
|  | A pedestrian subway with associated sump pump infrastructure.<br>Ramps, walkways, and stair access to facilitate movement between platforms and surrounding streets.                                                             |

|                                                                                     |                                                                                                                                                                              |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Two bus interchanges providing timetabled connections servicing a wide catchment including Kelson, Naenae, Wainuiomata and Seaview, with 19 peak-hour bus services per hour. |
|  | Six designated park-and-ride areas covering 18,865m <sup>2</sup> , offering approximately 780 car parking spaces.                                                            |
|  | A total of 50 bike parking spaces, including 22 secure cycle lockers, 20 two-tier racks, and one toaster rack.                                                               |

Waterloo comprises includes approximately 19,000m<sup>2</sup> (2 hectares) of potentially developable land, offering a significant opportunity for redevelopment.

### 3.2.2 Service Provision and Connectivity

Waterloo Interchange is served by both the Hutt Valley Line (HVL) and the Wairarapa Line (WRL), operating seven days a week:

| Hutt Valley Line                                                                                                                                                                                                                                         | Wairarapa Line                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Operates from 4:30am to 11:45pm Monday to Thursday, with extended services until 1:50am on Fridays and Saturdays.</li> <li>Offers 157–160 trips on weekdays, 65 trips on Saturdays, and 57 on Sundays.</li> </ul> | <ul style="list-style-type: none"> <li>Operates from 5:46am to 8:03pm Monday to Thursday, with a late service on Friday.</li> <li>Provides 10–12 weekday trips and 4 trips on weekends.</li> <li>Connects regional communities and freight operations to the Wellington metro area.</li> </ul> |

- Weekday off-peak frequency is every 20 minutes, with higher frequencies during peak periods.
- Weekend services operate every 30 minutes during the day and hourly outside of those times.

In addition to regular timetabled services, Waterloo supports increased and extended rail services during major events and periods of high demand, providing additional capacity for special events, typically sports events or concerts in central Wellington.

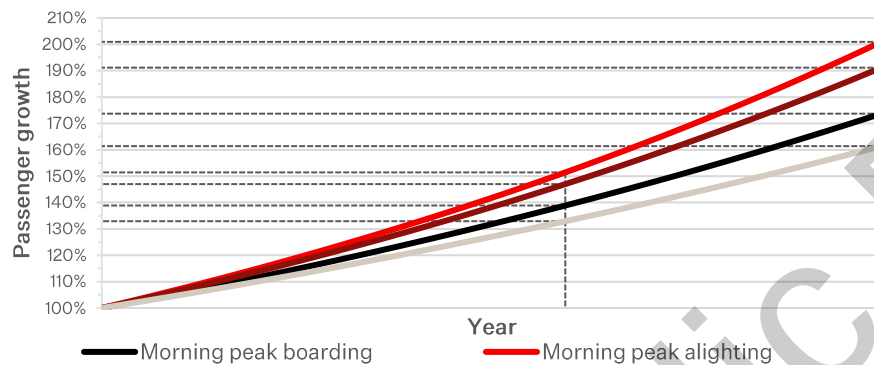


Figure 5: Tidal passenger demand at Waterloo Station during peak periods (March 2024)

Waterloo is also a key bus-rail interchange, with timetabled connections to a wide catchment including Kelson, Belmont, Tirohanga, Maungaraki, Stokes Valley, Naenae, Wainuiomata, and Seaview. The station is served by:

- **Frequent Route 130:** A high-frequency, seven-day service.

- **Connector Routes 150, 160, 170:** Operating every 30 minutes during the day, with increased frequency at peak times.
- **Targeted Routes 121, 145 and 149:** Operating every 60 minutes during the day, with additional peak services, six days a week (except 149 which is five days a week).

### 3.2.3 Patronage Profile and Demand Outlook

Waterloo serves a broad and growing catchment across the central Lower Hutt Valley. Key origin points include Naenae to the north and Wainuiomata to the southeast. The interchange currently accommodates an average of 14,500 weekday passengers, making it the third busiest station in the Wellington rail network.

Rail patronage at Waterloo, consistent with trends observed across New Zealand and internationally, experienced a significant decline during the COVID-19 pandemic. Across New Zealand, public transport services were adjusted in response to public health requirements, and overall public transport ridership reduced by approximately 47% over the 2020–2022 COVID-19 period. Between 2018 and 2022, public transport boardings declined across all major metropolitan centres, including Auckland (40%), Wellington (31%) and Christchurch (25%).<sup>10</sup>

As reflected in Waka Kotahi and GWRC reporting, this reduction was driven primarily by public health restrictions, changes to travel behaviour, and a rapid increase in working from home, particularly for office-based employment in metropolitan centres such as Wellington. Reduced peak-period commuting, alongside changes in service patterns during the pandemic, had a pronounced impact on rail patronage in particular.<sup>11</sup>

Evidence from Waka Kotahi and GWRC's own assessments indicate that reduced commuter travel during the pandemic and its aftermath has been most pronounced on traditional peak-period rail services, with Mondays and Fridays showing the largest sustained declines, reflecting hybrid and remote working patterns. Similar

<sup>10</sup> Waka Kotahi New Zealand Transport Agency COVID-19—implications for land transport; Waka Kotahi New Zealand Transport Agency COVID-19 transport impact on New Zealand.

<sup>11</sup> Ibid.

impacts on public transport patronage have been widely observed internationally, with working-from-home identified as a key driver of reduced weekday peak demand in major cities.<sup>12</sup>

Despite this temporary disruption, evidence indicates that public transport patronage in New Zealand is rebounding toward pre-COVID levels, particularly as pandemic effects recede and travel behaviour continues to normalise. Recent analyses show that public transport use in several New Zealand cities has returned to, or exceeded, 2019 levels on some modes and time periods, with overall growth trends re-emerging as population growth, immigration, and return-to-office patterns take effect. International experience similarly demonstrates that COVID-related patronage losses are transitional, with medium- to long-term

#### Typical Public Transport Patronage as a Percentage of the Same Month 2019

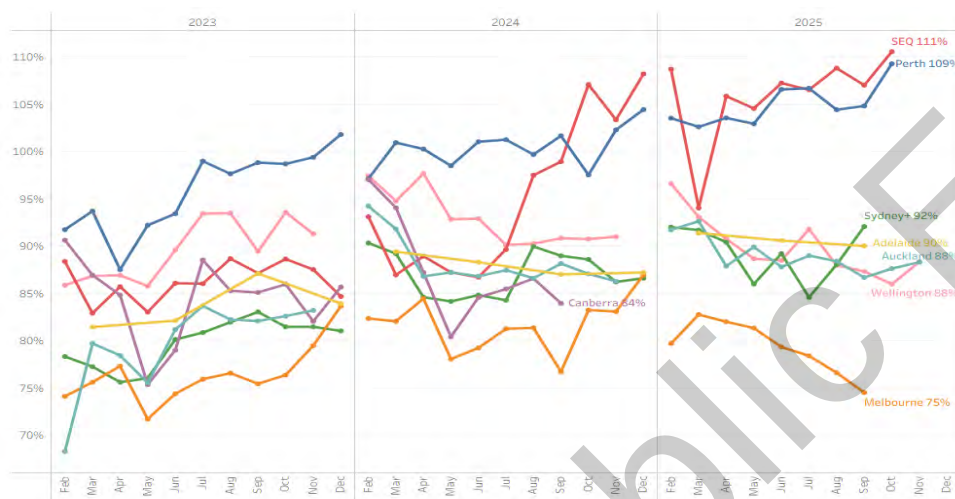


Figure 6: Public Transport Patronage in Australasian cities compared to the same month pre-Covid

<sup>12</sup> Ibid.

<sup>13</sup> Charting Transport. Accessed March 3, 2026. <https://chartingtransport.com/>

<sup>14</sup> Waka Kotahi NZ Transport Agency, COVID-19—Implications for Land Transport; Waka Kotahi NZ Transport Agency, COVID-19 Transport Impact on New Zealand; Thomas, Fiona, James Klosser, Paul Mitchell, and Graham Davies. *Working from Home Policy and Practice Review*;

<sup>15</sup> International Transport Forum. *Shaping PostCOVID Mobility in Cities*.

demand returning to underlying growth trajectories as economic activity and office attendance recover.<sup>13</sup>

In the New Zealand context, this recovery is expected to be reinforced by evolving government and employer policy settings that increasingly encourage greater in-office presence, particularly within the public sector. Waka Kotahi research has noted that sustained working-from-home levels are not expected to remain at peak pandemic levels over the long term, and that commuter travel demand is likely to strengthen as hybrid work patterns stabilise.<sup>14</sup>

In the Wellington region specifically, future rail patronage growth is also expected to be supported by significant investment in roading and urban infrastructure projects. Major initiatives such as RiverLink in Lower Hutt are already causing disruption to general traffic capacity and road travel conditions, increasing the relative attractiveness of public transport for peak commuting. International and New Zealand evidence indicates that large scale roading constraints and construction activity typically accelerate mode shift toward rail and bus services, particularly where high frequency services and integrated interchanges are available.<sup>15</sup>

Looking ahead, it is also highly likely that some form of road pricing, including tolling and congestion or time-of-use charging, will be introduced across the Wellington region. Public statements to this effect have been made by both GWRC and the Mayor of Wellington City.<sup>16</sup> This direction is further supported by recent central government legislation enabling time-of-use charging, which removes previous regulatory barriers to implementation.

International and New Zealand experience demonstrates that the introduction of congestion or time-of-use charging typically results in an immediate and material uplift in public transport patronage, with observable spikes occurring from the day charging is introduced.<sup>17</sup> This form of pricing directly influences travel behaviour by shifting demand away from private vehicles during peak periods and toward rail

<sup>16</sup> Greater Wellington Regional Council. *Wellington Councils Working on Congestion Charging Proposal*

<sup>17</sup> Ministry of Transport, *Regulatory Impact Statement: Time of Use Charging*; Auckland Transport, *Time-of-Use Charging Programme Update and Study Summary*.

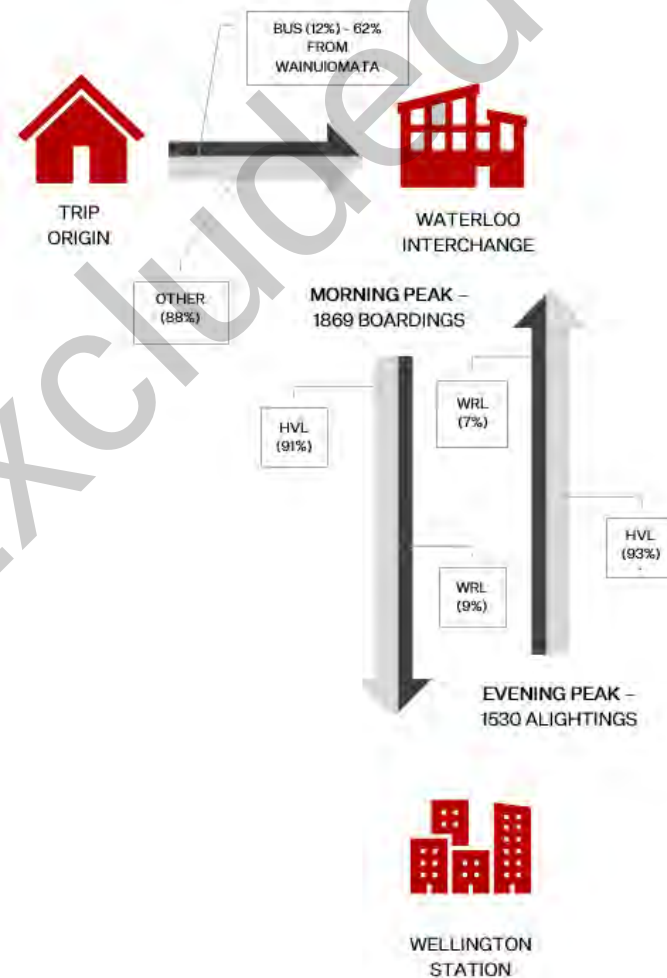
and bus services. As a result, future growth trajectories for Waterloo Interchange need to anticipate not only steady recovery and background growth, but also the potential for rapid step-changes in demand when road pricing measures are implemented.

Analysis of Snapper data from March 2024 confirms rail demand is strongly tidal. In the morning peak (6:00–9:00am), 1,869 passengers board trains at Waterloo, with 91% on the Hutt Valley Line (1,702 boardings) and 9% on the Wairarapa Line (167 boardings). Evening peak reverses this pattern, with 1,530 passengers alighting—1,423 from the Hutt Valley Line and 107 from the Wairarapa Line.<sup>18</sup>

During the morning peak, 12% of rail boardings (around 240 passengers) arrive by bus, with 62% of these transfers from Wainuiomata routes 160 and 170. Forecasts indicate that there is 36 peak-hour bus movements from or into the interchange, 75% crossing the Waterloo Road bridge and 25% operating on the western side.

Forecasts from the Wellington Strategic Demand Model, combined with Snapper data, project significant growth in both morning alightings and evening train boardings through 2046 and 2061.<sup>19</sup> These forecasts reflect the resumption of pre-COVID patronage growth trends, supported by population growth, transport investment (including upgrades which will result in increased rail frequency), evolving work patterns, increasing constraints on private vehicle travel in the Lower Hutt–Wellington corridor, and the likely introduction of congestion and time-of-use charging across the region. Notably, prior to the Covid-era disruptions, Wellington had largely reached peak capacity on passenger rail demonstrating high latent demand within the general population for commuter rail services.

Figure 7: Passenger flows through Waterloo Interchange



<sup>18</sup> Wellington Transport Analytics Unit, "EMME: Strategic Transport Models," <https://wellingtontransportanalytics.co.nz/emme-strategic-transport-models>.

<sup>19</sup> Ibid.

### 3.3 A Strategic Investment Aligned with Regional and National Priorities

#### 3.3.1 National Strategies, Policies and Plans

The redevelopment of Waterloo Interchange is strongly aligned with national priorities for transport, housing, and urban development. It directly supports the Government's direction to deliver a more efficient, reliable, and accessible transport system while enabling well located housing growth and improving regional connectivity. Waterloo is uniquely positioned to help realise these priorities because several forces are converging to amplify demand and opportunity:

- ♦ **Population Growth:** Projected growth in the Hutt Valley (predicted to be a 33.6% population increase between 2021 and 2051) and the Wairarapa is and will continue to increase pressure on the public transport system and strengthen the need for higher capacity, higher quality interchange infrastructure.<sup>20</sup>
- ♦ **Housing Intensification:** New and denser residential developments within the station's catchment will increase local ridership, particularly where planning settings reduce the provision of off-street parking in individual developments.
- ♦ **Feeder Network Expansion:** Growth in areas such as Wainuiomata will increase demand on connecting bus services.
- ♦ **National Ticketing System:** The introduction of integrated fares, fare capping, and distance-based pricing is expected to encourage greater use of public transport.
- ♦ **Rail Investment:** Programmes such as The Lower North Island Rail Integrated Mobility (LNIRIM) which will improve reliability and rolling stock quality and the

RS1 signalling upgrades which will allow for increased frequency of trains at peak times, are expected to translate to increased patronage.

#### Government Policy Statement on Land Transport - Strategic Priorities

Figure 9 below illustrates the scale and nature of Crown investment in rail over the past decade. It shows a sustained and material increase in both operating and capital expenditure, reflecting investment in the ongoing operation and maintenance of the existing network alongside the delivery of significant new capital projects. The consistent uplift across both opex and capex indicates a clear shift in Government investment settings for rail. Rather than relying on time-limited or one-off funding initiatives, rail investment has become embedded within baseline funding and the forward capital pipeline, signalling an enduring policy and fiscal commitment. Taken together, these trends demonstrate a long-term strategic prioritisation of rail within the Crown's infrastructure investment programme.

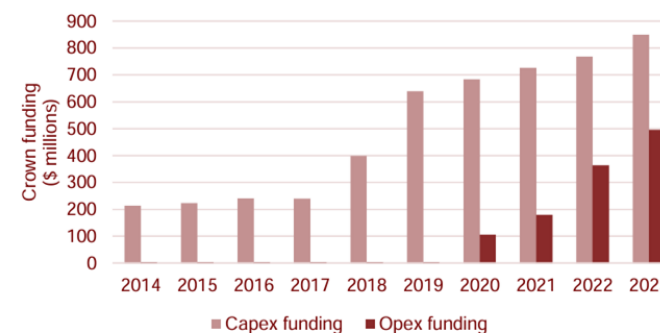


Figure 8: Crown funding of rail capital expenditure (Capex) and operating expenditure (Opex) between 2014 and 2023<sup>21</sup>

Notwithstanding this relatively recent step-change, New Zealand's overall level of investment in rail remains low by international standards. As shown in Figure 10,

<sup>20</sup> Hutt City Council, Hutt City 3W Growth Study Report, Rev 0.1, p.11.

<sup>21</sup> New Zealand Ministry of Transport, Government Policy Statement on Land Transport 2024/25–2033/34.



rail investment levels are approximately 64% below comparator country averages, with associated deficits in network quantity (–43%) and, most significantly, network quality (–90%).<sup>22</sup> The recent uplift in Crown funding therefore represents a necessary and deliberate shift to begin addressing this long-standing investment deficit, rather than a departure from international norms.

|                                                                                   | Investment levels | Quantity | Usage | Quality |
|-----------------------------------------------------------------------------------|-------------------|----------|-------|---------|
|  | -64%              | -43%     | -23%  | -90%    |

Figure 9: NZ rail investment difference from comparator country average

This sustained investment approach is reflected in the Government Policy Statement on Land Transport 2024 (GPS-LT) 23, which sets the Government’s strategic direction for land transport and articulates the outcomes expected from investment over the next decade.

## Economic Growth and Productivity

One of the Government’s primary focuses under the GPS-LT is to drive economic growth and productivity through efficient land transport investment. This means creating transport systems that connect people and freight quickly and safely, enabling economic opportunities and improving access to land for housing development. Working with local authorities, the Government plans to deliver major public transport projects to expand travel choices and reduce congestion in key urban areas. These initiatives aim to unlock greenfield land, support urban intensification, and improve housing supply, choice, and affordability, addressing New Zealand’s housing undersupply. Funding will prioritise projects that optimise existing networks, improve system productivity, and manage congestion to allow

efficient movement of goods and people. Rail investment will focus on the busiest freight corridors, complemented by state highway upgrades to strengthen supply chains, while metro passenger rail improvements in Auckland and Wellington will support efficient urban mobility. Investment in the Waterloo Interchange directly supports this priority by:

Enhancing corridor connectivity between Lower Hutt and Wellington by upgrading a strategic rail–bus hub, improving passenger circulation and ability to meet forecast passenger demand. This improves reliable access to jobs and services across the region.

Making public transport a more attractive choice on commuter routes through better amenity, supporting faster, more dependable journeys and easing road congestion.

Facilitating housing supply and affordability by creating conditions for higher-density development near reliable transport, addressing New Zealand’s housing undersupply.

## Increased Maintenance and Resilience

The GPS-LT outlines the Government’s aims to ensure New Zealand’s transport system is resilient to the impacts of severe weather events and natural disasters. Increasing maintenance and resilience enables effectively manage and reduction of current and future risk and adapt to these challenges. Investment in the Waterloo Interchange directly supports this priority by:

<sup>22</sup> New Zealand Infrastructure Commission (Te Waihanga), *National Infrastructure Plan (Mahere Tūāhanga ā-Motu)*. Comparator countries include Chile, Greece, Japan, Spain, Finland, Sweden, Iceland, Norway.

<sup>23</sup> Ibid.

Replacing aging infrastructure with modern, fit-for-purpose facilities designed to meet current safety and performance standards.

Incorporating resilience measures such as structural upgrades to withstand seismic activity and severe weather events, reducing vulnerability to disruption.

Future-proofing the interchange through durable materials and design that extend asset life and reduce long-term maintenance costs.

Creating conditions for safe, efficient travel during emergencies and recovery periods, supporting regional connectivity and community preparedness.

Optimising an existing strategic asset rather than building new infrastructure, reducing capital costs.

Delivering lifecycle savings through durable design and integrated planning.

Creating ancillary revenue opportunities (e.g., retail leases, paid parking) to improve financial sustainability.

## Value for Money

The Government wants to realise greater value from the financial investment made into the land transport system, which is why value for money is a strategic priority guiding all transport investments under the GPS-LT. As set out in the Ministry of Transport's Value for Money assessment model, getting the most from limited resources requires demonstrating both efficiency and effectiveness while delivering intended outcomes. As the GPS-LT explains, value for money is not just about seeking the lowest initial cost for a project; it must take whole-of-life costs and benefits into consideration.

One key focus of this strategic priority, alongside making better use of existing capacity and assets, is the importance of leveraging user-pay systems or alternative funding models. Increasing public transport Private Share and third-party revenue from local government are specifically identified as ways to approach this. Investment in the Waterloo Interchange directly supports this priority by:

## 3.3.2 Other National Priorities and Objectives

In addition to the GPS-LT, a range of national strategies, plans, and policy statements, including the National Infrastructure Plan, establish complementary priorities that shape the future direction of transport investment and urban development in New Zealand. Collectively, these documents emphasise the need to better integrate transport and land use, maximise the value of existing infrastructure, enable housing growth in the right locations, and strengthen the role of rail as a backbone of the transport system. The redevelopment of Waterloo is strongly aligned with these national objectives.

### Transit Oriented Development is a Strategic Priority

TOD is strongly endorsed at the national level as a key strategy for integrating housing and transport planning. Multiple national strategies identify TOD as an essential tool for supporting sustainable urban growth by enabling higher-density housing and mixed-use development around major public transport hubs.

This includes the National Infrastructure Plan, which sets a 30-year direction for the infrastructure system, and explicitly identifies improved delivery of transit-oriented development as a priority, recognising its role in addressing housing supply, improving accessibility, and maximising the return on transport investment (refer Recommendation 19).<sup>24</sup>

<sup>24</sup> New Zealand Infrastructure Commission (Te Waihanga), *National Infrastructure Plan (Mahere Tūāhanga ā-Motu)*.

The importance of TOD has also been reinforced by the current Minister of Transport, who has highlighted TOD as a critical mechanism to support economic growth and respond to housing supply pressures.<sup>25</sup> International experience demonstrates that clustering development around mass transit stations can deliver better outcomes, including increased housing supply, improved accessibility, and stronger economic performance.<sup>26</sup>

In this context, the Waterloo Interchange represents a significant opportunity to deliver the Wellington region's first major TOD, providing a flagship example of best-practice integration between transport infrastructure and land use.

### Optimising Existing Assets at Waterloo

National policy direction places strong emphasis on the active stewardship and optimisation of existing transport assets, rather than reliance on reactive investment following asset failure.<sup>27</sup>

The Project is closely aligned with this direction, recognising the strategic role of Waterloo within the Wellington metropolitan rail network and the importance of maintaining reliable operations as demand continues to grow.

This direction reflects a shift away from reactive responses toward planned maintenance, renewals, and targeted optimisation. At Waterloo, this approach supports extending asset life, improving reliability and resilience, and reducing whole-of-life costs by avoiding unplanned failures and service disruption at a constrained and operationally critical site. By focusing investment on renewing and optimising existing assets, the Project ensures the station and interchange remain safe, fit-for-purpose, and capable of supporting future service growth and associated development.

### Development in high-density strategic corridors

Leveraging transport investment to support housing supply is a consistent objective across national policies, plans, and strategies. This is particularly emphasised through the Going for Housing Growth programme, a key priority within the draft Government Policy Statement on Housing and Urban Development (GPS-HUD).<sup>28</sup>

The Going for Housing Growth programme includes multiple work streams focused on enabling housing intensification in appropriate locations, improving integration between land use and transport planning, and supporting affordability through location efficiency. As part of this direction, Tier 1 councils are expected to enable higher-density development in areas with good access to public transport and essential services, including along strategic transport corridors such as key rail routes.

Waterloo is located within such a strategic corridor and is well positioned to support higher density, transit supported development that contributes to more compact, connected communities and reduced reliance on private vehicles.

### Aligning Investment with Long-Term Infrastructure Performance and Affordability

The National Infrastructure Plan (2026)<sup>29</sup> emphasises restoring affordability and performance by prioritising investment in existing, high-value assets, improving asset stewardship, and sequencing major land transport investments more effectively. Several of the Plan's ten priorities for the decade ahead are directly relevant to the Project.

The Plan highlights the role of demand-management tools, including time-of-use charging and fleet-wide road user charges, in improving the efficiency of congested urban road networks. Investment in high-quality public transport infrastructure is a

<sup>25</sup> Hon Chris Bishop, "Speech to Committee for Auckland," speech delivered to the Committee for Auckland, Auckland. (February 21, 2025).

<sup>26</sup> Arup, "Crossrail: Bringing the Elizabeth Line's New Stations to Life."

<sup>27</sup> See for example the policy direction set out in Cabinet Office, *Cabinet Office Circular CO (23) 9: Investment Management and Asset Performance in Departments and Other Entities*; The Treasury, *Asset Management Guidance for Agencies*.

<sup>28</sup> Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development, *Government Policy Statement on Housing and Urban Development: Tauāki Kaupapa Here a te Kāwanatanga mō te Tūāpapa Kura Kāinga*.

<sup>29</sup> New Zealand Infrastructure Commission (Te Waihanga), *National Infrastructure Plan (Mahere Tūāhanga ā-Motu)*.

critical enabler of these tools, providing viable alternatives to private vehicle travel and supporting mode shift. By strengthening a major rail–bus interchange on a constrained corridor, the Project supports this objective.

The Plan also calls for prioritising and sequencing major land transport projects, using targeted, lower-cost improvements to lift network performance ahead of large-scale capacity expansion. The Project aligns with this approach by optimising an existing strategic asset, delivering performance and capacity benefits without new corridor construction. It further reflects the Plan’s emphasis on adequate maintenance and renewals and on managing assets on the downside, through proactive renewal and resilience upgrades that protect asset value and reduce long-term risk.

Finally, the Plan identifies upzoning and intensification around key transport corridors as essential to maximising the value of infrastructure investment. By strengthening a key public transport node, the Project supports TOD and more efficient use of land and supporting infrastructure over time, consistent with the Plan’s long-term direction.

## The essential role of rail

A clear direction has been set for the future of rail at a national level through strategies such as the 2021 New Zealand Rail Plan<sup>30</sup> and the Rail Network Investment Programme (2024-27).<sup>31</sup> Together, these documents emphasise that the primary purpose of investment and subsidy in metropolitan public transport is to reduce the effects of congestion across the transport system. This is achieved through three inter-related outcomes: enabling faster and more reliable journeys that support economic productivity, reducing the need for additional investment in road capacity, and lowering transport emissions through mode shift.

The effectiveness of rail investments is therefore generally assessed against their contribution to these outcomes, particularly their ability to move large numbers of people efficiently through constrained corridors and into major employment centres. In this context, continued investment in metropolitan rail networks is critical to supporting economic growth, improving overall transport system

performance, and managing congestion pressures in a cost-effective and sustainable manner.

Rail also plays a key role in enabling housing and urban development by providing high-capacity, reliable connections between growth areas and key centres. By prioritising renewals, upgrades, and capacity improvements, national policy seeks to deliver a modern, resilient rail network capable of supporting long-term growth while reducing reliance on road expansion. The Project aligns with this direction by strengthening the performance and role of rail as the backbone of an integrated, high-capacity transport system that supports congestion relief, economic outcomes, and emissions reduction.

## Summary of National Strategies and Project Alignment

A comprehensive table detailing how the Project aligns with various national priorities is provided in full in Appendix A, with a summary presented in the table below.

Table 4: National Strategic Priorities

| Relevant document                             | Description and Key Principles                                                                                                                                                                                                                                                                                                                        | Alignment with the Project                                                                                                                                                                                                                                             |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Government Policy Statement on Land Transport | Sets the Government’s strategic direction for land transport investment over the next decade, including priorities for funding, system performance, and outcomes delivered through the National Land Transport Programme. Key principles include economic growth and productivity, increased maintenance and resilience, safety, and value for money. | The Project focuses on renewing and optimising an existing, strategically important interchange, improving reliability, resilience, and passenger experience while supporting wider network performance and value-for-money outcomes consistent with GPS-LT priorities |

<sup>30</sup> New Zealand Ministry of Transport, *The New Zealand Rail Plan*.

<sup>31</sup> KiwiRail, *Rail Network Investment Programme 2024–27*.

| Relevant document                                                                                              | Description and Key Principles                                                                                                                                                                                                                                                                                                                                                                                                  | Alignment with the Project                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Draft Government Policy Statement on Housing and Urban Development 2025 and Going for Housing Growth Programme | Sets proposed national direction for housing and urban development. The GfHG programme prioritises enabling housing supply in the right locations, integrating land use and transport planning, improving infrastructure funding and financing, and supporting affordability through location efficiency. Tier 1 councils are required to enable intensification along strategic transport corridors, including rail corridors. | Waterloo is located on a strategic rail corridor and supports higher-density, transit-supported development. Redevelopment strengthens the role of the interchange as an anchor for housing intensification and mixed-use development, directly supporting GfHG objectives and integrated land-use and transport outcomes. |
| New Zealand Rail Plan (2021)                                                                                   | Sets the Government's long-term vision for a modern, resilient, and reliable rail network supporting metropolitan passenger services and increased freight movement, as part of an integrated, multi-modal and low-emissions transport system. Strategic priorities include restoring and renewing rail infrastructure and upgrading metropolitan networks for growth, productivity, and safety.                                | The Project strengthens a key metropolitan rail node, improving passenger experience, safety, and operational performance, and supporting the ongoing growth and productivity of the Wellington rail network in line with the Rail Plan.                                                                                   |
| Rail Network Investment Programme (2024-2027)                                                                  | Establishes the Government's funded programme for rail operations, maintenance, renewals, and targeted improvements, with a strong emphasis on restoring reliability and resilience across the existing network, including metropolitan                                                                                                                                                                                         | The Project directly supports RNIP objectives by renewing and upgrading critical station and interchange assets that are essential to reliable metropolitan rail operations, helping reduce service disruption and improve network resilience.                                                                             |

| Relevant document                                       | Description and Key Principles                                                                                                                                                                                                                                                                                                        | Alignment with the Project                                                                                                                                                                                                                                             |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | rail in Wellington. The RNIP prioritises planned renewals and asset optimisation to address historic under-investment and reduce unplanned failures.                                                                                                                                                                                  |                                                                                                                                                                                                                                                                        |
| National Land Transport Programme (2024-2027)           | Sets out a three-year programme of prioritised transport activities and a longer-term investment forecast, guided by the GPS-LT. Key principles include economic growth and productivity, increased maintenance and resilience, safety, and value for money.                                                                          | The Project aligns with NLTP priorities by improving the performance, safety, and resilience of an existing high-use public transport interchange, supporting efficient movement of people and better network outcomes.                                                |
| Climate Change and Emissions Reduction Policy Framework | The Government's climate response focuses on reducing emissions, improving resilience, and supporting the transition to a low-emissions economy, including through transport and urban development decisions. Key principles include resilient infrastructure, clean energy, mode shift, and meeting 2030 and 2050 emissions targets. | By strengthening rail access and supporting TOD, the Project contributes to mode shift away from private vehicles, supports more compact urban form, and improves the resilience of transport infrastructure, consistent with national emissions reduction objectives. |



| Relevant document                                                                                                        | Description and Key Principles                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Zealand Infrastructure Strategy 2022                                                                                 | <p>A 30-year plan outlining actions to ensure New Zealand's infrastructure system meets future challenges and opportunities.</p> <p>Key recommendations include:</p> <ul style="list-style-type: none"> <li>♦ Increase the supply and use of low-emission transport modes (Rec. 15);</li> <li>♦ Optimise the use of urban land (Rec. 17);</li> <li>♦ Improve the delivery of transit-oriented development (Rec. 19); and</li> <li>♦ Reduce congestion and improve urban mobility (Rec. 21).</li> </ul> | <p>The Project supports this strategy by strengthening a major public transport interchange, supporting increased use of low-emissions public transport, enabling higher-density development in a well-connected location, optimising the use of existing urban land and infrastructure, and improving the efficiency, resilience, and functioning of the metropolitan transport network.</p>                                             |
| Hikina te Kohupara – Kia mauri ora ai te iwi: Transport Emissions – Pathways to Net Zero by 2050 (Ministry of Transport) | <p>Sets out pathways for reducing transport emissions to net zero by 2050, applying the Avoid–Shift–Improve framework and emphasising mode shift, integrated land use and transport planning, and improved public transport accessibility.</p>                                                                                                                                                                                                                                                         | <p>The Project supports mode shift away from private vehicles by improving the attractiveness, capacity, and reliability of public transport. By strengthening a key rail–bus interchange, the Project directly contributes to emissions reduction objectives through increased public transport use, reduced congestion, and better integration of transport and land-use outcomes consistent with the Avoid–Shift–Improve framework</p> |

## 3.4 Local strategies, policies and plans

Local and regional strategies collectively set a clear direction for creating a connected, resilient, and sustainable transport system that supports regional growth and improves access to employment, services, and housing across Wellington and the Hutt Valley. The Project is consistently identified within these strategies as a critical investment to support public transport performance, urban intensification, and regional connectivity.

### 3.4.1 Waterloo Interchange Redevelopment – A Regional Priority

Across regional and local planning frameworks, the redevelopment of Waterloo Interchange is repeatedly identified as a necessary and strategically important project. Its prominence reflects both the ageing condition of the existing infrastructure and the central role Waterloo plays as a major rail and bus interchange within the metropolitan network.

As the Wellington region's second-busiest train station, Waterloo is a key node connecting Lower Hutt, Upper Hutt, Wairarapa, Wainuiomata, Eastbourne, and Wellington City. Investment at Waterloo therefore has system-wide implications for network capacity, reliability, customer experience, and future growth.

## GWRC Long-Term Plan



Figure 11: The Project is a feature of the GWRC LTP

The LTP identifies the replacement of ageing and unsafe building infrastructure at Waterloo with a mixed-use transport and commercial TOD as a key project within GWRC public transport asset and infrastructure management programme.

The LTP recognises that redevelopment of the Waterloo Interchange is critical to improving capacity, reliability, and customer experience across the public transport network. Addressing existing shortcomings, such as exposure to weather, poor connectivity between bus and rail services, and inefficient use of land, will improve passenger experience and make public transport a more attractive choice. This is particularly important given Waterloo's high patronage and strategic role in the network.

## Wellington Regional Land Transport Plan

The RLTP is a statutory 30-year plan that sets the strategic direction for land transport in the region.<sup>32</sup> Within this framework, the replacement of ageing and unsafe building infrastructure at Waterloo Station is identified as a significant activity, ranked 18th on the RLTP priority programme list. This ranking highlights the regional importance of investment at Waterloo relative to other transport initiatives.

## Wellington Regional Public Transport Plan

The Wellington Regional Public Transport Plan 2025–2035 sets the strategic direction for public transport investment across the region, with a focus on increasing travel choice, improving passenger experience, supporting mode shift

from private vehicles, and enabling efficient land use that maximises access to public transport.

Waterloo Interchange is specifically identified in the RPTP as the region's first TOD, targeted for delivery by 2030. The RPTP recognises that the existing station, constructed in the late 1980s, is reaching the end of its economic life and occupies a large, underutilised site. Its redevelopment is identified as a key opportunity to create an integrated transport hub for the Hutt Valley that supports increased public transport uptake, reduces reliance on private vehicles for peak travel into Wellington, and enables urban intensification around a rapid transit node.

The Project directly supports the RPTP objective of increasing public transport mode share. Currently, around 18% of commuters into central Wellington travel by rail and 16% by bus during peak periods. Improving interchange functionality, accessibility, and integration at Waterloo will help make public transport a more attractive alternative to private vehicle travel for a growing catchment.

The redevelopment also aligns with the RPTP's focus on improving passenger experience and accessibility, supporting Metlink's network-wide passenger satisfaction targets and improving access for people with specific needs, including those reliant on bus-to-rail transfers. As a TOD, the Project further supports the Plan's objective of promoting efficient land use and urban development that maximises the value of public transport investment while minimising long-term service delivery costs.

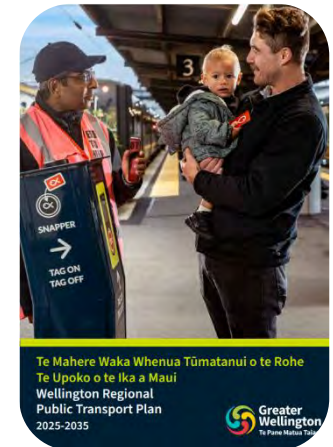


Figure 10: The RPTP sets the strategic direction for Wellington Public Transport

<sup>32</sup> Greater Wellington Regional Council. *Wellington Regional Land Transport Plan 2021*.

## Wellington Regional Growth Framework and Future Development Strategy

Additionally, the Wellington Regional Leadership Committee, which play an important and statutory role in Wellington regional planning as an entity comprising all district mayors, iwi representatives and relevant central government agencies, has placed strong emphasis on the redevelopment of Waterloo Interchange within its spatial planning frameworks.

Most notably, the redevelopment of Waterloo Interchange, including its TOD component, has been designated as a PDA.<sup>33</sup> PDAs are a statutory mechanism designed to enable coordinated and aligned action across multiple agencies, accelerating development in selected areas.

The decision to designate Waterloo as a PDA reflects both the imminent end-of-life of the existing roofing structure and the recognition that the scale of renewal required presents a unique opportunity for broader urban redevelopment and intensification in a highly accessible location.

## Rautaki Whakatipu Sustainable Growth Strategy 2025-2055

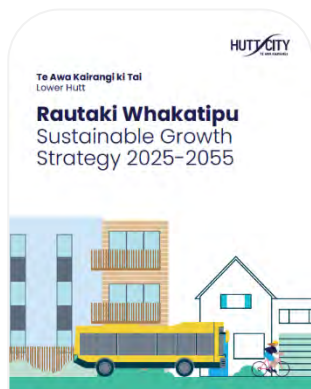


Figure 12: Rautaki Whakatipu identifies Waterloo as a key initiative

HCC's Sustainable Growth Strategy 2025–2055 (Rautaki Whakatipu)<sup>34</sup> identifies the upgrade of Waterloo Interchange, particularly the improvement of bus services and integration with rail, as a key initiative to strengthen connectivity across the sub-region. The strategy recognises Waterloo as a critical node linking Wellington City, the Wairarapa, Upper Hutt, Wainuiomata, Eastbourne, and the Lower Hutt CBD, supporting more efficient and reliable movement of people across the Valley Floor and the wider region.

Rautaki Whakatipu emphasises that convenient access to rail stations and high-quality public

transport services is a key driver of growth, particularly within the Valley Floor. It signals HCC's intent to support Metlink in delivering improved public transport services and better access for residents and visitors, recognising the role of rail and interchange investment in shaping sustainable growth patterns.

The strategy also directs that new housing growth be concentrated in the central and northern Valley Floor, identifying these areas as best placed to accommodate population growth due to their resilience, strong public transport provision, and cost-effectiveness to service with infrastructure. It specifically highlights the potential for mixed-use and higher-density development around an upgraded Waterloo Interchange to address housing demand, support employment growth, and reinforce Lower Hutt city centre as a focal point for economic and social activity.

In this context, the Project is strongly aligned with Rautaki Whakatipu's spatial growth framework, supporting transit-oriented development, improved public transport accessibility, and more compact, connected urban form consistent with HCC's long-term growth strategy.

## 3.4.2 Other Regional Priorities and Objectives

In addition to explicitly identifying Waterloo as a priority project, regional strategies consistently reinforce objectives that further support the redevelopment, including:

### Increase Public and Active Transport Use

Regional plans, including the LTP, RLTP and RPTP, emphasise the need to reduce reliance on private vehicles by improving accessibility, reliability, and attractiveness of public and active modes.

Redevelopment of Waterloo directly contributes to these objectives by creating a modern, integrated transport hub that encourages greater use of rail, bus, cycling, and walking, reducing congestion and emissions while improving customer experience.

<sup>33</sup> Ibid.

<sup>34</sup> Hutt City Council, *Sustainable Growth Strategy 2025–2055*.

## Urban Intensification and Integrated Land Use

Regional strategies collectively emphasise creating compact, connected, and sustainable urban environments. The focus is on integrating land use and transport planning to support higher-density housing and mixed-use development around rapid transit corridors. This approach aims to avoid urban sprawl by prioritising redevelopment and intensification in existing urban areas, concentrating housing, jobs, and essential services in key centres and nodes, and promoting multimodal access to public transport.

The redevelopment of Waterloo is strategically positioned to support integrated, higher-density housing by unlocking land in a prime location near a rapid transit corridor. It also creates opportunities to incorporate TOD elements, enabling the integration of housing, essential services, and employment hubs.

### 3.4.3 Summary of National Strategies and Project Alignment

A comprehensive table detailing how the Project aligns with various regional and local priorities is provided in full in Appendix A, with a summary presented in the table below.

Table 5: Local Strategic Priorities<sup>35</sup>

| Relevant document                                         | Description and Key Principles                                                                                                                                                                                                             | Alignment with the Project                                                                                                                                                                 |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Greater Wellington Regional Council Long Term Plan</b> | Sets GWRC's 10-year priorities and funding for regional services, including public transport. Emphasises a high-quality Metlink network, improved accessibility, emissions reduction, safety, reliability, and proactive asset management. | Identifies Waterloo Interchange redevelopment as a key public transport asset investment, supporting improved customer experience, network reliability, and fit-for-purpose infrastructure |

| Relevant document                                                                  | Description and Key Principles                                                                                                                                           | Alignment with the Project                                                                                                                    |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Wellington Regional Land Transport Plan</b>                                     | Statutory 30-year plan for land transport in the Wellington region, aiming for connected, safe, and sustainable mobility, developed by the Regional Transport Committee. | Replacement of ageing Waterloo infrastructure identified as a significant activity and ranked 18th on the regional priority programme.        |
| <b>Wellington Regional Public Transport Plan 2025–2035</b>                         | Sets strategic direction for public transport, including decarbonisation, increased patronage, improved passenger experience, and TOD delivery.                          | Identifies Waterloo as the region's first TOD, targeted for delivery by 2030, enabling an integrated transport hub and urban intensification. |
| <b>Regional Growth Framework</b>                                                   | WRLC spatial framework promoting intensification around rapid transit, integrated housing and transport, resilience, and equitable access.                               | Waterloo TOD designated as a Priority Development Area, enabling coordinated, cross-agency delivery.                                          |
| <b>Wairarapa-Wellington-Horowhenua Future Development Strategy (FDS) 2024–2054</b> | 30-year regional vision for growth, housing, infrastructure, resilience, and iwi partnership.                                                                            | Waterloo TOD identified as a Priority Development Area supporting compact growth and integrated development.                                  |
| <b>Wellington Regional Rail Strategic Direction 2020</b>                           | Strategy to modernise rail infrastructure, improve reliability, safety, and capacity, and enhance stations.                                                              | Waterloo redevelopment upgrades a key station and interchange to support rail performance and passenger experience.                           |

<sup>35</sup> Greater Wellington Regional Council, *Council 21 August 2025 Order Paper (Public)*.



| Relevant document                                              | Description and Key Principles                                                                                                                                                                                | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Metlink Accessibility Charter and Action Plan</b>           | Commitment to an inclusive public transport network enabling accessible journeys for all users.                                                                                                               | Redevelopment provides opportunity to deliver accessible, dignified, and inclusive station and interchange facilities.                                                                                                                                                                                                                                                                       |
| <b>Rautaki Whakatipu Sustainable Growth Strategy 2025-2055</b> | HCC's strategy for sustainable growth, particularly focussed urban areas in Lower Hutt, to deal with the challenges and opportunities that will come with projected population growth over the next 30 years. | Identifies Waterloo as a strategic public transport interchange and mixed-use development node, recognising access to rail and high-quality public transport as a key driver of growth. The Project supports this direction by upgrading a critical interchange, improving connectivity, and enabling higher-density housing and employment growth in the central and northern Valley Floor. |

### 3.5 Alignment with other major projects and programmes

The Project is not a standalone investment. It is closely aligned with, and in many cases enables or enhances, a number of major regional and national projects and programmes currently underway or planned. Together, these initiatives form a coherent programme of investment aimed at improving rail performance, increasing public transport uptake, supporting urban development, and delivering a more resilient and integrated transport system for the Wellington region.

#### 3.5.1 LINRIM and Tūhono

The Lower North Island Rail Integrated Mobility (LINRIM) programme is a regionally significant, multi-agency initiative led by GWRC and Horizons Regional Council. Its purpose is to modernise passenger rail services on the Wairarapa and Manawātū lines by addressing ageing rolling stock, reliability constraints, and infrastructure limitations.<sup>36</sup>

On the Wairarapa Line, the new fleet will serve key regional and metropolitan stations, including Waterloo, with a maintenance depot located in Masterton. The programme also includes significant infrastructure upgrades such as station improvements, stabling yards, and passing loops to support expanded service levels.

Waterloo Interchange is already a critical node in this network, with more than 150 Hutt Valley Line services and 10–12 Wairarapa Line services passing through daily. The introduction of the new rolling stock (called Tūhono) is expected to increase service reliability and frequency on the Wairarapa Line, providing additional services through Waterloo and acting as a back-up to Hutt Valley Line operations.

The Project directly supports LINRIM outcomes by providing upgraded interchange facilities capable of accommodating increased service levels, improving passenger experience, and strengthening Waterloo's role as a central

<sup>36</sup> RPS, Lower North Island Rail Integrated Mobility (LINRIM) Detailed Business Case, prepared for Metlink (Greater Wellington Regional Council).



transfer and mid-journey connection hub. The removal of diesel services will further enhance the interchange environment by reducing noise and emissions, creating a cleaner, more pleasant, and more functional public transport space.



Figure 14: Illustration of Tūhono Fleet Train

### 3.5.2 National Ticketing Solution

The National Ticketing Solution (NTS) is an initiative led by Waka Kotahi in partnership with public transport authorities. It will deliver a single, integrated payment system for all public transport across New Zealand. The new system, called Motu Move, introduces modern, flexible payment options, include contactless debit and credit cards.

Key features include weekly fare capping across combined bus and rail journeys, improving fare certainty and affordability for frequent users. The system will also enable dynamic off-peak pricing, allowing transport authorities to incentivise travel outside peak periods, improve equity, and better manage network demand.<sup>37</sup>

<sup>37</sup> Similar initiatives, such as Metlink's off-peak discounts in 2022, have already shown success in boosting patronage. Metlink. *Metlink to Slash Off-Peak Fares, Make Weekends and Public Holidays Free for Children*. In addition, international and local experience shows that customers increasingly prefer and use cash free methods of payment for public transport. The reason for this is the key benefits for customers including access to fare discounts, convenience, and ease of boarding allowing for faster

These features are particularly relevant for communities such as Waterloo, which have a higher proportion of older residents and benefit from improved affordability and flexibility.<sup>38</sup>



Figure 13: Motu Move - the New NTS System

Motu Move launched in Greater Christchurch in November 2025. Rollout will continue across New Zealand region by region. Motu Move is expected to be operational throughout the country by the end of 2027.

The Project will support the successful implementation of Motu Move by providing a high-quality, legible interchange environment that accommodates new ticketing infrastructure, supports seamless transfers, and enhances the overall customer journey at a major node within the wider network.

### 3.5.3 Signalling and timetabling upgrades

KiwiRail is upgrading signalling systems to make the rail network more reliable and allow more frequent services. The first stage will support a 15-minute timetable with minor improvements. A later stage will introduce advanced signalling technology, enabling trains every 10 minutes. The new Tūhono fleet is designed to work with this future system.



Figure 15: Real-Time Information System upgrades already in place at some Central City bus stops

journeys. Many customers also prefer to use non-cash payment in order to track and manage their travel budgets, and often, that of their dependants. Metlink. *Greater Wellington Investigating Snapper on Rail Services in Preparation for National Ticketing*. Metlink. *News & Updates: Projects Timeline*.  
<sup>38</sup> Independent Pricing and Regulatory Tribunal (IPART). *Final Report: Maximum Opal Fares 2025–2028*.

In parallel, upgrades to the Real-Time Information System are scheduled to roll out in the coming months, improving the accuracy and availability of real-time service information for passengers.

The Project complements these upgrades by ensuring station and interchange infrastructure is capable of supporting higher-frequency services and enhanced passenger information systems, reinforcing reliability and customer confidence in the rail network.

### 3.5.4 Te Wai Takamori o Te Awa Kairangi RiverLink

Te Wai Takamori o Te Awa Kairangi RiverLink (RiverLink) is a major collaborative project involving local iwi, GWRC, HCC, and Waka Kotahi. The project integrates flood protection and river restoration with transport and urban improvements in Lower Hutt. Key elements include relocation of the Melling Interchange, upgrades to SH2 and local roads, improved walking and cycling connections, a new pedestrian bridge, and revitalisation of the city centre.



Figure 16: Illustration of works planned as part of the Riverlink project

While RiverLink and the Waterloo redevelopment are located on different rail lines and opposite sides of the Lower Hutt CBD, they share common objectives:

- ♦ improving connectivity, enhancing resilience, and creating accessible; and

- ♦ creating people-focused environments that support sustainable travel and urban regeneration.

RiverLink will strengthen Lower Hutt's urban core and flood resilience, while the Waterloo redevelopment supports a complementary role as a future transit-oriented development and major interchange. Together, the projects enable a more integrated land-use and transport system across the city and the wider region.

### 3.5.5 Other Station Upgrades across the Metlink network

A number of station upgrades have been completed or are underway across the Metlink network to improve passenger experience, resilience, and readiness for future growth. Recent projects include works at Petone, Taita, Epuni, Masterton, Solway, Paraparaumu Transport Hub, Woburn and Paraparaumu.<sup>39</sup>

Several of these projects involve similar issues to Waterloo, including subway strengthening, resilience improvements, accessibility upgrades, and enhanced passenger facilities. Others provide relevant precedents for plaza design, multimodal integration, and public realm enhancements that can inform Waterloo's redevelopment.<sup>40</sup>

Taken together, these projects demonstrate a consistent, network-wide approach to improving station infrastructure, of which Waterloo represents a critical next step at a major interchange.

### 3.5.6 Wellington Regional Rail Programme Business Case

The WRRPPBC developed by GWRC in 2022 and embedded in the Wellington RPTP, sets the long-term direction for rail investment. These plans, mandated under the Land Transport Management Act 2003, define public transport services and infrastructure, foster collaboration, and enable public engagement.

<sup>39</sup> Metlink, *News & Updates: Projects Timeline*. Accessed March 3, 2026.  
<https://www.metlink.org.nz/news-and-updates/projects-timeline>

<sup>40</sup> Metlink. *News & Updates: Projects Timeline*.

The WRRPBC identified critical challenges with the rail network as being capacity constraints, outdated infrastructure, and aging assets that limit growth, safety, and resilience. Its preferred option for a solution, called Drive Mode Shift, focuses on removing barriers to high-frequency, reliable, and attractive rail travel through major upgrades to stations, connectivity, and customer experience.

The Waterloo station redevelopment is a core initiative delivering on this approach. By improving facilities, enhancing connectivity, and elevating customer experience, it supports programme objectives to increase capacity, safety, resilience, and sustainability across the network.

### 3.5.7 Metlink Accessibility Initiatives

In 2021, GWRC adopted the Metlink Accessibility Charter, committing to an inclusive public transport network that supports journeys with ease and dignity.<sup>41</sup> This is backed by the Accessibility Action Plan, co-designed with disabled users and advocates, outlining practical steps to improve access across Metlink services and facilities.<sup>42</sup> Accessibility audits have identified widespread challenges across the network, leading GWRC to prioritise upgrades at key stations where improvements will deliver the greatest benefit. Waterloo is likely to be a high priority station due to its high passenger volumes, interchange function, and concentration of services.

The Project provides a significant opportunity to deliver step-change accessibility improvements consistent with the Charter, reinforcing its role as an inclusive, legible, and welcoming transport hub.



Figure 17: The Metlink Accessibility Action Plan was codesigned with disabled users and advocates

<sup>41</sup> Metlink, *Metlink Public Transport Accessibility Charter*.

<sup>42</sup> Metlink, *Metlink Accessibility Action Plan*.



### 3.6 Business Needs / Key Service Requirements

Waterloo Interchange's existing infrastructure is aging, underutilised outside peak periods, and does not meet contemporary standards for accessibility, resilience, or customer experience. While basic amenities and network connectivity are provided, the interchange is poorly integrated with surrounding land uses and is not equipped to accommodate forecast growth or support TOD outcomes.

Within the Better Business Case framework, these issues define the business needs and establish the service outcomes that the investment must achieve. Rather than prescribing solutions, the business needs are translated into a set of Key Service Requirements that specify the essential features, functions, and performance standards required of any viable investment option.

The Key Service Requirements represent the minimum baseline for functionality, accessibility, operational performance, and precinct integration. They provide a consistent and transparent basis for developing, assessing, and comparing options, and for demonstrating alignment with strategic objectives, including TOD and wider public transport network outcomes.

The Key Service Requirements were confirmed and validated with the Steering Group through workshops held in November and December 2025 and are set out in the table below.

Table 6: Key Service Requirements

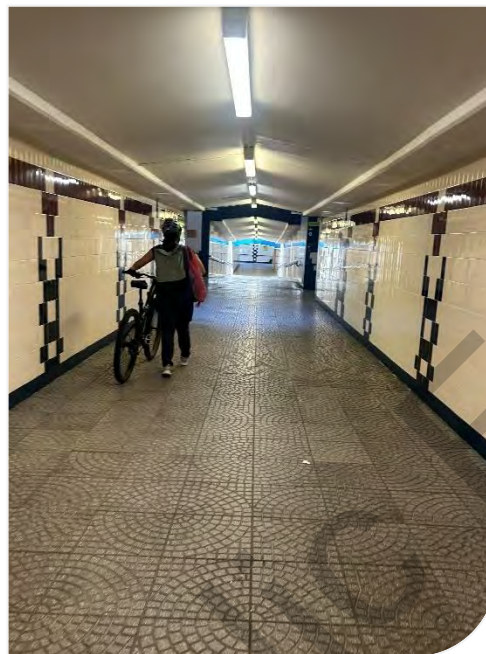


Figure 18: The Waterloo underpass - a key community connection

#### Integrated Interchange & User Experience

- Maintains community connection east–west across the rail corridor, by way of safe, walkable and attractive access enabling people to travel for school, work and recreation.
- Step-free access east–west with minimal level and direction changes between transport modes.
- Fully accessible access allowing ease of use and dignity for all users, incorporating universal design, and intuitive wayfinding.
- Security and comfort supported through CPTED principles.
- A civic, people-centered space that reflects cultural identity and offers flexible, aesthetic features.
- A transport interchange for multiple modes, including train, bus, and active transport, with integrated Park and Ride and minimal transfer times, providing an appealing alternative to private transport.
- Meets technical requirements of track and platform alignment and geometry.

#### Growth Capacity & Resilience

- Handles peak demand efficiently at Level of Service C.
- Infrastructure designed for long-term growth and housing intensification (2030, 2045, 2060) across the wider Hutt Valley.
- Allows incremental upgrades and supports emerging technologies (e.g., electric bus charging).
- Resilient to natural events (e.g., earthquakes) with robust systems that maintain functionality under varied conditions.
- Economic resilience through integration of commercial spaces outside Wellington CBD, supporting local businesses and reducing reliance on the central city.

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Sustainability and Lifecycle Value | <ul style="list-style-type: none"> <li>Whole-of-life cost balance (CAPEX, OPEX, finance) aligned with funding ability.</li> <li>Value for money achieved through optimal cost-performance trade-offs.</li> <li>Lifecycle cost minimisation over a 30-year horizon, including in relation to cost of maintenance.</li> <li>Durability standards (40-year station lifespan, 30-year material life).</li> <li>Ease of maintenance on a long-term basis.</li> </ul>                                                                                 |
|                                              | <ul style="list-style-type: none"> <li>Protects Waiwhetū Aquifer, water treatment plant and potable water infrastructure with no operational impact.</li> <li>Minimises environmental impacts and carbon emissions during construction and operation.</li> <li>Achieves reuse of existing infrastructure to the maximum extent, limits earthworks, and integrates energy-efficient systems.</li> </ul>                                                                                                                                          |
|                                              | <ul style="list-style-type: none"> <li>A compact, efficient station footprint avoiding reliance on external property not in control of GWRC.</li> <li>Integration with adjoining land to enable TOD and support urban intensification (including housing) within the 800m catchment and wider Hutt City areas enhancing the local area to benefit local businesses and landowners.</li> <li>Improved multimodal connectivity between the interchange and Hutt City centre, strengthening links for pedestrians, cyclists, and buses.</li> </ul> |
|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

therefore excluded from economic, financial, and commercial assessment. The table below summarises the in-scope and out-of-scope items for the purposes of this IBC.

Table 7: Scope Definition

| Item                                      | In Scope | Out of scope |
|-------------------------------------------|----------|--------------|
| Roof structure                            | ✓        |              |
| Platforms                                 | ✓        |              |
| Cross-corridor access                     | ✓        |              |
| Bus Interchange                           | ✓        |              |
| Station amenities                         |          |              |
| ♦ Accessibility Hub                       | ✓        |              |
| ♦ Seating                                 | ✓        |              |
| ♦ Toilets                                 | ✓        |              |
| ♦ Lighting and security systems           | ✓        |              |
| ♦ Wayfinding and signage upgrades         | ✓        |              |
| ♦ Landscaping                             | ✓        |              |
| ♦ Announcement systems and notifications  | ✓        |              |
| Bus and train fleet                       |          | X            |
| Bus operations (e.g. route management)    | ✓        |              |
| Wider network strategy and interfaces     | ✓        |              |
| Public education & promotion (mode shift) | ✓        |              |
| Park n ride                               | ✓        |              |
| Cycling facilities                        | ✓        |              |
| Train and bus fares                       |          |              |
| ♦ Fare setting                            |          | X            |
| ♦ Revenue from Train and Bus fares        | ✓        |              |
| Commercial Opportunities at the Site      |          |              |

### 3.7 Scope definition

This IBC assesses a defined scope of investment for the Waterloo Interchange. It sets out the components included in the investment assessed through this business case, and those that are outside the scope of this investment and



|                                                         |   |
|---------------------------------------------------------|---|
| ♦ Within station footprint (e.g. advertising)           | ✓ |
| ♦ Beyond station footprint                              | ✓ |
| Ticketing systems                                       | X |
| Relocation of signal infrastructure as part of upgrades | ✓ |
| Other                                                   |   |
| ♦ Waiwhetu Aquifer and Water Treatment Plant            | X |
| ♦ Local roading changes and upgrades                    | X |

## 3.8 Case for Change

This case for change sets out the challenges and opportunities associated with the redevelopment of Waterloo, the objectives the Project seeks to achieve, and the outcomes required to deliver it. A high-level challenge–objective–outcome map is provided below, with the full Investment Logic Model included at Appendix B.

| Our Current Challenges                                                                                                                                                                                                                                                                                       | Our Investment Objectives                                                                                                                                                                                                                                                                                                        | The Investment Outcomes                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>♦ Aging infrastructure compromises safety, accessibility and functionality.</li> <li>♦ Underutilised land and poor connectivity restrict growth and community revitalisation.</li> <li>♦ Disjointed transport interfaces undermine public transport appeal</li> </ul> | <ul style="list-style-type: none"> <li>♦ Enable seamless transport connections to grow public transport use</li> <li>♦ Deliver accessible and functional infrastructure</li> <li>♦ Position Waterloo interchange as a catalyst for growth and resilience</li> <li>♦ Optimise land use to unlock value and opportunity</li> </ul> | <ul style="list-style-type: none"> <li>♦ Safe, accessible and reliable infrastructure</li> <li>♦ Better connection and easier travel</li> <li>♦ Growth and development around the interchange</li> <li>♦ Active well-used precinct spaces</li> <li>♦ Reduced environmental impact and greater resilience</li> </ul> |

| Our Current Challenges | Our Investment Objectives                                                                        | The Investment Outcomes                                                                                |
|------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
|                        | <ul style="list-style-type: none"> <li>♦ Prioritise placemaking and social well-being</li> </ul> | <ul style="list-style-type: none"> <li>♦ Value-optimising and cost-efficient infrastructure</li> </ul> |

Figure 19: High level challenge-objective-outcome map

### 3.8.1 Development of the Challenge Statements

The purpose of the Strategic Case is not simply to catalogue deficiencies in the current state, but to articulate a clear case for change: why the status quo is no longer acceptable, what risks and constraints it creates, and what public value can be unlocked by responding in a more integrated way.

For Waterloo, the evidence demonstrates that the issues facing the interchange are interrelated and reinforcing. Aging assets, poor land use outcomes and fragmented transport interfaces collectively undermine safety, accessibility, network performance and the ability of the interchange to support growth. At the same time, these same conditions create a strategic opportunity to reset the role of Waterloo Interchange, moving beyond incremental remediation toward an investment that delivers enduring transport, urban and community outcomes.

Accordingly, this IBC frames the case for change around three challenges and associated opportunities:

- ♦ The challenges describe the material risks, constraints and inefficiencies created by the current condition, layout and use of the interchange, and the consequences of continuing with reactive or incremental responses.
- ♦ The opportunities describe what becomes possible if those challenges are addressed through coordinated investment, capturing benefits that extend beyond asset replacement to include improved accessibility, reduced interchange penalties, stronger mode shift, better land use outcomes and wider economic and social value.

These statements were developed through an evidence-based process led by GWRC, drawing on asset condition data, technical investigations (including structural, geotechnical and seismic assessments), customer insights from public transport surveys, and stakeholder input on the current and future role of the interchange. This information was tested and synthesised by the project Steering Group, which distilled the material into the three challenge–opportunity areas set out below:



Figure 20: Challenges to Opportunities

### 3.8.2 Challenge 1: Aging Infrastructure Compromises Safety, Accessibility and Functionality

*The existing infrastructure is outdated, end of life and fails to meet modern safety, accessibility, and compliance standards. This limits functionality and creates a poor experience for all users, particularly vulnerable groups, while constraining the interchange's ability to serve as a high-quality transport hub.*

#### State of Existing Infrastructure

Waterloo Interchange was constructed in 1988 and is now approaching — or in some cases beyond — the end of its intended design and economic life. Investment over time has been uneven and largely reactive, driven by emerging defects and operational pressures rather than a planned, whole-of-life renewal strategy. In anticipation of a future major redevelopment, preventative maintenance has also been deferred in places to avoid duplicating expenditure, further accelerating asset deterioration.

As a result, core elements of the interchange are increasingly costly to maintain, less resilient, and no longer fit for purpose, creating growing safety, accessibility and operational risk.

Key drivers include:

#### Roof and canopy

The roof and canopy are among the most critical end-of-life assets at Waterloo. Technical investigations have identified widespread corrosion and degradation across key structural elements, with some components



Figure 21: The lower roof pictured shows a heavy corrosion level

requiring near-term intervention to manage safety and operational risk.<sup>43</sup> The roof is beyond its economic life.

Ongoing expenditure on the roof represents regretful spend, with maintenance funding increasingly directed to extending the life of degraded assets that provide diminishing functional benefit and are expected to be replaced as part of a future renewal. This investment does not resolve the underlying structural or design deficiencies and delivers poor value for money. Forecast maintenance costs are expected to escalate as deterioration accelerates.

In addition, the canopy's over-height design provides ineffective weather protection, contributes to wind tunnelling, and exposes passengers to wind and rain, compounded by roof leaks. Interim mitigation measures, such as retrofitted shelters, reduce usable platform space and fail to address the root causes. Continued reliance on reactive maintenance of the roof and canopy is unsustainable and reinforces the case for comprehensive renewal rather than further piecemeal intervention.

### Bus Interchange Facilities

The bus interchange facilities at Waterloo are aging and in poor condition. Shelters, waiting areas and associated infrastructure show clear signs of wear and deterioration and no longer provide an adequate level of protection, comfort or amenity for passengers. Materials and finishes are dated, maintenance issues are

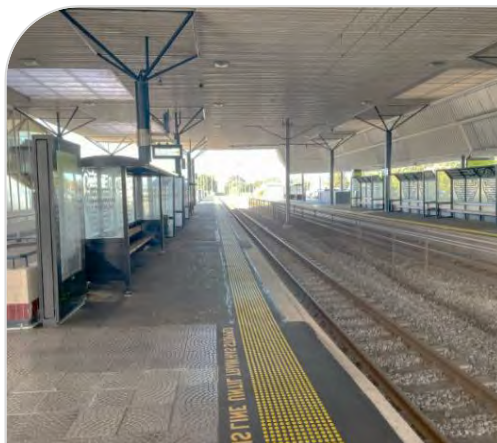


Figure 22: The canopy roof and bus-stop style shelters

evident, and the facilities do not meet contemporary expectations for a high-use public transport interchange.

In several locations, shelter is inadequate or poorly performing, leaving passengers exposed to wind and rain. The overall condition of the bus facilities detracts from the quality of the interchange environment, reduces passenger comfort while waiting or transferring, and contributes to a perception of neglect that undermines confidence in the interchange as a safe, reliable and well-maintained transport facility.



Figure 23: Bus shelters on Oxford Terrace

### Underpass deterioration and geotechnical risk threaten long-term reliability

The pedestrian underpass at Waterloo, constructed in 1988, runs beneath the rail corridor and Cambridge Terrace. It provides critical connectivity:

- ♦ Linking Oxford Street with Cambridge Terrace.
- ♦ Enabling passenger flow across the rail lines, allowing access between the park-and-ride area and northbound/southbound platforms.
- ♦ Connecting bus passengers to rail services, forming the core interchange function.

The underpass shows age-related deterioration through tile delamination and

<sup>43</sup> Aurecon New Zealand, *Waterloo Station Roof Repair*. Aurecon New Zealand Limited, *Waterloo Station and Canopy Review*.



water ingress, particularly near electrical infrastructure, indicate underlying material and waterproofing failures. Its below-ground location, aging waterproofing, and high groundwater levels increase the likelihood of worsening water ingress, which need to be addressed to maintain safety and operational reliability.

Technical assessments have also highlighted geotechnical risks, including high groundwater and compressible soils beneath the site.<sup>44</sup> The underpass is founded in a layer highly susceptible to liquefaction during a major earthquake. This could result in:

- ♦ Substantial uplift pressures and potentially hundreds of millimetres of movement if the structure is unrestrained.
- ♦ Extra pressure on subway walls and uneven settlement after an event.
- ♦ Such movement poses a direct risk to the rail corridor above, potentially damaging tracks and disrupting services.

While previous seismic assessments confirmed structural robustness under earlier NBS standards, the key concern is not compliance with seismic ratings but the impact of ground movement and uplift on rail operations.<sup>45</sup> Even if the underpass remains intact, differential settlement and uplift could compromise the rail line, requiring mitigation to ensure long-term resilience.

## Accessibility and Amenity Limitations

### Accessibility and amenity do not meet modern requirements or user expectations

Waterloo current layout presents significant barriers to equitable access and fails to meet the minimum standards required under Building Code Clause D1. The ramps leading down to the underpass currently exceed the allowable gradient and the rise between landings surpasses the maximum allowable amount, making them non-compliant and difficult to navigate for mobility-impaired users. Stair treads fall

short of the 300mm minimum requirement, further compounding accessibility issues.

Accessibility challenges are not limited to the station interior. Approaches from surrounding streets, such as grading from Cambridge Terrace up to the station and the entrance ways on Oxford Street, also require improvement to meet universal design principles. Current gradients and level changes create barriers for pedestrians and mobility-impaired users, reducing connectivity. These external access points must be redesigned to provide smooth entry and exit to the Interchange.



Figure 24: Tiles present slip hazard as indicated by warning signage

Platform conditions are also poor, with uneven surfaces and deteriorated edges that pose safety risks and do not meet KiwiRail's operational specifications. Flooring materials, especially tiles, present slip hazards in both exposed and sheltered areas, as evidenced by current warning signage.

Toilet facilities lack accessible design features, including the absence of a changing table. The number and configuration of accessible toilets will need to be

<sup>44</sup> Tonkin & Taylor Ltd, *Waterloo Station – Geotechnical Considerations for Station Foundations and Parameters for Existing Subway*.

<sup>45</sup> Calibre Consulting Ltd, *Waterloo Subway Seismic Assessment Report*.

scaled to meet forecast passenger volumes in accordance with Building Code Clause G1.

### Amenity Limitations

Amenities are extremely basic and fail to meet modern expectations: seating is old, insufficient, and poorly located; facilities offer no features that support a positive experience, such as sheltered waiting areas, charging points, or retail options; and toilets are substandard, lacking accessible features including changing tables, which further limits usability for families and mobility-impaired passengers. Collectively, these deficiencies diminish comfort and convenience, directly impacting customer satisfaction and willingness to use public transport, undermining mode shift goals and the strategic role of Waterloo as a key interchange.

### Future Capacity

Passenger numbers through Waterloo Interchange are expected to grow by approximately 140% between 2018 and 2053. Beyond this horizon, station capacity, particularly the underpass (which is anticipated to reach capacity at 2040), remains uncertain, raising concerns about its ability to support future growth safely and functionally.

### Safety

Safety concerns are also present, both in terms of physical risk and user perception. Under the public transport hierarchy of needs, safety and reliability are the most fundamental requirements, if these are not met, other service improvements (such as amenity, accessibility, or integration) deliver limited value.<sup>46</sup>

Waterloo performs poorly against this baseline. It records a high rate of incidents relative to comparable stations, with 348 reported security incidents in 2024, including 60 police-reported cases. Poor lighting, isolated spaces, and limited

natural or passive surveillance contribute to persistent feelings of insecurity, undermining user confidence in the interchange.

These safety issues also have secondary effects on mode choice. Bike storage facilities are largely unused due to frequent theft, with 10 substantiated thefts recorded by Transdev across 2024 and 2025. This reinforces perceptions that the interchange is unsafe for unattended property, may discourage active transport options such as cycling, further constraining the effectiveness of the wider network.



Figure 25: Bike storage is underutilised due to safety concerns

### 3.8.3 Opportunity 1: Use Essential Renewal to deliver a Step-change in Safety, Access and Resilience

The challenges associated with aging, end-of-life infrastructure at Waterloo Interchange are not solely operational; they represent a strategic opportunity to reset the role and performance of the interchange. The current condition undermines accessibility, passenger experience, perceptions of safety, and confidence in public transport. International evidence shows that continuing to maintain or incrementally repair outdated interchange facilities locks in high interchange penalties, constrains accessibility, and fails to capture demand-side benefits associated with modern, legible, and high-quality transport hubs.<sup>47</sup>

<sup>46</sup> Allen, J., J. C. Muñoz, and J. de Dios Ortúzar. *Understanding Public Transport Satisfaction: Using Maslow's Hierarchy of (Transit) Needs*.

<sup>47</sup> Transport for London. *Interchange Best Practice Guidelines*; Wardman, Mark, and Julian Hine. *Costs of Interchange*;



Incremental remediation or addressing the state of the infrastructure only would therefore preserve outdated design and miss the opportunity to address well documented drivers of patronage, safety perception, and transport option choice. By contrast, evidence from major interchange upgrades in the UK, Europe, Canada, Japan and Australia demonstrates that step-change improvements to layout, accessibility, amenity and public realm can materially reduce perceived journey cost, improve safety perceptions, and support sustained increases in public transport use and interchange activity.<sup>48</sup>

### Opportunity Statement

Create a fit-for-purpose station that meets contemporary safety and accessibility standards (positioning Waterloo as one of the accessibility hubs on the wider network). Incorporate universal design, intuitive wayfinding, and improved amenities to provide a high-quality, people-focused transport hub that enhances user experience and encourages greater public transport use.

An upgraded Waterloo Interchange provides the opportunity to deliver the following outcomes:

- ♦ **Universal Design and Accessibility:** Upgrading the interchange to meet or exceed Building Code and accessibility standards (including step-free access, intuitive wayfinding between rail, bus and park-and-ride facilities, and inclusive amenities) aligns with NZTA expectations that interchanges should make public transport more attractive and accessible.<sup>49</sup> Accessibility and strong intermodal connectivity are widely recognised as key drivers of public transport use. International experience from Japan, Singapore, the UK and

Canada shows that accessible, legible interchanges expand station catchments and increase use by older people, families and mobility-impaired passengers.<sup>50</sup>

- ♦ **Enhanced Passenger Experience:** Providing modern amenities such as well-located seating, effective weather protection, high-quality lighting and secure cycle storage aligns with NZTA expectations<sup>51</sup> for safe, comfortable and easy-to-use interchange environments. International evidence, including upgraded interchanges such as Panmure, major London hubs and JR East's Ekinaka programme, demonstrates that improved amenity increases passenger satisfaction, reduces perceived journey cost and supports patronage growth by making waiting and transfers more comfortable.<sup>52</sup>
- ♦ **Safety and Security:** CPTED-aligned design interventions—including improved lighting, better sightlines, elimination of blind spots, passive surveillance through activation and clear, intuitive layouts—are strongly supported by evidence linking them to reductions in crime, antisocial behaviour and fear of crime. Post-upgrade evaluations show that improved safety perceptions increase willingness to use public transport, particularly during off-peak and evening periods.<sup>53</sup>
- ♦ **Resilience and Future-Proofing:** Addressing geotechnical risks and structural vulnerabilities to ensure long-term operational reliability and protect the rail corridor from seismic uplift impacts.

<sup>48</sup> Yap, Meng, H. Wong, and Oded Cats. *Passenger Valuation of Interchanges in Urban Public Transport*; Transport for London. *Interchange Best Practice Guidelines*; De Keizer, Bart, Martijn Kouwenhoven, and Frank Hofker. *New Insights in Resistance to Interchange*.

<sup>49</sup> New Zealand Transport Agency Waka Kotahi, *Public Transport Design Guidance: Interchanges and Stations*.

<sup>50</sup> Ayan, H., Matthew Bell, and Dilum Dissanayake. *Investigating Factors Influencing Light Rail Ridership*; Transport for London. *Interchange Best Practice Guidelines*.

<sup>51</sup> New Zealand Transport Agency Waka Kotahi, *Public Transport Design Guidance: Interchanges and Stations*.

<sup>52</sup> Transport for London. *Interchange Best Practice Guidelines*; Auckland Transport. *Eastern Busway / Panmure Interchange Project Documentation*; and Kimura, Koji. *Universal Design for Railways: Accessibility for Everyone*.

<sup>53</sup> Brandon C. Welsh, David P. Farrington, and Stephen Douglas, *The Impact and Policy Relevance of Street Lighting for Crime Prevention: A Systematic Review Based on a Half Century- of Evaluation Research*; and Sundling, Cecilia, and Vania Ceccato. *The Impact of Rail Based Stations on Passengers' Safety Perceptions*; and Transport for London. *Interchange Best Practice Guidelines*.

### 3.8.4 Challenge 2: Underutilised Land and Poor Connectivity Restrict Growth and Community Revitalisation

Waterloo occupies a large and strategically located site but is inefficiently used and poorly integrated with its surrounding urban environment. While pedestrian movement through the interchange is high during train and bus arrivals, activity is overwhelmingly transitory. The site functions primarily as a thoroughfare rather than a place, reflecting a layout that prioritises circulation and car storage over amenity, activation and engagement with the surrounding area.

Waterloo Interchange occupies a large and strategically located site, yet land use efficiency is low. Around 60% of the site is devoted to surface park-and-ride parking, reflecting a legacy, car-dominated station model that prioritises vehicle storage over multimodal integration, urban connectivity, and place-making. As a result, large areas of land remain fragmented, inactive, and under-utilised, constraining opportunities for housing, commercial activity, and community revitalisation.

Under the current layout, a proportion of parking is used by non-public-transport users for private purposes, diluting the effectiveness of the park-and-ride function and further reducing productive land use. International evidence consistently shows that extensive surface parking around stations undermines interchange performance and economic outcomes by displacing active uses, weakening public-realm quality, and suppressing activation.<sup>54</sup>

Instead of functioning as a civic anchor, Waterloo operates largely as an isolated transport node surrounded by asphalt. While foot traffic increases when trains and

**19,000m<sup>2</sup>**

Developable  
Area

**60%**

Carpark area

**780**

Carparks

buses arrive and depart, movement through the precinct is predominantly transitory. People pass through rather than dwell, with limited incentive to engage with surrounding spaces. Amenity is minimal, weather protection is limited, and there is little activation to support safety, comfort or vibrancy.

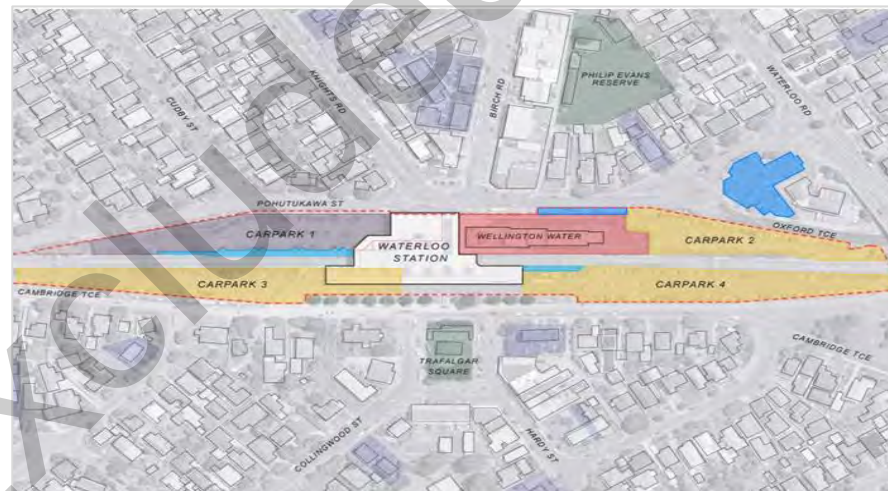


Figure 26: Diagram showing the extent of car parking at Waterloo Interchange

The surrounding environment reinforces this outcome. Large, disconnected spaces and inactive edges mean there is limited reason for people to move through the areas surrounding the current station other than to transfer between modes.<sup>55</sup> Many users either drive directly into the car parks or arrive by bus and immediately transfer to rail, bypassing interaction with the local area. This pattern aligns with findings from interchange studies in London and the Netherlands, which show that poor pedestrian permeability and inactive edges suppress incidental footfall and weaken retail viability, particularly where density is insufficient to support activation without deliberate intervention.<sup>56</sup>

<sup>54</sup> Transport for London. *Interchange Best Practice Guidelines*.

<sup>55</sup> Guo, Zhan, and Nigel H. M. Wilson. *Assessing the Cost of Transfer Inconvenience in Public Transport Systems*; Yap, Wong, and Cats, *Passenger Valuation of Interchanges in Urban Public Transport*.

<sup>56</sup> Transport for London. *Interchange Best Practice Guidelines*; De Keizer, Kouwenhoven, and Hofker, *New Insights in Resistance to Interchange*.

As a result, the shopping centres on either side of the station underperform and receive minimal passing trade. This contrasts with outcomes observed in station-led regeneration projects such as King's Cross–St Pancras and Panmure (Auckland), where the introduction of active edges, legible pedestrian routes and integrated public realm materially increased foot traffic, dwell time and retail performance.<sup>57</sup> These examples also highlight the importance of deliberate design intervention, particularly where surrounding densities are initially lower.



Figure 27: Large, underutilised station forecourt

East–west movement is further constrained by the rail corridor. Although an underpass exists, it is poorly aligned with natural desire lines, forcing indirect routes that discourage walking and cycling. Research on interchange penalties demonstrates that indirect, unclear, or uncomfortable transfer routes significantly

increase perceived journey cost, even where actual distances are short.<sup>58</sup> Similar issues have been identified in station catchment studies, which show that poor connectivity and route directness materially reduce walking access to transit and suppress use.<sup>59</sup> Rather than stitching neighbourhoods together, the station currently acts as a physical and psychological barrier within the urban fabric.

These issues are replicated within the interchange itself. The main forecourt is largely inactive and under-utilised, and limited commercial uses beneath the space-frame roof are oriented toward avoiding vacancy rather than generating activity, revenue or destination value. This contrasts with best-practice interchange models, where forecourts and concourses are deliberately designed as active public spaces that support safety, passive surveillance and economic performance. The absence of meaningful activation reinforces the site's underperformance and represents a missed opportunity to create a welcoming, legible and economically productive public realm.<sup>60</sup>

The challenge is compounded by anticipated growth. Lower Hutt and its surrounding catchment are forecast to grow significantly over the next 30 years, with population increases of approximately 32% to 51% under high-growth scenarios. The Waterloo core catchment alone is expected to increase from around 9,400 residents in 2022 to nearly 14,000 by 2053.<sup>61</sup> While recent increases in residential and non-residential development consents indicate growing development momentum,<sup>62</sup> the precinct around the interchange remains constrained by low-intensity land use and poor connectivity.

International and Australasian evidence demonstrates that locking large areas of land around rapid-transit stations into surface parking actively undermines housing intensification, even where market demand exists.<sup>63</sup> At Waterloo, significant

<sup>57</sup> Auckland Transport. *Eastern Busway / Panmure Interchange Project Documentation*; Steer Group, *King's Cross and St Pancras: Wider Impacts of Station Investment*.

<sup>58</sup> Wardman, Mark, and Julian Hine. *Costs of Interchange*; Guo, Zhan, and Nigel H. M. Wilson. *Assessing the Cost of Transfer Inconvenience in Public Transport Systems*.

<sup>59</sup> Khan, Z., M. A. Khan, M. H. Khattak, et al. *The Effect of Locating Public Transit Stations on Their Walking Accessibility Using an Actual Street Network*.

<sup>60</sup> Transport for London. *Interchange Best Practice Guidelines*; City of Toronto, *Union Station Revitalization Project*; NORR, *Union Station: Transit Hub Revitalization Project*. Steer Group. *King's Cross and St Pancras: Wider Impacts of Station Investment*; T. Matsubara, *Destination Station, Highlighting Japan*; East Japan Railway Company, FY2026.3 First Quarter Financial Results: Explanatory Materials.

<sup>61</sup> Property Economics, *Waterloo Transport Orientated Development: Economic Overview*, September 2023.

<sup>62</sup> Infometrics, *Quarterly Economic Monitor: Lower Hutt City, housing and economic indicators*, data to September 2025. The Monitor shows recent increases in both residential building consents and the value of non-residential consents in Lower Hutt City, indicating renewed development activity despite ongoing economic constraints.

<sup>63</sup> Transport for London. *Interchange Best Practice Guidelines*; City of Perth and Western Australia Police. *Creating Safer Spaces: Design Guidelines to Reduce Crime and Antisocial Behaviour*.



developable land is effectively sterilised by its current carparking usage, preventing the creation of parcels suitable for medium- to high-density housing or commercial purposes. Even if land were released, the current lack of amenity, safety perception, and connectivity would reduce the attractiveness of higher-density living, an issue well documented in studies linking built-environment quality to mode choice and residential preference.<sup>64</sup>

### 3.8.5 Opportunity 2: Unlock Land Value and Drive Urban Renewal

The challenges described above also represent one of Waterloo's greatest opportunities. The interchange occupies a sizeable, well-located precinct with direct access to high-frequency rail and bus services and proximity to the Lower Hutt CBD. International evidence consistently shows that when these fundamentals are combined with high-quality interchange design, active land uses and strong pedestrian connectivity, stations can act as catalysts for urban renewal rather than passive transport assets.<sup>65</sup>

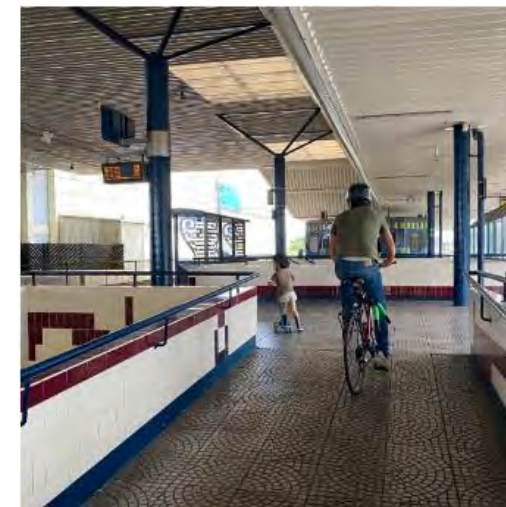
#### Opportunity Statement

Transform underutilised land into vibrant mixed-use spaces and public areas that foster community connection and wellbeing. Enable housing intensification and commercial activation to stimulate investment, uplift property values, and position Waterloo as the central hub for Lower Hutt—driving regional growth and revitalisation.

Redevelopment of Waterloo Interchange creates a strategic opportunity to:

- ♦ Transform underutilised land into vibrant mixed-use spaces and public realm, which will aid in supporting community connection and wellbeing.<sup>66</sup>
- ♦ Enable housing intensification by unlocking sites for medium- to high-density development near rapid transit, increasing public transport use and reducing car dependence.
- ♦ Activate commercial uses (retail, hospitality, and offices) that are known to attract foot traffic, extend dwell time, and strengthen local economic.<sup>67</sup>
- ♦ Stimulate private investment and uplift land values, building long-term confidence and a pipeline for future redevelopment.<sup>68</sup>
- ♦ Position Waterloo as a central civic hub for Lower Hutt, supporting regional growth and community revitalisation.

Redeveloping the interchange provides an opportunity to reposition an underutilised, car-dominated site as a transit-oriented commercial hub that drives investor confidence and supports surrounding growth. By unlocking approximately 19,000m<sup>2</sup> of land currently tied up in low-value surface parking and introducing active uses—such as offices, retail, hospitality and civic spaces—the precinct can become a vibrant destination anchored by high-frequency rail and bus services and better



<sup>64</sup> Otsuka, Naoya, and Andrew Reeve. *Railway Stations as Public Space*; and Ayan, H., Matthew Bell, and Dilum Dissanayake. *Investigating Factors Influencing Light Rail Ridership*.

<sup>65</sup> Steer Group. *King's Cross and St Pancras: Wider Impacts of Station Investment*; Auckland Transport. *Eastern Busway / Panmure Interchange Project Documentation*; Transport for London. *Interchange Best Practice Guidelines*

<sup>66</sup> Transport for London. *Interchange Best Practice Guidelines*; and City of Toronto. *Union Station Revitalization Project*.

<sup>67</sup> For example, in New Zealand, New Lynn and Panmure TODs.

<sup>68</sup> For example, the evaluated the anticipatory effects of upgrades to Auckland's Western Line on property values was land value uplift of \$605-667 million. Grimes, Arthur, and Christopher Young. *Anticipatory Effects of Rail Upgrades: Auckland's Western Line*; see also Steer Group. *King's Cross and St Pancras: Wider Impacts of Station Investment*; and Knight Frank. *King's Cross Regeneration Research*.



connected to surrounding housing and social infrastructure.

While a reduction in parking may result in short-term adjustment impacts, including changes in travel behaviour, temporary patronage effects and pressure

*Disjointed connections between rail, bus, cycling, and pedestrian networks make transfers inefficient and discourage public transport use, reinforcing car dependency and limiting sustainable travel choices.*

on local on-street parking, these impacts are typically transitional and manageable.

This approach aligns with international best practice, where station-led redevelopment has increased footfall, retail performance and development intensity, even when housing is delivered primarily in adjacent blocks. When transport investment is integrated with land-use planning, access to employment, education, health and community services improves, reducing car dependency and supporting more inclusive urban outcomes.<sup>69</sup>

A strong commercial and civic core sends a clear signal of long-term confidence to the market, encouraging private investment and housing intensification in surrounding neighbourhoods. Evidence from comparable projects in Auckland, London and Toronto shows that active interchanges raise property values, support local business viability and create platforms for future development.<sup>70</sup>

Most importantly, this model integrates transport, housing and social infrastructure to support sustainable travel choices and equitable access to services. In doing so, Waterloo Interchange can evolve from a point of transfer into a connected, people-focused place that underpins liveability, community wellbeing and long-term resilience, while delivering enduring economic and social value for the wider Lower Hutt area.

<sup>69</sup> Steer Group. *King's Cross and St Pancras: Wider Impacts of Station Investment*; Arup. *Crossrail: Bringing the Elizabeth Line's New Stations to Life*;

<sup>70</sup> Transport for London. *Interchange Best Practice Guidelines*; Salat, Serge, and Gerald Ollivier. *King's Cross Central: Major Place Value Creation*; and City of Toronto. *Toronto Transit Design Guide*.

### 3.8.6 Challenge 3: Disjointed Transport Interfaces Undermine Public Transport Appeal

Waterloo Interchange is intended to operate as a multimodal hub, yet its current design creates fragmented and inefficient connections between buses, rail, cycling, and pedestrian networks. International transport research consistently shows that poorly integrated interchanges impose a measurable “interchange penalty”, increasing perceived journey cost and suppressing public transport use—even where service frequency is high.<sup>71</sup> At Waterloo, these fragmented interfaces make transfers slower, less legible, and less comfortable, reducing the attractiveness of public transport and reinforcing car dependency by default rather than choice.

#### Private Vehicle Interface

The station's layout prioritises vehicle access. Drop-off zones and car parks dominate the approaches to the station, forcing pedestrians and cyclists to navigate through traffic areas to reach platforms. The lack of clear, segregated paths for active users means that bus transit, walking and cycling are treated as secondary, reinforcing a pattern where driving to the station



Figure 28: Main entrance on Oxford Street is disconnected from other interfaces

<sup>71</sup> Wardman, Mark, and Julian Hine. *Costs of Interchange*; Yap, Meng, H. Wong, and Oded Cats. *Passenger Valuation of Interchanges in Urban Public Transport*; and Guo, Zhan, and Nigel H. M. Wilson. *Assessing the Cost of Transfer Inconvenience in Public Transport Systems*.

feels easier than using sustainable travel choices. Evidence from London, the Netherlands, and Australia demonstrates that where car-dominated forecourts persist, driving feels easier and safer than walking or cycling, even over short distances—leading to lower active-mode share and weaker public transport patronage.<sup>72</sup> Waterloo’s current layout reinforces this behavioural outcome.

## Bus Interface

The bus interchange is split across two sides of the station, with services operating by direction rather than by transfer logic. This forces passengers transferring between bus and rail to navigate indirect routes through the underpass, adding both time and cognitive effort.

On the Oxford Terrace side, where bus stops sit in front of the Wellington Water Treatment Plant, access to platforms is time-consuming, indirect, and unintuitive, particularly for southbound rail users who must descend into the underpass and climb back up to reach the platform.

Research based on over 26,000 revealed passenger route choices in London shows that each interchange carries a perceived penalty equivalent to ~5 minutes of in-vehicle travel time, and that penalties increase sharply where transfers require



Figure 29: Oxford Terrace bus stops in front of the Wellington Water Treatment Plant

level changes, indirect routing, or poor legibility.<sup>73</sup> Bus-to-rail transfers are among the most negatively perceived when layouts are fragmented or unclear.

By contrast, compact, single-level or cross-platform interchanges—such as Rotterdam Central or Panmure (Auckland)—demonstrate how simplified bus-rail interfaces reduce transfer penalties and materially improve interchange attractiveness.<sup>74</sup>

## Cycling Interface

Despite the Hutt Valley’s flat terrain, which is ideal for cycling, Waterloo’s cycling facilities are underutilised. The positioning of the modern two-tier bike racks on the southbound platform means that the very basic “toaster” rack within the main station continues to be used more frequently, as it is closer to natural desire lines and more visible.

International and New Zealand evidence shows that visibility, proximity to entrances, and perceived security are decisive factors in cycle parking uptake. Secure, well-located facilities are strongly associated with increased

cycling-to-rail trips, with some stations recording 75% growth following high-quality bike hub investment.<sup>75</sup>

At Waterloo, cyclists approaching from the north and south must navigate car-dominated spaces, while east–west approaches require interaction with bus

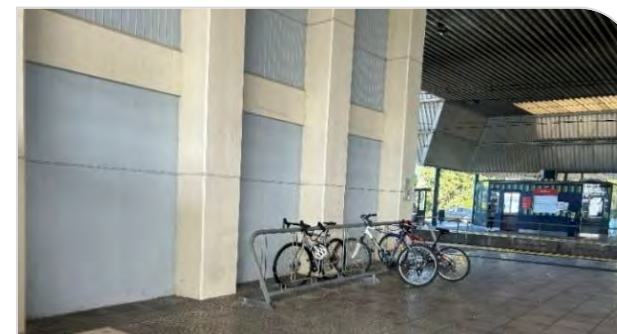


Figure 30: Basic bike rack within station used more frequently than secure bike storage system

<sup>72</sup> De Keizer, Bart, Martijn Kouwenhoven, and Frank Hofker. *New Insights in Resistance to Interchange*; and Transport for London. *Interchange Best Practice Guidelines*.

<sup>73</sup> Yap, Meng, H. Wong, and Oded Cats. *Passenger Valuation of Interchanges in Urban Public Transport*.

<sup>74</sup> Transport for London. *Interchange Best Practice Guidelines*; and Auckland Transport. *Eastern Busway / Panmure Interchange Project Documentation*.

<sup>75</sup> Bleeker, Hylke. *Residents per Parking Space*.

lanes, creating safety and convenience barriers. These conditions mirror findings from European and Asian studies that show poor interface design, not lack of demand, suppresses cycling uptake at stations.<sup>76</sup> Security concerns further reduce confidence, highlighting the need for visible, monitored, and intuitively located facilities.

### Pedestrian connectivity

Waterloo Interchange offers no easy or intuitive foot access. The outdated city planning philosophy, where “all roads lead to Waterloo”, means that vehicle access at the expense of pedestrian experience. Pedestrian crossings and footpaths do not align with station entrances, forcing indirect routes and creating a poor interface with the surrounding streetscape. The main station entrance is enclosed and lacks visual connection to the street, reducing permeability and wayfinding clarity, conditions strongly associated with higher interchange penalties and reduced willingness to walk.<sup>77</sup>

Ramps within the station require users to backtrack, adding multiple level changes and extra steps to reach platforms. On the Cambridge Terrace side, the distance between local shops and the station platform is significant, discouraging walking and reducing opportunities for natural foot traffic and retail activation. Evidence from Panmure, King’s Cross, and Japanese stations demonstrates that short, direct, and visually connected pedestrian routes are essential for turning stations into civic connectors rather than barriers.<sup>78</sup>

Collectively, these design shortcomings make pedestrian movement inconvenient, unattractive, and confusing, undermining Waterloo’s ability to support active travel and weakening its role within the urban fabric.

<sup>76</sup> Ibid.

<sup>77</sup> Transport for London. *Interchange Best Practice Guidelines*; Guo, Zhan, and Nigel H. M. Wilson. *Assessing the Cost of Transfer Inconvenience in Public Transport Systems*.

<sup>78</sup> Auckland Transport. *Eastern Busway / Panmure Interchange Project Documentation*; Matsubara. T. *Destination Station*.

### 3.8.7 Opportunity 3: Enable Seamless Connectivity for Sustainable Travel

The current disconnection between transport modes goes beyond operational inconvenience. There is currently a systematic barrier in place preventing the achieving sustainable and efficient travel patterns in and around Waterloo Interchange. A substantial body of international evidence shows that ease of transfer, legibility, and comfort are demand-determining factors. Where transfers are indirect or confusing, passengers shift routes (or modes) away from public transport, regardless of service frequency or fare levels.<sup>79</sup>

Minor interventions, such as additional shelters or incremental signage, would treat symptoms rather than causes. Research from London, the Netherlands, and Australia shows that without fundamental reconfiguration of interchange geometry and interfaces, perceived penalties remain high and behaviour change does not follow.<sup>80</sup>

#### Opportunity Statement

Redesign transport interfaces to create a fully integrated multimodal hub. Connect rail, bus, cycling, and pedestrian networks with strong links to Lower Hutt CBD and emerging mobility options. Improved connectivity will reduce transfer times, support mode shift, and promote sustainable travel patterns.

Instead, there is a strategic opportunity to:

- ♦ Reconfigure the interchange to deliver direct, intuitive, and weather-protected bus-rail connections, reducing interchange penalties.<sup>81</sup>

<sup>79</sup> Wardman, Mark, and Julian Hine. *Costs of Interchange*; and Yap, Meng, H. Wong, and Oded Cats. *Passenger Valuation of Interchanges in Urban Public Transport*; and Guo, Zhan, and Wilson. *Assessing the Cost of Transfer Inconvenience in Public Transport Systems*.

<sup>80</sup> De Keizer, Bart, Kouwenhoven, and Hofker. *New Insights in Resistance to Interchange*; Transport for London. *Interchange Best Practice Guidelines*.

<sup>81</sup> Yap, Meng, Wong, and Oded Cats. *Passenger Valuation of Interchanges in Urban Public Transport*.



- ♦ Prioritise active modes through segregated pedestrian and cycling paths and secure, visible bike storage, an approach shown to materially increase active access to stations.<sup>82</sup>
- ♦ Enhance wayfinding and visibility via open entrances, aligned crossings, and clear circulation routes, consistent with TfL and Australian best practice.
- ♦ Reduce conflicts with vehicles by consolidating parking and drop-off functions, freeing space for safe, legible, people-focused movement environments.

Redevelopment offers the opportunity to transform Waterloo into a fully integrated multimodal hub that prioritises connectivity, safety, and convenience. Delivering direct, legible connections between modes will reduce transfer times, lower perceived journey cost, and improve passenger experience—factors consistently shown to increase public transport use.

By making walking, cycling, and public transport easier and more attractive than driving, the interchange can shift behaviour, support mode shift, and position Waterloo as a genuinely sustainable, high-performing transport node aligned with long-term growth and climate objectives.

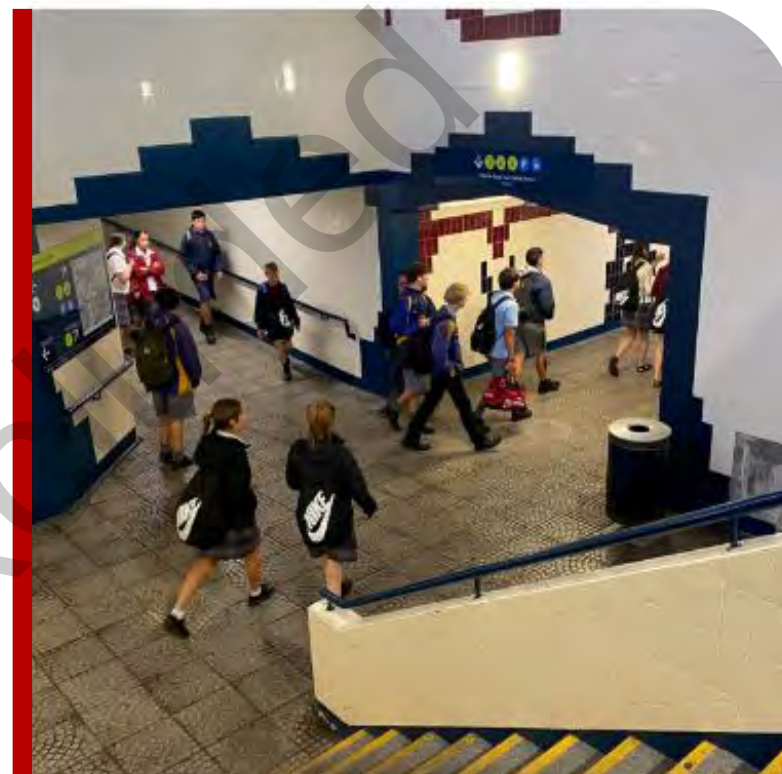


Figure 31: Waterloo underpass during morning peak

<sup>82</sup> Bleeker, Hylke. *Residents per Parking Space*; Steer Group. *King's Cross and St Pancras: Wider Impacts of Station Investment*.



## 3.9 What is the investment seeking to achieve?

This section outlines the:

- ♦ **Investment objectives** (which describe what the investment is intended to achieve); and
- ♦ **Investment outcomes** (which describe the longer-term changes or benefits that will result from achieving those objectives).

The diagram below summarises the objectives and outcomes, in addition to the challenges discussed in the previous section. The full ILM is set out in Appendix B.

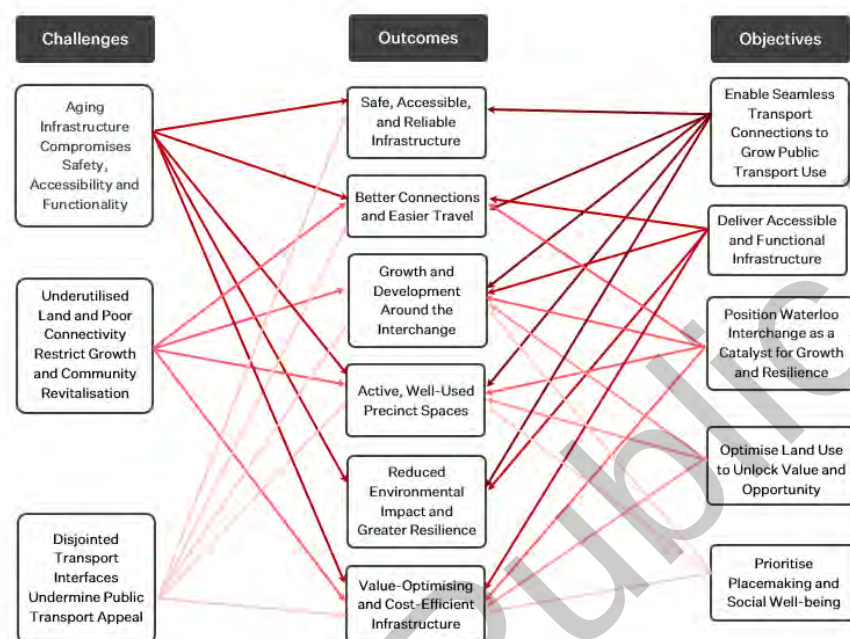


Figure 32: Investment Logic Map

### 3.9.1 Investment Objectives

Five high level investment objectives were agreed with the Steering Group following the ILM workshop in December 2025, based on the identified problems and benefits. These are set out in the table below.

Table 8: Investment Objectives

| Objective 1: Enable Seamless Transport Connections to Grow Public Transport Use |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description                                                                     | Deliver an integrated interchange that connects rail, bus, and active modes to minimise transfer times, improve passenger flow, and create a convenient, attractive travel experience that encourages use of public transport.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| SMART Target                                                                    | Implement integrated rail, bus, and active mode connections within the interchange to reduce transfer times between transport options and increase public transport patronage compared to current levels                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| What success looks like                                                         | <p><b>Efficient Transfers:</b> Passengers can move between rail, bus, and active modes quickly and easily, with average transfer times significantly reduced compared to current levels.</p> <p><b>Integrated Design:</b> Physical layout and scheduling are coordinated so services connect seamlessly, reducing wait times and improving reliability, especially between rail and bus.</p> <p><b>Enhanced Passenger Experience:</b> Clear signage, sheltered walkways, and amenities create a comfortable, user-friendly environment that feels modern and inviting and allows seamless and safe connections.</p> <p><b>Growth in Patronage:</b> Measurable increase in public transport usage, particularly for multi-modal journeys, compared to baseline figures.</p> |

## Objective 2: Deliver Accessible and Functional Infrastructure

### Description

Upgrade the interchange to meet or exceed all safety and accessibility standards, positioning Waterloo as a leading accessibility hub within the regional rail and bus network. Optimise infrastructure functionality and wayfinding to enhance customer experience and operational efficiency

### SMART Target

By 2031, complete upgrades that achieve full compliance with all applicable accessibility and safety standards, while improving wayfinding and functionality for customer and public usage.

### What success looks like

**Full Accessibility Compliance:** All facilities meet or surpass national and regional accessibility standards, including ramps, lifts, tactile surfaces, audible announcements, and clear signage.

**Safety Excellence:** Infrastructure upgrades eliminate hazards and incorporate best-practice safety features, ensuring a secure environment for passengers and staff.

**Optimised Wayfinding:** Clear, consistent, signage combined with digital tools (e.g., real-time displays) makes navigation simple and stress-free.

**Functional Efficiency:** Layout and design support smooth passenger movement, reduce congestion, and improve operational performance for rail and bus services.

**Customer Confidence:** Positive feedback from accessibility audits and passenger surveys, positioning Waterloo as a leading accessibility hub in the region.

**Enhanced Pedestrian Connectivity:** The interchange functions as a critical east–west pedestrian and cycling thoroughfare beneath the rail corridor, providing a safe, direct route for local residents and school children whose zoning depends on convenient access through the Waterloo subway system.

## Objective 3: Position Waterloo Interchange as a Catalyst for Growth and Resilience

### Description

Develop a future-ready transport interchange as an economic and development anchor, integrating commercial spaces and mixed-use opportunities to centralise regional economic activity, enable housing intensification, and support urban renewal. Deliver infrastructure that is adaptable for long-term growth and resilient to natural events, reinforcing the interchange’s role as a focal point for investment and connectivity.

### SMART Target

Establish a resilient interchange that acts as a catalyst for regional development, evidenced by a 5% increase in mixed-use and commercial consents within the surrounding area over a 5 year period, and a measurable uplift in local economic activity and housing intensification indicators.

### What success looks like

**Supporting Towns and Regions to Flourish:** Waterloo becomes an enabler of urban intensification in the central Hutt Valley, creating liveable, thriving, and sustainable communities.

**Direct Linkages:** Housing, transport, and social services—including health, childcare/education, public services, and retail—are integrated to support community wellbeing.

**Economic and Development Anchor:** The interchange acts as a focal point for investment, attracting mixed-use and commercial development that strengthens regional economic activity.

**Structural Resilience:** Infrastructure is designed to withstand natural hazards and climate change impacts, ensuring long-term reliability and adaptability for future growth.

#### Objective 4: Optimise Land Use to Unlock Value and Opportunity

##### Description

Maximise the interchange's land footprint to create a vibrant, multi-functional precinct that blends community, commerce, and connectivity. Deliver commercial spaces and mixed-use opportunities while maintaining strong links to Lower Hutt CBD and convenient access to essential services.

##### SMART Target

By 2031, reconfigure the interchange to unlock at least 1,500m<sup>2</sup> for mixed-use development and generate \$675,000 in annual revenue from site-based activities compared to current levels.

##### What Success Looks Like

**Efficient Land Utilisation:** Strategic reconfiguration of the interchange unlocks significant space for mixed-use development without compromising transport functionality.

**Commercial Activation:** New retail and commercial spaces, for example, medium scale office space, generate sustainable revenue streams and attract businesses that complement transport services.

**Essential Services Integration:** Inclusion of health facilities and/or early childhood education services within the precinct to meet community needs and enhance convenience for commuters and residents.

**Community Integration:** The precinct includes public amenities, green spaces, and active mode facilities, creating a welcoming environment for residents and visitors.

**Strong Connectivity:** Seamless links to Lower Hutt CBD and surrounding neighbourhoods ensure easy access for commuters and support local economic growth.

**Economic Impact:** Measurable uplift in land value, increased foot traffic, and annual revenue from site-based activities compared to current levels.

#### Objective 5: Prioritise Placemaking and Social Wellbeing

##### Description

Design the Waterloo Interchange as a safe, vibrant, and inclusive precinct that goes beyond transport functionality to foster community engagement and enhance local amenity. The redevelopment should create spaces that feel welcoming and attractive, encourage social interaction, and promote wellbeing for all users. This includes integrating green spaces, and amenities that reflect local identity while ensuring safety and comfort for every traveller.

##### SMART Target

Implement design and safety measures across the wider interchange that reduce reported crime incidents and improve user comfort and satisfaction scores.

##### What Success Looks Like

**Safe Environment:** Implementation of best-practice safety measures, such as improved lighting, CCTV coverage, and clear sightlines, reduces reported crime and enhances perceptions of security.

**Vibrant Public Spaces:** The interchange includes landscaped areas, seating, and community spaces that invite people to linger, interact, and enjoy the precinct beyond transit needs.

**Inclusive Design:** Features cater to diverse user needs, including families, older adults, and people with disabilities, ensuring equitable access and comfort.

**Local Identity and Amenity:** Incorporation of public art, cultural elements, and design that reflects Lower Hutt's character strengthens community pride and sense of place.

**Positive User Experience:** Measurable improvements in customer satisfaction scores related to comfort, safety, and overall precinct attractiveness.

**Human-Centred Design Commitment:** Design decisions prioritise user needs, behaviours, and experiences, ensuring solutions are empathetic and practical.

**CPTED Principles Applied:** Crime Prevention Through Environmental Design principles are embedded in the layout and features to deter crime and promote natural surveillance.

### 3.9.2 Outcomes and Benefits

This investment will generate:

- ◆ Direct benefits that can be attributed wholly or in part to changes made through the investment.
- ◆ Indirect benefits that relate to the changes which are enabled by the investment, and which cannot be claimed by the investment but cannot be achieved without it.

The outcomes and benefits are shown in the table below:

Table 9: Outcomes and Benefits

| Outcome/benefit                                      | Measured by                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Safe, Accessible, and Reliable Infrastructure</b> | <ul style="list-style-type: none"> <li>◆ Compliance with all regulatory and accessibility requirements and standards</li> <li>◆ Adherence to current structural and design standards (including CPTED principles) and improved operational reliability benchmarks</li> <li>◆ Reduction in crime and antisocial behavior incidents at the interchange</li> <li>◆ Enhanced customer experience and sense of safety</li> </ul> |
| <b>Better Connections and Easier Travel</b>          | <ul style="list-style-type: none"> <li>◆ Improved ease of navigation and flow through the interchange for customers and users</li> <li>◆ Increase in public transport patronage and reduced reliance on private vehicle options</li> <li>◆ Better public transport connections across the Hutt Valley including to and from Hutt CBD (including connectivity to the Hospital).</li> </ul>                                   |
| <b>Growth and Development Around the Interchange</b> | <ul style="list-style-type: none"> <li>◆ Increased commercial and mixed-use development consents in local areas</li> <li>◆ Growth in property values and development density</li> <li>◆ Economic uplift in surrounding areas</li> </ul>                                                                                                                                                                                     |

#### Active, Well-Used Precinct Spaces

- ◆ Land conversion of underutilised land for public or mixed-use spaces
- ◆ Improved foot traffic through interchange
- ◆ Increased revenue generated from precinct activation (retail, leasing) and creation of real estate products
- ◆ Enhanced public realm quality at the interchange

#### Reduced Environmental Impact and Greater Resilience

- ◆ Use of lower carbon materials
- ◆ Reduction of annual carbon emissions and congestion from commuters due to shift away from private vehicle dependency
- ◆ Improved climate resilience through climate safeguards
- ◆ Include solar PV panels and other green energy solutions to reduce reliance on non-renewable sources and enhance energy resilience.
- ◆ Efficiency through circularity in materials and existing infrastructure through build principles

#### Value-Optimising and Cost-Efficient Infrastructure

- ◆ Increased third party revenue generation from for infrastructure delivery
- ◆ Use of Private Share funding
- ◆ Evidence of a scalable, repeatable development model adoption for other development opportunities across the region
- ◆ Reduced regretful spend and reactive maintenance spend



## 3.10 Constraints, dependencies and assumptions

The redevelopment of Waterloo Interchange is influenced by a combination of physical, operational, and strategic factors. The project must navigate site-specific constraints such as maintaining pedestrian connectivity during works, safeguarding groundwater near the Waiwhetū Aquifer, managing interfaces with the water treatment plant and ensuring rail operations remain uninterrupted. Land tenure complexities and market dynamics further shape development flexibility and partnership opportunities.

Delivery assumptions centre on stable policy and funding environments, timely stakeholder cooperation, and technical feasibility within these constraints. The approach presumes that approvals, consents, and funding streams progress as anticipated, and that market and contractor conditions remain favourable.

Successful investment is contingent on resolving land ownership issues, securing multi-agency approvals, and confirming funding commitments from public and private sources. Coordination with KiwiRail for rail access windows is critical to enable construction without compromising safety or operations.

### 3.10.1 Constraints

These are the things that restrict or dictate aspects of the delivery approach:

Table 10: Investment Constraints

|                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Pedestrian Connectivity Constraint</b></p>  | <p><b>Continuous pedestrian access east / west the corridor must be maintained (including during construction).</b></p> <p><b>Context:</b> The corridor is a key east-west link for commuters and residents. Any disruption during construction could lead to public dissatisfaction, reputational risk, and potential political pressure. Maintaining access is critical for community acceptance and stakeholder confidence.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>◆ Stage works to maintain safe pedestrian routes at all times.</li> <li>◆ Install temporary walkways and clear signage.</li> <li>◆ Proactive engagement with local businesses, residents, and community groups to communicate changes and alternatives.</li> <li>◆ Include pedestrian continuity as a non-negotiable design principle in construction planning.</li> </ul> |
| <p><b>Site ground conditions</b></p>            | <p><b>Construction activities must not compromise groundwater integrity and must be managed in relation to the other site conditions.</b></p> <p><b>Context:</b> The site is located next to a critical aquifer that provides water to the region. Any contamination, accidental depletion, or disruption of groundwater could have severe environmental, regulatory, and reputational consequences, as well as impact public health and water security. Additionally, uncontrolled groundwater movement poses flooding risks and could destabilise soil, affecting structural integrity of the Waterloo Interchange or the Waiwhetu Aquifer</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>◆ Establish exclusion zones and strict controls to prevent contamination or physical disturbance of the aquifer.</li> </ul>                                  |

|                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                           | <ul style="list-style-type: none"> <li>Implement continuous monitoring of groundwater levels and quality throughout construction.</li> <li>Use appropriate excavation and piling techniques to avoid water ingress, soil destabilization, and flooding risk.</li> <li>Install temporary barriers or dewatering systems designed to protect aquifer integrity and manage excess water safely.</li> <li>Adhere to all local environmental regulations and secure permits for groundwater and aquifer management.</li> <li>Engage geotechnical and hydrogeology experts to guide design and construction sequencing, ensuring structural stability and resilience.</li> </ul>                                                                                                                                                                                                                                                                                                                |
| <b>Parking</b><br>                       | <p><b>Development may reduce current levels of parking, potentially affecting commuter behaviour and revenue.</b></p> <p><b>Context:</b> The existing parking facilities support commuter access and generate revenue. Any reduction in capacity could lead to decreased convenience for users which will cause a shift away from public transport and financial impacts on operations. This risk may also create community dissatisfaction and political pressure if not managed effectively.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>Promote public transport, cycling, and walking through targeted campaigns and infrastructure improvements.</li> <li>Communicate changes early to commuters, businesses, and local authorities to manage expectations.</li> <li>Model financial implications and explore offset strategies.</li> </ul>                                                                                                        |
| <b>Market Conditions</b><br>             | <p><b>Limited developer interest and funding appetite in Lower Hutt could stall investment and delivery partnerships.</b></p> <p><b>Context:</b> The Project depends on attracting private sector investment and delivery partners. Lower Hutt's market profile is less competitive than central Wellington, which may reduce developer engagement. Limited local capacity and reluctance for council partnerships could impact timelines, financing, and overall project viability.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>Develop a market engagement strategy with targeted outreach to developers and investors, highlighting project benefits and long-term value.</li> <li>Offer incentives and partnership models such as financial incentives, joint ventures, or risk-sharing arrangements to increase attractiveness.</li> <li>Consider phased delivery to reduce upfront investment barriers and align with market appetite.</li> </ul> |
| <b>Aquifer and Treatment Plant</b><br> | <p><b>The Waiwhetū Aquifer and adjacent water treatment plant physically constrains the site and limits the shape and approach to development. Works must avoid disrupting or compromising the Aquifer, Plant and associated infrastructure.</b></p> <p><b>Context:</b> The aquifer is a critical source of regional drinking water, and the nearby treatment plant is essential for supply continuity. Any disturbance, contamination, or accidental drainage could have severe environmental, regulatory, and reputational consequences, as well as impact public health and water security. These constraints significantly influence design and construction methodology.</p>                                                                                                                                                                                                                                                                                                         |

|                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                               | <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>◆ Incorporate physical protection zones into site planning and design layouts.</li> <li>◆ Coordinate early with water utility stakeholders to confirm clearance requirements and operational constraints.</li> <li>◆ Adapt building footprints and access routes to avoid interference with treatment plant infrastructure.</li> <li>◆ Use non-invasive construction methods near sensitive areas to prevent vibration or structural impact.</li> <li>◆ Include buffer zones and signage to clearly delineate restricted areas during construction.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>Rail Network Operational Constraints</p>  | <p><b>Works must avoid interference with live rail operations, signalling systems, and safety protocols.</b></p> <p><b>Context:</b> The interchange development involves building above and alongside an operational rail corridor. This creates heightened complexity for safety, access, and sequencing. Any disruption to train movements, signalling, or communication systems outside of the annually planned service outages (which are planned for short windows only of 2-3 weeks) could lead to service delays, safety incidents, and regulatory breaches. Elevated works introduce additional risks such as falling objects onto tracks, structural clearance issues, and emergency access challenges. KiwiRail's requirements mean that rail safety and operational integrity are absolute priorities.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>◆ Coordinate closely with KiwiRail to align construction activities with operational schedules and safety requirements.</li> <li>◆ Design for clearance and protection by incorporating structural solutions that maintain safe distances from live tracks and overhead systems.</li> <li>◆ Install robust overhead protection systems (e.g., crash decks, netting) to prevent debris or tools from falling onto tracks.</li> <li>◆ Schedule high-risk works during off-peak or approved shutdown windows to minimise operational impact.</li> <li>◆ Adhere strictly to signalling and communication protocols to prevent interference with critical systems.</li> <li>◆ Provide specialised rail safety training for crews working adjacent to or above live tracks.</li> <li>◆ Integrate KiwiRail's operational constraints into staging plans to ensure compliance and avoid delays.</li> </ul> |
| <p>Land Tenure</p>                         | <p><b>Site constraints in terms of land ownership structures and permitted uses (Crown Land).</b></p> <p>The site includes Crown land subject to a railway purposes designation, requiring land to be used for rail or ancillary railway activities. While some commercial uses may be permitted where ancillary, the designation restricts development flexibility and broader land-use outcomes.</p> <p><b>Context:</b> Land ownership arrangements and Crown Land status impose legal and regulatory constraints on how the site can be developed. Certain uses may be prohibited or require special approvals, and lease or tenure conditions could affect design flexibility, staging, and commercial arrangements. Failure to comply could result in delays, legal challenges, or reputational risk.</p> <p><b>Mitigation Measures:</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

- ♦ Undertake detailed land title and tenure review to confirm ownership boundaries, tenure restrictions, and obligations.
- ♦ Engage early with Crown agencies and regulators to clarify permitted uses and approval pathways.
- ♦ Incorporate legal constraints into master planning to ensure compliance and avoid redesign later.
- ♦ Explore alternative delivery models (e.g., joint ventures, lease arrangements) that align with ownership structures.
- ♦ Maintain proactive stakeholder communication with landowners and government entities to manage expectations and secure timely approvals.
- ♦ Explore partnerships with iwi for any Crown land disposal the project may trigger.

### 3.10.2 Assumptions

These are events or circumstances which are expected to occur during the investment:

Table 11: Investment Assumptions

|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Stakeholder Cooperation and Support</b></p>  | <p><b>All parties collaborate and provide timely approvals. No major changes in GWRC or wider regional priorities from a funding prioritisation perspective.</b></p> <p><b>Context:</b> The success of the investment relies on strong stakeholder alignment, including GWRC, local council and delivery partners. Delays in approvals or shifts in regional priorities could disrupt timelines, increase costs, or require scope adjustments.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>♦ Early and ongoing engagement with all stakeholders to maintain alignment and transparency.</li> <li>♦ Formal governance structures (e.g., steering committees) to ensure timely decision-making and escalation pathways.</li> <li>♦ Regular monitoring of regional priorities and funding frameworks to anticipate changes early.</li> <li>♦ Contingency planning for alternative funding or phasing if priorities shift.</li> </ul> |
| <p><b>Funding Availability</b></p>               | <p><b>Anticipated funding streams materialise as planned</b></p> <p><b>Context:</b> The investment relies on securing sufficient funding. Timely confirmation of funding through GWRC's processes and other committed streams is necessary. Any delays or shortfalls could impact project scope, delivery timelines, and stakeholder confidence.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>♦ Engage early with finance teams and potential partners to confirm commitments and approval timelines.</li> <li>♦ Monitor funding cycles and programs to anticipate potential changes or risks.</li> <li>♦ Develop contingency plans for alternative funding or phased delivery if approvals or contributions are delayed.</li> </ul>                                                                                                                                                                                               |



|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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|                                                                                                                                 | <ul style="list-style-type: none"> <li>♦ Maintain transparent communication with stakeholders on funding status to manage expectations.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>Technical Feasibility</b></p>            | <p><b>Proposed design solutions fit within site constraints and construction methodologies can be implemented without major or material redesign.</b></p> <p><b>Context:</b> The investment assumes that the design prepared is technically viable given the physical site constraints, regulatory requirements, and operational limitations (e.g., rail corridor, aquifer, land ownership). If significant redesign is required due to unforeseen technical challenges, this could lead to delays, cost escalation, and scope changes.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>♦ Conduct detailed site investigations early to validate design assumptions against actual conditions.</li> <li>♦ Engage technical specialists (structural, geotechnical, rail, environmental) during design development to confirm feasibility.</li> <li>♦ Use staged design reviews to identify and resolve potential conflicts before construction.</li> <li>♦ Maintain flexibility in design to accommodate minor adjustments without major redesign.</li> <li>♦ Develop contingency plans for alternative methodologies if technical constraints prove more restrictive than anticipated.</li> </ul> |
| <p><b>Regulatory and Policy Stability</b></p>  | <p><b>No major changes in transport policy or direction at either a local, regional or national level.</b></p> <p><b>Context:</b> The project relies on current transport policies and priorities remaining stable. Significant shifts—such as changes in funding frameworks, planning rules, or strategic direction—could affect approvals, scope, and investment viability.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>♦ Monitor policy developments regularly at all levels of government to identify emerging changes early.</li> <li>♦ Maintain strong relationships with regulatory bodies to stay informed and involved in policy decisions where possible.</li> <li>♦ Embed flexibility in project planning to adapt to minor policy adjustments without major redesign.</li> <li>♦ Develop contingency strategies for funding or scope adjustments if significant policy changes occur.</li> </ul>                                                                                                                                                                                                                                                                                  |
| <p><b>Demand Forecast</b></p>                | <p><b>Passenger growth projections over 30 years continue per projections.</b></p> <p><b>Context:</b> The investment assumes that passenger demand will grow in line with the forecasted projections over the 30-year horizon. Significant deviations—such as slower growth due to demographic changes, economic downturns, or shifts in travel behaviour—could impact revenue assumptions, service planning, and overall investment viability.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>♦ Regularly review and update demand forecasts using latest demographic, economic, and travel trend data.</li> <li>♦ Scenario planning to assess impacts of low-growth or high-growth variations and identify adaptive strategies.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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|                                                                                                                 | <ul style="list-style-type: none"> <li>♦ Embed flexibility in service planning and infrastructure design to accommodate changes in demand without major redesign.</li> <li>♦ Monitor external factors (e.g., housing development, employment patterns, regional transport initiatives) that influence ridership.</li> <li>♦ Engage with stakeholders to align service levels and investment priorities with actual demand trends over time.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>Consents and Approvals</p>  | <p><b>All consents and approvals will be able to be obtained and without undue delay or interference (including community acceptance)</b></p> <p><b>Context:</b> The investment assumes that all necessary statutory consents, regulatory approvals and community acceptance will be secured within expected timeframes. Delays or objections during the consenting process could result in delays, cost escalation or reputational risk.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>♦ Early engagement with consenting authorities and key stakeholders to identify requirements and address concerns proactively.</li> <li>♦ Comprehensive planning and documentation to ensure applications meet all regulatory standards and minimise risk of rejection.</li> <li>♦ Community consultation and engagement and communication strategies to build support and reduce opposition.</li> <li>♦ Track approval timelines and maintain escalation pathways for resolving delays promptly.</li> <li>♦ Develop contingency plans for phased delivery or alternative approaches if approvals are delayed or conditions imposed.</li> </ul> |
| <p>Market Conditions</p>       | <p><b>Market condition stability in supply, contractor market and regional economic stability</b></p> <p><b>Context:</b> The investment assumes that market conditions remain stable, including availability of materials, contractor capacity, and overall regional economic health. Significant disruptions—such as supply chain shortages, inflationary pressures, or contractor insolvency—could lead to cost escalation, delays, or reduced competition in procurement.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>♦ Monitor market trends and economic indicators to anticipate potential risks early.</li> <li>♦ Engage with suppliers and contractors early to confirm capacity and secure commitments.</li> <li>♦ Include escalation clauses and contingency allowances in contracts to manage price volatility.</li> <li>♦ Diversify supply sources where possible to reduce dependency on single vendors.</li> <li>♦ Maintain flexible procurement strategies to adapt to changing market conditions.</li> </ul>                                                                                                          |
| <p>Operational Resilience</p>                                                                                   | <p><b>The rail network can accommodate temporary disruptions within agreed access windows.</b></p> <p><b>Context:</b> This investment assumes that the rail network will maintain sufficient operational resilience to support construction, maintenance, and service adjustments within agreed access windows. Unexpected disruptions—such as infrastructure failures, unplanned outages, or network capacity constraints—could affect project delivery, increase costs, or require additional staging and coordination with network operations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



#### Mitigation Measures:

- ♦ Engage early with network operations teams to confirm access availability, constraints, and contingency protocols.
- ♦ Develop detailed staging and possession plans that minimise service impacts while ensuring safe and efficient delivery.
- ♦ Coordinate with national and regional rail works to avoid clashes with other major works or network upgrades.
- ♦ Incorporate buffer periods and contingency allowances in delivery planning to accommodate unforeseen disruptions.
- ♦ Monitor network performance and risk indicators to anticipate and respond to emerging resilience challenges.

### 3.10.3 Dependencies

These are events or circumstances which the investment relies on:

Table 12: Investment Dependencies

#### Land Tenure



#### Resolution of fragmented ownership and tenure agreements with Crown land.

**Context:** Some elements of the investment are dependent on securing appropriate land rights and tenure arrangements, particularly where commercial activities or development opportunities—especially those involving private-sector partners—require use, control, or ownership of parts of the Crown land. The project footprint spans multiple land parcels with differing ownership, management responsibilities, and historic encumbrances. Delays in securing agreements or resolving overlapping interests could affect design finalisation, access, and construction sequencing.

#### Mitigation Measures:

- ♦ Early engagement with relevant Crown agencies to confirm tenure requirements and approval pathways.
- ♦ Undertake detailed land status investigations to identify constraints, encumbrances, and potential conflicts.
- ♦ Progress tenure negotiations in parallel with design development to minimise downstream impacts.
- ♦ Establish clear governance and escalation pathways for resolving land-related issues efficiently.

#### Stakeholder Approvals



#### Sign-off from GWRC, KiwiRail, HCC, and other authorities including compliance with all LGA consultation requirements, etc.

**Context:** The investment is dependent on timely approvals from key stakeholders, including GWRC, KiwiRail, HCC, and relevant regulatory bodies. These approvals span design acceptance, funding confirmation, operational interfaces, and compliance with Local Government Act (LGA) requirements for procurement, engagement, and consultant management. Any delays or changes in approval conditions could impact programme sequencing, procurement timelines, or the ability to progress into subsequent design and delivery stages.

#### Mitigation Measures:

- ♦ Maintain proactive engagement with all approval-issuing authorities to clarify expectations, processes, and required documentation.

|                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                                                                                                                   | <ul style="list-style-type: none"> <li>♦ Align internal programme milestones with each organisation's governance and approval cycles to avoid timing conflicts.</li> <li>♦ Ensure early visibility of design decisions and project risks to reduce the likelihood of late-stage objections or rework.</li> <li>♦ Establish clear governance channels and escalation pathways to resolve issues promptly.</li> <li>♦ Track LGA compliance requirements to ensure all consultation and procurement activities meet statutory obligations and avoid delays.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Funding Commitments</p>       | <p><b>Securing contributions from LTP, NZTA, and private investors and affordability for GWRC's contribution.</b></p> <p><b>Context:</b> The investment is dependent on timely confirmation and allocation of funding from multiple sources, including LTP commitments, central government entity co-funding, and any agreed private-sector contributions. The ability for GWRC to sustainably fund its share is also critical. Delays in funding approvals, shifts in budget priorities, or changes to co-funding criteria may affect investment scope, timing, and affordability. The project cannot proceed to delivery without these funding commitments being secured in alignment with required programme milestones.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>♦ Engage early with GWRC finance teams, NZTA, and potential private partners to confirm funding pathways, documentation requirements, and approval timelines.</li> <li>♦ Monitor funding cycles and policy changes to identify risks around timing, eligibility, or affordability.</li> <li>♦ Stage project planning and procurement to align with confirmed funding envelopes and avoid premature commitments.</li> <li>♦ Maintain transparent reporting on cost estimates, risk allowances, and affordability thresholds to support decision-making.</li> <li>♦ Develop contingency options, including phased delivery or alternative funding models, should any contribution be delayed or reduced.</li> </ul> |
| <p>Consents and Approvals</p>  | <p><b>Securing resource consents, building permits, and environmental approvals from local and regional authorities.</b></p> <p><b>Context:</b> The investment relies on obtaining a full suite of statutory and regulatory approvals, including resource consents and building permits. These approvals are necessary to commence construction and may influence design, staging, and mitigation requirements. Delays in processing, additional information requests, or imposed consent conditions could affect programme timelines, project costs, or the feasibility of certain construction methodologies.</p> <p><b>Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>♦ Engage early with consenting authorities to clarify application requirements, likely conditions, and assessment pathways.</li> <li>♦ Undertake robust environmental and technical assessments to support high-quality, complete consent applications.</li> <li>♦ Align design development with anticipated regulatory requirements to minimise rework or redesign.</li> <li>♦ Monitor approval timelines and maintain clear escalation channels to address delays or complex issues.</li> <li>♦ Integrate consultation and mana whenua engagement to support consentability and reduce the risk of challenges or objections.</li> </ul>                                                                                                                                                                                     |



## Rail Network Access Windows



### Agreement on track possession times with KiwiRail to allow construction without disrupting train schedules.

**Context:** The investment relies on securing agreed access windows from KiwiRail to undertake construction activities within the operational rail environment. While construction does not depend on train operations, access must be coordinated around scheduled services to ensure safety and minimise operational impacts. Any changes to agreed possession times—such as reduced access due to network pressures, conflicting works, or unplanned operational events—could affect construction sequencing, productivity, and overall programme delivery.

#### Mitigation Measures:

- ♦ Engage early and consistently with KiwiRail's access planning teams to confirm availability of possession windows and identify any emerging constraints.
- ♦ Develop detailed staging and possession plans that optimise work within the agreed access periods and minimise reliance on extended or special possessions.
- ♦ Coordinate with broader network and programme activities to avoid conflicts with other major works or maintenance programmes.
- ♦ Include schedule flexibility and buffer periods to accommodate minor changes in access availability.
- ♦ Monitor rail network operational conditions to anticipate factors that may influence access planning and adjust delivery plans proactively.

Public EXCLUDED

### 3.11 Key Strategic Case Risks

The Strategic Case for the Project has been informed by a comprehensive QRA, which identifies and evaluates strategic-level risks across governance, policy alignment, regulatory compliance, demand uncertainty, and reputational considerations. The full QRA, including detailed risk statements, ratings, and mitigations, is provided in Appendix C.

The table below presents a high-level summary of the key Strategic Case risks and the corresponding mitigation approach. It is intended to highlight the principal risks relevant to investment decision-making at this stage of the business case, rather than to replicate the full QRA. Detailed risk ratings, controls, and residual risk positions should be read in conjunction with the full assessment in Appendix C.

| Key Risk |                                                                                                                                                                                  | Mitigation Strategies                                                                                                                                                                                       |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1        | Delays to Project approvals and delivery due to uncertainty over public transport governance and financing responsibilities arising from central government reform.              | Monitor reform developments, retain interim governance and decision-rights, actively engage central government and funders, and stage approvals and delivery to minimise rework and retain flexibility.     |
| 2        | Loss or weakening of strategic alignment and funding support due to changes in national, regional, or internal policy priorities, leading to programme delay or scope reduction. | Maintain a strong, enduring strategic case aligned to statutory and regional frameworks, engage funding agencies regularly, horizon scan policy changes, and apply a staged and flexible delivery approach. |
| 3        | Deferred investment and increased asset and service failure risk if the Baseline option is selected and core infrastructure works are postponed.                                 | Clearly articulate the case for change, supported by robust evidence on asset condition, service performance, and long-term value, and engage early with investment decision-makers.                        |
| 4        | Erosion of public, stakeholder, and private-sector confidence due to negative media coverage, community                                                                          | Implement transparent communication and early, ongoing resident, customer and stakeholder engagement, supported by a clear narrative on                                                                     |

|   |                                                                                                                                                           |                                                                                                                                                                                      |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   | opposition, or misunderstandings about the project.                                                                                                       | project objectives, impacts, benefits, and delivery timeframes.                                                                                                                      |
| 5 | Legal challenge, delivery delays, or reputational damage arising from non-compliance with planning, consenting, or environmental regulatory requirements. | Embed legal and compliance oversight throughout the programme, engage early with regulators and councils, and actively manage statutory and consenting obligations.                  |
| 6 | Reduced value-for-money and challenge to investment timing or scope if population, employment, or travel demand growth is lower than forecast.            | Apply conservative growth assumptions, test low-growth scenarios, anchor the case on asset condition and service resilience, and stage discretionary elements to retain flexibility. |
| 7 | Early capacity constraints, congestion, and service performance issues if population and travel demand growth exceeds forecasts.                          | Design for long-term capacity, safeguard future expansion, stage delivery to allow capacity to be brought forward, and monitor demand to trigger timely interventions.               |

### 3.12 Strategic Case Conclusion

The Strategic Case establishes that investment in the Waterloo Interchange is required. Core station and interchange assets are reaching end of life, operational and accessibility constraints are increasing, and the risks associated with continued deferral are no longer acceptable. The case for change clearly demonstrates that maintaining the status quo would result in declining performance, increasing safety and resilience risks, and missed opportunities to support the wider transport network.

Given that some degree of investment is unavoidable due to end-of-life infrastructure, the Strategic Case deliberately positions this intervention to deliver maximum public value. The proposed wider redevelopment approach is strongly aligned with all relevant local, regional, and central government strategies and policy directions, including transport, land-use, housing, growth, climate, and place-based objectives. It is also aligned with established regional programmes

and initiatives, ensuring the investment complements and reinforces broader work already underway rather than operating in isolation.

Waterloo's strategic location, role as a key multimodal hub, and identification as a priority development area provide a clear opportunity to integrate essential transport infrastructure renewal with transit-oriented development outcomes. This includes supporting sustainable growth, improving community connection and accessibility, enabling urban uplift and regeneration, and strengthening Waterloo's function as a transport and civic focal point. Aligning infrastructure investment with these wider objectives ensures that required expenditure delivers enduring benefits beyond asset replacement alone.

The Strategic Case therefore confirms not only the need for investment, but the appropriateness of taking an integrated redevelopment approach that is consistent with strategic priorities across all levels of government and aligned with wider programmes of work. Having established this clear rationale and alignment, the business case now proceeds to the Economic Case, which assesses how best to respond to this opportunity and identifies the option or combination of options that delivers the greatest value for money and achieves the intended outcomes.



## 4. Economic Case

The purpose of the Economic Case is to identify and assess investment options to inform a proposed way forward that best achieves the Investment Objectives. This section of the IBC outlines the development and evaluation of options through a structured, transparent, and evidence-based process, incorporating both qualitative and quantitative assessment techniques.

The Economic Case documents the progression from a broad long list of options to a short list and, ultimately, to the Preferred Option. It sets out the rationale for how options have been generated, refined, and assessed, including the assumptions applied and tested through the optioneering process. This includes the application of CBA to assess the economic efficiency of shortlisted options and to support comparison of their relative merits.

In particular, this section:

- ♦ Describes the progression from a broad long list of investment options to a refined short list and, ultimately, the Preferred Option, including the key decision points and rationale at each stage;
- ♦ Sets out the development of the long list using the five Treasury dimensions: scale, service solution, delivery model, implementation approach, and funding model;
- ♦ Outlines the Critical Success Factors (CSFs) and the multi-criteria assessment framework used to identify and evaluate the impacts, opportunities, risks, and other relevant considerations associated with each option;
- ♦ Summarises the key assumptions applied through the optioneering process and how these have been tested and refined;

- ♦ Presents the results of the cost–benefit analysis for shortlisted options, including the assessment of costs, benefits, risks, and uncertainties, and how these findings have informed option selection; and
- ♦ Provides a summary of the long list and short list options, and the reasons for selecting the Preferred Option.

This approach ensures that the Preferred Option is robust, proportionate, and represents the best value for money response to the challenges and opportunities identified.

### 4.1 Context

GWRC has previously undertaken a comprehensive Reference Design process for Waterloo. This work was essential to establish functional requirements, integration opportunities, and technical feasibility for an upgraded interchange. The process explored 24 potential station layout configurations and refined these to five concept options, providing clarity on design principles such as accessibility, connectivity, and passenger flow.

Importantly, the reference design does not represent a predetermined solution. It serves as a conceptual foundation to inform this business case, which focuses on assessing the investability and value-for-money of delivering an upgraded interchange. The Economic Case will evaluate whether investment in a solution based on these principles is justified, considering costs, benefits, and alternatives. This ensures that while the design process clarified what is technically possible and desirable, the business case remains the mechanism for determining whether and how investment should proceed.<sup>83</sup>

The methodology to assess options and determine the preferred option is outlined in Figure 35 below.

<sup>83</sup> Greater Wellington Regional Council, *Council 21 August 2025 Order Paper (Public)*





Figure 33: Assessment Methodology

## 4.2 Initial Feasibility Sweep

Before forming the long list of options for assessment, GWRC undertook an initial feasibility sweep to identify and exclude concepts that were not credible candidates for investment. This step is consistent with Better Business Case guidance, which requires that the Economic Case focus on options that are realistic, proportionate, and capable of delivering benefits aligned with the Investment Objectives.

The purpose of the initial feasibility sweep was not to pre-determine outcomes or limit choice, but to ensure that the long list comprised options that were technically feasible, operationally credible, within GWRC's scope and accountabilities, and capable of delivering benefits commensurate with their cost and risk. Concepts were excluded only where they were demonstrably non-viable, out of scope, or where prior analysis had established that they would not deliver incremental benefits relative to their cost, complexity, and disruption.

### 4.2.1 Excluded Concepts and Elements

#### Changes to the Rail Corridor Configuration (including island platform options)

Options involving changes to the rail corridor configuration, including realignment of tracks or the introduction of an island platform, were excluded from the long-list assessment. These concepts were examined during the reference design phase as part of earlier option development and were found to provide no material improvement in passenger experience, station functionality, safety, or operational performance when compared with options that retain the existing corridor configuration.

In contrast, such approaches would require substantial reconstruction within an operational rail corridor, introducing significant additional capital cost, construction risk, and network disruption. Given the absence of identifiable incremental benefits and the disproportionate cost and disruption involved, these options were not considered to represent a realistic or value-for-money alternative for further assessment. On this basis, rail corridor reconfiguration options were

screened out prior to long-list evaluation in accordance with Better Business Case principles of proportionality and efficient use of public funds.

### Relocation of Waterloo Station

Station relocation was excluded on the basis that it is not financially or economically feasible. Relocating the station would require extensive land acquisition, major changes to existing rail infrastructure, and prolonged disruption to live rail operations. It would also forgo the opportunity to leverage existing station assets and supporting infrastructure. The scale of cost, delivery risk, and operational impact associated with relocation was not proportionate to the potential benefits, rendering this option non-viable for further consideration.

### Vertical integration above Rail Corridor and Large-Scale Multi-Storey Development

Concepts involving vertical integration, such as a bus interchange constructed above the rail corridor, or large-scale multi-storey development spanning the corridor, were excluded due to their structural complexity, heightened seismic and constructability risks, aquifer protection requirements, and high capital cost. These approaches are typically suited to dense central city contexts and were not considered realistic or proportionate responses to the problems and opportunities identified for Waterloo.

### Landmark or Extensive Design Concepts

Landmark-style design proposals that exceeded the functional requirements of a public transport interchange were excluded. Such concepts would necessitate extensive construction over an operational rail corridor, likely requiring extended rail closures and creating unacceptable levels of disruption to the regional network. Given their cost, complexity, and lack of alignment with the investment objectives, these options were not considered appropriate for further assessment.

### Relocation of the Water Treatment Plant or Similar Infrastructure

Options involving the relocation of the treatment plant or similar assets were excluded on the basis that they fall outside GWRC's project scope and statutory responsibilities. These elements are not required to achieve the investment

objectives and would introduce unnecessary complexity, cost, and inter-agency dependencies without delivering commensurate benefits.

## 4.3 Defining the Long List

### 4.3.1 Purpose and Overview

The purpose of this section is to identify and assess as wide a range as possible of project options that achieve the investment objectives and service requirements, and which lie within the boundaries of the scope parameters and identified Critical Success Factors identified. A facilitated options workshop was held with the Steering Group on 3 December 2025 to generate the long list.

### 4.3.2 The Baseline / Do Minimum Scenario

The Baseline (or Do Minimum) scenario represents the continuation of current arrangements at Waterloo and forms the counterfactual against which alternative investment options are assessed. It reflects the outcomes, risks, and costs that are expected to arise over time in the absence of proactive investment, based on the known condition of existing assets.

Consistent with Waka Kotahi and Better Business Case guidance, the baseline maintains current transport services and reflects only those activities that are required to manage safety and operational risk as they arise. It does not include enhancements, service uplifts, or planned redevelopment.

Importantly, the baseline does not assume committed funding for major renewal works, as the timing and extent of asset failure, particularly in relation to the station roof, cannot be predicted with certainty. Instead, it reflects a reactive, risk-management approach in which interventions occur only when thresholds are reached.

**This Baseline is used consistently for both options assessment and the economic counterfactual.**

## Existing Asset Condition

The existing roof structure at Waterloo is not economically salvageable. While limited life extension is possible through increasingly costly maintenance and risk-management measures, the roof will ultimately fail and require partial and then full removal.

Failure is expected to occur progressively rather than at a single, predictable point in time. Sections of the roof have already been removed due to safety concerns, and further removals are anticipated as deterioration continues. Under the Baseline scenario, roof removals would occur incrementally in response to safety thresholds rather than through a planned or coordinated renewal.



Figure 34: The areas shown in red are sections of the roof which have already been removed due to failure.

## Implications of the Baseline / Do Minimum as a reference case

The baseline represents a do-minimum approach and also reflects the approach that GWRC has been taking in practice over the past several years. This has involved managing asset deterioration through reactive, safety-driven interventions rather than proactive renewal or improvement, while longer-term decisions on the interchange and a potential wider investment remain under consideration.

Under this baseline, as the roof and other infrastructure assets continue to deteriorate, a range of foreseeable consequences are expected to arise, including:

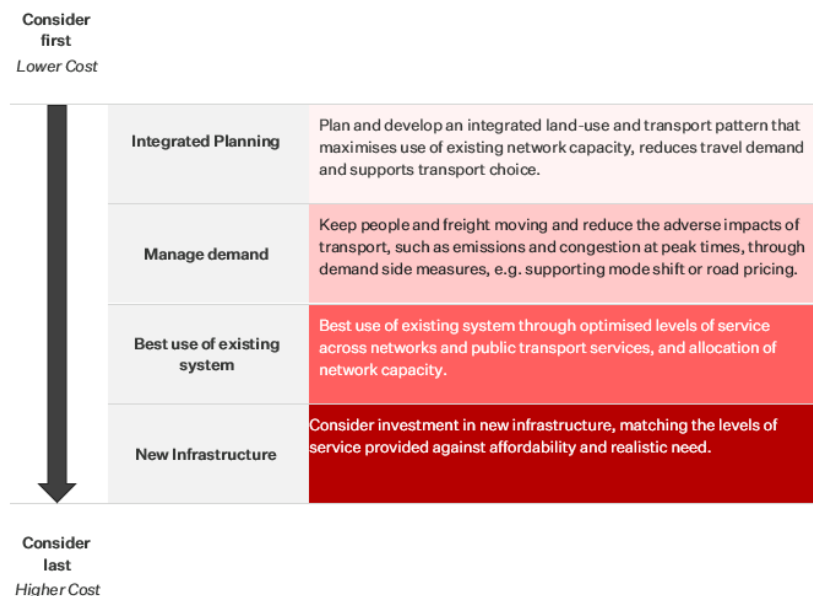
- ◆ Safety-driven partial removal of remaining roof sections over time
- ◆ Increased exposure to weather and water ingress within the station environment
- ◆ Escalating operational and maintenance risks
- ◆ Growing pressure to address regulatory and compliance issues triggered by unplanned works

These impacts occur without delivering improved passenger experience, accessibility, operational efficiency, or long-term resilience. The baseline therefore represents a declining asset condition with increasing intervention requirements, and provides the reference case against which alternative investment options are identified and assessed in the Economic Case.

### 4.3.3 Intervention Hierarchy Framework

Consistent with the NZTA intervention hierarchy (see below) a range of potential responses were considered in developing the long list, beginning with integrated planning and demand management, before progressing to options focused on best use of existing assets and investment in new infrastructure.





As outlined in the Strategic Context, integrated planning initiatives are already well advanced at Waterloo. Existing planning frameworks explicitly seek to increase the role of public transport, support growth and regeneration, and encourage mode shift away from private vehicles. Further integrated planning interventions aimed at reducing demand or suppressing public transport use were therefore discounted, as they would be inconsistent with adopted strategies and the intended role of Waterloo as a key public transport interchange.

Demand management options were also considered in line with the intervention hierarchy. However, a fundamental objective of the Project is to increase demand for public transport by improving interchange functionality, accessibility, safety, and customer experience. Demand management measures that would constrain public transport use or divert trips away from the interchange would not address the identified problems and would undermine strategic objectives. Accordingly, these options were discounted.

Figure 35: NZTA Intervention Hierarchy

Having considered and discounted these higher-order intervention types, the assessment concluded that the appropriate response lies in a combination of:

- ♦ making best use of existing assets, and
- ♦ targeted investment in new infrastructure where required.

This approach is consistent with the intervention hierarchy and reflects the realities at Waterloo, where key interchange assets are at or approaching end of life, creating an unavoidable need for investment to address safety, functionality, and operational performance. While operational and service-based improvements form part of the response, they are insufficient on their own to address asset condition and interchange integration issues.

#### 4.3.4 Option Scale and Assessment Framework

To translate the NZTA Intervention Hierarchy into project-specific options, a graduated options scale was adopted to structure the long list. The scale spans from minimum intervention through to full interchange redevelopment, reflecting increasing levels of change, investment, benefit, and delivery complexity, while remaining anchored in the principles of best use of existing assets and proportionate new infrastructure investment.

The scale was used to group options into three broad bands : Essential, Developed, and Optimised — with incremental variants (+ / ++ ) within each band to test increasing ambition and scope.

This Options Scale provided a consistent framework for:

- ♦ Developing a coherent long list from a genuine do-minimum through to transformational responses;
- ♦ Testing the incremental benefits, costs, risks, and dependencies associated with increasing levels of intervention; and
- ♦ Supporting identification of an option that best balances affordability, deliverability, and value for money.

Detailed characteristics of each option band are set out in Section 4.4.



### 4.3.5 Dimensions of Options Analysis

To ensure each intervention level was explored comprehensively, Treasury's Five Dimensions of Options Analysis were applied. These dimensions provide structured lenses — covering scale, service solution, service delivery, implementation, and funding — to test and expand each option band and ensure all credible variations were considered.

Table 13: Dimensions of Options Analysis

| Dimension                        | Description                                                                                                                                                                                                                                                                                                    | Options considered                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Scale, scope and location</b> | The <i>what</i> — the extent, coverage, and physical scope of intervention required to address the identified problems and achieve the Investment Objectives. This includes decisions on what is in and out of scope, the scale of change, and the degree of intervention (minimum, intermediate, or maximum). | Considered a range of investment scales at Waterloo, from minor, localised compliance driven upgrades through to full interchange redevelopment. Variations included the physical extent of works such as partial or full roof removal or replacement, underpass upgrades or new overpasses, platform works (including extension or reconfiguration), consolidation or redevelopment of bus interchange areas, and wider precinct-scale changes including commercial redevelopment and potential TOD on GWRC and Crown/KiwiRail land. |
| <b>Service solution</b>          | The <i>how</i> — how transport and interchange services could operate to deliver the required scope. Service solutions are informed by operational requirements, best practice, customer needs, and what is realistically deliverable within the operating rail environment                                    | Tested different operational configurations and layouts to support interchange functionality, accessibility, safety, and customer experience, including variations in passenger circulation, modal integration, platform access arrangements, shelter provision, and interchange legibility, consistent with each intervention scale.                                                                                                                                                                                                 |

| Dimension               | Description                                                                                                                                                                                                         | Options considered                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Service delivery</b> | The <i>who</i> - who is best placed to deliver the preferred scope and service solution. This includes consideration of delivery capability, risk allocation, governance, and market appetite.                      | Evaluated delivery models including GWRC-led delivery of transport components; joint delivery approaches where private developers deliver commercial or TOD elements alongside GWRC infrastructure; and developer-led or partnership models (including JV arrangements) for larger, optimised scenarios involving significant commercial or precinct-scale redevelopment.         |
| <b>Implementation</b>   | The <i>when</i> — how and when the preferred scope could be delivered, taking account of constructability, staging, disruption, risk, affordability, and dependency management.                                     | Considered implementation pathways ranging from incremental compliance works deliverable with minimal disruption, through staged or modular upgrades for partial interchange redevelopment, to multi-phase construction programmes required for major interventions such as continuous roofing, platform reconfiguration, overpass construction, and precinct-wide redevelopment. |
| <b>Funding</b>          | The <i>\$</i> - how the preferred scope, service solution, and delivery model could be funded over time, including the balance between public and private funding and the role of alternative financing mechanisms. | Considered funding approaches including baseline GWRC capital funding, debt and IFFA mechanisms, partnership enabled funding, and JV structures for options incorporating commercial development. For precinct-scale redevelopment scenarios, predominantly private financing models were considered where a developer would lead                                                 |

| Dimension | Description | Options considered                                            |
|-----------|-------------|---------------------------------------------------------------|
|           |             | delivery and operation of commercial or TOD-related elements. |

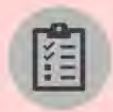
## 4.4 Long-list options assessment

The nine long-list investment options (excluding the Baseline) were developed using the NZTA Intervention Hierarchy and Treasury's Five Dimensions of Options Analysis. The full long list is detailed at Appendix D.

Together, these options span a full and proportionate range of responses, from targeted compliance-driven upgrades through to comprehensive interchange redevelopment and precinct-scale transformation. The long list therefore represents a balanced set of realistic pathways for addressing the problems and opportunities identified at Waterloo Station.

The long-list options were assessed against the Investment Objectives and the CSFs to identify a shortlist of options for more detailed evaluation.

### 4.4.1 Essential Options (Essential, Essential+, Essential++)

| Essential                                                                           | Essential +                                                                         | Essential ++                                                                        |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|  |  |  |
| Essential                                                                           | Basic                                                                               | Improved                                                                            |
| Bare compliance, reactive                                                           | Slight improvement                                                                  | Modest comfort upgrade                                                              |

The Essential options represent the lowest level of intervention. They focus on maintaining basic functionality and addressing only the most immediate safety and compliance issues, while largely retaining the existing interchange layout and operational constraints.

These options accept many of the current limitations relating to accessibility, amenity, configuration, customer

experience, and long-term resilience. They are primarily reactive in nature and do not seek to materially improve interchange integration or future capacity.

Key characteristics of the Essential options include:



#### Roof Structure

Interventions range from reactive maintenance through to removal of the roof, with only minimal weather protection added back (e.g., small canopies)



#### East-West Crossing

The underpass is retained in all Essential variants, with upgrades limited to compliance triggers, basic waterproofing, or incremental accessibility enhancements.



#### Accessibility

Improvements are minimal and primarily triggered by other works. Full accessibility across the interchange is not achieved.



#### Platforms

Basic compliance upgrades only; no structural realignment, extension, or future-proofing.



#### Bus Interchange

Limited upgrades to existing shelters, lighting, and signage; the fundamental layout remains unchanged.



#### Amenities

Material improvements to seating, lighting, and signage; toilets added only in higher Essential variants.



#### Bike Facilities

Minor upgrades focused on improving security of existing racks; no relocation or capacity expansion.



#### Commercial Buildings

Existing buildings largely retained or demolished only where required to remove the roof. No new commercial development.



#### Land use

**GWRC Land:** Introduction of paid parking possible; no meaningful redevelopment.

**Crown Land:** Existing lease arrangements retained; paid parking may be introduced.

These options are lowest-cost but provide limited strategic uplift, do not address long-standing functional challenges, and offer minimal resilience or future-proofing.

### 4.4.2 Developed Options (Developed, Developed+, Developed++)

| Developed                                                                         | Developed +                                                                       | Developed ++                                                                      |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
|  |  |  |
| Standard                                                                          | Enhanced                                                                          | Future-Ready                                                                      |
| Functional and reliable                                                           | Better user experience                                                            | Anticipates growth, durable, balanced                                             |

The Developed options deliver coordinated and planned upgrades that materially improve interchange functionality, accessibility, and customer experience. They transition the interchange into a maintainable and compliant condition and resolve key structural and operational deficiencies.

These options introduce meaningful improvements to layout, circulation, and amenity,

while beginning to unlock moderate commercial and land-use opportunities.

Key characteristics of the Developed options include:



#### Roof Structure

Introduction of new overhead coverage, with progressively greater coverage and improved weather protection across option variants.



#### East–West Crossing

Transition from reliance on the underpass toward a new overpass, addressing underpass vulnerabilities and improving connections to Trafalgar Square.



#### Accessibility

Full accessibility is achieved across the interchange and between transport modes, with smoother grades, improved pedestrian links, and universal design features.



#### Platforms

Full refurbishment and improved levelling; platform alignment and extension begins in Developed++.



#### Bus Interchange

Partial consolidation and efficiency improvements across both Cambridge Terrace and Oxford Street.



#### Amenities

Significant uplift, including toilets on both sides of the corridor, improved seating, modern wayfinding, and landscaping.



#### Bike Facilities

Relocated to secure, visible locations with enhanced security; capacity expanded to ~100 spaces with weather protection.



#### Commercial Buildings

Introduction of new commercial buildings and basic to modern mixed-use structures, depending on option level.



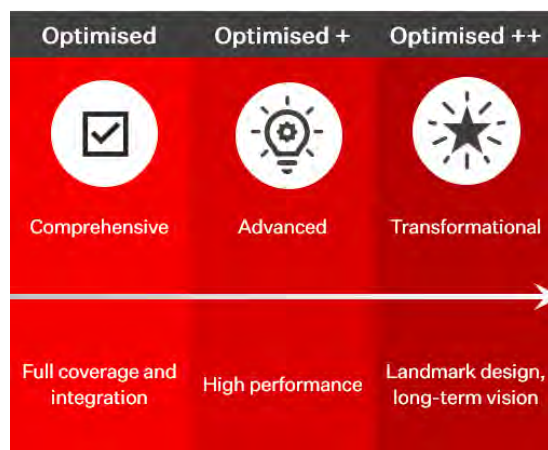
#### Land use

**GWRC Land:** Early stages of redevelopment, including for TOD-related purposes

**Crown Land:** Limited acquisition/use of small Crown/KiwiRail parcels to support interchange works and commercial development.

These options offer balanced investment: they materially improve functionality, accessibility, and amenity but fall short of full precinct transformation or long-term capacity optimisation.

### 4.4.3 Optimised Options (Optimised, Optimised+, Optimised++)



The Optimised options represent more transformative interventions. They focus on full interchange redevelopment, high-capacity multimodal integration, and significant commercial and residential development through TOD.

These options seek to maximise long-term benefits, capacity, and urban integration, but also involve the highest levels of cost, complexity, delivery risk, and dependency on market

participation.

Key characteristics of the Optimised options include:



#### Roof Structure

Continuous roof spanning platforms and rail corridor, progressing to partial or full enclosure in higher options.



#### East–West Crossing

High-quality overpass across the rail corridor and Cambridge Terrace; Optimised++ reinstates an upgraded underpass for maximum flow.



#### Accessibility

Seamless, step-free movement throughout the interchange and precinct, including new pedestrian links and grade-separated crossings.



#### Platforms

Full alignment and extension to accommodate future fleet size and service growth; premium finishes.



#### Bus Interchange

Full redevelopment of both sides or consolidation into a single high-capacity interchange with premium amenities and EV charging.



#### Amenities

Private secure bike hub with e-bike charging, repair stations, and storage.



#### Bike Facilities

Private secure bike hub with e-bike charging, repair stations, and storage.



#### Commercial Buildings

Multi-level mixed-use commercial development integrated with the precinct, progressing to full landmark TOD in Optimised++ with integrated commercial, retail and community spaces.



#### Bus Network

Expanded feeder routes, express services, and broader bus network redesign.





#### Land use

**GWRC Land:** Progressive intensification.

**Crown Land:** Escalating ownership or utilisation of KiwiRail land for interchange use / commercial development.

The table below provides a high-level comparison of the long-list options, illustrating how each option band differs in terms of scale, benefits, risks, and cost profile. This comparison supports transparency in the options assessment and demonstrates how the long list spans a full range of proportionate responses, from minimum intervention through to transformational redevelopment.



Table 14: Long-List Options Comparison

| Option Band                              | Primary Focus                           | Scale of Change  | Key benefits                                                                                         | Key risks and limitations                                                                                             | Cost and risk                                           |
|------------------------------------------|-----------------------------------------|------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Baseline / Do Minimum                    | Reactive asset management               | None             | Delays capital investment temporarily; maintains current services.                                   | Progressive asset failure; escalating safety and compliance risk; declining customer experience; unplanned disruption | Lower upfront cost; high long-term risk and uncertainty |
| Essential                                | Safety and minimum compliance           | Very low         | Addresses immediate safety and compliance needs; lowest capital cost                                 | Does not resolve accessibility or functionality issues; limited strategic alignment                                   | Low cost; low complexity; limited benefits              |
| Essential+                               | Compliance with minor functional uplift | Low              | Marginal improvements to amenity and safety, slightly improved manageability                         | Largely reactive; accessibility gaps remain; constrained long-term value                                              | Low–moderate cost; low complexity                       |
| Essential++<br><b>Shortlisted Option</b> | Stabilisation of failing assets         | Low / moderate   | Improves asset condition and maintainability; modest user experience uplift                          | Infrastructure-focused only; does not address wider interchange integration or land-use outcomes                      | Low–moderate cost; moderate disruption                  |
| Developed                                | Functional interchange upgrade          | Moderate         | Material uplift in accessibility, amenity, and interchange functionality                             | Limited land-use integration; wider benefits and long-term value not fully realised                                   | Moderate cost; manageable delivery risk                 |
| Developed+<br><b>Preferred Option</b>    | Integrated, accessible interchange      | Moderate / high  | Significant infrastructure improvements; full accessibility; opportunities for commercial activation | Wider growth and precinct benefits not fully optimised                                                                | Moderate–high cost; staged delivery risk                |
| Developed++                              | Future-ready interchange                | High             | Strong land-use integration; improved commercial activation; enhanced resilience and capacity        | Higher cost; increased delivery complexity                                                                            | High cost; higher risk but strong benefits              |
| Optimised<br><b>Shortlisted Option</b>   | Full interchange redevelopment          | Very high        | Maximum interchange functionality and integration; improved land use and activation                  | Significant cost, disruption, and delivery risk                                                                       | Very high cost; high complexity                         |
| Optimised+ / Optimised++                 | Precinct-scale transformation TOD       | Transformational | Unlocks major transport, urban regeneration, and commercial benefits                                 | Highly dependent on market conditions, partnerships, and funding                                                      | Highest cost; highest risk and dependency               |

## 4.5 Critical Success Factors

CSFs are attributes essential to successful delivery of the Project. The CSFs are critical rather than aspirational and are set at a level that avoids biasing or prematurely excluding otherwise credible options.

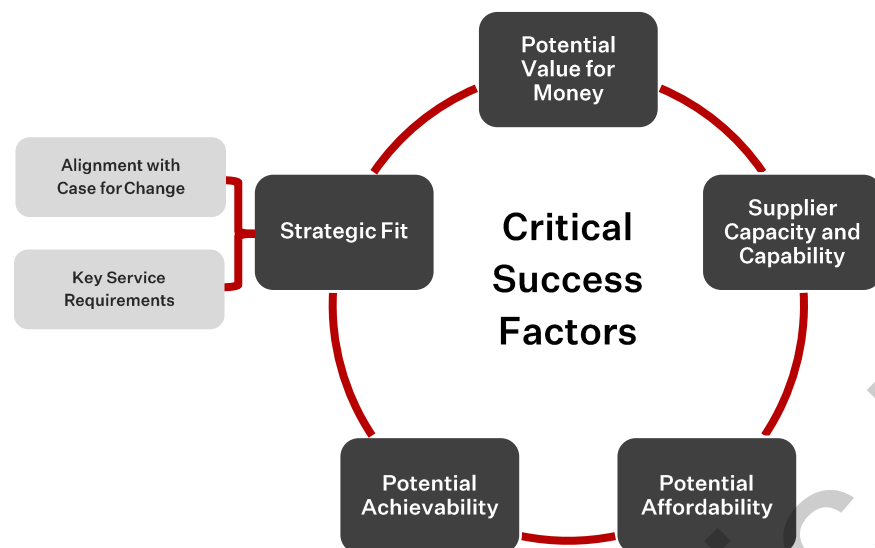


Figure 36: Critical Success Factors

The following CSFs and associated attributes were confirmed with the Steering Group in December 2025.

| 1. Strategic Fit                          |                                                                                                                                       |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Subpart A: Alignment with Case for Change |                                                                                                                                       |
| Description                               | Assesses how strongly each option supports the core rationale for investment set out in the Strategic Case. This includes whether the |

|                                     | option directly addresses the identified challenges and drivers of change, contributes to the desired outcomes and investment objectives, and aligns with relevant local, regional, and national strategies and frameworks.                                                                                                                                                                                                                   |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| What it looks at                    | Contribution to solving the identified challenges, ability to unlock desired outcomes, alignment with the Case for Change and investment objectives, and consistency with strategic plans (including growth and mode-shift agendas).                                                                                                                                                                                                          |
| Key Attributes                      | <ul style="list-style-type: none"> <li>Directly advances investment objectives and benefits</li> <li>Aligns with GWRC, local authority and central government priorities</li> <li>Responds to strategic drivers (e.g., capacity, growth, resilience, mode shift)</li> <li>Enables longer-term opportunities (e.g., regeneration and economic uplift)</li> <li>Strong fit with wider network and regional transformation programmes</li> </ul> |
| Subpart B: Key Service Requirements |                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Description                         | Evaluates whether the option meets essential service, operational, and functional requirements for the interchange precinct—both now and into the future.                                                                                                                                                                                                                                                                                     |
| What it looks at                    | Ability to deliver an integrated interchange and customer experience; growth capacity; resilience; financial sustainability; environmental stewardship; and urban integration.                                                                                                                                                                                                                                                                |

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key Attributes</b>                            | <ul style="list-style-type: none"> <li>♦ Integrated, step-free, universally accessible interchange</li> <li>♦ Safe and attractive east–west connection</li> <li>♦ CPTED-based safety, security and comfort</li> <li>♦ Multimodal connectivity (train, bus, active modes, Park &amp; Ride)</li> <li>♦ Meets rail technical standards</li> <li>♦ Handles peak demand</li> <li>♦ Supports growth, upgrades, and new technology</li> <li>♦ Resilient to natural hazards</li> <li>♦ Whole-of-life durability and lifecycle cost efficiency</li> <li>♦ Minimises environmental impact (including aquifer protection)</li> <li>♦ Compact footprint that supports transit-oriented development and intensification</li> </ul> |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>2. Potential Value for Money<sup>84</sup></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Description</b>                               | Assesses how effectively the option delivers long-term public value through an appropriate balance of benefits, whole-of-life costs, and risks. This includes durability, resilience and longevity, opportunities for efficiencies, and potential to leverage economic, social, and commercial benefits.                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>What it looks at</b>                          | Whole-of-life cost performance; benefit-cost-risk trade-offs; delivery of broader benefits; and commercial activation/value uplift opportunities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Key Attributes</b>                            | <ul style="list-style-type: none"> <li>♦ Minimises lifecycle and maintenance costs</li> <li>♦ Efficient cost-performance trade-offs</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                            |                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            | <ul style="list-style-type: none"> <li>♦ Durable, resilient materials reducing replacement frequency</li> <li>♦ Opportunities for commercial activation and revenue</li> <li>♦ Reuse of existing assets to reduce capital outlay</li> <li>♦ Enables wider economic benefits and/or land value uplift</li> </ul> |
| <b>3. Supplier Capacity and Capability</b> |                                                                                                                                                                                                                                                                                                                 |
| <b>Description</b>                         | Assesses whether the supplier market has the capability, capacity, and incentives to deliver the option to the required standards, including specialist skills, innovation potential, and ability to scale delivery.                                                                                            |
| <b>What it looks at</b>                    | Market availability; contractor capability; supply chain robustness; ability to meet timelines; and opportunities for innovation or modern methods of construction.                                                                                                                                             |
| <b>Key Attributes</b>                      | <ul style="list-style-type: none"> <li>♦ Supplier capacity and scalability</li> <li>♦ Quality and resilience standards</li> <li>♦ Innovation in delivery methods</li> <li>♦ Market willingness and alignment with incentives</li> </ul>                                                                         |
| <b>4. Potential Affordability</b>          |                                                                                                                                                                                                                                                                                                                 |
| <b>Description</b>                         | Evaluates whether the option can be delivered within available funding constraints (upfront and ongoing). This includes capital and operating affordability, ability to stage investment, potential co-funding/partnerships, and cost certainty/escalation risk.                                                |
| <b>What it looks at</b>                    | Funding requirements; staging opportunities; co-investment/value capture potential; and financial risk management.                                                                                                                                                                                              |

<sup>84</sup> Direct capital cost was not scored as a standalone criterion; it was considered through Affordability (funding fit/certainty) and Value for Money (whole-of-life cost-benefit-risk balance).



|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key Attributes</b>             | <ul style="list-style-type: none"> <li>♦ Fits within expected capital and operating funding envelopes</li> <li>♦ High cost certainty and manageable cost risk profile</li> <li>♦ Ability to stage delivery to match funding availability</li> <li>♦ Access to co-funding, value capture, or partnership opportunities</li> <li>♦ Minimises exposure to inflationary, supply chain and delivery risks</li> </ul>                                                                                                    |
| <b>5. Potential Achievability</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Description</b>                | Assesses how realistically the option can be delivered given organisational capability, market conditions, regulatory pathways, and environmental constraints. Considers sequencing, constructability, and the ability to minimise disruption to users and communities.                                                                                                                                                                                                                                            |
| <b>What it looks at</b>           | Delivery complexity; construction impacts; approvals/consenting feasibility; environmental effects; dependencies; and pace of delivery.                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Key Attributes</b>             | <ul style="list-style-type: none"> <li>♦ Realistic to deliver at the intended pace, scale, and sequencing</li> <li>♦ Minimises disruption to rail operations, road users, and surrounding communities</li> <li>♦ Efficient and safe construction methodologies</li> <li>♦ Protects water quality, biodiversity, and sensitive natural/cultural assets</li> <li>♦ Achievable consenting pathway with manageable planning risks</li> <li>♦ Coordination with adjacent developments and network operations</li> </ul> |

## 4.6 Developing the Short List

The nine long-list options were assessed against the above CSFs and Investment Objectives to identify a shortlist for further appraisal. Assessment was undertaken against the detailed sub-questions for each CSF (Appendix E).

A consistent scoring framework was applied to enable transparent and comparable assessment across all options. Each CSF was weighted equally, with no differential weighting applied between CSFs. Each option was scored against the defined scoring scale for each CSF sub-component. Scores were then aggregated to produce an overall option score, with equal weighting applied across all CSFs.

The scoring scale used in the assessment is set out in the table below.

Table 15: Scoring Framework used in Developing the Shortlist

| Score | Description                                                                                     |
|-------|-------------------------------------------------------------------------------------------------|
| 3     | <b>Completely aligned:</b> Fully consistent with the CSF and strongly supports its achievement. |
| 2     | <b>Largely aligned:</b> Aligns well with the CSF, with only minor gaps or limitations.          |
| 1     | <b>Partially aligned:</b> Some alignment with the CSF, but limited or incremental in nature.    |
| 0     | <b>Neutral:</b> Neither meaningfully supports nor undermines the CSF                            |
| 1     | <b>Partially misaligned:</b> Introduces minor conflicts, trade-offs, or constraints.            |

| Score | Description                                                                                                                     |
|-------|---------------------------------------------------------------------------------------------------------------------------------|
| 2     | <b>Largely misaligned:</b> Conflicts with the CSF in several respects and materially undermines its achievement.                |
| 3     | <b>Completely misaligned:</b> Fundamentally inconsistent with the CSF and significantly undermines or prevents its achievement. |

The full scoring results are provided in Appendix F. Scoring was undertaken through a facilitated workshop with technical and operational subject-matter experts, with scores moderated to consensus by the Steering Group.

| Short List Option                               | Brief Description                                                                                                                                                             |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 <b>Do Minimum</b><br><i>Baseline Option</i>   | Maintain current operations with a reactive approach to maintenance to delay capex expenditure, managing increasing safety and operational risks as assets reach end of life. |
| 2 <b>Essential ++</b>                           | Remove the unsafe station roof and deliver targeted safety, accessibility, and amenity upgrades while retaining the existing station layout and operations                    |
| 3 <b>Developed +</b><br><i>Preferred Option</i> | Undertake a major station and interchange redevelopment to replace end-of-life assets and significantly improve accessibility, operations, and passenger experience.          |
| 4 <b>Optimised</b>                              | Deliver a fully integrated, future-ready transport hub that maximises capacity, accessibility, amenity, and transit-oriented development outcomes.                            |

The shortlist enables transparent comparison of trade-offs between strategic value, cost, risk, and deliverability, and provides a robust basis for subsequent economic appraisal and identification of the Preferred Option.

## 4.7 Short List Options Analysis

### Baseline / Do Minimum

**Description:** The Baseline option retains the wider interchange in its current form for as long as possible, with no upgrades, redevelopment, or reconfiguration. All core assets, including the station roof, platforms, bus interchange, amenities, east–west underpass, and buildings, continue to be managed through reactive maintenance only. No proactive renewals are undertaken. As the station roof continues to deteriorate, partial or staged demolition would be required to manage safety and operational risk. Access, platform configuration, bus routes, cycling facilities, and passenger amenities remain unchanged, with bus services managed by GWRC on an as-needed basis. GWRC land continues to be used primarily for free parking, with no commercial development, while Crown land remains under existing lease arrangements. Commercial activity is limited to existing tenancies and advertising.

| Criteria        | Assessment                                                                                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic Fit   | <br>Completely misaligned | <ul style="list-style-type: none"> <li>At odds with the Project’s strategic intent in a material sense. Unlike the other options, it allows infrastructure deficiencies to persist and worsen through reliance on reactive maintenance, with no pathway to restore assets to modern standards.</li> <li>Amenity, accessibility, functionality, and overall station quality continue to decline, with the station roof and core facilities ultimately requiring demolition as failures occur.</li> <li>As conditions deteriorate, the interchange becomes increasingly unattractive to users, directly undermining patronage, transport choice, and public transport appeal, outcomes that Essential ++ begins to stabilise and Developed + and Optimised materially improve.</li> <li>Poor multimodal connections and fragmented operation remain unresolved, in contrast to the incremental integration achieved under Essential ++ and the step-change outcomes delivered under Developed + and Optimised.</li> <li>Surrounding land remains underutilised, with no improvement to east–west permeability or integration with the Lower Hutt CBD. Rather than supporting growth or regeneration, the option exacerbates the gaps the investment case seeks to address and delivers none of the Key Service Requirements.</li> </ul> |
| Value for Money | <br>Largely misaligned  | <ul style="list-style-type: none"> <li>Represents very poor value for money relative to all other options. Expenditure is directed toward short-term, reactive interventions that neither preserve asset value nor improve performance or reduce future costs. In contrast to the other options, which progressively shift investment toward planned renewals and lifecycle-efficient upgrades, spending under this option becomes increasingly regretful as assets continue to degrade.</li> <li>Ongoing expenditure is focused on keeping failing infrastructure operational through ad-hoc maintenance rather than undertaking planned renewals. As assets deteriorate, particularly the station roof and core interchange facilities, maintenance increasingly functions as a temporary holding measure rather than an effective use of public funding. Much of this expenditure is ultimately rendered regretful, as it neither prevents failure nor avoids future demolition or replacement, it simply delays matters and results in increased maintenance expenditure in the interim.</li> </ul>                                                                                                                                                                                                                               |

|                                         |                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Supplier Capability and Capacity</b> | <p>  <br/>           Largely misaligned         </p>    | <ul style="list-style-type: none"> <li>♦ The option generates no offsetting benefits. Unlike the other options, there is no improvement in patronage, fare revenue, customer experience, operational efficiency, or land-based value. Public funding continues to be absorbed by a deteriorating asset base that delivers diminishing returns, poor asset stewardship, and foregone economies of scale, making this the weakest value-for-money option on a whole-of-life basis.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                         | <p>  <br/>           Completely misaligned         </p> | <ul style="list-style-type: none"> <li>♦ While reactive maintenance works are initially small-scale, low-complexity, and familiar to the market, this simplicity does not persist over time. Reliance on reactive maintenance for aging, end-of-life assets, particularly the station roof, increases the likelihood of unplanned failures rather than predictable, well-scoped works.</li> <li>♦ In contrast to the other options (particularly the Developed + and Optimised), which provide some scale, certainty, and forward work programmes attractive to the market, failure-driven interventions are likely to be urgent, complex, and highly constrained. For example, partial or full roof failure could affect the live rail corridor or pose risks to adjacent sensitive infrastructure, including the Waiwhetū Aquifer and Waterloo Water Treatment Plant. Emergency conditions would require immediate contractor mobilisation, potentially under constrained procurement, reducing supplier choice, increasing cost, and elevating delivery risk.</li> <li>♦ The option provides no opportunity for supplier innovation, capability development, or market-led efficiencies. Works are fragmented and unattractive, offering limited strategic value. Over time, this undermines GWRC's ability to engage the market effectively.</li> </ul> |
| <b>Affordability</b>                    | <p>  <br/>           Completely misaligned         </p> | <ul style="list-style-type: none"> <li>♦ While short-term costs appear manageable, this masks material long-term affordability risk. The option defers, rather than avoids, significant capital expenditure, creating a future capital cliff as core assets fail, particularly the station roof.</li> <li>♦ Unlike the other options, which enable staged investment and funding alignment, the timing of asset failure cannot be reliably predicted, limiting the ability to plan or smooth expenditure across funding cycles. Emergency works are likely to require accelerated procurement, higher costs, and reduced scope control, placing acute pressure on GWRC and transport budgets.</li> <li>♦ The option precludes opportunities to integrate works with broader programmes, leverage alternative delivery models, or unlock private-sector participation and value-sharing mechanisms.</li> <li>♦ As a result, the Baseline option exposes GWRC to unmanaged financial risk and future affordability shocks, rather than providing a predictable, planned, and fiscally sustainable investment pathway.</li> </ul>                                                                                                                                                                                                                              |



## Achievability

-2

Largely  
misaligned

### Assessment: -2 (Largely misaligned)

- While individual reactive maintenance activities are generally deliverable in the short term, the overall approach materially increases delivery risk over time. Unlike planned interventions under the other options, this option relies on assets being maintained until failure rather than proactively renewed.
- As deterioration accelerates, particularly of the station roof, failure scenarios become more likely, requiring works to be undertaken under emergency conditions. Such works may need to occur adjacent to or over the live rail corridor, significantly constraining construction methodology, possession planning, and coordination with other rail activities.
- The urgency of response reduces flexibility in timing and staging, making it difficult to maintain safe and acceptable operation across rail, bus, road, and active-mode networks during works.
- The reactive approach also heightens risk to sensitive and critical infrastructure, including the Waiwhetū Aquifer and the Waterloo Water Treatment Plant. Emergency works are more likely to require urgent approvals and compressed stakeholder coordination, increasing the risk of delays and governance challenges.
- While deliverable at a basic level in the short term, the increasing reliance on unplanned and emergency works materially undermines achievability over time.

## Option 2: Essential ++

**Description:** This option delivers a targeted set of interventions to address critical safety, compliance, and amenity gaps at the interchange, without wholesale redevelopment. Unlike the Baseline, which retains all existing assets in the short term and relies on reactive maintenance, this option removes the existing station roof over the rail corridor and platforms and replaces it with smaller, fit-for-purpose platform canopies providing basic weather protection. This removes the highest-risk asset while maintaining core operational functionality.

Platform and interchange infrastructure are upgraded to meet compliance requirements, with improvements to platform levelling and surface condition to enhance safety and usability. The existing east-west underpass is retained but substantially upgraded, including improved waterproofing, drainage, and accessibility. While access arrangements remain broadly unchanged, accessibility across the interchange is materially improved.

The bus interchange is upgraded through improved shelters, enhanced weather protection, additional seating, and better lighting, delivering a higher standard of passenger amenity than the Baseline. Cycling facilities are modestly improved through refreshed racks, better signage, and enhanced security. Buildings on the Oxford Terrace side are demolished where required to enable roof removal, while Cambridge Terrace buildings are retained and refreshed through minor upgrades, with no new commercial space added.

In contrast to the Baseline, the option introduces paid parking and allows GWRC to consider partial or full land disposal of its adjoining land, improving land efficiency and funding flexibility. Crown land lease arrangements remain unchanged.

| Criteria             | Assessment                                                                                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strategic Fit</b> | <br>Partially aligned   | <ul style="list-style-type: none"> <li>◆ Demonstrates a clear improvement in strategic fit relative to the Baseline by directly addressing immediate safety, compliance, and asset-condition risks, particularly through removal of the failing station roof and delivery of compliance upgrades. This option is a material step beyond a purely reactive maintenance approach.</li> <li>◆ Improves baseline performance against Key Service Requirements, including passenger safety, accessibility, and amenity, enabling the interchange to meet minimum operational and user-experience standards that the Baseline fails to achieve. This option meaningfully stabilises the interchange and mitigates further decline.</li> <li>◆ However, the option remains primarily compliance-led and incremental. Unlike Developed + and Optimised, it does not materially reconfigure the interchange, improve network integration, or deliver a future-ready, high-performing transport hub.</li> <li>◆ Broader strategic challenges (such as underutilised land, urban integration, growth, and regeneration) remain largely unaddressed. Land-use patterns and commercial outcomes are similar to the Baseline, with no meaningful pathway to value uplift or transit-oriented development.</li> </ul> |
|                      | <br>Partially aligned   | <ul style="list-style-type: none"> <li>◆ Represents a clear improvement over the Baseline by avoiding the most regretful expenditure associated with maintaining a failing station roof and shifting investment toward more durable, fit-for-purpose assets.</li> <li>◆ Targeted upgrades maximise the use of existing infrastructure and deliver tangible improvements in safety, accessibility, and amenity at relatively modest cost, improving whole-of-life efficiency relative to the Baseline.</li> <li>◆ However, value for money is constrained by the quality and longevity of outcomes. Improvements to the east–west underpass extend the life of an asset that retains inherent resilience and capacity limitations, creating a trade-off between cost and outcome quality.</li> <li>◆ Compared with Developed + and Optimised, the option delivers limited patronage uplift, operational efficiency, and revenue or commercial outcomes. Paid parking provides only modest revenue, and opportunities for land-based value capture or private-sector investment remain minimal. As a result, value is improved but only partially realised.</li> </ul>                                                                                                                                   |
|                      | <br>Partially aligned | <ul style="list-style-type: none"> <li>◆ The scope is well within the capability and experience of the New Zealand and Wellington contractor market, with strong depth in rail-adjacent and live-environment works.</li> <li>◆ However, the modest scale and limited commercial profile reduce market appetite compared with Developed + and Optimised, particularly among larger contractors or potential development partners.</li> <li>◆ The constrained scope offers limited opportunity for innovation in procurement, financing, construction, or delivery models. While technically deliverable, the option provides only partial alignment with broader supplier capacity and capability objectives.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

|               |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Affordability | <div>1</div> <div>Partially aligned</div>  | <ul style="list-style-type: none"> <li>Capital costs are materially lower than Developed + and Optimised but still likely require specific funding provision rather than absorption within baseline budgets. In terms of baseline budget, this option is the most affordable.</li> <li>The defined and technically straightforward scope supports strong cost control and low escalation risk, delivering a predictable and manageable investment profile for GWRC.</li> <li>The option allows practical staging of discrete work packages, supporting alignment with funding availability. However, the absence of meaningful commercial uplift, external funding, or value-sharing mechanisms means the full cost burden remains with GWRC, limiting overall affordability relative to higher-order options.</li> </ul>                                 |
| Achievability | <div>3</div> <div>Completely aligned</div> | <ul style="list-style-type: none"> <li>Technically straightforward and readily deliverable using established methodologies, with works capable of being staged to maintain safe and acceptable operation across all modes. This allows passenger movements and public transport operations to continue with minimal impact on users and surrounding communities, especially compared with more invasive or precinct-wide redevelopment options such as the Developed + and Optimised options.</li> <li>Environmental and critical-infrastructure risks, including to the Waiwhetū Aquifer and Waterloo Water Treatment Plant, can be effectively managed through low-impact construction and clear controls.</li> <li>The approvals pathway is relatively simple and low risk, with no material statutory, governance, or regulatory barriers.</li> </ul> |

### Option 3: Developed +

**Description:** This option delivers a significant redevelopment of Waterloo Station and the wider interchange, replacing end-of-life assets and reconfiguring core infrastructure to materially improve accessibility, operational efficiency, and passenger amenity. It goes well beyond compliance-led upgrades, reshaping the layout and function of the interchange while remaining primarily transport-focused rather than precinct-scale redevelopment.

A new roof replaces the existing structure, providing approximately 60% platform coverage. Platforms are fully refurbished and realigned with accessibility enhancements exceeding minimum compliance. The existing underpass is removed and replaced with a new overbridge with lifts and stairs, supported by improved pedestrian connections to Trafalgar Square.

Access is significantly improved on both sides of the station, with upgraded connections from Oxford Street and Cambridge Terrace, a new pedestrian crossing at Cambridge Terrace, smoother grade transitions, and full step-free movement between modes. The bus interchange is partially consolidated on the Cambridge Terrace side, with retained and upgraded Oxford Street stops, alongside service enhancements including increased capacity and a new circular route.

Passenger amenity is substantially upgraded across the interchange, cycling facilities are relocated and secured, and existing buildings are replaced with new fit-for-purpose structures allowing limited commercial use. Parking is reconfigured, and GWRC land disposal is enabled, subject to longer-term TOD objectives. Limited Crown land is utilised as required.

| Criteria        | Assessment                                                                                           | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic Fit   | <br>Largely aligned | <ul style="list-style-type: none"> <li>Delivers a comprehensive response to the need for a safe, accessible, resilient, and high-quality interchange by replacing all ageing infrastructure and undertaking meaningful reconfiguration of platforms, access, and interchange facilities.</li> <li>Compared with Essential ++, the option delivers a clear step change in safety, accessibility, functionality, and customer experience, transforming the interchange from a compliant facility into a high-performing, people-centred transport hub.</li> <li>The option aligns well with strategic objectives for multimodal integration, universal design, intuitive wayfinding, reduced transfer times, and improved interchange legibility. These outcomes support broader regional and central government priorities for mode shift, emissions reduction, social inclusion, and improved public transport appeal across the Hutt Valley.</li> <li>In terms of urban integration and growth, Developed + provides a meaningful uplift relative to lower-order options. Improved east–west permeability, limited commercial activation, and enhanced public realm outcomes strengthen economic activity, resilience, and urban quality in the immediate catchment.</li> <li>However, the option does not fully maximise the strategic opportunity presented by the site. Compared with Optimised, land use is not well intensified, Crown land is only partially leveraged, and disposal of adjoining GWRC land reduces long-term control over development outcomes. As a result, while the option enables transit-oriented development, it does not fully optimise growth and regeneration outcomes.</li> </ul> |
| Value for Money | <br>Largely aligned | <ul style="list-style-type: none"> <li>Demonstrates strong value for money through a clear emphasis on whole-of-life efficiency and avoidance of regretful spend. By replacing all end-of-life assets and undertaking comprehensive, planned renewals, the option removes reliance on reactive maintenance and avoids future re-work, demolition, or premature replacement.</li> <li>Investment is directed toward durable, fit-for-purpose infrastructure that materially improves safety, accessibility, resilience, and service quality while reducing long-term operating, maintenance, and renewal costs.</li> <li>Adopts robust design solutions without introducing unnecessary complexity or specification premiums. Compared with Optimised, it avoids higher-cost features that could materially increase ongoing OPEX, achieving a balanced cost-performance profile with benefits proportionate to investment. Value is further enhanced through efficient use of existing infrastructure and disciplined demolition, improving asset utilisation and environmental performance.</li> <li>However, the option performs less strongly in converting transport investment into broader economic and financial returns. While limited commercial spaces provide some activation and revenue potential, commercial intensity, land-based value capture, and private-sector participation remain constrained relative to Optimised. As a result, value for money is strong but not maximised.</li> </ul>                                                                                                                                                                                                     |

|                                         |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Supplier Capability and Capacity</b> | <div>3</div> <p>Completely aligned</p> | <ul style="list-style-type: none"> <li>Well matched to the capability and capacity of the local construction and infrastructure market. The scale and complexity are well within the experience of suppliers with rail-adjacent, live-environment, and multimodal interchange delivery expertise.</li> <li>Market appetite for an option of this size and profile is strong. It is sufficiently large to generate competition and attract high-quality contractors, while remaining manageable and attractive to the likely pool of capable suppliers.</li> <li>While opportunities for innovative financing or highly development-led delivery are limited, this does not materially detract from deliverability.</li> </ul>                                                                                                                                                                                                                                                                                                                              |
| <b>Affordability</b>                    | <div>1</div> <p>Partially aligned</p>  | <ul style="list-style-type: none"> <li>Represents a significant capital investment (albeit one which still remains proportionate to benefits delivered) that cannot be accommodated within baseline funding envelopes and requires a dedicated funding pathway. In relative terms, it is less affordable than Essential ++ but more manageable than Optimised.</li> <li>Cost and funding risks are proportionate and manageable. The scope is well defined and technically conventional, supporting effective control of escalation, inflation, and supply-chain risk. Option provides credible, though not maximised, opportunities for private capital participation through limited commercial components.</li> <li>A key strength is excellent staging flexibility. The scope is naturally divisible into discrete packages, allowing expenditure to be staged or deferred to align with funding availability. While this does not resolve the underlying funding challenge, it provides practical tools to manage affordability over time.</li> </ul> |
| <b>Achievability</b>                    | <div>2</div> <p>Largely aligned</p>    | <ul style="list-style-type: none"> <li>The option is technically and practically deliverable within a live rail and interchange environment. Construction methodologies are well understood, and works can be staged to maintain safe and acceptable operation across all transport modes.</li> <li>While disruption is unavoidable due to the scale of works, impacts can be effectively mitigated through sequencing, coordination with rail access windows, and temporary arrangements.</li> <li>Consenting and approvals pathways are achievable, with no material legal or regulatory barriers anticipated.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                |

#### Option 4: Optimised

**Description:** This delivers a fully integrated, future-ready redevelopment of Waterloo and the wider interchange, maximising transport performance, passenger experience, and long-term growth potential compared to the other short list options. This option represents the highest level of ambition, providing a step change beyond the Developed + option in terms of coverage, capacity, connectivity, and integration with transit-oriented development outcomes.

A continuous roof spans the platforms and rail corridor, providing maximum protection from rain and wind (without enclosing the interchange) and extending coverage to interchange entrances. Platforms are fully refurbished, realigned, and extended to accommodate longer trains and future capacity growth, with accessibility enhancements



exceeding minimum compliance requirements. East–west connectivity is comprehensively upgraded through retention and enhancement of the existing underpass, alongside a new overbridge spanning both the rail corridor and Cambridge Terrace, enabling fully grade-separated, step-free movement across the site.

The bus interchange is fully redeveloped on both the Cambridge Terrace and Oxford Street sides to support high passenger volumes, with premium shelters and amenities. Bus services are optimised through express shuttle routes from high-demand catchments, improved route efficiency, and consideration of additional third-party services. Passenger amenity is significantly enhanced, including premium seating, excellent wayfinding, integrated ticket barriers, advanced lighting, high-quality landscaping, intelligent safety and security systems, upgraded public and accessible toilets, and improved facilities for bus and train drivers. Sustainability features include a large solar array supporting interchange operations and partial backup generation.

Cycling facilities are expanded to accommodate increased demand, with secure parking for up to 100 bikes. All existing buildings are demolished and replaced with high-quality commercial spaces integrated with the interchange, delivering increased net lettable area and stronger commercial outcomes. The option also enables moderate redevelopment of surrounding land for transit-oriented development and secures substantial use of Crown land to support both interchange delivery and commercial development.

| Criteria      | Assessment                                                                                                   | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic Fit | <br>3<br>Completely aligned | <ul style="list-style-type: none"> <li>♦ The Optimised option represents the strongest strategic alignment of the shortlisted options with the Strategic Case, particularly the ambition to position Waterloo as a catalyst for growth and resilience and to deliver a future-ready interchange.</li> <li>♦ Compared with Developed +, the option delivers greater weather protection, capacity, redundancy, and resilience through continuous roofing, extended platforms, dual east–west connections, and a fully dual-sided bus interchange.</li> <li>♦ The option also performs materially better in enabling long-term urban regeneration and TOD outcomes through stronger commercial integration, redevelopment of GWRC land, and securing approximately half of the Crown land for development.</li> <li>♦ A limitation relates to fiscal proportionality. While the option remains short of a “gold-plated” outcome, its aspirational scope raises legitimate questions about whether all elements are required to meet strategic objectives.</li> </ul> |
|               | <br>2<br>Largely aligned   | <ul style="list-style-type: none"> <li>♦ The option offers strong value through future-proofing, high performance, and avoidance of interim or superseded upgrades. It materially reduces the risk of regretful spend by delivering a coherent, long-life interchange configuration designed for long-term growth.</li> <li>♦ However, compared with Developed +, the inclusion of higher-specification features and capacity provision beyond likely long-term demand introduces diminishing returns and higher ongoing OPEX.</li> <li>♦ Replacement or upgrade of some assets that remain within their useful life further reduces efficiency relative to lower-cost options.</li> <li>♦ While the option offers the strongest pathway to commercial activation and value capture, near-term market conditions may limit realisation of these benefits. Overall, value for money is strong but not optimal.</li> </ul>                                                                                                                                          |

|                                         |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Supplier Capability and Capacity</b> | <div>2</div> <p>Largely aligned</p>   | <ul style="list-style-type: none"> <li>♦ The supplier market has the technical capability to deliver the Optimised option, including major rail-adjacent works, complex staging, construction of an overbridge across both the rail corridor and Cambridge Terrace, and large-scale interchange redevelopment. The scale of the project is sufficient to attract high-calibre contractors and enable competitive procurement, including the ability to deliver integrated work packages.</li> <li>♦ However, the scale of the option may begin to constrain competition within the local Lower Hutt and Wellington market and could be affected by capacity pressures if delivered alongside other major regional projects. The increased size and complexity also raise delivery risk and resourcing demands. For these reasons it scores less than the Developed + option in this respect.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Affordability</b>                    | <div>1</div> <p>Partially aligned</p> | <ul style="list-style-type: none"> <li>♦ This option is the least affordable relative to baseline funding of the shortlisted options. It combines the highest upfront capital cost with a larger ongoing operating cost profile driven by premium interchange facilities, dual access systems, expanded bus infrastructure, and enhanced safety and amenity features. Unlike Essential ++, it cannot be accommodated within baseline funding envelopes and would require a dedicated funding mechanism and firm long-term financial commitments.</li> <li>♦ The option does provide stronger affordability levers than the lower-order options through credible opportunities for private capital participation and value offsetting, enabled by significant commercial redevelopment, more substantive transit-oriented development outcomes, and greater control of Crown land.</li> <li>♦ While major components are stageable in principle, staging is more complex than for Developed + due to the high level of integration between the dual-sided bus interchange, access structures, and commercial development.</li> </ul>                                                                                                                                                                    |
| <b>Achievability</b>                    | <div>2</div> <p>Largely aligned</p>   | <ul style="list-style-type: none"> <li>♦ Option is achievable but inherently more complex than Developed +. While individual components are technically deliverable using established methods, the combined scope significantly increases interface risk and programme complexity. Staging remains feasible, but sequencing and management of temporary operations are more demanding, as a larger proportion of the interchange would be under construction at any one time, particularly during overbridge and bus interchange works.</li> <li>♦ Maintaining safe and acceptable operation of rail, bus, road, and active-mode networks during construction is achievable, but the risk of disruption is higher due to works on both sides of the station and the Cambridge Terrace interface. Mitigation through staging, traffic management, and corridor coordination is realistic, though impacts are unlikely to be low.</li> <li>♦ Consenting and governance pathways are feasible; however, greater reliance on Crown land rights and integrated commercial development introduces additional coordination requirements and third-party dependencies compared with Developed +. Securing approximately 50% of Crown land is complex and costly, adding further delivery challenge.</li> </ul> |

## 4.8 Options Appraisal

The assessment of the options in terms of contribution towards investment objectives and meeting of critical success factors is shown in the table below.

Table 16: Options appraisal

| Critical Success Factors         |                 | Baseline option       | Shortlisted options |                   |                   |
|----------------------------------|-----------------|-----------------------|---------------------|-------------------|-------------------|
|                                  |                 | Baseline              | Essential++         | Developed+        | Optimised         |
| Strategic Fit                    | Case for Change | Completely misaligned | Partially aligned   | Largely aligned   | Fully aligned     |
|                                  | Business needs  | Completely misaligned | Partially aligned   | Fully aligned     | Fully aligned     |
| Potential value for money        |                 | Completely misaligned | Partially aligned   | Fully aligned     | Largely aligned   |
| Supplier capacity and capability |                 | Largely misaligned    | Partially aligned   | Fully aligned     | Largely aligned   |
| Potential affordability          |                 | Completely misaligned | Partially aligned   | Partially aligned | Partially aligned |
| Potential achievability          |                 | Completely misaligned | Fully aligned       | Fully aligned     | Largely aligned   |

## 4.9 What Happens If We Do the ‘Minimum’: The Baseline Scenario

For the purposes of the CBA, the baseline scenario represents the economic counterfactual against which the incremental costs and benefits of the shortlisted investment options are assessed. It reflects the most likely future outcomes if no proactive redevelopment or renewal investment is undertaken at Waterloo Interchange.

Consistent with Better Business Case and Waka Kotahi guidance, the baseline is not a ‘do nothing’ scenario. Rather, it represents a do-minimum approach, under which interventions occur only when required to manage immediate safety, regulatory, or operational risks. There is no committed programme or funding for proactive renewal or replacement of end-of-life assets. This reflects the current uncertainty regarding the timing, extent, and consequences of asset failure.

The economic baseline is aligned with the Do-Minimum option assessed through the MCA and provides a consistent reference point across the Strategic, Economic, and Financial Cases.

### 4.9.1 What the Baseline Assumes Will Continue

The baseline scenario assumes that:

- ☒ Existing rail and bus services continue broadly at current service levels;
- ☒ The current station layout and interchange configuration are retained;
- ☒ No proactive capital investment is made to renew or replace the station roof;
- ☒ Progressive deterioration of the roof results in unplanned and staged removal of roof sections as safety thresholds are reached; and
- ☒ Interventions are reactive, safety-driven, and undertaken only when required, rather than as part of a planned renewal programme.

### 4.9.2 Costs GWRC will Incur Even Without Investment

The Baseline includes expected and foreseeable costs associated with managing deteriorating assets and their consequences. These costs are not assumed to be fully committed or scheduled and are therefore treated as contingent or risk-weighted where appropriate.

Importantly, once the station roof is progressively removed, a range of additional reactive costs arise due to the loss of weather protection to the wider interchange and legacy station assets. Exposure to wind and rain is expected to accelerate asset degradation and increase the frequency and severity of safety-related interventions.

Baseline costs included in the CBA comprise:

- ♦ Reactive maintenance and safety-driven roof removal works;
- ♦ Compliance-related costs triggered by consenting and approval processes associated with asset failure, including requirements to address existing non-compliance (e.g. accessibility);
- ♦ Costs associated with relocating, protecting, or reconfiguring services and cabling affected by roof removal;
- ♦ Additional stormwater management and protective works required as roof coverage is lost, including works to mitigate increased underpass flooding risk;
- ♦ Ongoing reactive works required to manage the exposure of remaining station and interchange assets to the elements, including accelerated deterioration of pavements, forecourt finishes, and building fabric;
- ♦ Increased health and safety mitigation measures to address emerging hazards resulting from exposure, such as rapidly degrading forecourt tiles and surfaces, which are already slip-prone under current conditions and would present heightened risk once roof protection is removed; and
- ♦ Reactive works to address failing or unsafe assets as deterioration accelerates, including interim repairs, localised replacements, temporary protection measures, or partial demolition where required.

The baseline costs do not deliver improvements in level of service, resilience, accessibility, or customer experience, and therefore do not generate offsetting benefits. They represent unavoidable expenditure required to manage risk rather than to improve outcomes.

#### 4.9.3 What the Baseline Does Not Deliver

The baseline does not include:

- ☒ Planned infrastructure upgrades or redevelopment;
- ☒ Accessibility or amenity improvements beyond those required to secure regulatory approvals triggered by asset failure;
- ☒ Improvements to passenger experience, resilience, or operational efficiency; or
- ☒ Strategic resolution of issues affecting commercial buildings.

All such costs and benefits are treated as incremental and attributed to the investment options assessed in the CBA.

#### 4.9.4 Why the Baseline Is the Right Comparator

The baseline represents a future characterised by increasing asset risk, service disruption, and reactive expenditure, without corresponding improvements in performance or outcomes. It provides a realistic and conservative economic counterfactual, ensuring that the benefits of alternative options are assessed

<sup>85</sup> NZ Treasury. *CBAx Tool User Guidance*.

<sup>86</sup> Waka Kotahi NZ Transport Agency. *Economic Evaluation Manual*.

<sup>87</sup> Ministry for the Environment. *Measuring Emissions: A Guide for Organisations (shadow carbon price guidance)*.

<sup>88</sup> Hutt City Council / QV (2022). *Rating Revaluation, 1 September 2022*; Opes Partners. *Waterloo House Prices 2025, suburb market data*.

relative to what would reasonably occur in the absence of investment, rather than against an unrealistic 'do nothing' scenario.

## 4.10 Economic Analysis

### 4.10.1 How the Economic Assessment Was Undertaken

The core of the Economic Case is a CBA conducted using the CBAx framework. CBAx is a Treasury-endorsed tool that provides a structured and consistent approach to quantifying and monetising the costs and benefits of public investments.<sup>85</sup> It enables decision-makers to compare options on a like-for-like basis by expressing all impacts in present-value dollar terms.

In applying CBAx to the Preferred Option, the analysis draws on established valuation parameters from Waka Kotahi's Economic Evaluation Manual<sup>86</sup>, the Ministry for the Environment's shadow carbon pricing guidance<sup>87</sup>, and current property market data.<sup>88</sup>

All benefits and costs are projected over a 45-year appraisal period (FY2026–FY2071), comprising:

- ♦ a four-year design and construction phase (FY2026–FY2029); and
- ♦ a 40-year operating life from commissioning in FY2031.

All costs and benefits are expressed in real 2025 dollars (no inflation), consistent with the economic model.

Values are discounted at Treasury's prescribed real discount rate of 2% per annum and expressed in present-value terms.<sup>89</sup>

The analysis of the Preferred Option estimates total capital costs of \$124 million<sup>90</sup> (P50) phased over FY2027–FY2029, with ongoing operational expenditure following a banded structure: 0% of CapEx during the two-year warranty period

<sup>89</sup> NZ Treasury. *Discount Rates for Cost Benefit Analysis*.

<sup>90</sup> \$124m (P50) is the undiscounted real capex estimate used in the model; PV total costs include discounted capex and opex across the appraisal period.



(years 5 to 6), ramping from 0.5% to 1.5% of CapEx p.a. over the remaining operating life. Against these costs, five categories of economic benefit have been quantified, as summarised below. Refer the full economic model at Appendix G.

#### 4.10.2 Headline Economic Results: CBAX Summary

The following table presents the base-case CBAX results for the Preferred Option, showing the present-value costs and benefits used to inform the Economic Case assessment. All values are expressed as Present Values (PV) discounted at 2% over the appraisal period.

Table 17: Base-case CBAX results

| Benefit Category                | PV (\$m)        | Share       | Description                                                                   |
|---------------------------------|-----------------|-------------|-------------------------------------------------------------------------------|
| Travel Time Savings             | \$169.4m        | 41%         | Value of reduced commute time for ~1.5m annual passenger trips                |
| Vehicle Operating Cost Savings  | \$38.2m         | 9%          | Reduced vehicle-km from mode shift (420 fewer car trips/day)                  |
| Safety (Crash Savings)          | \$40.1m         | 10%         | Fatality-equivalent crashes avoided through reduced vehicle travel            |
| Wider Economic Benefits         | \$151.8m        | 37%         | Productivity and land value uplift within 800m walkable catchment             |
| Environmental (Carbon)          | \$10.8m         | 3%          | CO <sub>2</sub> emission reductions valued at \$120/tonne shadow carbon price |
| <b>Total Benefits (PV)</b>      | <b>\$410.4m</b> | <b>100%</b> |                                                                               |
| <b>Total Costs (PV)</b>         | <b>\$153.7m</b> |             | Capital (\$124m) + operating (banded, 0.5% to 1.5% of CapEx)                  |
| <b>Net Present Social Value</b> | <b>\$256.7m</b> |             | Benefits minus costs                                                          |
| <b>Benefit-Cost Ratio (BCR)</b> | <b>2.38</b>     |             | Every \$1 invested returns \$2.38 in public value                             |

The quantified CBAX results indicate a strong and robust economic case for the Preferred Option on the basis of core, orthodox transport benefits alone. This is intentional: the CBAX has been kept tightly grounded in the benefit categories that are standard, well-established, and replicable within transport appraisal practice.

### 4.11 Sources of Economic Benefit

#### Quantified



#### 4.11.1 Travel Time Savings

The Preferred Option is expected to generate substantial travel time savings for commuters and other travellers through improvements to station functionality and the integration of surrounding transport connections. The analysis assumes approximately 1.5 million passenger trips per annum from commissioning, with patronage growing at 2% per year over the appraisal period. Improved interchange efficiency, better integration between transport modes and shift of users from private vehicles to public transport are estimated to reduce average journey times by approximately five minutes per round trip.

Beyond these quantified savings, the Preferred Option delivers important qualitative benefits for users. Reduced interchange friction and more reliable connections improve the overall travel experience and allow commuters to make more productive use of their time. For many passengers, this includes the ability to begin work earlier, plan the day ahead, or manage personal and professional tasks while travelling. While these productivity and wellbeing benefits are difficult to monetise robustly, they represent a genuine uplift in quality of life and workplace effectiveness that is not fully captured within the formal CBA.

Travel time savings are valued at a weighted average of \$36.50 per hour, consistent with Waka Kotahi's Economic Evaluation Manual.<sup>91</sup> Over the appraisal period, this benefit stream contributes a present value of approximately \$166.1 million, representing 41% of total quantified benefits. Travel time savings therefore constitute the single largest benefit category and reflect a well-established and widely accepted source of economic benefit in transport cost-benefit analysis.



#### 4.11.2 Vehicle Operating Cost Savings

The Preferred Option is expected to encourage a shift from private motor vehicle travel to public transport, walking, and cycling. The modelling estimates a reduction of approximately 420 private vehicle trips per day, with each avoided trip representing an average 35-kilometre return journey between Lower Hutt and Wellington.

This reduction in vehicle-kilometres travelled generates direct savings for households and businesses through lower fuel consumption, reduced vehicle maintenance, and avoided vehicle wear and tear. Using the Economic Evaluation Manual standard rate of \$0.28 per vehicle-kilometre,<sup>92</sup> these savings contribute an estimated \$37.5 million in present-value terms over the appraisal period, representing 9% of total quantified benefits.

While smaller in scale than some other benefit categories, vehicle operating cost savings represent a tangible and immediate financial benefit to residents who shift away from private vehicle use as a result of improved public transport accessibility.

<sup>91</sup> Waka Kotahi NZ Transport Agency. *Economic Evaluation Manual*.

<sup>92</sup> Ibid.

<sup>93</sup> Waka Kotahi NZ Transport Agency. *Economic Evaluation Manual*; NZ Treasury. *Guide to Social Cost Benefit Analysis*.



#### 4.11.3 Safety (Motor Vehicle Crash Savings)

Reductions in vehicle-kilometres travelled also lead to improved road safety outcomes by reducing exposure to crash risk. The analysis estimates that the Preferred Option will avoid the equivalent of 0.125 fatalities per year, expressed as a fatality-equivalent measure that combines avoided fatalities, serious injuries, and minor injuries using standard weighting factors.

Applying a Value of a Statistical Life (VOSL) of \$12.5 million, consistent with NZ Treasury and Waka Kotahi guidance<sup>93</sup>, the resulting safety benefit contributes approximately \$39.3 million in present-value terms, or 10% of total quantified benefits.

These benefits reflect avoided loss of life and injury, as well as reduced costs to the health system, emergency services, and ACC, and represent a well-established category of benefit in transport economic appraisal.



#### 4.11.4 Wider Economic Benefits

Wider economic benefits capture the productivity gains and land value uplift that high-quality, well-connected transit-oriented development generates beyond direct transport user benefits.

Waterloo's 800-metre walkable catchment encompasses an estimated \$1.3 billion in existing property value.<sup>94</sup>

International and New Zealand evidence consistently demonstrates that improved accessibility, amenity, and certainty associated with high-quality transit hubs can drive measurable increases in economic activity and land values. Reflecting this

<sup>94</sup> Hutt City Council / QV (2022). Rating Revaluation, 1 September 2022; Opes Partners. *Waterloo House Prices 2025, suburb market data*. Statistics New Zealand. *2023 Census, Waterloo SA2 (Waterloo East + West)*.

evidence, the model applies a conservative annual uplift of 0.4% in the initial years following commissioning, rising to 0.46% in steady state.

This results in an estimated annual benefit of approximately \$5.2 to \$6.0 million, contributing a present value of \$148.9 million over the appraisal period. WEBs therefore represent the second-largest benefit category, accounting for 37% of total quantified benefits, and reflect Preferred Option's potential to catalyse urban regeneration and longer-term economic growth in the Waterloo area.



#### 4.11.5 Environmental (Carbon Emissions)

The anticipated mode shift from private vehicles to public transport also delivers reductions in greenhouse gas emissions. The analysis applies a vehicle emission factor of 220 grams of CO<sub>2</sub> per kilometre, with a system-effect multiplier of three to account for wider network effects such as reduced congestion and induced demand responses.

Emissions reductions are valued using the Ministry for the Environment's shadow price of carbon of \$120 per tonne of CO<sub>2</sub>.<sup>95</sup> On this basis, the environmental benefit contributes approximately \$10.6 million in present-value terms, representing 3% of total quantified benefits.

While the smallest category in dollar terms, this benefit is material in the context of New Zealand's emissions-reduction commitments and the Wellington region's climate objectives. It also understates the full environmental value of the project, as it does not capture associated improvements in local air quality, noise, or urban amenity.

<sup>95</sup> Ministry for the Environment. *Measuring Emissions: A Guide for Organisations (shadow carbon price guidance)*.

## 4.12 Non-Monetised Benefits

### *Deliberately Not Quantified in CBAX*

In addition to the quantified benefits above, the Preferred Option delivers a range of material benefits that are highly relevant to GWRC and communities, but are not monetised in the CBAX at this stage.

This is a deliberate methodological choice. The quantified CBA is already strong and robust, and the analysis has been intentionally focused on core, standard transport benefit categories to ensure transparency and avoid introducing benefit streams that are more sensitive to design detail, assumptions, or methodological judgement. This approach is consistent with the project's benefits framing, which distinguishes between core monetised transport savings and wider economic/social impacts that may be quantifiable or qualitative.

Two particularly important qualitative benefits are highlighted below. Both are credible, evidence-supported, and could be quantified at a later stage if decision-makers wish to further strengthen the economic case.



#### 4.12.1 Suicide and Harm Reduction

There is a credible case that improved station design can deliver suicide and harm-reduction benefits, including through CPTED-aligned interventions (such as improved sightlines, lighting, access management, and passive surveillance). These design features can reduce opportunities for harmful behaviour, subject to clearly articulating the relevant design proof points.

Quantification is feasible using the project's existing VOSL assumption. For example, preventing one suicide every 20 years (equivalent to approximately 5% per annum) would equate to around \$625k per annum and improve NPV by approximately \$20m over a 40-year appraisal period (illustrative).

These impacts have not been included in the CBAX at the IBC stage, because they are not required to demonstrate strong value for money and may be viewed as more sensitive to assumptions and design specificity. They are instead treated as a material qualitative benefit to be explicitly recognised in this IBC.



#### 4.12.2 Access to Healthcare and Social Services

Improved access to healthcare and social services via public transport is also a material benefit of the Preferred Option. This benefit arises not only from the delivery of a more accessible, legible and efficient transport interchange at Waterloo, but also from the introduction of a new circular bus route as part of the Preferred Option. The circular route is intended to directly connect Waterloo with key destinations across Lower Hutt, including Hutt Hospital and other major health, social service and employment locations, significantly improving end-to-end accessibility.

This is particularly relevant in Lower Hutt, where there is a well-documented relationship between transport accessibility and unmet healthcare need, and where Māori, Pacific peoples, disabled people, and lower-income households are disproportionately affected by transport-related barriers to accessing services. By improving both interchange functionality and local network connectivity, the Preferred Option reduces the time, cost and complexity of reaching essential services.

New Zealand evidence indicates that improved public transport access to healthcare and social services can reduce missed appointments, lower avoidable emergency department presentations, and support earlier intervention for chronic conditions, delivering benefits across the health system and reducing downstream demand on multiple public agencies. Improved access to social services (including housing support, mental health services and income assistance) also contributes to wider social, wellbeing and equity outcomes, consistent with a whole-of-government perspective.

While healthcare and social services accessibility benefits are more complex to quantify than core transport user benefits, they can be structured in a defensible manner around avoided health system costs, wider social value, and health equity outcomes. Further discussion around the potential quantification of this benefit is

included at Appendix H and set out the New Zealand evidence base and outlines how these impacts could be quantified at later stages of the business case, if required.

Notwithstanding this, these benefits have not been monetised within the CBAX at the IBC stage. The quantified economic case is already strong and robust, grounded in core, well-established NZTA benefit categories, particularly productivity gains and land-value uplift, which are central to transport infrastructure appraisal. Excluding healthcare and social services benefits from the quantitative analysis avoids introducing additional complexity or subjectivity into the CBAX, while ensuring these outcomes are explicitly recognised as important qualitative benefits of the Preferred Option.

### 4.13 Monte Carlo Sensitivity Analysis

To test the robustness of the base-case CBAX results for the Preferred Option, a Monte Carlo simulation was undertaken across 1,000 iterations. The simulation systematically varies key input assumptions within plausible ranges, including capital costs, patronage volumes, vehicle trip reduction rates, and land-value uplift parameters. This produces a probability distribution of outcomes for both NPSV and the BCR, rather than relying on a single point estimate.

This approach provides decision-makers with a transparent view of uncertainty and risk, and enables assessment of the likelihood that the investment continues to deliver positive value under different future conditions.

The table below summarises the key statistics from the Monte Carlo analysis. Full details of the parameter ranges, probability distributions, and simulation methodology are documented in the accompanying economic model (refer Appendix G)

| Statistic | NPSV (\$m) | BCR (x) |
|-----------|------------|---------|
| Mean      | \$241.8m   | 2.42    |
| Median    | \$242.7m   | 2.40    |

|     |          |      |
|-----|----------|------|
| P10 | \$180.5m | 2.03 |
| P90 | \$301.1m | 2.80 |
| Min | \$90.0m  | 1.53 |
| Max | \$393.3m | 3.43 |

The simulation confirms that the economic case is robust across a wide range of assumptions. The mean outcome across all 1,000 runs is an NPSV of \$241.8 million with a mean BCR of 2.42. Under a conservative downside scenario (10th percentile), the NPSV remains strongly positive at \$180.5 million, with a BCR of 2.03, confirming that even under pessimistic assumptions the project continues to deliver well in excess of \$1 of public value for every \$1 invested. At the upper end of the distribution (90th percentile), the NPSV increases to \$301.1 million with a BCR of 2.80.

The distributions of NPSV and BCR across the 1,000 simulations are illustrated in Figures 1 and 2 below. Both distributions are approximately normal and centred on the mean. Importantly, no simulation produced a negative NPSV or a BCR below 1.0, indicating that the Preferred Option performs positively under all tested scenarios.

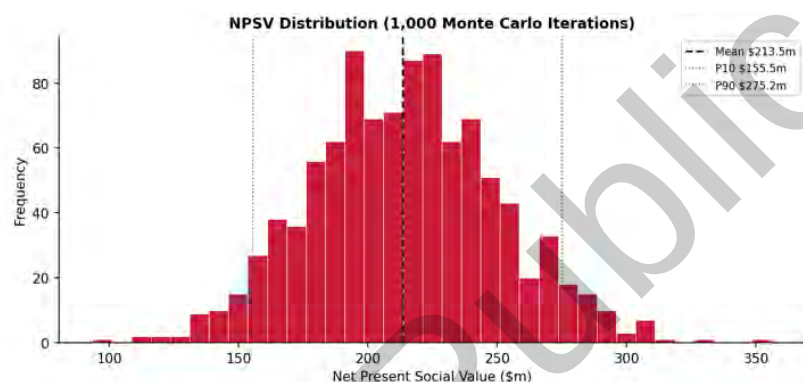


Figure 37: Distribution of NPSV across 1,000 Monte Carlo runs

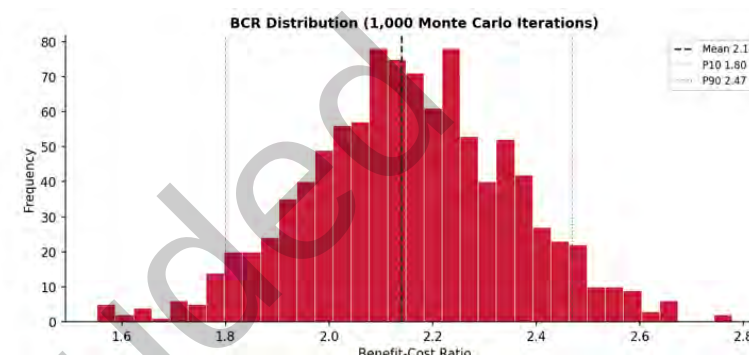


Figure 38: Distribution of BCR across 1,000 Monte Carlo runs

## 4.14 CBAX Conclusion

The CBAX analysis demonstrates a strong and resilient economic case for Preferred Option. With a BCR of 2.67, every dollar of public investment is expected to generate \$2.67 in social and economic value. The NPSV of \$256.7 million confirms that the project delivers substantial net benefits to the community over its lifetime.

The Monte Carlo sensitivity analysis reinforces this conclusion, demonstrating that the investment remains economically justified under a wide range of plausible future scenarios, with no outcome producing a BCR below 1.0. Importantly, these results are based only on core, standard and defensible transport benefits. A range of additional benefits that are material to GWRC and communities, such as suicide and harm reduction and improved access to healthcare and social services, have been treated as qualitative benefits and are not relied upon to establish value for money at the IBC stage,

Benefits are well distributed across transport efficiency, safety, economic development, and environmental outcomes, reflecting the multi-dimensional value delivered by well-planned transit-oriented development. Taken together, the results provide strong evidence that the Preferred Option represents a sound and robust public investment, consistent with the objectives and decision-making principles of the Better Business Case framework.



#### 4.14.1 Limitations of Economic Appraisal

The CBAX is based on estimates of the direct costs and benefits that can be monetised over the appraisal period. When interpreting the results, decision-makers should note that:

- ♦ The CBAX is intentionally focused on core transport benefits and does not monetise several important qualitative benefits (including suicide and harm reduction, and healthcare/social services access);
- ♦ The modelling is sensitive to key parameters such as patronage growth, mode shift, capital cost assumptions, and land-value uplift rates (tested through Monte Carlo analysis).
- ♦ Some impacts are not captured or are only partially captured in CBAX (for example, local amenity improvements, noise/air quality, and place-making), which may understate total value.
- ♦ The appraisal results should be considered alongside deliverability, affordability, risk, and strategic alignment evidence.

#### 4.14.2 How the Economic Appraisal Informs the Preferred Option

The CBAX provides an important input into the selection of the Preferred Option. It quantifies those costs and benefits that can be robustly monetised over the appraisal period and highlights the relative economic efficiency of the shortlisted options under a range of assumptions.

However, consistent with Better Business Case guidance, the Preferred Option has been identified by considering the combined evidence from the CBAX, the multi-criteria assessment, deliverability and affordability considerations, and the broader strategic context. Judgement has been applied where benefits are difficult to monetise, where future demand is uncertain, or where trade-offs exist between short-term affordability and long-term performance.

### 4.15 The Preferred Way Forward

#### 4.15.1 Rationale for Selection

The Developed + option is the preferred option because it strikes the most appropriate balance between delivering a high-performing, future-ready transport interchange and maintaining fiscal discipline and delivery pragmatism.

Compared with the other shortlisted options, Developed + delivers a clear step change in functionality, accessibility, resilience, and customer experience, while deliberately stopping short of the higher cost, higher risk, and more speculative elements embedded in the Optimised option. In doing so, it provides a robust foundation for future growth and regeneration without committing public funding ahead of demonstrated demand.

#### 4.15.2 Delivering Core Transport Function and Infrastructure Outcomes

Developed + replaces all end-of-life assets and reconfigures platforms, access, and interchange functions to exceed minimum compliance requirements. It materially improves east–west connectivity, interchange legibility, and multimodal integration, transforming Waterloo from a deteriorating facility into a high-quality, resilient transport hub.

Relative to Essential ++, which is primarily compliance-led and incremental, Developed + delivers materially stronger transport performance outcomes and avoids the risk of future re-work or premature replacement. Investment is focused on core, long-life transport infrastructure that must perform effectively for decades.

#### 4.15.3 Fiscal Restraint and Proportionality

While Developed + represents a significant capital investment, it is materially more restrained than the Optimised option. It avoids higher-specification features, premium amenity packages, and capacity provision beyond likely short- to medium-term demand, thereby limiting both upfront capital costs and ongoing operating expenditure.

This restraint is deliberate. It reduces exposure to demand risk, market uncertainty, and the risk of under-utilised or stranded assets, while preserving the ability to scale up investment in future phases if and when demand is demonstrated.



Figure 39: Depiction of platform canopy

#### 4.15.4 Managing Transit-Oriented Development Outcomes Over Time

Developed + adopts a staged and demand-led approach to transit-oriented development. It improves permeability, amenity, and accessibility and introduces limited commercial activation sufficient to test market response, without over-capitalising the asset.

Critically, the option is designed to preserve future optionality. The interchange layout, access structures, and building configuration enable future intensification or additional commercial development to occur without abortive works, allowing later investment decisions to be informed by evidence of patronage growth, land value uplift, and private-sector interest.

#### 4.15.5 Staging Flexibility and Delivery Management

Developed + provides clear and practical staging opportunities, which is a material advantage relative to Optimised. While still significant in scale, the works can be

packaged and sequenced to spread fiscal load, manage disruption, and refine commercial elements over time as market response becomes clearer.

There are recognised trade-offs associated with staging. For example, if the overbridge is not delivered concurrently with roof works, temporary measures may be required to manage rainfall and mitigate flood risk associated with the existing underpass. These staging inefficiencies represent an opportunity cost. However, the flexibility to stage remains valuable, providing GWRC with tools to respond to funding availability, construction market conditions, and emerging priorities.

#### 4.15.6 Overall Assessment

In summary, Developed + is preferred because it delivers the right infrastructure at the right time. It resolves critical asset and functional deficiencies, establishes a high-performing and resilient interchange, and materially improves customer and operational outcomes. At the same time, it exercises fiscal restraint, avoids premature commercial and land-use investment, and preserves optionality for future phases driven by demonstrated demand.



Figure 40: Depiction of overpass entry with lift tower pictured on the left-side of the entrance

Infrastructure investment is inherently long-term. Developed + recognises this by creating a durable platform for growth while allowing future investment decisions to be made with better information, stronger market signals, and greater confidence.



Figure 41: Depiction of the main station entrance from Oxford Terrace

## 5. Commercial Case

This Commercial Case outlines the proposed procurement and commercial strategy to support the delivery of the Preferred Option. The scale, complexity, and operational sensitivities of the Preferred Option require a considered and flexible commercial approach, one that can respond to local market capability and manage construction interfaces with an active rail environment and critical water infrastructure.

The Commercial Case assesses the commercial viability of the Preferred Option, including procurement strategies, potential delivery models, commercial frameworks, and the capability and capacity of the supplier market. It also considers opportunities to leverage partnerships, integrate commercial development where appropriate, and sequence works in a way that maintains operational continuity while achieving value for money across the life of the Project.

### 5.1 Project components

To successfully deliver the Preferred Option, a coordinated set of project components must be procured and managed. Each component has distinct commercial considerations that will influence procurement strategy, delivery model selection, and risk allocation. The key components are outlined in the table below.

Table 18: Project components

| Component        | Description / Commercial Considerations                                                                                                                                                                                                                                            |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financing</b> | <p>The Project may be delivered using a combination of public funding and, where appropriate, private capital, depending on the delivery model adopted.</p> <p>Public funding sources may include GWRC capital funding and debt mechanisms (e.g. LGFA / IFFA-style borrowing).</p> |

| Component           | Description / Commercial Considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | <p>Private capital may be introduced where delivery models incorporate commercial development, TOD-enabled outcomes, or alternative ownership structures (such as sale and leaseback or build-maintain-operate models).</p> <p>Commercial considerations include affordability within GWRC's long-term financial settings (including debt headroom), the timing and certainty of funding availability, the treatment of transport versus non-transport assets, and the allocation of financing and revenue risks between parties.</p>                                                                                                                                                                     |
| <b>Design</b>       | <p>Design activities include progression of the current reference design to a consentable and buildable solution, sufficient to support procurement, pricing, and construction.</p> <p>Design responsibilities may be retained by GWRC to a defined stage to improve scope certainty and risk control, and/or transferred to the market under delivery models such as D&amp;C or ECI.</p> <p>From a commercial perspective, the extent of GWRC-led versus contractor-led design will influence price certainty, risk transfer, programme flexibility, and accountability for fitness-for-purpose outcomes, particularly in the context of an operational rail environment and future TOD integration.</p> |
| <b>Construction</b> | <p>Construction comprises the physical delivery of the Preferred Option, including the overpass, platforms, canopies, bus interchange works, accessibility elements, public realm, and associated civil, structural, and services works.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                              |



| Component                             | Description / Commercial Considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | <p>The construction component presents some key commercial risk elements due to complexity, staging requirements, and the need to maintain safe and continuous rail and bus operations.</p> <p>Commercial considerations include packaging and sequencing of works, management of interfaces with KiwiRail and the wider transport network, allocation of time and cost risk, and mechanisms to incentivise performance while minimising disruption to passengers and the surrounding community.</p>                                                                                                                                                                                                                                |
| <b>Facilities management services</b> | <p>Facilities management covers the ongoing operation, maintenance, and renewal of station and interchange assets once constructed, including structural elements, lifts, platforms, canopies, lighting, landscaping, and public-facing areas.</p> <p>This component has whole-of-life cost implications and may be delivered through traditional asset management arrangements or integrated with delivery models that include longer-term performance or availability obligations.</p> <p>Commercial considerations include lifecycle risk allocation, clarity of operational responsibilities, service standards, and the management of interfaces between GWRC, KiwiRail, Metlink and any future commercial or TOD tenants.</p> |
| <b>Ownership</b>                      | <p>While outright ownership transfer is not itself being procured, the Project may involve changes to rights, obligations, and control over land and assets depending on</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Component | Description / Commercial Considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | <p>the funding and financing approach chosen and/or delivery model adopted.</p> <p>This includes GWRC-owned land, Crown land/rail corridor interests, access and easement arrangements, and any future commercial or TOD-related structures within the interchange precinct.</p> <p>From a commercial perspective, ownership and property arrangements affect risk allocation, financing options, long-term control of strategic assets, and the ability to integrate or enable future development while protecting GWRC's operational and policy objectives.</p> |

## 5.2 Services Required

Delivery of the Project will require access to a range of specialist services across planning, design, commercial, construction, and operational phases. These services represent the capabilities required to successfully deliver the Project and manage its associated commercial and procurement considerations.

Depending on the funding and delivery model ultimately adopted, these services may be:

- ♦ Provided in-house using GWRC's existing capability and capacity;
- ♦ Delivered by development or delivery partners as part of integrated or market-led delivery arrangements; and/or
- ♦ Sourced externally through consultants, contractors, or specialist providers.

The relevant services required, include:

- ♦ **Commercial, financial, and procurement advisory services:** To support delivery model assessment, risk allocation, market engagement, procurement planning, and affordability and financing considerations.



- ♦ **Strategic planning and integration services:** Align transport infrastructure with land use, TOD objectives, and wider regeneration outcomes, including master planning and integration advisory.
- ♦ **Project and programme management services:** Provide overall coordination, cost, programme, and risk management, including management of interfaces with KiwiRail/Crown, operators, utilities, and other stakeholders.
- ♦ **Design and technical professional services:** Engineering, architecture, urban design, and multi-disciplinary design services to progress the design to a consentable and buildable solution and support constructability and staging.
- ♦ **Planning, consenting, and property services:** Town planning, consenting, and property advisory services to manage statutory approvals, land interests, access rights, and potential acquisition or disposal activities.
- ♦ **Construction and enabling works services:** Early works, demolition, enabling works, and main construction services, including specialist rail-interface and utilities connection services.
- ♦ **Facilities management and operations services:** Services related to asset operations, maintenance, lifecycle renewals, and service standards, where procured separately or as part of longer-term delivery arrangements.
- ♦ **Assurance and independent review services:** Independent commercial, technical, and programme assurance to support governance, decision-making, and risk management.

## 5.3 Procurement Strategy

The procurement approach for the Project will be guided by recognised public-sector procurement best practice, including GWRC's own procurement framework, the Waka Kotahi Procurement Manual (where applicable), and relevant elements of the New Zealand Government Procurement Framework.

The procurement strategy will be proportionate to the scale, complexity, and risk profile of the Project and will be sufficiently flexible to support different funding and delivery models, including potential development-partner or market-led arrangements. This flexibility is necessary to ensure the Preferred Option is

achievable and attractive to the market, while delivering value for money across the whole of the asset life.

The strategy will recognise that different components of the Project may warrant different procurement approaches, commercial terms, and risk allocations, rather than applying a single, uniform model across the entire scope.

### 5.3.1 Affordability and Commercial Discipline

Commercial strategy for the Project is being developed within GWRC's long-term financial and debt settings. Delivery models, risk allocation, and incentive structures will be tested explicitly against affordability thresholds to ensure that commercial arrangements do not create unmanageable fiscal exposure or undermine value for money.

This discipline is particularly important given current construction market volatility and the potential inclusion of commercial or TOD-enabled components. Any proposed partnership or incentive mechanisms will be assessed not only for market attractiveness, but also for their impact on funding certainty, balance sheet exposure, and whole-of-life cost to GWRC.

### 5.3.2 GWRC Procurement Policy

Procurement for the Project will be undertaken in full compliance with GWRC's Procurement Policy, which applies to all procurement activity carried out by or on behalf of the organisation.<sup>96</sup> The Policy establishes the standards, expectations, and behaviours required to ensure that public money is used responsibly, ethically, and in a manner that delivers public value.

The Policy sets the framework for how procurement is planned, sourced, and managed across the entire lifecycle. It requires all procurement activity to uphold high standards consistently throughout the process, which includes requirements to:

<sup>96</sup> <https://www.gw.govt.nz/assets/Documents/2025/07/Procurement-Policy-May-2025.pdf>

- ♦ Ensure value for money over the whole of life, with procurement decisions informed by total cost of ownership, risk, and long-term outcomes.
- ♦ Enable good procurement practice, ensuring staff undertaking procurement activities have appropriate capability, guidance, and support.
- ♦ Provide procurement governance and oversight, with clear delegations, assurance, and accountability.
- ♦ Ensure probity, including integrity, fairness, transparency, confidentiality, and active management of conflicts of interest.
- ♦ Maintain appropriate record-keeping, in accordance with the Public Records Act 2005 and LGOIMA.
- ♦ Enable and prioritise social procurement outcomes, using procurement as a strategic lever to deliver social, cultural, environmental, and economic outcomes aligned with GWRC strategy.
- ♦ This includes explicit policy commitments to:
  - Supplier diversity (including Māori, Pasifika, and social enterprises);
  - Culturally responsive and Te Tiriti-honouring procurement;
  - Living Wage requirements for in-scope contracts<sup>97</sup>;
  - Human rights and modern slavery risk mitigation; and
  - Emissions reduction, environmental protection, and circular economy outcomes.

### 5.3.3 NZTA Procurement Manual

Where Waka Kotahi funding is involved, the Waka Kotahi Procurement Manual will apply as the minimum mandatory standard, alongside GWRC's own Procurement Policy.

The Manual sets out the required procurement procedures, approvals, and assurance expectations for activities funded through the NLTF ensuring procurement is transparent, contestable, and aligned with value-for-money principles. These requirements will be integrated into the Project's procurement approach where relevant and will inform delivery model selection, risk allocation, and contract management arrangements.



Figure 42: The NZTA Procurement Manual sets procurement standards for activities funded through the NLTF

### 5.3.4 National Government Procurement Principles

While GWRC is not a mandated agency under the Government Procurement Rules, the 5th edition of the Rules provides important best-practice guidance that will be applied where relevant to this Project.<sup>98</sup>

### 5.3.5 Government Procurement Framework

Government Procurement Rules, alongside probity protocols and established partnering models set the minimum standards for how public money is spent on goods and services, promoting sustainable, inclusive, and transparent procurement practices.

<sup>97</sup> Noting that this policy may impact project costs to some extent in relation to labour costs of suppliers and contractors.

<sup>98</sup> Effective from 1 December 2025

Procurement decision-making will align with the five overarching Principles of Government Procurement:

- ♦ **Plan and manage for great results:** Clearly define needs, identify broader outcomes, and select procurement processes proportional to complexity and risk. Early supplier engagement and market analysis will be used to uncover innovative and effective solutions.
- ♦ **Be proportionate and right-size the procurement:** Design procurement processes that are efficient and proportionate to value, complexity, and risk, avoiding unnecessary burden on suppliers or the market.
- ♦ **Be fair to all suppliers:** Maintain an open, competitive, and inclusive environment, actively encouraging participation from New Zealand businesses, including Māori, Pacific, regional enterprises, and social enterprises.
- ♦ **Get the right supplier:** Evaluate suppliers based on capability, value, and alignment with government standards, including the Supplier Code of Conduct. Relationships will be built on mutual respect, accountability, and shared goals.
- ♦ **Get the best deal for everyone:** Focus on whole-of-life value rather than lowest cost. Social, environmental, economic, and cultural outcomes will be considered to deliver sustainable public value.



Figure 43: The Government Procurement Rules set the standard for responsible expenditure of public funds

- ♦ **Play by the rules:** Uphold high standards of integrity, impartiality, and transparency. Conflicts of interest will be proactively managed, and commercially sensitive information protected

### 5.3.6 Economic benefit to New Zealand (Rule 8)

The previous “broader outcomes” approach has been replaced with a clearer economic benefit to New Zealand test. For procurements above defined thresholds, agencies are expected to consider and, where applicable, weight economic benefits as part of public value assessment.

While GWRC is not mandated to apply Rule 8, the Project will align with its intent by:

- ♦ Encouraging participation by New Zealand businesses, including Māori and Pasifika enterprises;
- ♦ Supporting skills development and workforce capability in the construction and infrastructure sectors; and
- ♦ Structuring procurement to deliver long-term economic value alongside transport outcomes.

### 5.3.7 Government Procurement Charter

This Projects will also be guided by the Government Procurement Charter, which sets out the government’s expectations for achieving public value through procurement.<sup>99</sup> In line with the Charter, the Project will aim to:

- ♦ Deliver economic benefits to New Zealand, including opportunities for local and regional businesses;
- ♦ Encourage innovation by avoiding overly prescriptive technical requirements;
- ♦ Engage suppliers with responsible employment and business practices;

<sup>99</sup> <https://www.procurement.govt.nz/government-procurement-framework/government-procurement-charter/>

- ♦ Promote inclusive economic development, including Māori and Pasifika participation;
- ♦ Allocate and manage risk with the party best placed to manage it; and
- ♦ Encourage collaboration and partnership approaches where appropriate

## 5.4 Probity and Governance

Procurement and commercial activities for the Project will be undertaken in accordance with GWRC's Procurement Policy, established GWRC governance processes, and recognised public-sector probity principles, including integrity, fairness, transparency, and value for money.

Probity and transparency are embedded within GWRC's standard operating environment, reflecting its statutory obligations as a local authority, including public accountability, audit requirements, and the overlay of LGOMIA. These obligations create a strong baseline of transparency, record-keeping, and defensible decision-making across all procurement and commercial activities.

Building on this foundation, a fit-for-purpose probity framework will be applied to the Project, proportionate to its scale, complexity, and risk profile. This will include clear separation of roles between project sponsorship, procurement, evaluation, and approval; consistent and controlled engagement with the market; active identification and management of conflicts of interest; and robust documentation of decisions and approvals to support audit and information disclosure requirements.

Where higher-risk activities are undertaken, such as early market engagement, non-standard procurement approaches, or potential development or partnership arrangements, independent probity advice may be engaged to provide additional assurance and maintain market confidence.

Commercial governance arrangements will provide clear accountability, defined delegations, and effective oversight of procurement and commercial decision-making. Governance structures will ensure alignment with approved scope, funding parameters, and risk appetite, and will support coordinated decision-making across transport, property, funding, and operational

stakeholders. Independent assurance will be applied proportionately at key decision points to support sound decision-making and manage delivery risk.

## 5.5 Delivery Options and Methodology

This section considers the delivery and contracting approaches available to GWRC for the Project, building on the procurement principles and strategic considerations set out above.

Consistent with the procurement strategy, delivery approaches will be right-sized, flexible, and aligned to the Project's objectives, market capability, funding arrangements, and risk profile. The primary objective is to select delivery arrangements that support achievability, market attractiveness, and value for money, while managing construction within an operational rail environment and safeguarding GWRC's long-term interests

### 5.5.1 Approach to selecting delivery method

Given the Project comprises a mix of core public transport infrastructure and potential enabling commercial or TOD-related elements, a single delivery method is unlikely to be appropriate for the entire Project. Instead, a tailored, component-based approach is anticipated.

Selection of delivery method(s) will be informed by:

- ♦ Market appetite and capability (as evidenced through market engagement processes);
- ♦ Funding pathways and affordability constraints;
- ♦ The degree of risk transfer sought and the party best placed to manage specific risks;
- ♦ The level of integration required between design, construction, and ongoing operations;
- ♦ GWRC's internal capability and capacity to manage delivery; and
- ♦ The need to maintain operational continuity for rail and bus services throughout delivery.



For the preferred option, this approach allows GWRC to retain control over critical transport outcomes while enabling flexibility in how different elements are delivered or sequenced.

## 5.5.2 Overview of Potential Delivery Options

The following delivery options have been considered as potentially applicable to different components of the Project.

Table 19: Potential Delivery Options

| Traditional Design then Build        | <p><b>Description:</b> Design is developed separately by GWRC-appointed consultants and then tendered for construction.</p> <p><b>Applicability to the Project:</b> This model is well-suited to the Project given the need for strong GWRC control over functional, operational, and stakeholder-driven requirements, particularly at the rail interface and public transport integration points. It supports the development of a highly resolved design that reflects GWRC operational standards and community outcomes prior to committing to construction.</p> <p><b>Pros:</b> Full control over design, enabling alignment with GWRC operational, safety, and service requirements; greater opportunity for stakeholder input as to design and operational requirements; GWRC requirements and specifications can evolve during design as interfaces are better understood; competitive construction tendering with a larger pool of contractors; clear separation of design and construction risks.</p> <p><b>Cons:</b> Longer overall programme due to sequential design and construction phases; risk of design–construction misalignment unless supported by ECI; increased exposure to cost overruns arising from design omissions or scope gaps; reduced opportunity for contractor-led innovation; higher risk of post-contract variations, particularly for bespoke or one-off elements; greater GWRC resourcing requirement for design management and construction phase clarifications.</p> <p><b>Procurement Implications:</b> Requires two-stage procurement: design consultants, then build contractors; may need additional stage ECI procurement to manage buildability risk with the design across procurement stages; high internal project management</p> |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Design & Construct                   | <p>workload and cost and programme monitoring needed; maximises pool of contractors and designers to ensure greater competition.</p> <p><b>Description:</b> A single contractor is responsible for completing detailed design and delivering construction under a performance-based brief.</p> <p><b>Applicability to the Project:</b> D&amp;C is considered highly suitable for the Project, provided GWRC can clearly define performance, output, and operational requirements at contract award. It offers a pragmatic balance between programme efficiency and risk transfer, particularly where design risk can be appropriately passed to the contractor.</p> <p><b>Pros:</b> Single point of responsibility for design and construction; shorter delivery time; more innovation and cost-efficiency from contractor; better cost certainty early; offers time and cost efficiencies; easier and less resource required to administer contracts as no interface with design teams is required from GWRC.</p> <p><b>Cons:</b> Less control over detailed design and minimal flexibility to change design to meet evolving needs during project; risk of lowest-cost outcomes at the expense of quality; risk transfer may discourage innovation if not well scoped.</p> <p><b>Procurement Implications:</b> One procurement process, performance-based specification needed; clear risk allocation and robust output specifications essential; requires upfront design engagement and strong client brief; reduced pool of contractors and therefore less competitive process.</p>                                                                                                                                                                                           |
| Modern Methods of Construction (MMC) | <p><b>Description:</b> Use of off-site or factory-based construction techniques such as prefabrication or modular components.</p> <p><b>Applicability to the Project:</b> MMC is expected to have limited application for the Project due to the bespoke nature of the interchange, constrained site conditions, and complex interfaces with existing rail infrastructure. However, it may be selectively applied for discrete, standardised elements (e.g. canopies, small structures, or building components) where it offers programme, safety, or sustainability benefits.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                           | <p><b>Pros:</b> Potential programme, safety, and sustainability benefits for specific components; reduced on-site disruption for suitable elements.</p> <p><b>Cons:</b> Limited suitability for complex, bespoke interchange structures; reduced flexibility once manufacturing commences; potential supply chain constraints.</p> <p><b>Procurement implications:</b> Would require early design finalisation and alignment with manufacturing timelines. Specialist suppliers may be required for specific components rather than as a whole-of-project solution.</p>                                                                                                                                                                                                                                                                                            |
| Bundled / Staged Procurement              | <p><b>Description:</b> Grouping works or packages together for procurement based on geography, scope, or type.</p> <p><b>Applicability to the Project:</b> May be suitable for separating enabling works, main works, specialist rail interface works, or public realm elements, but unlikely to be efficient for this Project.</p> <p><b>Pros:</b> Enables targeted procurement aligned to supplier capability; Can improve programme management and risk containment; Allows smaller or specialist suppliers to participate.</p> <p><b>Cons:</b> Increased interface and coordination complexity; risk of compounded delays or claims across package boundaries; higher management burden for GWRC.</p> <p><b>Procurement Implications:</b> Requires clear packaging and interface strategies; Strong programme and contract management capability required.</p> |
| JV / Development or Operating Partnership | <p><b>Description:</b> A joint venture or partnership arrangement with a private or public sector partner, potentially involving design, delivery, and ongoing operation or facilities management.</p> <p><b>Use:</b> A JV or partnership model is attractive in principle (subject to affordability and market response) to access private capital, development expertise, and delivery capability, particularly where commercial, TOD, or value-capture elements are incorporated. However, its feasibility is strongly dependent on market appetite and commercial viability.</p> <p><b>Pros:</b> Access to private or public sector capital and expertise; sharing of risk with other parties; enhanced delivery capacity by</p>                                                                                                                               |

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | <p>utilising partner capability; Can support whole-of-life optimisation and performance outcomes.</p> <p><b>Cons:</b> Can be costly and complex to set up; potential for conflicting objectives; risk of governance and control issues; dependent on appetite in the market for partnership models.</p> <p><b>Procurement Implications:</b> Must align outcomes with market appetite; clear contractual processes required; can limit competitive potential with a limited pool of partners; may require bespoke engagement or approval pathways.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Alliance Model | <p><b>Description:</b> Collaborative model where parties share risks and rewards and work as a single integrated team.</p> <p><b>Applicability to the Project:</b> An alliance model is unlikely to represent good value for the Project, as it does not exhibit the level of complexity, uncertainty, or unquantifiable risk typically required to justify alliance delivery. The additional overhead and governance burden is unlikely to be offset by commensurate benefits.</p> <p><b>Pros:</b> Shared objectives and risks; encourages problem-solving and continuous improvement; stronger stakeholder integration; flexibility during delivery.</p> <p><b>Cons:</b> Success depends heavily on relationships and governance; high overhead for administration and performance management; can be costly if poorly structured; can be unappealing to some market participants due to lack of certainty.</p> <p><b>Procurement Implications:</b> Early contractor involvement required; requires specialist alliance agreements and KPIs; strong governance and dispute resolution mechanisms needed; specialist consultancy services and internal capability required. Not typically used unless complexity justifies the model.</p> |

## 5.6 Preferred Delivery Model – Indicative Position

At the IBC stage, it is recommended that GWRC progress the Project on the basis of further exploring D&C and JV / partnership opportunities, including scenarios where construction delivery capability and development expertise may be brought together through integrated or coordinated commercial arrangements.

This position reflects early market feedback and recognises the potential benefits of delivery models that:

- ♦ Support efficient delivery of the core transport infrastructure through D&C-based approaches; and
- ♦ Enable GWRC to test whether development capability, commercial expertise, and (where appropriate) private capital could be integrated alongside the transport investment through JV / partnership arrangements.

Adopting this indicative focus would allow GWRC to explore opportunities for:

- ♦ Enhanced value creation beyond the core interchange works;
- ♦ Access to private sector development and commercial expertise; and
- ♦ Improved alignment between transport infrastructure delivery and any associated commercial or TOD outcomes.

This recommendation does not pre-commit GWRC to a particular delivery model, partnership structure, or private financing arrangement. Rather, it signals an intention to keep delivery options open and to use further targeted market engagement and commercial analysis to better understand which D&C-based and JV / partnership approaches are feasible, affordable, and capable of delivering value for money.

Further work will be required to refine this position, including more detailed market engagement and assessment of affordability, risk allocation, and funding implications, before a preferred delivery model can be confirmed at later stages of the business case process.

## 5.7 Early Market Engagement

### 5.7.1 Purpose of Early Market Engagement

Early market engagement was undertaken to test the feasibility of the Project, understand private sector appetite for a development partnership, and identify

<sup>100</sup> Simplifying Local Government A draft proposal Making local government simpler, clearer, and more cost-effective- for all New Zealanders November 2025

potential barriers to participation ahead of GWRC progressing to a Detailed Business Case stage. This engagement was intended to inform GWRC's understanding of likely market response, appropriate commercial structures, and the extent to which the opportunity would be attractive to experienced development and investment partners.

Originally, GWRC had intended to undertake a formal RFI process. However, the timing of the proposed RFI coincided with the Government's announcement in November 2025 to consider potentially material reforms to local government, including possible changes to regional governance arrangements.<sup>100</sup> Given the uncertainty this created, it was determined that a formal, GWRC led market process was not timely. Instead, GWRC elected to undertake informal market sounding discussions to gather indicative feedback without committing either GWRC or the market to a formal procurement process.

### 5.7.2 Informal Sounding

Initial informal discussions were held with a targeted group of developers and investors active in the Wellington region and with experience in TOD, mixed use development, infrastructure adjacent projects, or complex urban regeneration. The parties approached were selected based on their capability, balance sheet strength, and demonstrated track record in delivering projects of comparable scale and complexity.

The discussions focused on:

- ♦ Overall appetite for a development partnership at Waterloo;
- ♦ Perceptions of the site and its suitability for different uses;
- ♦ Market readiness given current economic conditions;
- ♦ Key commercial, structural, and risk allocation considerations; and

[https://www.dia.govt.nz/diawebsite.nsf/Files/Local-Government-2025/\\$file/Simplifying-Local-Government-a-draft-proposal-27-November-2025.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Local-Government-2025/$file/Simplifying-Local-Government-a-draft-proposal-27-November-2025.pdf)

- ♦ The types of incentives or commercial settings that would be required to make the opportunity investable.

The engagement was deliberately exploratory in nature and did not seek binding commitments. Rather, it was intended to provide GWRC with an early signal of market sentiment and to identify issues that would need to be addressed in any future market engagement.

### 5.7.3 Market Response Summary

The informal market sounding indicated that there is genuine, though selective, interest in the Waterloo opportunity from experienced market participants. As expected, not all parties approached expressed interest, reflecting both the current market environment and the specific characteristics of the site. Importantly, the feedback confirmed that the opportunity is not fundamentally unviable from a market perspective, but that its attractiveness is highly sensitive to commercial structure, risk allocation, and the level of certainty provided by GWRC.

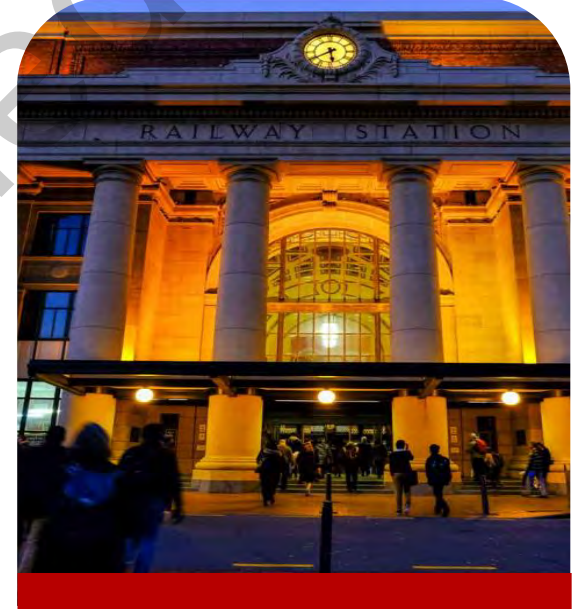
Key themes emerging from the market response include:

#### Market Interest and Capability

- ♦ A number of developers and investors expressed interest in exploring the opportunity further, particularly where the project could be structured around clear, bankable cashflows and a well-defined risk profile.
- ♦ Interest was strongest from parties with experience in infrastructure-adjacent or concession-style arrangements, rather than conventional speculative development.
- ♦ Some market participants indicated that, while they are not currently able to pursue the opportunity due to portfolio constraints or strategic focus, the project aligns broadly with the type of transactions they would consider under different market conditions.

### Selectivity and Non-Participation

- ♦ Consistent with expectations, several parties indicated that the opportunity does not align with their current geographic or sector priorities, with some favouring investment in larger metropolitan markets.
- ♦ Other parties noted constraints on their ability to take on additional New Zealand exposure, irrespective of the quality of the opportunity.
- ♦ This selective response is considered a normal and appropriate outcome at this stage and does not detract from the overall conclusion that there is a viable pool of potential partners.



### Key Barriers Identified by the Market

Market participants identified a number of barriers that GWRC would need to address to secure a development partner, including:

- ♦ Commercial uncertainty, particularly around land value, permissible uses, asset life, and the allocation of development and operational risk.
- ♦ Perceived complexity associated with rail-adjacent development, multiple stakeholders, and approval processes.
- ♦ Current market conditions, including weaker demand in Wellington relative to other centres and heightened sensitivity to risk and upfront capital exposure.

- ♦ Amenity and site constraints, including noise, vibration, seismic requirements, and the irregular shape of the site, which limit certain development typologies.
- ♦ Lack of clarity around incentives or concessions, with parties noting that their willingness to engage is directly influenced by an understanding of what GWRC is prepared to offer to improve feasibility.

### Implications for GWRC's Commercial Approach

Overall, the market feedback indicates that unlocking private sector participation will require GWRC to take an active and flexible role in shaping a commercially compelling proposition. At this stage, GWRC would benefit from explicitly keeping all commercial and delivery scenarios on the table and avoiding the preclusion of any potential structures or arrangements prematurely. Maintaining this flexibility is critical to maximising market interest and ensuring meaningful engagement with those parties that have the capability and appetite to participate.

Market participants have clearly signalled that their willingness to engage is highly dependent on certainty around commercial structure, incentives, and risk allocation. Accordingly, the primary purpose of the next phase of engagement should be to move beyond high-level interest testing and to identify, with greater specificity, the types of incentives, concessions, and commercial arrangements that would facilitate a viable transaction. This includes, but is not limited to, alternative delivery models, concession-based structures, long-term lease arrangements, income guarantees, staged development approaches, and other mechanisms that reduce risk and provide predictable returns.

Importantly, this work is not intended to commit GWRC to any particular approach at this stage. Rather, it is required to enable GWRC to clearly understand the implications of different commercial options, including impacts on affordability, funding models, balance sheet exposure, and long-term value for money. Without this level of specificity, GWRC would be unable to provide the certainty that the market has indicated is essential for a partnership to progress.

The engagement also highlighted the need to shift from broad, open-ended market sounding to more targeted discussions with those parties that have expressed genuine interest. Deeper engagement with this group is necessary to:

- ♦ Understand the specific commercial parameters required to make the opportunity investable;
- ♦ Test the acceptability and effectiveness of different incentive and risk-sharing mechanisms; and
- ♦ Inform GWRC's internal decision-making on what it is prepared to offer, and on what terms, in order to secure a development partner while protecting long-term public value.



## 5.8 Next Phase of Market Engagement

The next phase should involve focused, targeted engagement with interested market participants to refine and test potential commercial models. This engagement will enable GWRC to develop a clearer view of the trade-offs involved, the level and form of incentive that may be required, and the commercial structures most likely to result in a successful partnership.

Given the direct impact that these matters will have on affordability, funding approaches, and overall project viability, this work will need to be progressed at an early stage and, to some extent, ahead of or alongside the Detailed Business Case



process. Doing so will allow GWRC to make informed internal decisions and to re-engage the market with a clearer, more credible proposition that provides the certainty required to progress a development partnership.

Despite the challenges identified, the market feedback indicates that the Project has credible engagement potential where GWRC can provide clarity around commercial structure, risk allocation, and incentives. The presence of experienced parties with relevant capability, combined with GWRC's willingness to retain flexibility and refine the proposition through targeted engagement, supports confidence that a viable market response can be achieved as the Project is further defined.

## 5.9 Commercial Framework

### 5.9.1 Types of Contracts

The delivery of the Project will require a range of contractual arrangements to support design, construction, commercial development (where applicable), operations, and long-term asset management.

The table below summarises the broad categories of contract types that may be required for the Project.

Table 20: Types of contracts

| Contract Type                | Use Case                                                                                                                                                                                                                                 |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Construction contract</b> | Construction services for interchange works, including structural upgrades, overpass works, platform works, canopies, civil works, landscaping, and any associated site or building works.                                               |
| <b>Consultancy Agreement</b> | Engagement of consultants including architects, engineers, planners, quantity surveyors, project managers, geotechnical specialists, environmental experts, transport planners, and safety advisors for design and assurance activities. |

| Contract Type                                     | Use Case                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Supplier agreements</b>                        | Procurement of construction materials, fixtures, plant, specialist equipment (e.g., lifts, escalators), electrical and mechanical systems, and other components, either directly or through the main contractor.                                                                                                           |
| <b>Lease Agreements</b>                           | To secure Crown land or long-term leasing arrangements for commercial premises within the interchange precinct                                                                                                                                                                                                             |
| <b>Development Agreement</b>                      | Establishes the terms under which a private development partner may deliver commercial or mixed-use components associated with the Project. This would address governance, design obligations, delivery responsibilities, performance standards, funding contributions, risk sharing, and revenue or tenancy arrangements. |
| <b>Alliance/Collaborative Contracts</b>           | May be used for complex or high-interface elements where shared risk, collaborative decision-making, and integrated governance are required to manage uncertainty and operational constraints.                                                                                                                             |
| <b>Facilities Management Contract</b>             | For ongoing maintenance and management of completed infrastructure such as platforms, overpass, lifts, canopies, lighting, landscaping, and general public-facing amenities.                                                                                                                                               |
| <b>Framework Agreements / supplier panels</b>     | Use of pre-procured consultant or contractor panels (like All of Government panels) to enable efficient secondary procurement and maintain programme momentum.                                                                                                                                                             |
| <b>Utilities and Service Connection Contracts</b> | Arrange for provision and connection of water, electricity, drainage, and telecoms.                                                                                                                                                                                                                                        |
| <b>ICT Procurement Contracts</b>                  | Procurement of ICT, digital signage, real-time information systems, ticketing kiosks, security systems, and telecommunications infrastructure to support station operations.                                                                                                                                               |



## 5.9.2 Key Commercial Considerations

The commercial arrangements for the Project must support delivery within a constrained, operational rail environment while aligning with GWRC's strategic objectives and public value outcomes. The commercial framework must enable efficient delivery, manage complex interfaces and risk, and support long term asset performance.

### Payment Structures



Payment mechanisms should reflect staged delivery and the constraints of working within an active rail and bus interchange. Milestone-based or phased payments are expected to be appropriate, with provisions to manage scope change arising from consents, rail access windows, or operational requirements. Any future commercial or mixed-use components would be subject to separate funding and contractual arrangements.

### Performance Requirements



Contracts should include clear, measurable performance requirements focused on safety, accessibility, resilience, passenger experience, and whole-of-life outcomes. Performance expectations should prioritise delivery of an integrated interchange that supports rail, bus, active modes, and local access, and is compatible with future network upgrades.

### Cost, Programme, and Interface Risk



Commercial arrangements must address cost, programme, and interface risks, particularly rail access constraints, ground and aquifer conditions, deteriorated existing assets, and the need to maintain safe east-west pedestrian movement during construction. Risks will be allocated to the parties best placed to manage them, while recognising that certain strategic and network-wide risks remain with GWRC.

### Incentives



Targeted incentives may be used to support outcomes aligned with project objectives, including safe and efficient delivery, reduced disruption to operations, high-quality passenger experience, durability, and long-term asset performance.

### Flexibility and Scalability



The commercial framework must allow flexibility in scope, sequencing, and staging to respond to evolving design, consenting, and operational requirements, including the potential deferral or later integration of commercial or mixed-use development. Contracts should include mechanisms for scope adjustment and defined off-ramps that protect value for money.

### Maintenance and Lifecycle Management



Clear allocation of maintenance and lifecycle responsibilities is required to protect long-term asset performance, reflecting the high-use nature of station infrastructure and alignment with GWRC, Metlink, and KiwiRail asset management requirements.

### Operational and Stakeholder Requirements



Contracts must reflect the realities of delivery within a live transport environment, including rail safety requirements, access constraints, and coordination across multiple agencies and asset owners.

### Contracting Frameworks



Proven public-sector contracting frameworks will be used where appropriate to support market familiarity and reduce procurement risk. Contract structures and durations will reflect the scale, staging, and interface complexity of the Project.

## 5.10 Indicative Commercial Settings Summary

At the IBC stage, GWRC's commercial approach for the Waterloo Project is focused on maintaining flexibility, supporting market confidence, and protecting affordability while enabling delivery within a constrained, operational rail environment.

The Project will be progressed on the basis that no single delivery or commercial model is predetermined at this stage. Instead, GWRC will retain the ability to explore a range of D&C based delivery approaches alongside potential JV / partnership arrangements, where these can enhance value, improve deliverability, or integrate development capability with transport infrastructure outcomes.

Risk allocation will be realistic and market informed. Strategic, system critical, and reputational risks associated with core transport infrastructure will remain with GWRC, while defined design, construction, and performance risks may be transferred to the market where they can be efficiently managed. Construction market volatility and pricing uncertainty are recognised as key considerations in shaping procurement and contract strategy to avoid excessive risk premiums and protect value for money.

Commercial arrangements are expected to support staged delivery and reflect the constraints of working within an active rail environment, including rail access windows, third party interfaces, and consent dependencies. Payment mechanisms, performance requirements, and incentives will be aligned to safe and efficient delivery, minimisation of operational disruption, and long term asset performance.

These commercial settings are indicative and reflect the Project's current level of definition. Further targeted market engagement and commercial analysis will be required to refine delivery models, risk sharing mechanisms, and incentive settings, and to inform internal decisions on affordability, funding, and value for money before confirming a preferred approach at later stages of the business case process.



## 5.11 Commercial Decision Pathway

Key commercial decisions, including confirmation of delivery model(s), risk-sharing mechanisms, and any partnership or incentive structures, will be progressively staged and aligned with business case and funding approval gateways.

Further targeted market engagement will be undertaken following this IBC to test and refine delivery and partnership options in greater detail. This work will inform the development of a more defined and evidence based commercial proposition, including clearer positions on delivery model selection and the potential role of development or JV / partners.

A firmer and more direct view on preferred delivery model(s) and any partnership structures will be sought through the next stage of the business case process, with appropriate Council approvals obtained before any commitments are made. This approach ensures that decisions are taken with improved information on market appetite, affordability, and risk, and avoids premature commitment at the IBC.

## 5.12 Managing Risk

### 5.12.1 Risk Management and Allocation

Risk management for the Project is being undertaken in accordance with best practice guidance, with early identification of material risks informing procurement planning, commercial structure, and affordability assessment. At the IBC stage, the focus is on understanding the nature and scale of key commercial risks, and establishing an appropriate, market-informed approach to risk allocation, rather than on detailed contractual resolution.

Procurement and commercial models will be selected to allocate risk appropriately across design, construction, integration, and delivery, recognising the constraints of delivering works within a brownfield site and live transport environment which is adjacent to critical rail infrastructure. Risk allocation will be proportionate and realistic, reflecting current market conditions and avoiding the transfer of risks that the market is not well placed to manage, as this would be likely to result in higher pricing, reduced competition, or reduced deliverability.

A full QRA, including a detailed identification and assessment of commercial, procurement, and delivery risks, is provided in Appendix C. This section summarises the key commercial risks and the principles guiding their allocation.



### 5.12.2 Commercial Risk Context

The Project will be delivered in a construction market characterised by ongoing volatility in labour availability, material supply, and pricing. This volatility materially affects commercial negotiations, tender pricing behaviour, and contractors' willingness to accept fixed-price or fully transferred risk positions. Where risk allocation is misaligned with market conditions, contractors are likely to price in significant risk premiums or seek to limit participation.

Accordingly, GWRC's commercial approach will seek to balance cost certainty with deliverability and value for money by adopting procurement and contracting strategies that recognise escalation risk, allow for appropriate risk-sharing, and avoid unnecessary duplication of risk allowances across the supply chain.

### 5.12.3 Key Commercial Risks

The key commercial and procurement risks relevant to the Project at the IBC stage include:

Construction cost escalation and supply chain risk, driven by labour shortages, material price volatility, and constrained contractor capacity, which may result in budget pressure, re-sequencing, or reduced procurement competitiveness.

Contractor performance risk, including the risk of delay, quality issues, or specification non-compliance, leading to rework costs, programme impacts, and reputational risk.

Methodology and access constraints, particularly where construction activities are affected by critical water assets, rail corridor interfaces, or access limitations, increasing programme and pricing risk.

Third-party and land interface risk, including dependencies on KiwiRail/Crown land approvals, HCC and utility providers, which may affect procurement sequencing, constructability, and development potential.

Construction cost escalation and supply chain risk, driven by labour shortages, material price volatility, and constrained contractor capacity, which may result in budget pressure, re-sequencing, or reduced procurement competitiveness.

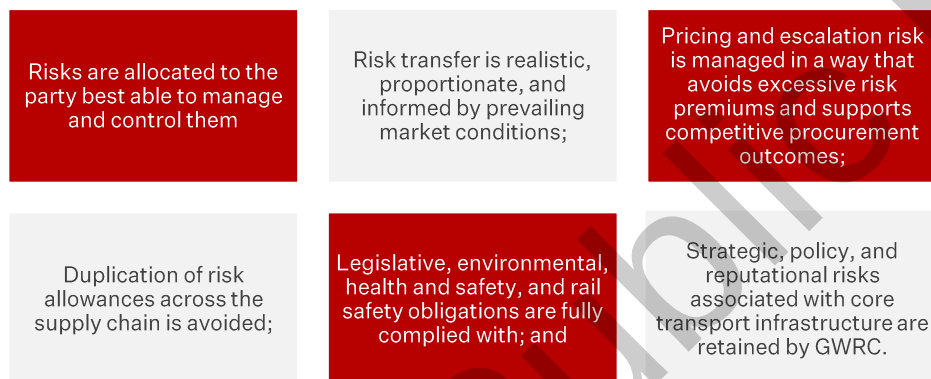
Over-specification risk, where technical or operational requirements are misaligned with actual needs, limiting innovation, reducing bidder participation, and increasing cost.

Ground conditions and consenting risk, where uncertainty regarding geotechnical conditions, contamination, or statutory approvals may lead to design changes, programme delay, cost escalation, and reduced value for money.

These risks are reflected in the QRA in Appendix C.

#### 5.12.4 Risk Allocation Principles

Consistent with Treasury guidance, risk allocation for the Project will be guided by the following principles:



GWRC is expected to retain control over system-critical transport functions and key third-party interfaces, while transferring defined design, construction, and

performance risks to contractors and, where applicable, development partners, to the extent that those risks can be efficiently and credibly managed by the market.

### 5.13 Procurement and Commercial Implications

Standard public-sector contract templates will be used where appropriate to promote consistency, market familiarity, and procurement efficiency. However, contract structures and pricing mechanisms may need to be adapted to reflect construction market volatility and site-specific constraints. This may include the use of early contractor involvement, staged pricing commitments, outcome-based specifications, escalation provisions for defined cost components, and other risk-sharing mechanisms where these improve value for money and deliverability.

The proposed allocation of key commercial risks at the IBC stage is outlined in the table below. This allocation is indicative only and will be refined through further market engagement and as procurement strategies are developed.

Table 21: Key Commercial Risk Allocation

| Risk Category                                                                         | Indicative Allocation of Key Commercial Risks |            |        |
|---------------------------------------------------------------------------------------|-----------------------------------------------|------------|--------|
|                                                                                       | GWRC                                          | Contractor | Shared |
| <b>Statutory Consents &amp; Approvals (planning, resource consents, designations)</b> | ✓                                             |            | ✓      |
| <b>Crown / KiwiRail Land Access &amp; Corridor Approvals</b>                          | ✓                                             |            | ✓      |
| <b>Design Development</b>                                                             |                                               |            |        |
| <i>If Design &amp; Construct (D&amp;C) or ECI model is adopted</i>                    |                                               | ✓          |        |
| <i>If GWRC progresses design prior to construction (Design-Bid-Build)</i>             | ✓                                             |            | ✓      |



| Risk Category                                                                    | Indicative Allocation of Key Commercial Risks |            |        |
|----------------------------------------------------------------------------------|-----------------------------------------------|------------|--------|
|                                                                                  | GWRC                                          | Contractor | Shared |
| <b>Ground Conditions</b>                                                         |                                               |            |        |
| <i>Reasonably foreseeable ground conditions (based on available information)</i> |                                               | ✓          |        |
| <i>Unforeseen ground conditions</i>                                              |                                               |            | ✓      |
| <b>Construction cost overrun</b>                                                 |                                               |            |        |
| <i>Market-driven escalation, supply chain volatility, labour shortages</i>       |                                               | ✓          |        |
| <i>Post-Contract Inflation / Market Escalation</i>                               |                                               |            | ✓      |
| <b>Programme Delay</b>                                                           |                                               |            |        |
| <i>Delays arising from contractor performance</i>                                |                                               | ✓          |        |
| <i>Delays arising from third parties (e.g. KiwiRail, utilities, approvals)</i>   |                                               |            | ✓      |
| <b>Utilities Interfaces</b>                                                      |                                               | ✓          | ✓      |
| <i>Delays changes arise from third parties or unidentified services.</i>         |                                               |            |        |
| <b>Rail operations interface</b>                                                 | ✓                                             |            | ✓      |
| <b>Health, Safety &amp; Environmental Compliance</b>                             |                                               |            | ✓      |

| Risk Category                         | Indicative Allocation of Key Commercial Risks |            |        |
|---------------------------------------|-----------------------------------------------|------------|--------|
|                                       | GWRC                                          | Contractor | Shared |
| <b>Force Majeure / Extreme Events</b> |                                               |            | ✓      |

The risk allocation set out above is indicative and reflects the Project's current level of definition at the IBC stage. Allocation will be refined through further market engagement and procurement strategy development, with the objective of achieving a risk profile that is credible to the market, supports competitive pricing, and delivers value for money while protecting GWRC's strategic and system-critical interests



## 6. Financial Case

### 6.1 Purpose

The Financial Case assesses whether the Preferred Option for the Project is affordable and financially viable for GWRC over time, taking into account realistic funding sources, financial constraints, and risks.

As such, this Financial Case:

- ♦ focuses on affordability and funding feasibility, rather than value-for-money (addressed in the Economic Case);
- ♦ presents high-level, order-of-magnitude costs and funding assumptions appropriate to the IBC stage; and
- ♦ identifies key financial risks, sensitivities, and constraints that may influence investment timing, staging, or delivery approach.

The analysis is supported by the Project financial models set out at Appendices I, J and K which test alternative funding and delivery structures and explicitly accounts for uncertainty through Monte Carlo simulation. The purpose of the modelling is to identify the most affordable funding approach for GWRC across the life of the Project, rather than to optimise commercial returns.

### 6.2 Financial Context for GWRC

#### 6.2.1 Revenue and funding framework

As a regional council, GWRC's primary revenue streams differ from those of territorial authorities. GWRC's funding base is largely derived from:

- ♦ regional rates, including a targeted 'public transport' rate levied across the region;
- ♦ passenger fares, which contribute to (but do not fully fund) public transport operating costs;

- ♦ co-funding from the NLTF for eligible public transport services and infrastructure;
- ♦ targeted grants or contributions where applicable; and
- ♦ revenue from commercial initiatives, including advertising.

Public transport infrastructure and services are delivered through a co-funded operating and investment model with Waka Kotahi NZ Transport Agency, with GWRC typically funding a share of costs through rates and, where appropriate, debt, supported by NLTF contributions. The proportion of NLTF funding is determined by the applicable FAR, the relevant activity class, and the timing of investment within the NLTP cycle. At present, public transport operating expenditure is co-funded broadly on a 51% NLTF / 49% local share basis, noting that actual funding outcomes are subject to NLTP decisions.

Figures 46 and 47 illustrates the overall public transport funding and contractual relationships framework for Metlink services.



Figure 44: Metlink Public Transport Funding (2025)

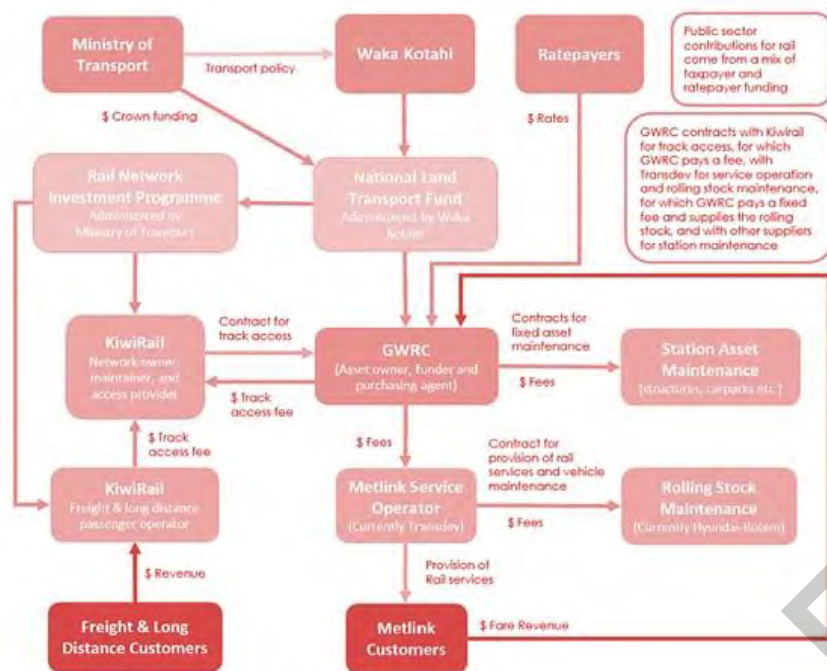


Figure 45: Wellington rail funding and contractual frameworks

## 6.2.2 Debt and borrowing capacity

GWRC borrows through the LGFA and manages its debt within LGFA covenant limits and GWRC's own prudential policies. This provides access to relatively low-cost debt and supports the use of borrowing for long-lived infrastructure investments.

At an organisational level, GWRC manages its capital programme and borrowing to maintain:

- sufficient headroom within LGFA covenants (2.8x debt/revenue);
- resilience to interest rate movements; and
- flexibility to respond to emerging priorities and shocks.

The affordability of the Project must therefore be considered in the context of GWRC's wider capital programme and long-term financial strategy, rather than in isolation.

## 6.3 Investment Approach

### 6.3.1 Investment Approach and Financial Principles

GWRC's approach to funding infrastructure investment is guided by established financial strategy principles, including:

**Use of debt for intergenerational assets**  
Long-lived infrastructure that delivers benefits over multiple decades is appropriately funded through debt, spreading costs across the generations that benefit.

**Fairness and ability to pay**  
Funding decisions consider equity impacts and the ability of ratepayers to absorb additional costs over time.

**Who should pay, based on benefit distribution**  
Where practicable, costs should be borne by those who benefit from the investment, including consideration of co-funding, user contributions, or partner funding

**Prudent financial management aligned to strategic priorities**  
Investment decisions must support GWRC's strategic objectives while maintaining financial sustainability and flexibility.

### 6.3.2 Key Funding Sources

At this stage, a range of potential funding sources has been identified. These are indicative only and subject to further confirmation, approvals, and detailed structuring in subsequent business case phases. These are identified in the table below:

Table 22: Key funding sources

| Category                                                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Council Funding (Territorial authority and GWRC)</b> | <p>Councils fund public transport infrastructure primarily through rates and other council revenue. This may include direct funding of capital works or provision of the local share of co-funded activities. Subject to statutory and policy settings, councils may also consider targeted rates or development contributions where there is a clear beneficiary nexus. However, regional councils cannot levy development contributions directly and would need to rely on a territorial authority-led development contribution regime.</p> <p>Council funding is expected to be a core funding source for Waterloo, reflecting its role as a strategic regional interchange and TOD. Funding may be provided directly by GWRC and, where appropriate, by territorial authorities.</p> |
| <b>Debt Funding LGFA</b>                                | <p>Borrowing through the LGFA allows councils to smooth the timing of capital investment, with debt servicing met through existing or future council revenue streams. Investment is subject to affordability, LGFA covenants, and council debt headroom.</p> <p>LGFA borrowing provides a likely mechanism to support the upfront capital cost of the interchange redevelopment, particularly as the benefits accrue over a long period.</p>                                                                                                                                                                                                                                                                                                                                             |
| <b>National Land</b>                                    | <p>NLTF funding is sourced primarily from fuel excise duty and road user charges and allocated through NLTP. Projects are typically co-funded at the applicable FAR.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Category                                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Transport Fund</b>                                  | <p>Eligible activity classes may include Public Transport Services, Public Transport Infrastructure, Rail Network, and Walking and Cycling.</p> <p>The Project is likely to be eligible for NLTF co-funding across multiple activity classes. NLTF funding would reduce the local funding burden.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Crown Funding</b>                                   | <p>Direct Crown funding may be available for projects with national or strategic significance, subject to government priorities and decisions at the time of investment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Developer contribution / Private Sector Funding</b> | <p>Depending on scope and staging, elements of a project may be delivered through private sector participation, such as joint ventures, development agreements, sale and leaseback arrangements, or design-build-operate-maintain models.<sup>101</sup> Any such approach requires detailed commercial and value-for-money assessment.</p> <p>Given Waterloo's role as the region's first TOD, there may be opportunities for developer contributions or private sector participation linked to development-enabled components of the Project. Such arrangements could help offset some public sector capital costs or support delivery of non-core transport elements, subject to commercial feasibility and market interest.</p> <p>Public/Private partnerships (PPPs) have not been considered, as the Project is not of a scale, complexity, or risk profile that would typically justify a full PPP procurement approach.</p> |

<sup>101</sup> The sale and leaseback and design-build-operate funding mechanisms have been explored through the financial modelling discussed further in this section.

| Category                                    | Description                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Infrastructure Funding and Financing</b> | <p>The Infrastructure Funding and Financing framework enables long-term infrastructure to be funded upfront, with costs recovered over time from beneficiaries (for example through targeted levies).</p> <p>IFF could be relevant where development associated with the interchange generates a clear beneficiary base, particularly for enabling infrastructure linked to TOD outcomes.</p> |

### 6.3.3 Alternative funding options

Table 23: Alternative funding sources

| Category                           | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Increase in Passenger Fares</b> | <p>Passenger fares may be adjusted across part or all of the public transport network, or targeted to specific services or zones.</p> <p>Fare revenue is generally stable and predictable and plays an important role in supporting the ongoing affordability of public transport operations. Increasing the Private Share of public transport costs is a recognised policy priority and remains a relevant consideration in the overall funding context.<sup>102</sup></p> <p>However, fare revenue is primarily intended to fund operating costs rather than major capital investment. Any fare increases would require careful consideration of network-wide impacts, including affordability, integration</p> |

| Category                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | <p>across rail and bus services, precedent-setting effects, and consistency with mode-shift objectives.</p> <p>While the Project is expected to generate patronage uplift, which will positively contribute to the financial sustainability of the network, this uplift is distinct from funding the Project through fare increases. Fare policy decisions would be made at a network level and are not considered a project-specific funding mechanism for the Project.</p>                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Congestion Charging / Time of use</b> | <p>If implemented at a regional level, congestion or time-of-use charging could generate a broader revenue stream and support mode shift from private vehicles to public transport. Implementation is dependent on separate policy, legislative, and governance decisions and would apply across the transport system rather than to a single project.</p> <p>Congestion charging is not a project-specific funding source for Waterloo. While it may improve the overall funding environment for public transport and increase demand for rail and bus services, any revenue would be allocated at a regional or national level. Importantly, congestion charging relies on the prior availability of sufficient, reliable, and attractive public transport alternatives; as such, investment in public transport infrastructure, including Waterloo, is a prerequisite to</p> |

<sup>102</sup> GPS and transport; "Public transport Private Share targets adopted in Wellington" Metlink 14 Apr 2025. <https://www.metlink.org.nz/news-and-updates/news/public-transport-private-share-targets-adopted->

[in-wellington](#) The Waterloo redevelopment is one of the projects airmarked for meeting GWRC's stretch targets for years beyond FY2026/27, which include the Private Share rising to 33% by FY 2033/34.

| Category                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Advertising</b>                        | support the behavioural change congestion charging seeks to achieve.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                           | Advertising, sponsorship, and naming rights within stations and interchanges can generate modest ongoing revenue, typically used to offset operating or maintenance costs rather than fund capital works.<br><br>At Waterloo, such revenue streams could make a small supplementary contribution but are unlikely to materially reduce the capital funding requirement. Any approach would need to consider broader network-wide policies relating to station presentation, wayfinding, safety, asset ownership, and asset management. There may be greater merit in a coordinated, network-wide advertising strategy rather than site-specific arrangements at a single interchange. |
| <b>Commercial income from interchange</b> | Retail, commercial tenancies, and other commercial activities within or adjacent to an interchange can generate ongoing income, depending on design, scale, and market conditions.<br>As part of a TOD, Waterloo has potential to generate commercial income over time. However, this income would be incremental, dependent on development outcomes and market uptake, and more suited to supporting operating costs or long-term value recovery rather than funding the core transport infrastructure.                                                                                                                                                                              |
| <b>Station carparking</b>                 | Parking charges can provide an ongoing revenue stream where parking is provided, but pricing and provision must align with broader transport, access, and mode shift objectives and must be calibrated in a manner that does not create a disincentive to using public transport.                                                                                                                                                                                                                                                                                                                                                                                                     |

| Category                        | Description                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Value Capture mechanisms</b> | Paid car parking is expected to be implemented at Waterloo; however, revenue from parking is not expected to be material in the context of the overall project cost.<br><br>Parking pricing is also expected to influence travel behaviour and support increased public transport patronage at Waterloo, reinforcing mode shift objectives rather than acting as a significant funding source for capital investment. |
|                                 | Value capture mechanisms seek to recover a portion of the land value uplift created by public investment in infrastructure.<br><br>For growth-focused projects such as Waterloo, value capture has stronger conceptual merit due to the project's role as a TOD and its potential to enable higher-density development and improved accessibility.                                                                    |
|                                 | Potential mechanisms (in addition to the IFF mechanism discussed above) could include development contributions, targeted rates or development levies.<br><br>However, until a value capture mechanism is established and applied consistently across the region, value capture remains a concept rather than a tangible or reliable funding source.                                                                  |
|                                 | While initial analysis indicates that value capture could, over time, make a meaningful contribution and reduce the overall funding gap, revenue would be dependent on                                                                                                                                                                                                                                                |



| Category | Description                                                                                                              |
|----------|--------------------------------------------------------------------------------------------------------------------------|
|          | development timing, market conditions, and policy decisions outside the direct control of the Project.                   |
|          | As such, value capture is considered supplementary and enabling, rather than a primary funding solution for the Project. |

While there may be merit in considering these alternative options, and they are include here to demonstrate that the Project has been tested against a broad funding landscape, these options are generally outside the direct remit of the Project, as they either require broader transport policy decisions, have network-wide implications, or generate revenue at a scale that is not material relative to the capital cost of the Project. Accordingly, these options may complement core funding sources but are not relied upon as primary funding solutions.

## 6.4 Methodology to Model the Cost of the Project

This Financial Case is supported by a detailed financial model developed iteratively alongside the other business case components. The purpose of the model is to assess the whole-of-life financial impact, affordability, and funding implications of the Preferred Option for GWRC, relative to the Baseline/Do Minimum alternative, and to test the robustness of the Preferred Option under uncertainty.

The model has been developed as a static (deterministic) model and is also supported by a Monte Carlo risk analysis. The static model uses single-point (“best estimate”) assumptions for key inputs and produces a single set of financial outputs. This provides a clear and transparent view of the expected costs, revenues, and affordability position of the Preferred Option, but does not by itself quantify the impact of uncertainty or variability in those inputs.

To explicitly test uncertainty, a Monte Carlo simulation was undertaken. Monte Carlo analysis replaces selected single-point assumptions in the static model with

probability ranges and repeatedly runs the model to generate a distribution of possible outcomes. This allows the Financial Case to quantify the range and likelihood of potential financial outcomes, rather than relying on a single deterministic result.

A Monte Carlo simulation of 1,000 iterations was undertaken to test uncertainty in key inputs, including capital costs, interest rates, and farebox uplift. The outputs of this analysis provide risk-adjusted results (for example, expected values and confidence levels) that illustrate how the Preferred Option performs under different plausible scenarios. This approach is consistent with Better Business Case expectations for quantifying risk and uncertainty at the IBC stage.

The model runs from FY2025 to FY2071. FY2025 has been adopted as the baseline year to align with GWRC’s current financial position and forecasting assumptions. The modelling period includes the planning and construction phase, with commissioning of the Preferred Option assumed to occur in FY2031, followed by a 40-year whole-of-life operating period for the asset from commissioning through to end of life in FY2071.

The full static and Monte Carlo enabled financial models for the Preferred Option are provided at Appendix I.

Table 24: Financial modelling methodology

| Step | Description                                                                                                                                                                                                                                                                            |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1    | <b>Confirm methodology and assumptions</b><br>Funding and financing options, including affordability considerations, were discussed with the Steering Group. These discussions informed the scope, structure, and level of detail of the financial model appropriate to the IBC stage. |
| 2    | <b>Develop model</b><br>A strawman financial model was developed, reflecting three alternative funding scenarios discussed with the Steering Group. At this stage, the model focused on testing overall financial structure, indicative affordability, and whole-of-life cost.         |
| 3    | <b>Review and test model</b><br>The draft model was internally reviewed and tested for structural integrity, consistency of assumptions, and accuracy of calculations.                                                                                                                 |

| Step     | Description                                                                                                                                                                                                                                                                                                                                                        |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4</b> | <b>Steering Group Review</b><br>The first-cut financial model was presented to the Steering Group, with particular focus on the appropriateness of key input variables, assumptions, and treatment of funding scenarios. Feedback informed subsequent refinements.                                                                                                 |
| <b>5</b> | <b>Refinement and expansion of the financial model</b><br>The model was progressively refined through multiple iterations to incorporate Steering Group feedback, updated inputs, and whole-of-life present value analysis. Scenario and sensitivity testing was undertaken to test the impact of changes in key assumptions and funding and financing parameters. |
| <b>6</b> | <b>Input of data into the financial model</b><br>As the Preferred Option was refined through the broader process, updated cost, funding, financing, and operational data was progressively input into the financial model. This ensured the model reflected the most current understanding of scope, assumptions, and delivery parameters.                         |
| <b>7</b> | <b>Confirmation of final financial model</b><br>The results of the refined model and sensitivity testing were discussed with the Steering Group to confirm assumptions, robustness, and final financial outcomes.                                                                                                                                                  |
| <b>8</b> | <b>Financial analysis and reporting</b><br>The confirmed financial model was used to undertake the financial and affordability analysis presented in this section.                                                                                                                                                                                                 |

## 6.5 Scope and Outputs of the Financial Model

The key outcome of the financial modelling process is an assessment of:

- ♦ the whole-of-life financial impact of the Preferred Option relative to the Baseline/Do Minimum;
- ♦ affordability for GWRC, including balance-sheet and operating impacts;
- ♦ sensitivity of outcomes to key assumptions; and
- ♦ the comparative affordability of alternative funding and delivery scenarios.

Each of the Project cost and revenue elements, and the resulting net whole-of-life project cost, are represented in real, nominal, and present value terms to support different decision-making lenses.

The analysis relies on inputs and assumptions provided by relevant parties, including:

- ♦ capital and operating cost inputs provided by GWRC and its quantity surveying advisors; and
- ♦ revenue assumptions (including farebox uplift) provided by GWRC and relevant public transport planning inputs.

### 6.5.1 Structure of the Financial Analysis

The financial modelling includes:

- ♦ a whole-of-life financial analysis of both the Preferred Option and the Baseline/Do Minimum option to identify the incremental financial impact of the Preferred Option;
- ♦ for comparative purposes only, an assessment of whole-of-life costs for the other shortlisted options, to support relative affordability and value-for-money comparisons (not to determine a Preferred Option);
- ♦ analysis of the Project's financial impacts across the pre-delivery, delivery, and operational phases;
- ♦ identification of delivery-phase capital costs, operations-phase costs, and revenues generated during operations; and
- ♦ modelling of revenue impacts, which at this stage are limited to farebox revenue.

Other potential commercial or revenue opportunities associated with the Project have not been relied upon in the financial modelling at this stage and will be further explored in subsequent business case phases, where appropriate.

### 6.5.2 Model Calculation and Testing Approach

The model undertakes the following key steps to generate the financial outputs:

- ♦ general and project-specific data are entered as inputs, with variables and indices applied to project forward the most likely potential future financial environment;
- ♦ calculation routines apply these inputs to estimate total project costs, revenues, cash flows, balance-sheet impacts, and present values;
- ♦ key input variables are systematically varied through sensitivity and Monte Carlo testing to understand the range of potential outcomes and the drivers of uncertainty; and
- ♦ an affordability assessment is applied to estimate funding requirements, debt impacts, and the implications for GWRC's financial position.

This approach ensures that the Financial Case provides decision-makers with a transparent and robust assessment of affordability and financial risk, appropriate to the IBC stage.

## 6.6 Project Costs and Baseline/Do Minimum Treatment

The Project cost estimates presented in this Financial Case are high-level and indicative only and are intended to support affordability assessment at the IBC stage.

For the Preferred Option:

|                                         |                      |                                                                                                                                         |
|-----------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Baseline CAPEX estimate (static)        | <b>\$124 million</b> | Deterministic (static) capital expenditure estimate based on single-point "best estimate" inputs and excluding explicit risk allowance. |
| Monte Carlo CAPEX (mean) <sup>103</sup> | <b>\$138 million</b> | Risk-adjusted mean capital cost derived from Monte Carlo analysis; reflects uncertainty in                                              |

<sup>103</sup> The baseline (static) estimate represents a single-point "best estimate" of costs and does not quantify uncertainty. The Monte Carlo estimate is generated by applying probability ranges to key inputs and

|                           |                              |                                                                                                                                                                                               |
|---------------------------|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           |                              | construction market conditions and other key cost drivers.                                                                                                                                    |
| CAPEX Expenditure Phasing | <b>20% - 35% - 35% - 10%</b> | Capital expenditure is phased across approvals (20%) and three construction years (35%, 35% and 10% respectively)                                                                             |
| Commissioning             | <b>FY2031</b>                | Commissioning of the Project occurs in FY2031                                                                                                                                                 |
| OPEX                      | <b>0-1.5% of CAPEX</b>       | OpeX is phased over time: 0% during the initial warranty period, 0.5% of CapEx in years 7–10, increasing gradually to 1.5% between years 11–26, and stabilising at 1.5% from year 27 onwards. |

The counterfactual is the Baseline / Do Minimum option which entails a one-off capital cost of \$9.5 million in FY2028, comprising:

- ♦ demolition and removal of the existing station roof;
- ♦ consequential underpass works that become essential once the roof is removed, including measures to prevent flooding and manage water ingress; and
- ♦ a limited set of critical health and safety upgrades.

These works align with the scope described in the Long List breakdown (refer Appendix D) and do not represent a renewal or upgrade of the asset beyond what is necessary to manage immediate safety and operational risks.

Ongoing operating expenditure under the Baseline is assumed to commence at \$1.5 million per annum, increasing in line with inflation. This operating cost has not

running multiple simulations, producing a risk-adjusted expected (mean) outcome that reflects the likelihood and range of potential cost variation.

been modelled as a percentage of capital expenditure, as this would be inappropriate for an end-of-design-life asset. Instead, the Baseline OPEX assumption reflects:

- ♦ a reactive and corrective maintenance regime;
- ♦ increasing effort and cost required to extend the life of ageing infrastructure; and
- ♦ escalating maintenance and operational interventions necessary to manage reliability, safety, and service continuity risks over time.

This approach ensures the Baseline provides a realistic and conservative representation of the financial implications of deferring comprehensive renewal or redevelopment and allows the incremental cost and affordability impacts of the Preferred Option to be assessed on a consistent and transparent basis.

## 6.7 Short-Listed Option Comparison (Context Only)

For completeness and consistency with the Economic Case, static whole-of-life NPVs have also been calculated for the short-listed options to FY2071. These results are presented for context only and do not form part of the affordability assessment, which focuses on the Preferred Option relative to the Baseline / Do Minimum (refer to the full financial models at Appendices I-K).

|                         |          |
|-------------------------|----------|
| Optimised Option NPV    | - \$166m |
| Preferred Option NPV    | -\$65m   |
| Essential ++ Option NPV | +38m     |

These results are driven by differences in capital cost, operating costs, and assumed farebox uplift. At this stage, farebox uplift has been assumed to be equal across options for modelling simplicity, noting that in practice the Optimised

Option would be expected to generate greater uplift and the Essential++ Option less.

The inclusion of these NPVs is not intended to re-test or re-open option selection. The Preferred Option has been confirmed through the Economic Case, and the Financial Case therefore focuses on assessing the affordability, funding, and financial impacts of the Preferred Option compared with the Baseline / Do Minimum.

## 6.8 Scenarios Modelled for the Preferred Option

The financial model evaluates three scenarios for the Preferred Option, each reflecting a different funding, financing, and risk-transfer structure. These scenarios have been deliberately modelled to test whether alternative funding approaches could improve affordability for GWRC, and to confirm whether the recommended funding pathway represents the lowest whole-of-life cost and most financially resilient option.

The modelling clearly demonstrates that direct LGFA debt funding is the most affordable option for GWRC, delivering the lowest whole-of-life cost, the lowest cost of capital, and the least ongoing budget impact when compared with alternative private-sector funding structures.

The inclusion of alternative scenarios does not imply that these approaches are preferred or equally viable. Rather, they have been modelled to

- ♦ demonstrate that a range of credible funding mechanisms has been considered;
- ♦ quantify the cost and affordability trade-offs between public-sector and private-sector financing, including higher private cost of capital and margin requirements; and
- ♦ provide clear evidence to decision-makers that the recommended LGFA-funded approach represents the most efficient use of limited public funding and the lowest financial risk to GWRC.

The scenarios modelled also align with several of the key funding options identified in the preceding section and are summarised below.

1

### 6.8.1 Scenario 1: LGFA Base Case

GWRC borrows directly from the LGFA. GWRC retains full ownership and operating responsibility for all assets. This scenario reflects GWRC's standard public sector funding approach for long-lived transport infrastructure and provides the benchmark against which alternative funding models are

assessed. A static version of this scenario (without Monte Carlo simulation) has also been prepared as a reference point.

2

### 6.8.2 Scenario 2: Notional Sale and Leaseback

A private developer funds and builds the components of the Preferred Option, and GWRC leases back the transport portion. Lease payments are driven by the developer's target yield of 7.5%, applied to total development cost (including a 20% developer margin) and allocated based on gross floor area.

This scenario has been modelled to test whether transferring upfront capital cost and some delivery risk to the private sector results in improved affordability for GWRC, recognising the higher cost of private capital.

3

### 6.8.3 Scenario 3: JV Build / Operate / Maintain

A private partner finances, builds, and operates the interchange under a 25-year concession. GWRC makes annual availability payments covering capital recovery at the partner's

weighted average cost of capital of 7.5% and operating costs assumed at 2% of capital expenditure per annum. Operating responsibility transfers back to GWRC at the end of the concession period.

This scenario has been modelled to test a higher level of private sector involvement and risk transfer, and to understand the affordability implications of private financing and long-term contractual commitments.

Collectively, the modelling provides clear and consistent evidence that the LGFA-funded approach delivers the lowest whole-of-life cost, the lowest cost of capital, and the most manageable balance-sheet and operating impacts for GWRC.

On this basis, LGFA debt funding is confirmed as the most affordable and financially resilient funding approach for the Preferred Option at this stage.

## 6.9 Financial Assumptions and Monte Carlo Methodology

Key assumptions applied across the modelling include:

GWRC's weighted average cost of capital of 5.5% as the discount rate

Straight-line depreciation over 40 years

General inflation of 3.0% per annum

A water escalator of 4.0% per annum, included for the purposes of estimating total debt-to-revenue ratios

Operating expenditure assumptions differ by funding scenario:

Under the LGFA funding scenario, incremental operating expenditure is modelled using a banded, lifecycle-based structure, reflecting the expected maturation of the asset:

- ♦ 0% in years 5 to 6 (initial warranty period);
- ♦ 0.5% of Capex in years 7 to 10;
- ♦ ramping from 0.5% to 1.5% of CapEx between years 11 and 26; and
- ♦ 1.5% of CapEx from year 27 onwards.

Under the Sale and Back Lease and JV BOM scenarios, operating expenditure is modelled as a flat 2.0% of CapEx, reflecting third-party operation and maintenance arrangements.

Monte Carlo simulations are used to test the robustness of the financial outcomes. In these simulations:



LGFA interest rates have a mean of 5.5% with a standard deviation of 0.25%

Farebox uplift has a mean of 2.5% with a standard deviation of 0.25%

Capital expenditure and (for the Sale and Leaseback scenario) land opportunity value are modelled using bounded distributions.

The model runs 1,000 iterations. Each iteration recalculates the full profit and loss, cash flows, balance sheet, and present value outcomes for all three scenarios.

These scenarios align with the funding options identified above and test the trade-offs between cost of capital, risk transfer, balance sheet treatment, and affordability.

## 6.10 Results

All three funding scenarios produce a negative whole-of-life present value for the Preferred Option, which is expected for a public transport and urban regeneration investment where many benefits are not realised as direct cash flows. The financial analysis is therefore focused on relative affordability, balance-sheet impact, and exposure to risk, rather than financial return.

The LGFA funding scenario (Scenario 1) performs most strongly across all metrics. It has the lowest whole-of-life cost to GWRC, with a static present value of -\$64.7 million and a Monte Carlo mean of -\$80.3 million, reflecting uncertainty around capital costs and interest rates. Even under downside assumptions, the LGFA scenario remains materially more affordable than the alternatives.

The Sale and Leaseback (Scenario 2) and JV BOM (Scenario 3) scenarios produce similar but significantly weaker outcomes, with similar Monte Carlo mean present values of approximately -\$127 million. These higher costs reflect the inclusion of private-sector margins and a higher effective cost of capital relative to LGFA financing. Under the Sale and Leaseback scenario, the station asset is also removed from GWRC's balance sheet, reducing asset exposure but increasing whole-of-life cost.

From an affordability perspective, the LGFA scenario remains robust. Peak LGFA debt averages \$135.9 million, with a 95th percentile of \$148.0 million, and a peak debt-to-revenue ratio of approximately 1.9x, well within GWRC's prudential limit of 2.8x. No material balance-sheet stress is observed across the Monte Carlo runs.

Short-term operating impacts are also lowest under the LGFA scenario, with the smallest worst-year operating deficit (-\$8.2 million). The Sale and Lease scenario produces the largest annual budget impact, reinforcing its higher affordability risk.

Overall, the results confirm that LGFA funding provides the lowest-cost, most resilient financial pathway for the Preferred Option and forms the basis for the affordability assessment that follows.

The table below summarises the key outputs across all scenarios. All values are in \$ million and discounted to FY2025 at GWRC's 5.5% WACC.

Table 25: Financial model key outputs across all scenarios

| Metric                      | Scenario 1:<br>LGFA<br>Static | Scenario 1:<br>LGFA MC | Scenario 2:<br>Sale and<br>Lease MC | Scenario 3:<br>JV BOM<br>MC |
|-----------------------------|-------------------------------|------------------------|-------------------------------------|-----------------------------|
| Whole-of-Life PV (\$m)      | -64.7                         | -86.4                  | -130.5                              | -131.1                      |
| MC Mean PV (\$m)            | N/A                           | -80.3                  | -127.2                              | -127.3                      |
| MC 5th Percentile PV (\$m)  | N/A                           | -99.4                  | -148.0                              | -147.6                      |
| MC 95th Percentile PV (\$m) | N/A                           | -61.2                  | -105.7                              | -106.1                      |
| Max LGFA Debt (\$m)         | 124.0                         | 135.9                  | N/A                                 | N/A                         |
| MC Mean Max Debt (\$m)      | N/A                           | 138.0                  | N/A                                 | N/A                         |

|                       |     |       |       |       |
|-----------------------|-----|-------|-------|-------|
| Peak Debt to Revenue  | N/A | 1.96x | N/A   | N/A   |
| Min Net Surplus (\$m) | N/A | -8.2  | -25.2 | -21.9 |

## 6.11 Affordability Assessment of Preferred Option

At an indicative level, and informed by the Monte Carlo analysis above, the Preferred Option appears potentially affordable for GWRC, subject to:

- ♦ confirmation of the level and timing of NLTF co-funding;
- ♦ integration with GWRC's wider capital programme and LTP;
- ♦ staged delivery to manage cashflow and debt impacts; and
- ♦ further refinement of costs as design and delivery approaches are confirmed.

Affordability will ultimately depend on:

- ♦ funding assistance rates achieved;
- ♦ the extent of any Crown or partner contributions; and
- ♦ the timing of expenditure relative to other major capital commitments.

Monte Carlo results indicate that peak LGFA debt remains well within GWRC's prudential limits, with a peak debt-to-revenue ratio of approximately 1.9x, compared with a limit of 2.8x. This provides meaningful headroom and indicates no immediate affordability "red flags" at this stage.

Recent indications from central government regarding potential rates-capping legislation introduce an additional layer of uncertainty for councils nationally. While no specific legislation or settings are confirmed, any constraints on rates growth would have implications for capital prioritisation across GWRC's programme. This reinforces the importance of careful staging, funding integration, and continued alignment with the LTP as the Project progresses.

## 6.12 Key Financial Risks, Sensitivities and Cost Control

A key financial risk for the Project is the continued volatility of the construction market in New Zealand. Construction costs are subject to:

- ♦ material and labour price and supply volatility;
- ♦ supply chain constraints;
- ♦ market capacity pressures; and
- ♦ broader macroeconomic conditions.

Recent infrastructure delivery experience demonstrates that cost escalation is often driven not only by market factors, but also by client-side and delivery-stage decisions, including:

- ♦ client-led scope and design changes during delivery;
- ♦ insufficient design maturity at procurement;
- ♦ poor cost certainty and escalation of estimates between investment decision points; and
- ♦ weaknesses in contract management, including failure to enforce risk allocation as agreed.

While some market risks are unavoidable, many escalation drivers sit within the control of GWRC. As the Project progresses, it will be essential to:

- ♦ maintain a disciplined approach to scope control;
- ♦ ensure design is sufficiently progressed before procurement;
- ♦ adopt procurement strategies aligned with market conditions; and
- ♦ actively manage contracts to enforce agreed risk allocation.

In the current market environment, tight control of these factors is critical. Failure to do so could materially undermine pricing certainty and result in significant cost escalation.

## 6.13 Financial Case Conclusion

At the IBC stage, the Preferred Option appears financially feasible and potentially affordable for GWRC, subject to further cost refinement, confirmation of funding sources, and alignment with GWRC's long-term financial strategy.

The Financial Case demonstrates that:

- ♦ costs are understood at a high level;
- ♦ Financing pathways are identifiable, with LGFA financing preferred;
- ♦ no material financial barriers have been identified that would prevent progression to the next business case stage; and
- ♦ in conjunction with the analysis shown in the Economic Case, a phased approach to the Preferred Option presents an affordable pathway to deliver productivity and significant urban regeneration benefits.

Further financial analysis, cost refinement, and funding confirmation will be undertaken as the Project advances to the next phase of business case development.





## 7. Management Case

The Management Case describes how the investment will be governed, managed, assured, and delivered, and demonstrates that the Project is achievable, affordable, and capable of being implemented successfully.

This section of the IBC provides a high level overview of the Project's management approach, including programme governance and decision-making structures, the assurance framework, communications, engagement and change management arrangements, benefits and risk management, organisational capability and resourcing, and the approach to project controls, milestones, and scheduling.

This Management Case confirms that:

- ♦ appropriate governance and decision-making arrangements are in place;
- ♦ delivery risks are understood and can be managed;
- ♦ GWRC has the capability and capacity to deliver the Project; and
- ♦ arrangements will support effective delivery, assurance, and benefits realisation.

Taken together, the governance, capability, assurance, and risk management arrangements described in this Management Case provide confidence that the Project can be delivered successfully and consistently with GWRC's risk appetite, governance expectations, and wider strategic objectives

### 7.1 Management Context

The Project is being delivered within a unique operating environment that requires a tailored management approach. The site functions simultaneously as a major public transport interchange, a live metropolitan rail corridor, and a critical pedestrian connection linking communities on either side of the rail network to Lower Hutt town centre. Delivery must also contend with a constrained physical footprint, interfaces with critical water infrastructure, and ongoing medium-term disruption across the wider transport network.

This context shapes how the Project must be governed, staged, and delivered. Management arrangements must prioritise safety, continuity of operations, and community access, while coordinating closely with multiple partners and managing cumulative impacts on customers and the network. The sections below set out the key contextual factors that inform the Project's management approach.

#### 7.1.1 Delivery within a Live and Constrained Transport Environment

The Project must be delivered within an operational interchange located on a live rail corridor, with no feasible option for extended closures. Construction will occur within a physically constrained site, bounded by rail infrastructure, adjacent roads, and surrounding development, and in close proximity to critical water infrastructure that must remain operational and undisturbed throughout delivery.

This context introduces significant complexity and requires a management approach that:

- ♦ tightly integrates construction staging with KiwiRail and rail operational requirements;
- ♦ plans work around limited and carefully controlled rail access and possession windows;
- ♦ protects the integrity and continuity of critical water and underground services;
- ♦ prioritises passenger, pedestrian, workforce, and rail safety at all times; and
- ♦ minimises disruption to rail services, bus operations, and pedestrian movements.



Figure 46: Maintaining operational continuity throughout the Project will be a key factor to manage.

Management will therefore place strong emphasis on early constructability and staging planning, rail-adjacent safety systems, utility interface management, temporary access and wayfinding arrangements, and clear, timely communication with operators and customers.

### 7.1.2 Network Disruption and System-wide Coordination

The Project is currently programmed to be delivered during a period of significant, system-wide disruption across the public transport network, including rail renewals, major highway works, and other concurrent investment programmes. Under current timeframes, there is a risk of overlap with other major sources of disruption, which could compound impacts on customers, operators, and overall network reliability.

Management will therefore need to consider not only site-specific effects, but also the cumulative impacts across the Hutt Valley. In particular, it may be necessary to defer elements of the Project to avoid overlapping with RiverLink works, unless it can be clearly demonstrated that concurrent delivery would not result in undue disruption.

Close coordination with GWRC, KiwiRail, Metlink operators, and other roading and infrastructure delivery programmes will be critical to manage impacts, align sequencing where possible, and respond to emerging operational pressures.

### 7.1.3 A Transport Hub and Community Connector

Waterloo performs a dual role as both a transport interchange and a key community connector, with pedestrians using the site to cross the rail corridor and access Lower Hutt town centre and surrounding neighbourhoods. Maintaining safe, legible, and accessible pedestrian connections throughout construction is a core management requirement.

Temporary works, staging, and communications must therefore support continued community access and minimise severance effects during delivery.

### 7.1.4 Multiple Stakeholders and Interfaces

The Project requires coordination across multiple organisations, including GWRC, KiwiRail, NZTA and HCC. Governance and management arrangements must support:

-  Timely decisions
-  Aligned priorities
-  Structured engagement across organisations with different mandates and statutory roles

### 7.1.5 Long-Term Operational Integration

Design and delivery decisions will have long-term implications for operations, maintenance, and future urban intensification. Management arrangements must ensure early and ongoing input from KiwiRail, GWRL, and GWRC asset management teams, and alignment with local planning frameworks and growth strategies.

## 7.2 Governance

### 7.2.1 Governance Approach

The Project will be governed through GWRC's existing governance and decision-making structures, consistent with best-practice guidance for projects that are well understood, repeatable, and within organisational capability.

Although the Project represents a significant investment, its scale, risk profile, and delivery approach are comparable to projects previously delivered by GWRC. Accordingly, it is considered business-as-usual from a governance and management perspective, and no bespoke or non-standard governance arrangements are required.

While the Project involves delivery complexity, the associated risks arise from well-understood and routinely managed conditions, such as live rail interfaces,



constrained urban sites, and utility protection, rather than from novel technologies, delivery models, or commercial structures. GWRC and its partners have established processes and proven capability to manage these conditions, enabling the Project to be governed within existing frameworks, supported by targeted enhancements where appropriate.

GWRC's existing governance framework provides:

|                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------|
| Clear accountability and decision rights                                                                                   |
| Appropriate separation between governance, management, and delivery                                                        |
| Established assurance, escalation, and reporting pathways                                                                  |
| Robust compliance with public sector obligations, including LGOMIA and other transparency and accountability requirements. |

This approach is considered proportionate and appropriate for both the IBC stage and subsequent phases of project development.

To ensure governance remains proportionate but sufficiently robust, the Project will apply the following targeted enhancements within the existing framework:

- ♦ a single integrated approvals and decision calendar (across GWRC, Metlink, KiwiRail, HCC and other interfaces), maintained by the Project Group and reported to the Steering Group;
- ♦ a centralised decision log documenting decision, dependencies, assumptions, and the approving forum;
- ♦ explicit interface management arrangements for rail safety/access and critical water infrastructure (including clearly defined points of contact and escalation); and
- ♦ structured gateway reporting to confirm readiness to progress between IBC → DBC → procurement/consents → delivery.

The proposed governance structure is illustrated and described below.

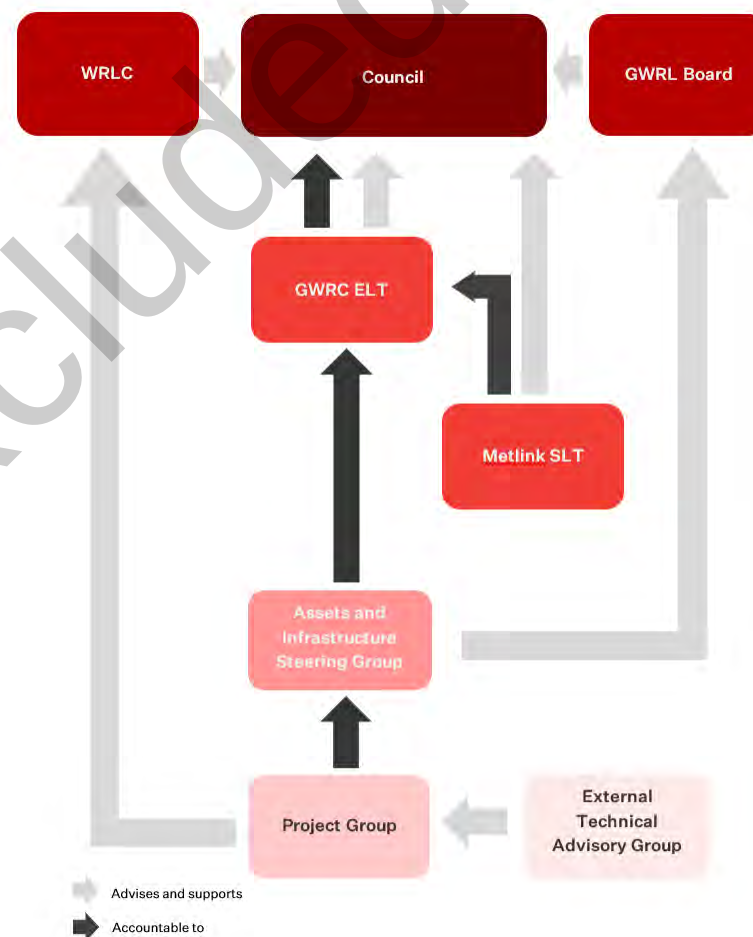


Figure 47: Governance Structure

## 7.2.2 Governance structure and roles

Table 26: Governance Structures and Roles

| Entity                                                 | Role                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Council</b>                                         | <p>GWRC Council retains ultimate accountability for the project and is responsible for:</p> <ul style="list-style-type: none"> <li>♦ approving strategic direction and investment decisions at defined decision gateways;</li> <li>♦ ensuring alignment with statutory responsibilities, regional strategies, and funding frameworks; and</li> <li>♦ providing public accountability for the use of public funds and delivery of intended outcomes.</li> </ul> <p>Council will be responsible for the final approval of strategic direction and investment decisions at defined gateways (including endorsement of IBC/DBC recommendations and approval of funding decisions).</p> |
| <b>Wellington Regional Leadership Committee (WRLC)</b> | <p>The WRLC provides strategic advice and leadership to the region in relation to regional priorities. In the context of the Project, the WRLC:</p> <ul style="list-style-type: none"> <li>♦ informs and advises GWRC Council on regional strategic alignment;</li> <li>♦ supports coordination across partner agencies and stakeholders at a regional level; and</li> <li>♦ helps ensure the project aligns with broader regional growth, transport, and urban development objectives.</li> </ul>                                                                                                                                                                                 |
| <b>Greater Wellington Rail Limited (GWRL)</b>          | <p>GWRL is a wholly owned subsidiary of GWRC and is responsible for owning and managing the region's rail infrastructure assets. Given the direct interface between the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

### GWRC Executive Leadership Team (ELT)

Project and rail infrastructure, GWRL will be closely consulted and engaged throughout Project development to:

- ♦ provide asset owner and rail-specific technical input;
- ♦ ensure alignment with rail infrastructure standards, renewals, and future investment programmes; and
- ♦ support integration of the project with existing and planned rail assets.

The GWRC ELT provides senior executive oversight and organisational assurance. The ELT is responsible for:

- ♦ ensuring alignment with GWRC's financial strategy, organisational policies, and risk appetite;
- ♦ endorsing key recommendations prior to escalation to GWRC Council where required; and
- ♦ resolving cross-organisational issues that may impact delivery, resourcing, timing, or risk.

### Metlink Senior Leadership Team (SLT)

The Metlink SLT provides directional oversight and operational leadership, ensuring the project aligns with public transport network outcomes. Its role includes:

- ♦ ensuring consistency with Metlink service planning and operational objectives;
- ♦ providing operational input to inform design, staging, and integration decisions; and
- ♦ supporting alignment with customer experience and network performance outcomes.

### Assets and Infrastructure Steering Group

The Assets and Infrastructure Steering Group acts as the primary project governance body. Its responsibilities include:

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | <ul style="list-style-type: none"> <li>♦ oversight of scope, programme, budget, risks, and benefits;</li> <li>♦ ensuring alignment with GWRC's asset management strategies and infrastructure investment priorities;</li> <li>♦ monitoring delivery performance and managing escalation of key issues; and</li> <li>♦ providing governance-level direction to the project team as required.</li> </ul>                                                                                              |
| <b>Waterloo Project Group</b>            | <p>The Waterloo Project Group is responsible for day-to-day project management and delivery. This includes:</p> <ul style="list-style-type: none"> <li>♦ coordinating technical workstreams, advisors, and stakeholder engagement;</li> <li>♦ managing programme, risks, dependencies, and interfaces;</li> <li>♦ preparing analysis, recommendations, and reporting for governance forums; and</li> <li>♦ ensuring delivery activities remain aligned with agreed objectives and scope.</li> </ul> |
| <b>External Technical Advisory Group</b> | <p>The External Technical Advisory Group provides specialist technical advice and independent input to support robust and informed decision-making. This group is expected to include representation and/or input from:</p> <ul style="list-style-type: none"> <li>♦ HCC;</li> <li>♦ Waka Kotahi;</li> <li>♦ KiwiRail; and</li> <li>♦ an option for local iwi participation, consistent with GWRC's engagement commitments.</li> </ul>                                                              |

The group is advisory in nature and supports technical quality, inter-agency coordination, and early identification of cross-boundary issues.

### 7.2.3 Governance robustness and assurance

The proposed governance arrangements leverage GWRC's mature and well-tested governance framework, which is subject to public sector scrutiny, transparency requirements, and established assurance processes. This includes compliance with LGOIMA and other statutory obligations, providing confidence that decision-making will be transparent, documented, and defensible.

Overall, the governance structure is considered fit for purpose, proportionate to the scale and risk of the project, and fully aligned with best practice expectations for effective governance, management, and assurance.

## 7.3 Key Partners

Successful delivery of the Project depends on effective collaboration with a range of partners and stakeholders who have statutory responsibilities, operational interests, or are directly affected by the redevelopment. GWRC has adopted an early and ongoing engagement approach to ensure that partner input informs option development, risk management, and delivery planning.



### 7.3.1 Kiwirail

KiwiRail is a critical partner given the Project's interface with the operational rail corridor and associated infrastructure. There is an established and ongoing working relationship between the GWRC / Metlink and KiwiRail, given the interface between each entity's respective assets. This means that teams that will be involved in the Project have an existing understanding of key operational, safety and access constraints associated with works adjacent to live rail.

As the delivery methodology become more clearly defined, engagement with KiwiRail will increase significantly. This will include detailed collaboration on rail safety requirements, access arrangements, construction sequencing, and

integration with existing and planned rail infrastructure, renewals, and maintenance programmes.

### 7.3.2 Hutt City Council



HCC is a key partner due to its role as territorial authority and its interest in the relationship between the Project and wider city-shaping initiatives in Lower Hutt.

Engagement with HCC to date has been primarily strategic and contextual, focused on the relevance of the Project to Hutt City outcomes rather than detailed design development. In particular, engagement has considered the relationship between the Waterloo Project and RiverLink, including complementary roles within the Lower Hutt transport and urban system as well as general alignment with Hutt City's spatial planning, growth, and city centre regeneration objectives.

More targeted engagement with HCC on consenting, access, and local interface matters will occur as the delivery methodology become more clearly defined.

### 7.3.3 GWRL

Given the direct interface between the Project and the station environment and infrastructure which GWRL owns, GWRL is a key partner in the Project. In this role, GWRL will work in partnership with GWRC and Metlink to provide appropriate asset owner input into decision-making where station ownership, renewals, or long-term asset performance are affected.

## 7.4 Communications and Engagement Plan

The Project will adopt a structured and proactive communications and engagement approach, guided by the following principles:

- Transparency and clarity in project objectives, constraints, and outcomes;
- Early notification of impacts on users, residents, and businesses;

- Transparency and clarity in project objectives, constraints, and outcomes;
- Consistent and coordinated messaging across partner agencies;
- Inclusive and accessible communication, using multiple channels; and
- Responsiveness, with clear pathways for feedback and enquiry.

These principles will inform a more detailed Communications and Engagement Plan developed in later phases. Given the Project's scale and funding implications, consistent internal communication will be critical. Regular reporting and briefings will be provided through established governance pathways to elected members, ELT, and relevant internal teams, aligned to decision gateways and funding processes.

Communications planning will explicitly incorporate construction staging and network coordination inputs (including KiwiRail access windows and wider network disruption timing) to ensure consistent, coordinated public messaging across agencies.

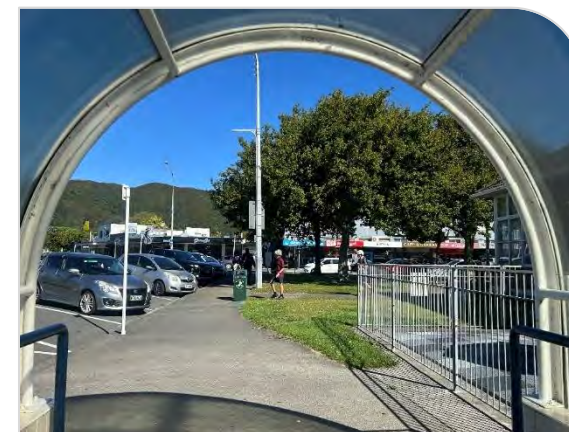


Figure 48: Local retail operators, such as those pictured on the Cambridge Terrace side, are a key stakeholder group for communications and engagement

## 7.5 Project Management strategy and framework

### 7.5.1 Capability, resourcing and delivery model

GWRC has demonstrated experience delivering complex transport infrastructure projects and will resource the Project through a combination of internal capability and external specialist support.

While GWRC faces some known skills and capability shortages, resourcing will be managed flexibly, drawing on internal staff as capacity becomes available and supplementing with external expertise as required. Opportunities to leverage experience from other major programmes (including RiverLink) will be considered where timing and skills align.

Given the live rail interface and aquifer/water treatment plant constraints, the Project will ensure early access to (and continuity of) the following critical capabilities, either internally or through specialist support:



Rail interface and possession / staging management;



Health and safety leadership for rail-adjacent works;



Groundwater protection and monitoring expertise; and



Programme controls (cost, schedule, risk and interface management) suitable for a constrained live environment.

Resourcing risks and capability gaps will be explicitly monitored through governance reporting, consistent with the management risk mitigations identified in the QRA (refer Appendix C).

### 7.5.2 Assurance Approach

Assurance will be provided through GWRC's existing local government governance, reporting, and statutory assurance mechanisms. This includes elected member oversight, public reporting obligations, and external audit requirements.

In addition, assurance will be applied proportionately at key decision points where risk exposure is highest. This will include:

- ◆ independent technical or peer review where appropriate (including independent peer review of the economic analysis and the capital cost estimates);
- ◆ independent peer review prior to consenting decisions affecting water infrastructure and prior to confirmation of construction staging adjacent to live rail;
- ◆ independent advisory input within the Project Group or governance forums; and
- ◆ any additional assurance requirements arising from third-party investment or partnership arrangements.

This assurance approach is distinct from technical quality assurance (such as design reviews, safety-in-design), which will be addressed separately through delivery processes.

The Project will apply assurance at the following points as a minimum:

- ◆ prior to submission of consent documentation where aquifer protection or water treatment plant operations could be affected;
- ◆ prior to finalisation of the recommended staging/possession strategy for works adjacent to live rail; and
- ◆ prior to major procurement commitments (delivery model confirmation and tender/contract award recommendations).



These checkpoints ensure assurance is aligned to the Project's highest exposure decisions (safety, aquifer, and service continuity).

### 7.5.3 Change Management

The Project will result in significant change for both users of the station and the communities adjoining the interchange, particularly during construction and transition into operation. Effective change management will therefore be critical to maintaining trust, minimising disruption, and supporting successful adoption of the redeveloped interchange.

Change management will be closely integrated with the communications and engagement approach described above, recognising that clear, timely, and coordinated communication is a primary mechanism for supporting change and managing disruption.

The change management approach at this IBC stage is focussed on identifying material change impacts, risks, and dependencies, and ensuring these are explicitly considered in governance and decision-making. More detailed change planning will be developed during subsequent design and delivery phases.

#### Construction-related disruption and cumulative impacts

The Project will be delivered in a context of ongoing and planned disruption across the wider Hutt Valley and Wellington transport network. Construction activity at Waterloo will add to this cumulative impact and will affect:

- ♦ daily commuters and public transport users;
- ♦ pedestrians and cyclists using the interchange as a connector across the rail corridor;
- ♦ nearby residents and businesses; and
- ♦ passengers with accessibility needs.

Change management will therefore place strong emphasis on:

- ♦ early identification of construction-related impacts;

- ♦ coordination of staging with KiwiRail operations and wider network activity;
- ♦ clear communication of what will change, when, and for how long; and
- ♦ mitigation measures to support safe, legible, and accessible movement during construction.

Project will implement the following mechanisms as it progresses:

- ♦ defined minimum access and continuity principles (rail/bus operations and east-west pedestrian access) that staging plans must comply with; and
- ♦ monitoring and reporting of disruption indicators (e.g., patronage and customer feedback/sentiment), with agreed triggers for governance review and staging adjustment where disruption thresholds are exceeded.



Figure 49: Effective change management will be required to support successful adoption of the redeveloped interchange

## User adaptation and behavioural change

Beyond construction impacts, the redeveloped interchange will involve substantial change to the function, layout, flow, and use of the station. This represents a significant adaptation for users who rely on the interchange both as a transport hub and as a key pedestrian connection.

Change management will support user adaptation by:

- ♦ anticipating how changes to circulation, access points, and modal interchange will affect different user groups;
- ♦ ensuring design and staging decisions consider legibility, wayfinding, and intuitive use;
- ♦ supporting gradual transition where practicable, rather than sudden step-changes; and
- ♦ aligning communications and engagement with design development to help users build familiarity and confidence over time.

## Focus on adjoining communities

Communities adjoining the interchange will experience both short-term disruption and longer-term change as a result of the redevelopment. Change management will therefore consider:

- ♦ construction impacts such as noise, access changes, and visual effects;
- ♦ changes in movement patterns and activity once the interchange is operational; and
- ♦ the broader role of the interchange as part of the local urban environment.

This includes working closely with HCC and other partners to ensure alignment with local planning, access, and place-based considerations.



## Integration with governance and decision-making

Change impacts and readiness considerations will be explicitly integrated into governance reporting and decision-making. This ensures that:

- ♦ trade-offs between programme, cost, risk, and user impacts are transparent;
- ♦ decisions on staging and sequencing reflect cumulative disruption across the network; and
- ♦ change impacts are considered early, rather than addressed reactively.

Detailed change management plans, including operational readiness, transition, and handover arrangements, will be developed as the Preferred Option progresses through detailed design and delivery.

Figure 50: Change management will need to encompass Hutt City Council to ensure local alignment

## 7.6 Benefits Realisation and management

Benefits realisation is key to ensuring that the investment delivers its intended outcomes over time. For this Project, benefits management will be aligned with GWRC's existing investment, performance, and reporting practices.

At this IBC stage, the focus is on clarity, credibility, and alignment of benefits, rather than detailed measurement and tracking arrangements. This approach ensures that benefits remain central to option selection and decision-making, while avoiding unnecessary specification at an early stage.

### 7.6.1 Purpose

To ensure the Project delivers its intended outcomes and that benefits are actively considered throughout project development, delivery, and transition into operation.

### 7.6.2 Key Benefits

The Project is expected to deliver benefits outlined in below:



Figure 51: Expected project benefits

### Benefits Alignment

All identified benefits are directly linked to the problems and opportunities defined in the Strategic Case and are aligned with GWRC's strategic objectives, regional transport outcomes, and investment priorities.

### Benefits Ownership

To ensure benefits are anchored in operational reality and reduce benefits "leakage" between delivery and operations, the Project will adopt a benefits ownership model in which:

- customer experience and network integration benefits are owned jointly by the relevant Metlink operational leads;
- rail-asset performance and maintainability benefits are owned by GWRL / GWRC asset management; and
- broader place-based / regeneration enabling outcomes are monitored through GWRC's wider strategic performance frameworks (with partner reporting linkages where applicable).

Benefits ownership assignments will be confirmed and reported through governance prior to endorsement of the DBC, alongside confirmation of benefit dependencies and operational-readiness requirements.

### Measurement and Monitoring

At this stage, benefits are defined at a high level, with an emphasis on:

- Identifying which benefits are expected to be quantifiable and which are non-quantified;
- Understanding the likely timing of benefits realisation; and
- Identifying potential indicators that could reasonably demonstrate benefit delivery over time.

More detailed baselines, targets, and monitoring arrangements will be developed in subsequent business case and delivery phases once scope, design, and staging

are confirmed. Where practicable, baseline measures will be established before construction to enable post-implementation evaluation.

## Governance and Reporting

Benefits realisation considerations will be integrated into governance reporting and decision-making. This will ensure that trade-offs between cost, risk, and benefits are transparent and that decisions continue to support the delivery of intended outcomes over the life of the asset.

## Ongoing benefits management approach

As the Project progresses beyond the IBC stage, benefits management will be progressively refined. This will include:

- Confirming benefit definitions and dependencies as design develops;
- Aligning benefits with operational readiness and transition planning; and
- Embedding benefits monitoring within GWRC's existing performance and asset management frameworks.

## 7.7 Risk Management Approach

The Project has been assessed using GWRC's established risk management framework, including GWRC's defined risk appetite, likelihood scales, and consequence categories. This ensures that risk identification and evaluation are grounded in GWRC's organisational risk principles and are consistent with broader GWRC decision-making.

While the GWRC framework is designed for organisation-wide and long-term risk oversight, its standard ten-year likelihood horizon and enterprise-level consequence definitions are not directly suited to a discrete, time-bound infrastructure project. The Project presents risk exposure that is concentrated within defined phases of design, consenting, and construction. Applying the framework without project-context interpretation would risk overstating likelihood

and reducing the usefulness of risk information for option selection and delivery planning.

Accordingly, this IBC applies the GWRC framework in a project-appropriate manner by:

- ♦ assessing likelihood with reference to the probability of risks materialising within the project lifecycle; and
- ♦ considering consequences in terms of project-level impacts on safety, environment, service continuity, programme, cost, and reputation, while remaining conceptually aligned with GWRC's consequence definitions.

This approach supports meaningful comparison between options and provides decision-makers with a clear and realistic understanding of the risks relevant to the Waterloo project. Importantly, GWRC's underlying risk appetite and escalation expectations remain unchanged, supporting assurance, transparency, and consistency with GWRC's broader risk management practices.

## 7.8 Key Management Case Risks

This management case has been informed by the QRA, which identifies and evaluates management risks relevant to governance, capability, service continuity, health and safety, environmental constraints, and reputational considerations. The full QRA, including detailed risk statements, ratings, and mitigations, is provided in Appendix C.

The table below presents a high-level summary of the key Management Case risks and the corresponding management response.

| Key Risk |                                                                                                                                                     | Mitigation Strategies                                                                                                                                                                                           |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1        | Delays, rework or inconsistent decisions if governance / decision rights are unclear across GWRC, Metlink, KiwiRail, Hutt City Council and partners | Establish a governance framework with clearly defined decision rights, roles and escalation pathways; maintain an integrated approvals calendar and decision log to support transparency and timely escalation. |



|   |                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                       |   |                                                                                                                                                                        |                                                                                                                                                                                                                                                         |
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| 2 | Loss of delivery momentum and confidence if internal capability/capacity is insufficient (particularly in early phases)                                                          | Identify capability gaps early; secure skilled resources supplemented by external expertise where required; align programme phasing to available capacity and monitor resourcing through governance reporting.                                                                                        | 7 | Public backlash, reduced public transport use and eroded confidence if Waterloo disruption coincides with other rail or wider network disruptions (cumulative impacts) | Coordinate staging and rail access windows with KiwiRail and other agencies; provide clear advance notice and journey planning information; monitor patronage and public sentiment and adjust staging/mitigations if disruption thresholds are exceeded |
| 3 | Service disruption and customer impacts if service continuity during works is not well managed                                                                                   | Implement staged construction planning to preserve minimum service levels and safe passenger access; implement temporary arrangements (e.g., replacements / passenger management) and communicate disruptions clearly and early.                                                                      |   |                                                                                                                                                                        |                                                                                                                                                                                                                                                         |
| 4 | Legal exposure, delay and reputational harm if health and safety incidents occur during investigations/works near operational rail and constrained sites                         | Require a comprehensive health and safety management plan including rail corridor protocols and controlled site access; apply contractor pre-qualification and performance oversight.                                                                                                                 |   |                                                                                                                                                                        |                                                                                                                                                                                                                                                         |
| 5 | Increased scope, cost, programme and consenting risk if Waiwhetū Aquifer / Water Treatment Plant protection constraints materially limit foundations or construction methodology | Complete early geotechnical and hydrogeological investigations; embed aquifer and treatment plant protection requirements and construction methodology constraints into design, consenting and procurement to clarify pricing/programme implications                                                  |   |                                                                                                                                                                        |                                                                                                                                                                                                                                                         |
| 6 | Public health, regulatory and reputational consequences if construction creates contaminant pathways into the Waiwhetū Aquifer or disrupts/damages the Water Treatment Plant     | Select construction methods that avoid penetration of sensitive aquifer layers and protect treatment plant operations; monitor groundwater quality and treatment plant operations with clear triggers and contingency responses; embed requirements in contracts with clear accountability and audit. |   |                                                                                                                                                                        |                                                                                                                                                                                                                                                         |

## 7.9 Next Steps - Milestones and Timeframes

Subject to endorsement of the IBC, the next phase of work will focus on further refining the preferred approach prior to preparation of the Detailed Business Case.

A key early activity will be targeted market engagement to better understand current market conditions, including delivery capacity, commercial appetite, and affordability constraints. This engagement will be used to test the attractiveness and feasibility of potential delivery models, identify risks and opportunities from a market perspective, and inform decisions on procurement strategy and packaging.

The outcomes of this engagement will be used to refine cost estimates, risk allowances, and delivery assumptions, and to confirm that the preferred option is affordable and deliverable within the prevailing market context. These insights will be incorporated into the Detailed Business Case to ensure that it is grounded in robust market intelligence and reflects realistic commercial and delivery settings.

Following completion of market engagement and refinement of the preferred approach, the Detailed Business Case will be developed for consideration and approval in accordance with GWRC's established governance processes.



## List of Appendices

|            |                                                                            |
|------------|----------------------------------------------------------------------------|
| Appendix A | Alignment with strategic priorities                                        |
| Appendix B | Investment Logic Map                                                       |
| Appendix C | Risk Approach and QRA                                                      |
| Appendix D | Detailed Long List of Options                                              |
| Appendix E | Detailed Critical Success Factors                                          |
| Appendix F | Detailed Long List Evaluation                                              |
| Appendix G | Economic Analysis Model                                                    |
| Appendix H | Commentary re quantification of healthcare and social services access      |
| Appendix I | Financial Models Preferred Option (LGFA and alternative funding Scenarios) |
| Appendix J | Financial Model Essential ++ Option                                        |
| Appendix K | Financial Model Optimised Option                                           |
| Appendix L | Bibliography                                                               |

## Appendix A: Alignment with Strategic Priorities

### National policies and strategies

| Relevant document                                  | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| Government Policy Statement on Land Transport 2024 | <p>The GPS 2024 sets the strategic direction for transport investment in New Zealand over the next decade. It outlines the Government's priorities for creating a transport system that supports national economic and social outcomes.</p> <p>Strategic Objectives:</p> <ol style="list-style-type: none"> <li><b>Economic Growth and Productivity:</b> <ul style="list-style-type: none"> <li>The overarching priority is to invest in transport infrastructure and services that support economic growth, unlock housing, improve freight and people movement, and reduce congestion.</li> </ul> </li> <li><b>Increased Maintenance and Resilience:</b> <ul style="list-style-type: none"> <li>Prioritise maintaining and repairing existing infrastructure.</li> <li>Increase funding and proactive approaches to maintenance, especially to address issues like potholes and to improve resilience against weather events and disasters.</li> </ul> </li> <li><b>Safety:</b> <ul style="list-style-type: none"> <li>Invest in road policing, enforcement, and safer infrastructure to reduce deaths and serious injuries.</li> <li>Support the Safe System approach, but rebalance it to focus on efficient, cost-effective safety interventions.</li> </ul> </li> <li><b>Value for Money:</b> <ul style="list-style-type: none"> <li>Ensure all investments deliver efficient, effective, and sustainable outcomes.</li> <li>Focus on whole-of-life costs, better use of existing assets, increased farebox recovery for public transport, and reduced expenditure on temporary traffic management.</li> </ul> </li> </ol> | <p>Project alignment with GPS 2024:</p> <ul style="list-style-type: none"> <li><b>Economic Growth and Productivity:</b> Redevelopment of Waterloo would support housing intensification in Lower Hutt, improves access to employment and services, and supports mode shift from private vehicles to public transport, reducing congestion and enhancing regional productivity.</li> <li><b>Increased Maintenance and Resilience:</b> The Project upgrades an existing transport hub, enhancing its resilience and functionality, and aligns with the GPS focus on maintaining and improving current infrastructure rather than building entirely new assets.</li> <li><b>Safety:</b> The station redevelopment could include pedestrian access, lighting, and platform safety features, contributing to a safer environment for commuters and aligning with the GPS safety objectives.</li> <li><b>Value for Money:</b> The project has the potential to leverage existing infrastructure and land and may be suitable for alternative funding models, delivering strong value for money over its lifecycle.</li> </ul> |

| Relevant document                                   | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|                                                     | <ul style="list-style-type: none"> <li>Encourages exploration of alternative funding and delivery models, such as public-private partnerships and concessions.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| GPS-HUD 2025 and Going for Housing Growth Programme | <p>The Going for Housing Growth (GfHG) programme is a key priority and workstream within the Government Policy Statement on Housing and Urban Development (GPS-HUD) 2025.</p> <p>The GPS-HUD 2025 sets out the Government's proposed strategic direction for housing and urban development. Key principles related to transport are:</p> <ul style="list-style-type: none"> <li>Public and active transport networks are central to thriving, resilient communities. Urban development should prioritise access to public transport;</li> <li>Housing, land use, and transport planning must be coordinated at national, regional, and local levels;</li> <li>The draft GPS-HUD recognises that true housing affordability also means homes are located where people can access jobs and services via public transport, reducing overall living costs;</li> <li>Urban development should support low-emission transport options, reduce car dependency, and help communities adapt to climate change; and</li> <li>Effective partnerships across central and local government, iwi/Māori, community housing providers, and the private sector are essential for delivering integrated transport and housing outcomes.</li> </ul> <p>The pillars of the GfHG programme are:</p> <ul style="list-style-type: none"> <li>Freeing up land for urban development, including removing unnecessary planning barriers. This includes that Tier 1 councils are required to enable housing intensification along 'strategic transport corridors' (for example, key transport corridors);</li> <li>Improving infrastructure funding and financing to support urban growth; and</li> <li>Proving incentives for communities and councils to support growth.</li> </ul> | <p>The Project aligns with the following principles of the GPS-HUD:</p> <ul style="list-style-type: none"> <li><b>Public and Active Transport:</b> The Project enhances access to public transport, supporting mode shift from private vehicles and contributing to a more connected, resilient Lower Hutt community.</li> <li><b>Integrated Planning:</b> The Project exemplifies integrated planning by aligning with local housing intensification goals and regional transport strategies, ensuring cohesive development outcomes as outlined in this section.</li> <li><b>Housing Affordability and Access:</b> By improving access to employment and services through enhanced public transport, the Project supports more affordable living and equitable urban development.</li> <li><b>Low-Emission and Climate Resilience:</b> The station upgrade encourages public transport use, reducing car dependency and emissions, and contributes to climate adaptation through resilient infrastructure design.</li> <li><b>Partnerships for Delivery:</b> The Project provides an opportunity for collaboration between central and local government, transport agencies, and housing stakeholders to deliver integrated outcomes.</li> </ul> <p>The Project aligns with the GfHG pillars by creating an opportunity to create a well-connected transport hub that supports housing intensification along a strategic rail corridor. This could unlock surrounding land for higher-density housing and mixed used development, improving access to jobs and services supporting location-efficient living and urban growth.</p> |

| Relevant document            | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| New Zealand Rail Plan (2021) | <p>The NZ Rail Plan sets out the Government’s long-term vision for a modern, resilient, and reliable rail network that supports both metropolitan transit and increased freight movement. The Rail Plan was developed by the Ministry of Transport and KiwiRail.</p> <p><b>Vision:</b></p> <ul style="list-style-type: none"> <li>♦ The long-term vision is for New Zealand’s rail network to provide modern transit systems in the largest cities and enable increasing volumes of freight to be moved by rail.</li> <li>♦ Rail is positioned as a key part of a multi-modal transport system, supporting alternative transport options for both people and freight, and helping achieve net zero emissions by 2050.</li> </ul> <p><b>Strategic Priorities:</b></p> <ul style="list-style-type: none"> <li>♦ Rail investment decisions are now made under the LTMA, enabling integrated, long-term planning alongside roads and public transport.</li> <li>♦ Funding is channelled through the NLTF, with additional support from the Crown and track users.</li> <li>♦ KiwiRail prepares a three-year Rail Network Investment Programme (RNIP), approved by the Minister of Transport.</li> </ul> <p><b>Investment priorities for a reliable and resilient rail network:</b></p> <ul style="list-style-type: none"> <li>♦ Investing in the national rail network to restore rail freight and provide a platform for future investments for growth by renewing infrastructure, replacing aging assets, and improving safety.</li> <li>♦ Investing in metropolitan rail networks to support growth and productivity in NZ’s largest cities through major upgrades, new projects, and enhanced capacity for urban passenger rail.</li> </ul> | <p>The Project directly advances the Rail Plan’s metropolitan priorities by upgrading a critical station and interchange on the Wellington network. Improved facilities, accessibility, and interchange performance support increased passenger volumes, improved reliability, and a better customer experience. The Project also supports mode shift and emissions reduction objectives and complements the Rail Plan’s emphasis on long-term infrastructure renewal rather than short-term fixes.</p> |

| Relevant document                                    | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <b>Rail Network Investment Programme (2024-2027)</b> | <p>The Rail Network Investment Programme (RNIP) sets out a 3-year investment programme and a 10-year forecast for New Zealand's national rail network. It aims to address underinvestment and deliver a more reliable, resilient, and productive rail system by focusing on the following priorities:</p> <ul style="list-style-type: none"> <li>♦ Prioritise maintenance, management, and renewal of the national rail network to restore freight and enable future growth.</li> <li>♦ Allocate some funding for improvement projects to enhance network resilience and reliability.</li> <li>♦ Complete metropolitan rail programmes in Auckland and Wellington that align with regional planning.</li> <li>♦ Embed and improve regional passenger services, especially Hamilton - Auckland and Palmerston North - Wellington routes.</li> </ul> | <p>The Project aligns strongly with RNIP priorities by:</p> <ul style="list-style-type: none"> <li>♦ Supporting the renewal of aging infrastructure to improve safety, reliability, and long-term performance to facilitate expected population growth.</li> <li>♦ Enhancing resilience through upgraded station assets and improved operational continuity.</li> <li>♦ Contributing to the completion of metropolitan rail programmes in Wellington, consistent with regional planning goals.</li> <li>♦ Strengthening regional passenger services, particularly on the Wairarapa Line, by improving interchange facilities and capacity to accommodate future growth.</li> </ul>                                                                                                                                                                                       |
| <b>National Land Transport Programme (2024-2027)</b> | <p>NLTP 2024-27 is New Zealand's strategic plan for investing in the country's transport system, developed by Waka Kotahi in partnership with local and regional authorities.</p> <p>Guided by the GPS 2024, the NLTP sets out a three-year programme of prioritised activities and a ten-year investment forecast, ensuring that funding decisions support economic growth, productivity, and community wellbeing.</p>                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>The Project would align with NLTP priorities by:</p> <ul style="list-style-type: none"> <li>♦ <b>Economic Growth:</b> Supporting economic growth and productivity through improved access to employment, education, and services via enhanced public transport infrastructure.</li> <li>♦ <b>Increased Maintenance and resilience:</b> By upgrading aging station assets, it will reduce the need for ongoing repairs and lowering the risk of service disruption.</li> <li>♦ <b>Safety:</b> The Project will have the effect of improving safety outcomes through better station design including accessibility and integration with other transport modes.</li> <li>♦ <b>Value for money:</b> The Project presents opportunities to leverage existing Waterloo assets to help maximise return on investment supporting long-term operational efficiency.</li> </ul> |



| Relevant document                                            | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <b>Climate Change Policy and Emissions Reduction Targets</b> | <p>The Governments response to a changing climate includes a focus on five pillars:</p> <ul style="list-style-type: none"> <li>♦ Resilient infrastructure and well-prepared communities.</li> <li>♦ Credible emission markets to support the climate transition.</li> <li>♦ Abundant and affordable clean energy</li> <li>♦ World-leading climate innovation to boost the economy</li> <li>♦ Nature-based solutions to address climate change.</li> </ul> <p>New Zealand is working to reduce emissions and has committed to:</p> <ul style="list-style-type: none"> <li>♦ By 2030: <ul style="list-style-type: none"> <li>▸ Reduce net greenhouse gas emissions.</li> <li>▸ Reduce net green house gas emissions to 50% below gross 2005 levels.</li> <li>▸ Reduce biogenic methane to 10% below 2017 levels.</li> </ul> </li> <li>♦ By 2050: <ul style="list-style-type: none"> <li>▸ Reach net zero for long-lived gases.</li> <li>▸ Reduce biogenic methane to 24-27% below 2017 levels.</li> </ul> </li> </ul> | <p>The Project supports the government's climate goals by encouraging a shift to low-emission public transport, reducing reliance on private vehicles and lowering greenhouse gas emissions. Upgrading the station with energy-efficient infrastructure and integrating it with active and shared transport modes would contribute to resilient, low-carbon urban mobility. Additionally, incorporating nature-based design elements and future-proofing against climate encourages resilient infrastructure, clean energy use, and sustainable innovation.</p> |
| <b>New Zealand Upgrade Programme - Transport</b>             | <p>The New Zealand Upgrade Programme - Transport was a large-scale government investment initiative initiated in 2021. It provided \$6.8 billion in funding to upgrade and modernise transport infrastructure across New Zealand.</p> <p>The programme focuses on:</p> <ul style="list-style-type: none"> <li>♦ Building and improving roads, rail, public transport, and walking/cycling paths.</li> <li>♦ Making travel safer and more reliable.</li> <li>♦ Supporting urban development and economic growth.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>The Project aligns with the objectives of the New Zealand Upgrade Programme by enhancing public transport infrastructure in a key urban area. Modernising the station supports safer and more reliable travel, encourages mode shift from private vehicles to rail, and improves access for both commuters and freight.</p>                                                                                                                                                                                                                                  |

| Relevant document                                                                  | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|                                                                                    | <ul style="list-style-type: none"> <li>Providing more travel choices for people and freight.</li> <li>Helping New Zealand meet climate and sustainability goals.</li> </ul> <p>One of the packages was specifically allocated to rail upgrades north of Wellington. The scope of the \$211 million investment was to improve rail network capacity and safety through additional tracks, level crossing upgrades and removals, and the introduction of a modern safety system</p>                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Road Safety Objectives</b>                                                      | <p>New Zealand's Road Safety Objectives builds on and replaces Road to Zero.</p> <p>The Road Safety Objectives includes a range of actions targeting the highest contributors to fatal road crashes, focussing on safer roads, safer drivers and safer vehicles.</p>                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>The Project supports a strategic shift away from private vehicle use by making public transport a more attractive alternative. Public transport systems, such as trains and buses, have significantly lower crash rates per passenger kilometre, are operated by trained professionals and can offer safer environments for pedestrians and cyclists. By enhancing station design, integrating active transport modes, and improving service reliability, the Project encourages mode shift and reduces road congestion which could lower the risk of collisions.</p>                                                                                                                                                                                                                                                             |
| <b>New Zealand Infrastructure Strategy and National Infrastructure Plan (2026)</b> | <p>The New Zealand Infrastructure Strategy sets out the actions New Zealand needs to take over the next 30 years to make sure our infrastructure system meets the challenges and opportunities that lie ahead.</p> <p>Key objectives:</p> <ul style="list-style-type: none"> <li>Enabling a net-zero carbon emissions Aotearoa</li> <li>Supporting towns and regions to flourish</li> <li>Building attractive and inclusive cities</li> <li>Moving to a circular economy</li> <li>Strengthening resilience to shocks and stresses</li> </ul> <p>Key Recommendations:</p> <ul style="list-style-type: none"> <li>Rec.15 – Increase the supply and use of low-emissions transport modes</li> </ul> | <p>The Project can deliver benefits that align with the New Zealand Infrastructure Strategy, particularly the key objectives and recommendations:</p> <ul style="list-style-type: none"> <li><b>Carbon emissions:</b> The Project will likely encourage a significant mode shift from private vehicles to rail and active transport, reducing emissions and supporting New Zealand's 2050 carbon neutrality target.</li> <li><b>Optimised land use:</b> By integrating transport with land use through TOD the Project can create a compact, connected urban hub that supports higher-density housing and mixed-use development.</li> <li><b>Improve delivery of TOD:</b> Waterloo has the potential to become the region's first TOD, setting a benchmark for future projects and directly addressing Recommendation 19.</li> </ul> |

| Relevant document | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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|                   | <ul style="list-style-type: none"> <li>Rec.17 – Optimise the use of urban land</li> <li>Rec.19 – Improve the delivery of transit-oriented development</li> <li>Rec. 21 – Reduce congestion and improve urban mobility.</li> </ul> <p>Building on this vision, the National Infrastructure Plan translates the NZ Infrastructure Strategy into a practical, affordable pathway for delivery. It focuses on improving how infrastructure is planned, funded, prioritised, and maintained, with a strong emphasis on value for money and system affordability.</p> <p>The National Infrastructure Plan is structured around four core themes for change:</p> <ol style="list-style-type: none"> <li><b>1. Planning what we can afford:</b><br/>Establishing forward guidance for infrastructure investment that is realistic and fundable, prioritises renewals and resilience, and makes greater use of equitable funding tools such as user-pays where appropriate.</li> <li><b>2. Looking after what we've got:</b><br/>Shifting the system toward prioritising maintenance and renewals, addressing deferred maintenance backlogs, and strengthening asset management to protect long-term value and resilience.</li> <li><b>3. Prioritising the right projects:</b><br/>Improving project sequencing and selection by aligning new investment with demonstrated demand, affordability, and value-for-money tests, and using targeted, lower-cost interventions to lift network performance ahead of large expansions.</li> <li><b>4. Making it easier to build better:</b><br/>Improving the operating environment for infrastructure delivery by reducing policy churn, improving coordination across agencies, strengthening consenting and delivery processes, and building workforce capability.</li> </ol> <p>Together, the NZ Infrastructure Strategy and the National Infrastructure Plan provide a coherent framework that moves New Zealand from aspirational infrastructure outcomes toward disciplined, affordable, and well-sequenced investment decisions over the next 30 years.</p> | <ul style="list-style-type: none"> <li><b>Improve urban mobility and reduce congestion:</b> Enhanced station facilities, seamless multimodal connections, and integrated ticketing will make public transport the preferred choice, reducing congestion and improving travel efficiency.</li> <li><b>Build resilience and future-readiness:</b> By replacing aging infrastructure the redevelopment will lower ongoing maintenance requirements, minimise service disruptions, and deliver better value over the asset lifecycle. Incorporation of climate adaption mechanisms and seismic resilience will mean that the station is better equipped to deal with future stresses.</li> </ul> <p>The Project also aligns closely with the priorities set out in the National Infrastructure Plan, particularly those focused on making better use of existing assets, prioritising the right projects, and improving system performance in constrained urban environments.</p> <ul style="list-style-type: none"> <li><b>Prioritising and sequencing major land transport investments</b><br/>The project directly supports the Plan's emphasis on prioritising and sequencing land transport investments based on demonstrated demand and system performance. Waterloo is a critical node within the Wellington public transport network, serving both the Hutt Valley rail corridor and high-frequency bus services. Investment at this location focuses on unlocking network performance and capacity at a key interchange, rather than extending the network footprint. This is consistent with the Plan's direction to lift performance through targeted, high-impact interventions ahead of larger system expansions.</li> <li><b>Implementing time-of-use charging and improving network efficiency.</b> The National Infrastructure Plan highlights the importance of time-of-use charging and other demand-management tools to improve the efficiency of congested urban networks. The Waterloo project complements this approach by improving interchange efficiency, passenger</li> </ul> |

| Relevant document | Description / summary | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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|                   |                       | <p>circulation, and service reliability, thereby enabling public transport to respond more effectively to peak-period demand management measures. By strengthening the attractiveness and usability of public transport at a major interchange, the project supports the behavioural shift required for demand-based charging reforms to be effective.</p> <ul style="list-style-type: none"> <li>♦ <b>Looking after what we've got: maintenance, renewals, and asset stewardship:</b> The Project aligns strongly with the Plan's focus on prioritising maintenance, renewals, and proactive asset management. Rather than deferring renewal or relying on incremental fixes, the project addresses known asset condition, resilience, and functionality issues in a coordinated way. This reduces the risk of escalating maintenance costs and reactive interventions over time, consistent with the Plan's emphasis on protecting asset value and affordability.</li> <li>♦ <b>Managing assets on the downside and long-term adaptability</b> The National Infrastructure Plan calls for infrastructure to be planned with flexibility to respond to changing demand patterns arising from demographics, technology, and climate change. The Waterloo redevelopment has been conceived as adaptable infrastructure that can support evolving service patterns, changing passenger volumes, and future operating models. This supports prudent long-term asset management and reduces the risk of stranded or under-utilised assets.</li> <li>♦ <b>Commitment to upzoning and maximising the value of transport corridors:</b> By reinforcing a major public transport interchange, the Project supports the Plan's priority to commit to upzoning and more intensive land use around key transport corridors. Improved station functionality and capacity strengthens the case for higher-density development in the surrounding catchment, enabling more efficient use of existing</li> </ul> |

| Relevant document                                                                                                               | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>transport, water, and energy infrastructure and maximising the return on prior and future investment</p> <ul style="list-style-type: none"> <li>♦ <b>System-wide value over time:</b> While the Project has a measurable operating impact on GWRC's accounts, it is consistent with the National Infrastructure Plan's system-wide perspective. Over time, improved interchange quality and network performance are expected to support higher public transport mode share, improved farebox recovery, and broader economic and urban development outcomes. These effects align with the Plan's long-term objective of improving infrastructure value for money and system affordability.</li> </ul>                                                                                                                                                                                                                                         |
| <p>Hikina te Kohupara – Kia mauri ora ai te iwi: Transport Emissions – Pathways to Net Zero by 2050 (Ministry of Transport)</p> | <p>Sets out potential pathways to reduce transport emissions to net zero by 2050, recognising transport as a major source of national emissions. The document applies the Avoid–Shift–Improve framework, emphasising mode shift to public transport, integration of land use and transport planning, and investment in high-quality public transport infrastructure to reduce reliance on private vehicles. While a discussion document, it provides the analytical foundation for subsequent emissions reduction policy and investment decisions.</p> | <ul style="list-style-type: none"> <li>♦ The Project aligns strongly with the “Shift” and “Avoid” elements of the Avoid–Shift–Improve framework.</li> <li>♦ By upgrading a key rail–bus interchange on a constrained regional corridor, the Project improves the capacity, reliability, and attractiveness of public transport, supporting sustained mode shift away from private vehicle use.</li> <li>♦ Enhanced interchange quality and service integration reduce barriers to public transport use and help alleviate congestion-related emissions.</li> <li>♦ The Project also supports the “Avoid” objective by enabling transit-oriented development around a high-quality public transport node, reducing travel distances and long-term transport demand. Together, these outcomes contribute to emissions reduction, improved network efficiency, and alignment with the pathways identified in <i>Hikina te Kohupara</i>.</li> </ul> |



## Local Policies and Strategies

| Relevant document                                  | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| Greater Wellington Regional Council Key Outcomes   | <p>GWRC plays a key role in balancing environmental sustainability with the social, cultural, and economic needs of the community.</p> <p>Its work is guided by three key outcomes:</p> <ul style="list-style-type: none"> <li>♦ Nui te ora o te taiao   Thriving Environment: Healthy waterways and coastal waters, clean and safe drinking water, unique landscapes, indigenous biodiversity, sustainable land use and a prosperous low emissions economy</li> <li>♦ He hāpori Kotahi   Connected communities: A vibrant and liveable region in which people can move around on safe, sustainable, and effective public transport, there is inclusive and equitable participation, and our sustainable rural and urban centres are connected to each other.</li> <li>♦ He manawaroa te āpōpō   Resilient Future: A strong and thriving regional economy, adapting to the effects of climate change and natural hazards, community preparedness and modern robust infrastructure</li> </ul> | <p>The Project gives effect to all three GWRC outcomes. It supports a thriving environment by enabling mode shift to low-emissions rail and reducing car dependency. It strengthens connected communities by upgrading a major interchange that links Lower Hutt, Upper Hutt, Wairarapa, and Wellington City which also includes the more localised connectivity of east-west connection of communities across the rail corridor. It contributes to a resilient future by replacing end-of-life infrastructure with modern, climate- and hazard-resilient assets that support long-term network performance and economic activity.</p>                                                                                                                                                                                                                                                                                                 |
| Greater Wellington Regional Council Long Term Plan | <p>The LTP sets out the levels of services required from Metlink public transport infrastructure:</p> <ul style="list-style-type: none"> <li>♦ Provide a consistent and high-quality customer experience across the public transport network.</li> <li>♦ Promote and encourage people to move from private vehicles to public transport.</li> <li>♦ Provide fit-for-purpose vehicles, infrastructure and services to continually deliver a high-quality core network that meets ongoing demand.</li> <li>♦ Gross emissions for Metlink's public transport fleet will be minimised, reducing the offsets and amount of insetting required to reach net carbon neutrality.</li> <li>♦ Reduction of accidental death and serious injury on the public transport network and prioritisation of safety and maintenance on the Public Transport network to encourage safe behaviours</li> </ul>                                                                                                    | <p>The Project will deliver benefits that align with the LTP:</p> <ul style="list-style-type: none"> <li>♦ Redevelopment will likely provide a modern, accessible, and safe station environment that enhances comfort, wayfinding, and overall passenger satisfaction across the Metlink network.</li> <li>♦ By improving connectivity, integrating bus, rail, cycling, and walking facilities, and supporting TOD, the Project could encourage more people to choose public transport over private cars.</li> <li>♦ Upgrading aging assets will ensure the station meets current and future demand, while reducing maintenance costs and improving operational efficiency.</li> <li>♦ The Project will enable greater public transport use, reducing emissions from private vehicles,</li> <li>♦ The redevelopment will address current safety risks, improve accessibility and reduce long-term maintenance requirements.</li> </ul> |

| Relevant document                                   | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| Wellington Regional Land Transport Plan             | <p>The RLTP is a statutory document developed by the Regional Transport Committee under the Land Transport Management Act 2003, updated every six years. It sets out the strategic direction for land transport in the Wellington region over a 30-year horizon, with a focus on delivering a connected, safe, accessible, and liveable region.</p> <p><b>Vision:</b></p> <p>A connected region where people and goods move efficiently, sustainably, and reliably.</p> <p><b>Strategic Objectives:</b></p> <ul style="list-style-type: none"> <li>♦ Affordable and equitable travel choices.</li> <li>♦ Integration of transport and land use to support compact urban form.</li> <li>♦ Safety and resilience across the network.</li> <li>♦ Environmental sustainability.</li> <li>♦ Reliable and connected journeys.</li> </ul> <p><b>Investment Priorities:</b></p> <ul style="list-style-type: none"> <li>♦ Rail and public transport capacity expansion.</li> <li>♦ Mode shift to active and public transport.</li> <li>♦ Improved access to key destinations (e.g., ports, hospitals).</li> <li>♦ Safety upgrades at high-risk locations.</li> <li>♦ Strengthening transport lifelines and redundancy</li> </ul> | <p>The following alignment with the RLTP will be achieved through the Project:</p> <ul style="list-style-type: none"> <li>♦ <b>Mode Shift Enablement:</b> Redevelopment enhances intermodal connectivity (rail, bus, cycling, walking), supporting the RLTP's target of a 40% increase in public and active transport mode share.</li> <li>♦ <b>Rail Network Investment:</b> Reinforces RLTP's commitment to building capacity and reliability in the regional rail system.</li> <li>♦ <b>Urban Integration:</b> Supports compact urban form and liveable places by enabling transit-oriented development in Lower Hutt.</li> <li>♦ <b>Resilience and Redundancy:</b> Upgrades a critical transport hub, contributing to system resilience and redundancy in line with RLTP objectives.</li> <li>♦ <b>Climate and Equity Outcomes:</b> Advances low-emissions transport and equitable access, consistent with the RLTP's wellbeing economy lens.</li> </ul> |
| Wellington Regional Public Transport Plan 2025–2035 | <p>The RPTP is a statutory document developed by Greater Wellington Regional Council (GWRC) under the Land Transport Management Act 2003. It sets the strategic direction for public transport in the Wellington region over the next decade, with a particular focus on the three-year operational cycle.</p> <p><b>Vision</b></p> <ul style="list-style-type: none"> <li>♦ To deliver an efficient, accessible, affordable, and low-carbon public transport network that supports regional growth, equity, and sustainability.</li> </ul> <p><b>Strategic Focus Areas</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Waterloo is identified as the region's first TOD to be delivered by 2030, supporting the RPTP's goal of integrating land use and transport planning, including:</p> <ul style="list-style-type: none"> <li>♦ <b>Travel Choice and Mode Shift:</b> The Project supports this by improving bus–rail integration, reducing interchange friction, and prioritising walking and cycling access. These improvements reduce perceived journey costs and support increased patronage across the Hutt Valley, contributing directly to mode-shift objectives.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                          |

| Relevant document                | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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|                                  | <ul style="list-style-type: none"> <li>♦ <b>Decarbonisation of the Fleet</b> <ul style="list-style-type: none"> <li>Target: Reduce public transport emissions to 16,300 tonnes CO<sub>2</sub>/year by 2030.</li> </ul> </li> <li>♦ <b>Travel Choice and Mode Shift</b> <ul style="list-style-type: none"> <li>Target: Increase annual boardings to 75.4 per capita by 2030.</li> <li>Actions: Improve access outside Wellington City, promote multimodal journeys, integrate services into urban design.</li> </ul> </li> <li>♦ <b>Passenger Experience</b> <ul style="list-style-type: none"> <li>Target: Maintain &gt;92% satisfaction; reduce serious injuries by 40% by 2030.</li> <li>Actions: RTI system upgrade, integrated fares, improved shelters and accessibility.</li> </ul> </li> <li>♦ <b>Access for Transport-Disadvantaged</b> <ul style="list-style-type: none"> <li>Target: Increase access within 5–10 min walk of frequent service; increase accessible concession boardings to ≥4%.</li> </ul> </li> <li>♦ <b>Efficient Land Use and Urban Development</b> <ul style="list-style-type: none"> <li>Target: 50% increase in Rapid Transit Bus Corridors by 2035; first Transit-Oriented Development (TOD) delivered by 2030</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>♦ <b>Passenger Experience:</b> The Project addresses this by replacing end-of-life assets, improving safety and accessibility, and delivering upgraded shelters, lighting, wayfinding and amenities. CPTED-aligned design improves both actual and perceived safety, supporting higher satisfaction and safer use across the day.</li> <li>♦ <b>Access for Transport-Disadvantaged Users:</b> The redevelopment delivers step-free, universally accessible connections between all modes and improves access from surrounding streets and neighbourhoods to frequent services. As a major interchange, improvements at Waterloo materially support the RPTP's objectives for improved access and increased accessible boardings.</li> <li>♦ <b>Efficient Land Use and Urban Development:</b> The Project supports this objective by reconfiguring an under-utilised, car-dominated site, improving connectivity and public realm quality, and creating the conditions for future intensification aligned with high-frequency public transport.</li> <li>♦ <b>Decarbonisation:</b> While fleet decarbonisation sits outside the Project's scope, the redevelopment supports emissions reduction by enabling mode shift and supporting development in locations well served by rapid transit, contributing to reduced vehicle kilometres travelled over time.</li> </ul> |
| <b>Regional Growth Framework</b> | <p>The 2021 Wellington Regional Growth Framework (RGF), a spatial plan developed by central government, local government, and iwi stakeholders, and governed by the WRLC, projects the region will need to accommodate 200,000 more people (35% increase) and 100,000 new jobs over 30 years, with most growth along primary rail corridors north of Wellington to Masterton and Levin.</p> <p>Key challenges identified in the RGF include:</p> <ul style="list-style-type: none"> <li>♦ Insufficient and unaffordable housing supply and choice</li> <li>♦ Vulnerability to natural hazards and climate change</li> <li>♦ Inequitable access to social, educational, and economic opportunities</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>The RGF prioritises intensification around rapid transit, integrated transport and land use, and resilient infrastructure. The Project directly supports these objectives:</p> <ul style="list-style-type: none"> <li>♦ <b>Enable Compact Urban Form:</b> The project could facilitate higher-density housing and mixed-use development around a transit hub, aligning with the RGF's goal to avoid sprawl and create "10–20 minute neighbourhoods."</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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|                   | <ul style="list-style-type: none"> <li>♦ Poor access to affordable housing for mana whenua and Māori</li> </ul> <p>Key feature of the Spatial Plan:</p> <p><b>1. Urban Form:</b></p> <ul style="list-style-type: none"> <li>♦ Focus growth along major corridors Wellington–Levin, Wellington–Masterton)</li> <li>♦ Intensify and redevelop urban areas near rapid transit for higher-density housing (brownfield) and establish new, medium-density fringe communities (greenfield) to avoid sprawl, creating “10–20 minute neighbourhoods”</li> <li>♦ Concentrate housing, jobs, and services in key centres and nodes.</li> <li>♦ Support iwi and Māori aspirations, including marae-based and papakāinga housing.</li> </ul> <p><b>2. Transport:</b></p> <ul style="list-style-type: none"> <li>♦ Invest in a multi-modal system (walking, cycling, buses, trains), with rapid transit (rail) as the backbone and intensification around stations.</li> <li>♦ Upgrade the rail network (frequency, double-tracking, station access), improve public transport capacity and connectivity (including new stations and extended commuter rail), and enhance west–east multi-modal access and resilience.</li> <li>♦ Adopts mode shift targets for more public/active transport, lower emissions, and improved safety from the WRLTP.</li> </ul> <p><b>3. Blue-green Network:</b></p> <p>Protect and enhance rivers, parks, and ecological corridors for biodiversity and climate resilience, and use water-sensitive urban design in new developments.</p> <p><b>4. Spatial Plan Constraints:</b></p> <p>Direct growth away from areas at risk of earthquakes, flooding, and sea-level rise; protect highly productive soils; manage culturally, environmentally, or hazard-significant areas (Wāhi Toitū and Wāhi Toiora); and plan for major upgrades to water, wastewater, and stormwater systems to support growth.</p> | <ul style="list-style-type: none"> <li>♦ <b>Integrate Transport and Land Use:</b> Delivering the station as a TOD, will anchor urban intensification and support coordinated planning between housing, transport, and services.</li> <li>♦ <b>Support Mode Shift and Emissions Reduction:</b> Enhanced rail capacity and multimodal connectivity will encourage a shift from private vehicles to public and active transport, contributing to the RGF’s climate and sustainability targets.</li> <li>♦ <b>Build Resilience to Natural Hazards:</b> Incorporating seismic strengthening, aquifer protection, and flood resilience measures addresses the RGF’s requirement to manage natural hazard risks and climate impacts.</li> <li>♦ <b>Advance Equity:</b> Improved accessibility and integration with the surrounding community will enhance access to jobs, education, and services, supporting equitable outcomes.</li> </ul> |

| Relevant document                                                           | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| Wellington Regional Rail Strategic Direction 2020                           | <p>The Wellington Regional Rail Strategic Direction 2020 provides Greater Wellington Regional Council's long-term strategic for Wellington's regional rail network for the next 30 years.</p> <p><b>Vision:</b></p> <p>To deliver safe, customer-focused, and efficient rail passenger and freight services, supported by infrastructure that promotes:</p> <ul style="list-style-type: none"> <li>♦ Economic development</li> <li>♦ Social wellbeing</li> <li>♦ Environmental and social sustainability</li> <li>♦ Resilience</li> </ul> <p><b>Improvements:</b></p> <ul style="list-style-type: none"> <li>♦ Upgrade network infrastructure, purchase more/larger trains, and replace aging rolling stock to enable more frequent, higher-capacity services (both peak and off-peak), including long-distance routes.</li> <li>♦ Upgrade signalling systems, improve operational processes, and implement a level crossing safety programme to reduce disruptions, cancellations, and safety risks.</li> <li>♦ Improve station facilities, accessibility, and shelter to make waiting at stations more comfortable, pleasant, and productive for users</li> <li>♦ Remove single-track bottlenecks, upgrade traction power supply, and expand the electric fleet to meet future demand and support mode shift and emissions reduction targets.</li> </ul> | <p>The strategy emphasises modernising infrastructure, improving reliability, and enabling mode shift through capacity upgrades and better customer experience. The Project is a key enabler of these outcomes:</p> <ul style="list-style-type: none"> <li>♦ <b>Improved Station Facilities and Accessibility:</b> The Project has the opportunity to deliver a modern, accessible, and customer-friendly station environment, directly addressing the strategy's goal of enhancing passenger experience.</li> <li>♦ <b>Support for Increased Capacity:</b> Upgrading Waterloo could accommodate higher-frequency and capacity services and future patronage growth, aligning with the strategy's focus on enabling more frequent, higher-capacity rail operations.</li> <li>♦ <b>Resilience and Reliability:</b> Modern design, seismic strengthening, and integration with upgraded signalling and operational systems will reduce disruptions and improve network reliability.</li> <li>♦ <b>Environmental Sustainability:</b> By encouraging mode shift from private vehicles to rail, the project supports emissions reduction targets and the strategy's commitment to sustainable transport.</li> </ul> |
| Wairarapa-Wellington-Horowhenua Future Development Strategy (FDS) 2024-2054 | <p>The Future Development Strategy is the WRLC's 30-year regional vision for growth, urban development, and infrastructure across the Wairarapa, Wellington, and Horowhenua regions. Its core aim is to ensure sustainable, resilient, and inclusive growth that meets the needs of current and future generations, guided by Te Tiriti o Waitangi and the aspirations of mana whenua (local iwi and hapū).</p> <p><b>Strategic Direction:</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Waterloo is identified as a Priority Development Area for the next 30 years. The strategy aims to transform Waterloo from primarily a peak-time commuter corridor into a vibrant destination for employment and essential services. This will create a new urban hub that stimulates the local economy and supports both housing development and intensification.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

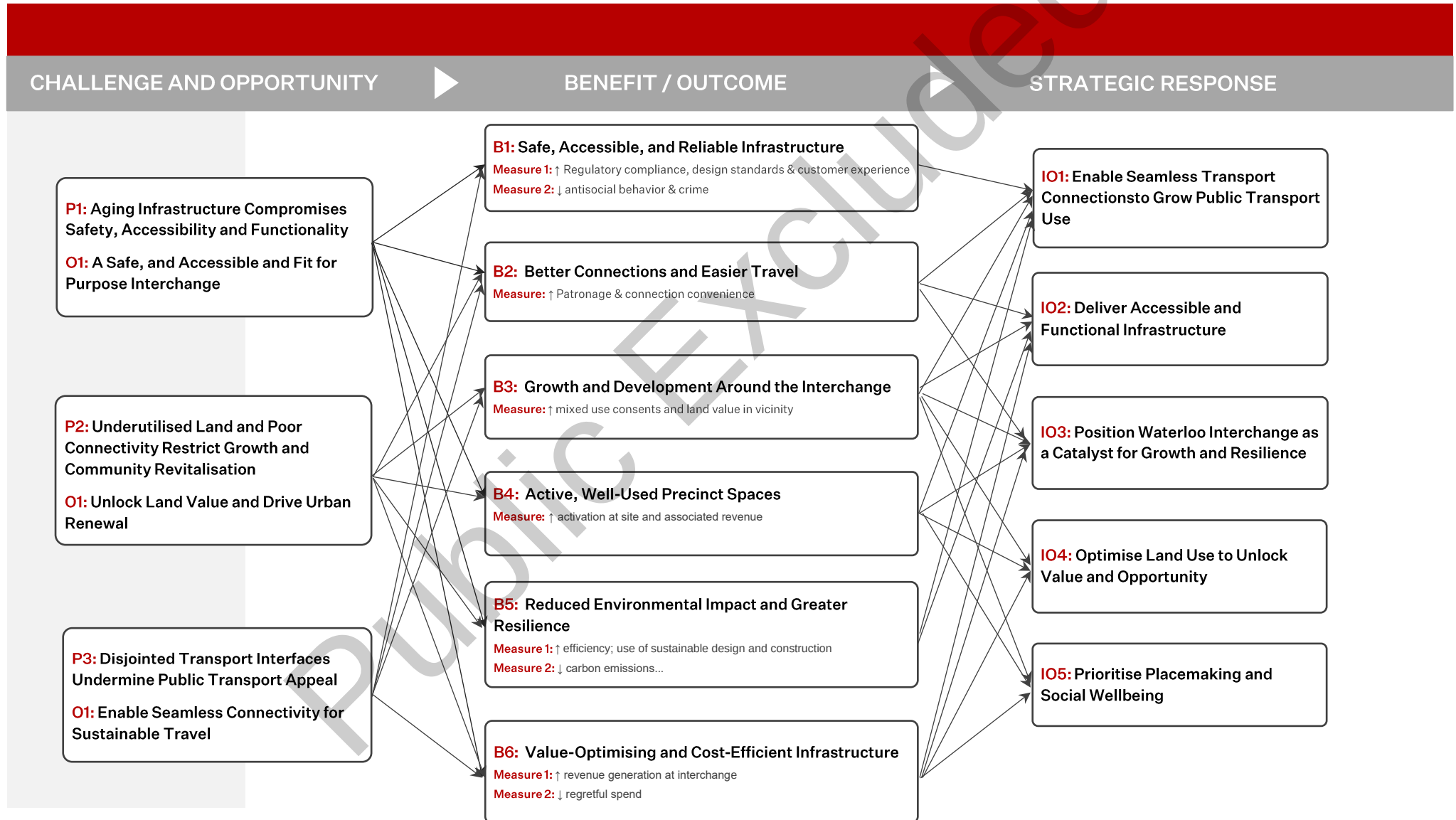


| Relevant document                                                          | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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|                                                                            | <ul style="list-style-type: none"> <li>Ensuring urban development and infrastructure planning is integrated to create thriving communities.</li> <li>Providing for affordable housing that meets our needs, and for compact well-designed towns and cities.</li> <li>Realising iwi and hapū values and aspirations.</li> <li>Planning development for a low-emissions future.</li> <li>Prioritising nature, climate, and culture through protection and restoration.</li> <li>Providing opportunity for productive and sustainable local employment.</li> </ul>                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Metlink Accessibility Action Plan</b>                                   | <p>The plan is Metlink's roadmap to make the public transport network accessible for all, with ease and dignity, between 2021 and 2031. The plan identifies and ranks 16 possible actions, with the top priorities including:</p> <ul style="list-style-type: none"> <li>Accessibility training for all staff.</li> <li>Accessible station and bus stop improvement programs.</li> <li>Usability and accessibility improvements for web and app.</li> <li>On-demand or community transport services.</li> <li>Awareness campaigns for invisible disabilities.</li> <li>Vehicle accessibility improvements.</li> <li>Increased in-person support.</li> <li>Technology aids for accessibility.</li> <li>Improvements to ferry and wharves.</li> <li>Fully accessible public transport corridors.</li> </ul> | <p>The Project will help ensure that:</p> <ul style="list-style-type: none"> <li>Waterloo meets best-practice accessibility standards.</li> <li>All users experience a seamless and inclusive journey.</li> <li>The station supports integrated, future-ready transport and urban development.</li> <li>Universal access is enabled across all modes and facilities, underpinning TOD and catchment growth.</li> <li>Ongoing engagement with the disability community is embedded in project delivery.</li> </ul> |
| <b>GWRC Climate Emergency Action Plan &amp; Carbon Neutrality Strategy</b> | <p>GWRC declared a climate emergency in 2019 and committed to becoming carbon neutral by 2030. The action plans aim to embed emissions reduction targets in key programmes and develop a regional carbon neutrality plan. Rail is identified as a key method to reduce transport-related emissions, which accounted for ~30% of the region's greenhouse gas profile in 2014–15.</p>                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>The Project supports regional sustainability by enabling mode shift to low-emissions transport. It aligns with RLTP and GWRC targets for carbon reduction and contributes to Net Zero NZ 2050 goals.</p>                                                                                                                                                                                                                                                                                                       |

| Relevant document                                       | Description / summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Alignment with the Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| Lower Hutt Spatial Plan (2025 - 2055)                   | <p>The Lower Hutt Spatial Plan 2025–2055 is a long-term, integrated planning framework that sets out how Lower Hutt’s urban environment will develop over the next 30 years. The Spatial Plan provides place-based, spatial direction to coordinate land use, transport, three-waters infrastructure, community facilities, parks and open spaces, climate adaptation, and economic development within a single, coherent framework. It replaces the Urban Growth Strategy 2012–2032 and is intended to guide investment and sequencing decisions by HCC, central government, and delivery partners over the long term.</p> <p>The Spatial Plan responds to projections that Lower Hutt could accommodate approximately 40,000 additional residents over the next 30 years, and recognises that this growth cannot be absorbed through business-as-usual development patterns. Instead, it promotes a more compact urban form, targeted intensification in locations with existing infrastructure capacity and strong public transport accessibility, and coordinated upgrades to transport and services to support growth in a resilient and efficient manner.</p> <p>A core function of the Spatial Plan is to bring together and spatially align existing strategies and plans, including the Long Term Plan, Infrastructure Strategy, Integrated Transport Strategy, Housing and Business Capacity Assessment, Three Waters Growth Study, Climate Action Pathway, and the proposed District Plan. By weaving these documents into a single spatial narrative, the Plan identifies where growth should occur, what infrastructure and services are required to support it, and where intervention is needed to address existing deficits or barriers within the urban environment.</p> <p>The Spatial Plan establishes a set of outcomes focused on thriving local centres, compact and well-connected neighbourhoods, diverse housing supply, improved transport choice, and well-functioning economic precincts, while also recognising the importance of environmental protection, climate resilience, and Mana Whenua values. It explicitly acknowledges that achieving these outcomes will require targeted infrastructure upgrades and interventions in strategic locations, rather than uniform investment across the city.</p> | <p>The Project is closely aligned with the Lower Hutt Spatial Plan’s role as a delivery-enabling framework for compact growth and improved connectivity. The Spatial Plan identifies the Valley Floor—particularly central and northern areas—as a priority location for accommodating growth due to its access to public transport, existing infrastructure networks, and proximity to employment and services. Within this context, Waterloo is recognised as a strategically important interchange and urban node, where transport investment can support broader land-use and place-based outcomes.</p> <p>By upgrading a critical public transport interchange and addressing long-standing connectivity and amenity constraints, the Project directly supports the Spatial Plan’s objectives to:</p> <ul style="list-style-type: none"> <li>enable higher-density development in locations with strong public transport accessibility,</li> <li>improve east–west connectivity across the Valley Floor,</li> <li>strengthen local centres and mixed-use nodes, and</li> <li>address infrastructure-related barriers that currently suppress urban revitalisation.</li> </ul> <p>The Project also aligns with the Spatial Plan’s emphasis on sequencing and integration. Rather than treating transport investment as a standalone intervention, the Project contributes to the Spatial Plan’s integrated approach by improving the performance, resilience, and legibility of a key interchange that underpins future housing and employment growth identified in Council’s spatial planning. In doing so, it helps create the conditions necessary for subsequent land-use change and private-sector investment to occur in a coordinated and efficient manner, consistent with the Spatial Plan’s long-term growth strategy.</p> |
| Rautaki Whakatipu Sustainable Growth Strategy 2025-2055 | <p>Hutt City Council’s Rautaki Whakatipu Sustainable Growth Strategy is a 30-year spatial and growth framework that guides how Lower Hutt will accommodate population and economic growth in a coordinated, sustainable, and resilient way. The Strategy responds to projections that Lower Hutt could accommodate up to 40,000 additional residents over the next 30 years,</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>The Project is strongly aligned with Rautaki Whakatipu by directly supporting the Strategy’s objectives to focus growth around high-quality public transport, strengthen transport options, and enable intensification in the central and northern Valley Floor. By upgrading a strategically</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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|                   | <p>and seeks to ensure that housing, employment, transport, infrastructure, and environmental outcomes are planned together rather than in isolation. It integrates and aligns direction across Council's Long-Term Plan, proposed District Plan, transport strategies, and infrastructure programmes, and is intended to inform investment decisions by Council, central government, and the private sector.</p> <p>A central theme of Rautaki Whakatipu is focused urban growth, particularly within the Valley Floor, where access to public transport, existing infrastructure capacity, and proximity to employment and services provide the greatest opportunity to accommodate growth efficiently. The Strategy explicitly promotes building up the central and northern Valley Floor, strengthening transport options, and cultivating well-connected economic precincts.</p> <p>It recognises that enabling higher-density housing and mixed-use development in locations with strong public transport accessibility is critical to managing growth while limiting urban sprawl, reducing transport emissions, and supporting more liveable neighbourhoods.</p> <p>Within this framework, Waterloo is identified as a strategic public transport interchange and a key node for mixed-use development. The Strategy recognises the interchange's access to rail and frequent public transport services as a significant driver of future growth, with the potential to support higher-density residential development, employment activities, and local services. Rautaki Whakatipu also emphasises the importance of improving east-west connectivity across the Valley Floor and addressing physical and psychological barriers created by transport infrastructure, to better integrate neighbourhoods and support community revitalisation.</p> | <p>important interchange, improving passenger experience and accessibility, and addressing poor connectivity across the rail corridor, the Project helps unlock the role of Waterloo as a functional and legible centre rather than a standalone transport node.</p> <p>The Project also supports the Strategy's emphasis on enabling higher-density housing and employment growth in locations with strong public transport accessibility, by improving the performance and resilience of a critical interchange identified for growth.</p> <p>While Rautaki Whakatipu acknowledges that achieving TOD is dependent on market conditions and delivery over time, the Project represents a foundational intervention that improves connectivity, amenity, and confidence, creating conditions more conducive to future development and investment consistent with the Strategy's long-term vision.</p> |

## Appendix B: Investment Logic Map



## Appendix C: Risk Approach and Detailed Qualitative Risk Analysis

### GWRC Risk Assessment Framework

GWRC applies a consistent, organisation-wide risk assessment framework to identify, assess, and manage risks across its activities. The framework establishes GWRC's risk appetite across key sources of risk and provides standardised likelihood and consequence assessment criteria to support consistent risk evaluation and decision-making.

Risk appetite settings articulate the degree of tolerance GWRC has for different categories of risk, including health and safety, environmental damage, service continuity, regulatory compliance, and reputation. Likelihood is assessed based on the probability of a consequence occurring within a ten-year assessment horizon, while consequence levels are defined by the severity of impacts on operational capability, health and safety outcomes, and environmental effects.

The tables below set out the applicable risk appetite definitions, likelihood assessment levels, and consequence assessment criteria that form the basis of GWRC's standard risk management approach.

### Risk Appetite Definitions

The table below defines GWRC's risk appetite across key sources of risk and indicates the level of tolerance applied to each category for the purposes of risk assessment and management.

| Source of risk                           | Risk Appetite |          |          |
|------------------------------------------|---------------|----------|----------|
|                                          | Adverse       | Balanced | Tolerant |
| Loss, failure or damage to assets        |               | X        |          |
| Services being severely curtailed        |               | X        |          |
| Health & safety to staff and contractors | X             |          |          |
| Physical harm to the general public      | X             |          |          |
| Financial, macroeconomic risk            |               | X        |          |
| Subsidiary companies and Trusts          |               | X        |          |
| Legislative and regulatory               | X             |          |          |
| Political and reputation                 |               | X        |          |



| Source of risk       | Risk Appetite |
|----------------------|---------------|
| Projects             | X             |
| Environmental damage | X             |
| Human Resource       | X             |

## Likelihood Assessment Levels

This table defines the likelihood assessment levels used to estimate the probability of a consequence occurring within a 10-year period.

| Assessment Level      | Description                                                                                                                                                                                                                                                                                                                                                 | Value |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Almost / near certain | Likelihood of a Consequence occurring from an event within a 10-year period may be credibly regarded as a 'real possibility' i.e. the probability of occurrence is greater than non-occurrence.<br>Expected to occur at least once within a 10-year period, i.e. a 1 in 10-year event.                                                                      | 95    |
| Likely                | Likelihood of a Consequence occurring from an event within a 10 year period may be credibly regarded as a 'real possibility' i.e. the probability of occurrence is similar to non-occurrence.<br>There is a 50% probability of occurrence within a 10-year period, i.e. between a 1 in 10 and 1 in 20 year event.                                           | 35    |
| Unlikely              | Likelihood of a Consequence occurring from an event within a 10-year period would be considered as having some potential to occur. i.e. a reasonable probability of occurrence over time, but less than the probability of non- occurrence. Chance of occurrence is less than 50% within a 10-year period, i.e. between a 1 in 20 and a 1 in 50 year event. | 12    |
| Highly Unlikely       | Likelihood of a Consequence occurring from an event whilst possible within a 10-year period would be regarded by most people as unlikely i.e. the probability of non-occurrence is somewhat larger than occurrence. Has less than 10% chance of occurrence within a 10-year period i.e. between a 1 in 50 and 1 in 100 year event.                          | 5     |
| Rare                  | The Likelihood of a Consequence occurring from an event is not expected within a 10-year period. Occurrence of the event would probably be regarded as unusual. (The probability of occurrence is quite small). Has less than 1% chance of occurrence in a 10-year period., i.e. a 1 in 100 year event                                                      | 2     |

## Consequence Assessment Criteria

These consequence assessment criteria define the scale of impact used to evaluate risks across operational capability, health and safety, and environmental outcomes. Consequence levels range from Minor to Extreme and reflect increasing severity of impact on service delivery, people, stakeholders, and the environment.

| Assessment Level                         | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Value |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>Operational Capacity</b>              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       |
| <b>Level 5 (Diversion &gt;12 months)</b> | Event results in management diversion from strategic objectives for a period of > 12 months and/or delivery of LTP outcomes across work area significantly affected for greater than six months.<br>Critically detrimental effects on stakeholders.<br>Long term loss of capability (>12 months) and/or severe staff morale problems may likely arise leading to loss of a significant number of key senior staff, impacting on skills, knowledge and expertise.                                                                                      | 85    |
| <b>Level 4 (Diversion&gt;6 months)</b>   | Event results in management diversion from strategic objectives for a period of > 6 months and/or delivery of LTP outcomes across work area significantly affected for up to six months.<br>Moderate detrimental effects on stakeholders.<br>Event results in loss of operational capability for up to 2 months and/or major morale or other organisational problems affecting performance and productivity may arise and could lead to loss of key staff within two or more areas of council, resulting in skills, knowledge and expertise deficits. | 35    |
| <b>Level 3 (Diversion&gt;2 months)</b>   | Event results in management diversion from strategic objectives for a period > 2 months and/or delivery of LTP outcomes across work area significantly affected for up to one month.<br>Minor detrimental effects on stakeholders and/or major morale or other organisational problems affecting performance and productivity may arise and could lead to loss of key staff skills, within one area of council, resulting in skills, knowledge and expertise deficits within this area of council.                                                    | 12    |
| <b>Level 2 (Managed)</b>                 | Event reduces efficiency or effectiveness of service. Managed internally with no or limited diversion from strategic objectives and/or<br>Moderate staff morale problems resulting in some staff resignations but managed through minor restructuring. occurrence. Has less than 10% chance of occurrence within a 10-year period i.e. between a 1 in 50 and 1 in 100 year event.                                                                                                                                                                     | 7     |
| <b>Level 1 (Minor)</b>                   | Event causes minor disruption felt by limited small group of stakeholders and/or<br>Minor staff morale impact resulting in minor dissention but managed over a short period of time.                                                                                                                                                                                                                                                                                                                                                                  | 3     |
| <b>Consequence – Health and Safety</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       |
| <b>Level 5 (Extreme)</b>                 | Extremely harmful - Multiple fatalities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 85    |
| <b>Level 4 (Major)</b>                   | Very harmful - Single fatality and /or multiple severe injuries/disabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 35    |
| <b>Level 3 (Significant)</b>             | Harmful - Serious injury and/or permanent disability. Lost time injury > 1 week                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 12    |
| <b>Level 2 (Moderate)</b>                | Slightly harmful – Medical aid required. Lost time injury < 1 week                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 7     |
| <b>Level 1 (Minor)</b>                   | No harm foreseen. First aid injury but no or minimal medical treatment required 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 3     |

| Assessment Level                    | Description                                                                                                                                           | Value |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| No impact                           | No injury or health & safety impact                                                                                                                   | 0     |
| <b>Consequences – Environmental</b> |                                                                                                                                                       |       |
| Level 5 (Extreme)                   | Serious damage to the environment of national importance, and/or with prosecution certain, and/or effects not able to be fully mitigated.             | 85    |
| Level 4 (Major)                     | Serious damage to the environment of national importance, and/or with prosecution expected, and/or effects able to be fully mitigated within 5 years. | 35    |
| Level 3 (Significant)               | Serious damage to the environment of local importance, and/or with prosecution probable, and/or effects able to be fully mitigated within 1 year.     | 12    |
| Level 2 (Moderate)                  | Material damage to the environment of local importance, and/or with prosecution possible, and/or effects able to be fully mitigated within 3 months.  | 7     |

## Treatment of risks

This table describes how inherent and residual risk ratings are interpreted and managed.

| Inherent (Before Controls) |                                                                                        | Residual (After Controls)                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1000+<br>Very High         | Risks without controls should be treated immediately                                   | Further treatment must be considered immediately. If the level of opportunity presented is not significant, consider ceasing operations that creates this risk exposure or a revised strategy to increase the opportunity. Not acceptable in terms of the Councils risk appetite.                                                                                                    |
| 300 - 999<br>High          | Risks without controls must be treated immediately.                                    | Further risk treatment should be considered. The level of risk is acceptable if the cost of treatment outweighs the benefits that the treatment would deliver. In terms of the Councils risk appetite this would only be acceptable Tolerant risk sources and Balanced risk sources but only after all treatment options are exhausted. It is not acceptable to adverse risk sources |
| 100 - 299<br>Medium        | Risk is acceptable, provided that the risk is managed as low as reasonably practicable | Risk is acceptable, provided that the risk is managed as low as reasonably practicable. In terms of the Councils risk appetite this would be acceptable for Balanced risk sources but not adverse risk sources unless all risk treatments options have been exhausted.                                                                                                               |

|                            | Inherent (Before Controls)                                                                                                  | Residual (After Controls)                                                                                                                                                                                                           |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>&lt; 100</p> <p>Low</p> | <p>Risk is generally acceptable treatment is only warranted if cost of treatment is low with tangible, certain benefits</p> | <p>Risk is generally acceptable treatment is only warranted if cost of treatment is low with tangible, certain benefits. In terms of the Councils risk appetite this would be acceptable for Balanced and Adverse risk sources.</p> |

## Application of GWRC Risk Assessment Framework to the Waterloo Project

GWRC's base risk assessment framework is designed to support organisational-level risk management and long-term planning, with likelihood defined over a ten-year assessment horizon and consequences framed around sustained impacts to strategic objectives, operational capability, and long-term service delivery. This approach is appropriate for enterprise-wide risk oversight and LTP considerations.

For the purposes of this IBC, however, direct application of a ten-year likelihood horizon and organisational consequence definitions would not provide a meaningful or proportionate assessment of project-specific risks. The project is time-bound, with defined design, consenting, and construction phases, and the primary risk exposure arises within those delivery timeframes rather than over an extended organisational planning horizon. Applying a long-term likelihood lens would therefore tend to skew risk ratings upward and reduce their usefulness for project decision-making and option comparison.

Accordingly, this business case adopts an approach that aligns with the intent and structure of the GWRC risk assessment framework, while applying it at a scale and timeframe that is commensurate with the Project.

### Project-Specific Risk Assessment Approach

For this IBC:

- Likelihood has been assessed based on the probability of a risk event occurring within the Project lifecycle (design, consenting, and construction), rather than over a ten-year organisational horizon.
- Consequence has been assessed with reference to the project-level impacts on safety, environment, service continuity, cost, programme, and reputation, while remaining conceptually consistent with GWRC's consequence categories.
- Risk scoring, terminology, and escalation logic remain aligned with the underlying GWRC framework to ensure consistency, transparency, and comparability across options.

This calibrated approach provides a more accurate reflection of the risks relevant to the Waterloo Project, supports robust option evaluation, and ensures that risk ratings are proportionate, decision-useful, and aligned with the project's defined scope and timeframe, while remaining consistent with GWRC's broader risk management principles.

## Qualitative Risk Assessment

| Risk ID        | Risk Description                                                                                                                                                                                                                                                                                                                                          | Source of Risk and Risk Appetite                | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Residual Risk Rating (Lx C) |                 |                    |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------|--------------------|
|                |                                                                                                                                                                                                                                                                                                                                                           |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | L                           | C               | Rating             |
| Strategic Case |                                                                                                                                                                                                                                                                                                                                                           |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                             |                 |                    |
| S1             | IF central government reforms result in a change to public transport governance, ownership and /or strategic management, THEN governance certainty and decision-making authority may reduce, slowing approvals and delivery sequencing. This may delay critical infrastructure elements that must still be delivered worsening user and network outcomes. | Loss, failure or damage to assets –<br>Balanced | <ul style="list-style-type: none"><li>Track emerging details and decision points in relation to central government reforms.</li><li>Maintain interim governance and decision-rights arrangements pending clarity on future ownership or agency roles.</li><li>Active engagement with central government and key funders to maintain confidence and test reform scenarios.</li><li>Stage approvals and delivery to minimise rework if governance or responsibilities change.</li><li>Stress-test funding assumptions and retain contingency options for phasing, scope, or funding profile changes.</li></ul> | Likely<br>(35)              | Level 3<br>(12) | High Risk<br>(420) |
| S2             | IF national government policy, transport, housing or urban development priorities, or GWRC internal priorities shift, THEN strategic alignment and funding support may weaken, causing delays and a re-scoping of the programme to core transport infrastructure only, with transit-oriented                                                              | Loss, failure or damage to assets –<br>Balanced | <ul style="list-style-type: none"><li>Periodic horizon scanning to identify emerging changes in government policy, transport priorities, and funding settings.</li><li>Maintain a strong strategic case for the Project that is able to transcend political cycles.</li><li>Focus on alignment with long-term statutory, legislative, and regional transport frameworks, rather than short-term or changeable government priorities.</li></ul>                                                                                                                                                               | Unlikely<br>(12)            | Level 2<br>(7)  | Low Risk<br>(144)  |



| Risk ID | Risk Description                                                                                                                                                                                                                                                                                                                               | Source of Risk and Risk Appetite                                                | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Residual Risk Rating (Lx C) |             |               |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------|---------------|
|         |                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | L                           | C           | Rating        |
|         | development and place-based elements deferred or removed.                                                                                                                                                                                                                                                                                      |                                                                                 | <ul style="list-style-type: none"> <li>Build flexibility into options and apply a staged approach, updating analysis where significant external changes occur.</li> <li>Continued engagement with central government and key funding agencies.</li> </ul>                                                                                                                                                                                                                                                                          |                             |             |               |
| S3      | IF GWRC selects the 'do minimum' option, THEN the required core infrastructure works will be deferred, delaying inevitable investment while assets continue to degrade, operational inefficiencies worsen, and the likelihood and consequences of asset or service failure increase.                                                           | Loss, failure or damage to assets/ Services being severely curtailed – Balanced | <ul style="list-style-type: none"> <li>Clearly articulate the case for change, including the risks, costs, and consequences of the do minimum option.</li> <li>Use robust evidence and analysis to demonstrate the long-term value and benefits of the preferred option.</li> <li>Engage early and regularly with investors and funding decision-makers to build understanding and support.</li> <li>Present a clear narrative linking the investment to strategic priorities, asset stewardship, and service outcomes.</li> </ul> | Highly Unlikely (5)         | Level 2 (7) | Low Risk (35) |
| S4      | IF negative media coverage, community opposition (e.g. loss of parking), or misconceptions about project objectives arise, THEN public and stakeholder confidence in the project may decline, increasing reputational risk and undermining private-sector interest, including the ability to attract or sustain joint-venture partnerships and | Political & Reputation – Balanced                                               | <ul style="list-style-type: none"> <li>Transparent communication and reporting on project objectives, impacts, and benefits.</li> <li>Early and ongoing engagement with communities and service users to identify concerns and address misconceptions.</li> <li>Implementation of a communications plan and engagement strategy.</li> <li>Clarity on investment priorities, longevity, and delivery timeframes to set realistic expectations and maintain confidence</li> </ul>                                                    | Unlikely (12)               | Level 2 (7) | Low Risk (84) |

| Risk ID | Risk Description                                                                                                                                                                                                                                                                                                                          | Source of Risk and Risk Appetite   | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Residual Risk Rating (Lx C) |              |               |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------|---------------|
|         |                                                                                                                                                                                                                                                                                                                                           |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | L                           | C            | Rating        |
|         | commercial delivery arrangements.                                                                                                                                                                                                                                                                                                         |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                             |              |               |
| S5      | IF the programme breaches planning, consenting, or environmental regulatory requirements, THEN GWRC may face legal and reputational consequences, delivery delays or work stoppages, increased scrutiny from regulators and oversight bodies, and erosion of public trust in the Project's governance and integrity.                      | Legislative & Regulatory – Adverse | <ul style="list-style-type: none"> <li>Thorough legal review and input throughout the programme lifecycle.</li> <li>Embed compliance officers within programme teams and governance structures.</li> <li>Identify and actively manage key legal risk areas, including obligations under relevant legislation. Include early engagement with HCC.</li> <li>Regular reviews against statutory and regulatory guidance to confirm ongoing compliance.</li> </ul>                                                                                                                            | Highly Unlikely (5)         | Level 3 (12) | Low Risk (60) |
| S6      | IF population, employment, or travel demand growth in the Wellington region is lower than projected, THEN the strategic case for the Project may be weakened, reducing the projected benefits, value-for-money case, and urgency of investment, and increasing the risk that scope, timing, or funding support is challenged or deferred. | Political & Reputation – Balanced  | <ul style="list-style-type: none"> <li>Apply conservative growth assumptions and sensitivity testing to demonstrate a robust strategic case under low-growth scenarios.</li> <li>Anchor the business case for core infrastructure on asset condition, resilience, safety, and operational performance rather than growth alone.</li> <li>Stage delivery so discretionary TOD elements can flex with demand while protecting the core infrastructure investment.</li> <li>Refresh growth and demand assumptions at key decision points before committing to subsequent phases.</li> </ul> | Unlikely (12)               | Level 2 (7)  | Low Risk (84) |

| Risk ID       | Risk Description                                                                                                                                                                                                                                                                                                        | Source of Risk and Risk Appetite    | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Residual Risk Rating (Lx C) |             |               |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------|---------------|
|               |                                                                                                                                                                                                                                                                                                                         |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | L                           | C           | Rating        |
| S7            | IF population, employment, or travel demand in the Wellington region grows faster than anticipated, THEN passenger volumes at Waterloo may exceed planned capacity sooner than expected, resulting in congestion, reduced service performance, and the need for earlier-than-planned upgrades or additional investment. | Political & Reputation – Balanced   | <ul style="list-style-type: none"> <li>Design the reference scheme to accommodate far-end capacity requirements (through to 2060), providing headroom for higher-than-forecast demand.</li> <li>Safeguard land, layout, and structural allowances to enable future expansion without major rework or service disruption.</li> <li>Stage delivery so additional capacity elements can be brought forward if growth accelerates.</li> <li>Regularly monitor growth and demand indicators to trigger timely capacity interventions.</li> </ul>                                                    | Unlikely (12)               | Level 2 (7) | Low Risk (84) |
| Economic Case |                                                                                                                                                                                                                                                                                                                         |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             |             |               |
| E1            | IF construction cost escalation, inflation, or volatile market conditions invalidate key cost, pricing, or procurement assumptions, THEN the economic case for the project may be weakened, with affordability pressures and reduced value-for-money.                                                                   | Financial, macroeconomic --Balanced | <ul style="list-style-type: none"> <li>Run sensitivity and scenario testing on key cost drivers and will update assumptions at each stage gate.</li> <li>Provide specific focus on the benefit/cost ratio ('BCR') and options to keep this above an acceptable threshold.</li> <li>Benchmark estimates against current market indices and will incorporate escalation allowances and contingencies that reflect the procurement strategy.</li> <li>Obtain independent quantity surveyor verification and will refresh cost estimates as the reference design and scope are refined.</li> </ul> | Unlikely (12)               | Level 2 (7) | Low Risk (84) |

| Risk ID | Risk Description                                                                                                                                                                                                                                                                                                                                                                                      | Source of Risk and Risk Appetite    | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Residual Risk Rating (L x C) |              |               |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|---------------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | L                            | C            | Rating        |
| E2      | IF post-completion patronage, travel behaviour, or demand patterns differ from forecasts (including peak/off-peak distribution, mode shift, or network redistribution), THEN the anticipated benefits of the project (including travel-time savings, safety improvements, vehicle operating cost reductions, farebox recovery, emissions reduction, and congestion relief) may not be fully realised. | Financial, macroeconomic --Balanced | <ul style="list-style-type: none"> <li>Use conservative, scenario-based demand modelling, including sensitivity testing for peak/off-peak demand and station-to-station redistribution.</li> <li>Present benefits as ranges rather than point estimates, clearly distinguishing network-wide benefits from site-specific outcomes.</li> <li>Define post-completion monitoring and evaluation measures to assess benefits realisation at a network level, including mode shift outcomes.</li> <li>Design the solution to be adaptable, allowing future operational or service changes to respond to observed demand patterns.</li> </ul> | Unlikely (12)                | Level 2 (7)  | Low Risk (84) |
| E3      | IF option appraisal doesn't fully capture non-monetised benefits (safety, accessibility, resilience, place-making) THEN preferred option may be distorted.                                                                                                                                                                                                                                            | Financial, macroeconomic-Balanced   | <ul style="list-style-type: none"> <li>Apply a structured benefits framework aligned to the project objectives which explicitly includes safety perception and accessibility outcomes.</li> <li>Undertake independent quality assurance of the benefits assessment and validate benefit assumptions with stakeholders during options workshops.</li> </ul>                                                                                                                                                                                                                                                                              | Highly Unlikely (5)          | Level 2 (7)  | Low Risk (35) |
| E4      | IF "Do Minimum" cost profile is underestimated (e.g., roof/underpass maintenance and renewals) THEN incremental case for investment is misstated.                                                                                                                                                                                                                                                     | Financial, macroeconomic-Balanced   | <ul style="list-style-type: none"> <li>Evidence asset condition and whole-of-life costs using engineering input and validated renewal assumptions.</li> <li>Document maintenance escalation assumptions and refresh them as more detailed condition and demolition sequencing information becomes available.</li> </ul>                                                                                                                                                                                                                                                                                                                 | Highly Unlikely (5)          | Level 3 (12) | Low Risk (60) |

| Risk ID | Risk Description                                                                                                                                                                                                                                                                                       | Source of Risk and Risk Appetite  | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Residual Risk Rating (L x C) |              |                 |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|-----------------|
|         |                                                                                                                                                                                                                                                                                                        |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | L                            | C            | Rating          |
| E5      | IF economic case assumptions rely on poor-quality/fragmented data (costs, benefits, cashflows) THEN early decisions may require rework and reduce credibility.                                                                                                                                         | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Implement a data quality plan and a source register that records inputs, owners, and confidence levels.</li> <li>Apply QA gates and independent review and document limitations and optimism bias adjustments transparently in the business case.</li> </ul>                                                                                                                                                                                                                                                                    | Highly Unlikely (5)          | Level 2 (7)  | Low Risk (35)   |
| E6      | IF disruption during construction reduces patronage materially and longer than assumed, THEN short/medium term benefits are negatively impacted.                                                                                                                                                       | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Stage construction to maintain minimum service levels, supported by clear wayfinding, temporary facilities, and proactive passenger communications throughout delivery.</li> <li>Embed “maintain patronage during works” as a key delivery requirement, with defined thresholds to trigger escalation and additional mitigations if impacts exceed assumptions.</li> <li>Monitor patronage trends at Waterloo relative to the wider network to distinguish local disruption effects from system-wide demand changes.</li> </ul> | Unlikely (12)                | Level 3 (12) | Medium Risk 144 |
| E7      | IF the introduction of parking demand management measures, including a discriminatory paid-parking policy at Waterloo results in passengers redistributing to other stations with free or lower-cost parking, THEN overall public transport patronage and farebox revenue may be retained at a network | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Test paid-parking scenarios using conservative elasticity assumptions, explicitly modelling station-to-station redistribution as well as mode shift.</li> <li>Monitor post-implementation behaviour at a network level, distinguishing redistribution within the PT system from true mode shift away from public transport.</li> <li>Treat parking and station-specific revenue impacts as sensitivity variables, with benefits assessed on a network-wide basis rather than attributed solely to Waterloo.</li> </ul>          | Unlikely (12)                | Level 2 (7)  | Low Risk (84)   |



| Risk ID        | Risk Description                                                                                                                                                                                                                                                                                | Source of Risk and Risk Appetite  | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Residual Risk Rating (L x C) |              |                   |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|-------------------|
|                |                                                                                                                                                                                                                                                                                                 |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | L                            | C            | Rating            |
|                | level but shift away from Waterloo, making it more difficult to attribute patronage-related benefits and revenue uplift directly to the Project. This may reduce the apparent performance of the project without indicating a loss of system-wide public transport outcomes.                    |                                   | <ul style="list-style-type: none"> <li>Align parking policy, pricing, and communications with wider asset and network strategy to reinforce system-wide outcomes rather than site-specific performance.</li> </ul>                                                                                                                                                                                                                                                                                                                                                             |                              |              |                   |
| E8             | IF bespoke station design features or non-standard elements are incorporated beyond proven operational norms, THEN long-term operating, maintenance, and renewal costs may be higher than assumed, undermining whole-of-life value-for-money and placing ongoing pressure on operating budgets. | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Apply whole-of-life cost assessment to design decisions, including maintenance, renewals, and operational impacts.</li> <li>Preference standardised, proven components where possible, with bespoke elements justified through a clear benefits case.</li> <li>Involve operations and asset management teams early in design development to test maintainability and operating impacts.</li> <li>Make ongoing Opex impacts explicit in the economic and financial cases, with sensitivity testing where uncertainty remains.</li> </ul> | Highly Unlikely (5)          | Level 3 (12) | Low Risk (60)     |
| Financial Case |                                                                                                                                                                                                                                                                                                 |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |              |                   |
| F1             | If internal GWRC priorities shift such that there is no funding headroom available for GWRC's contribution to the cost of works, then the project may be                                                                                                                                        | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Define and agree affordability thresholds early and reflect these in the LTP and internal capital programming.</li> <li>Maintain stage gates and off-ramps so that commitments are scaled in line with confirmed budget capacity.</li> </ul>                                                                                                                                                                                                                                                                                            | Unlikely (12)                | Level 3 (12) | Medium Risk (144) |

| Risk ID | Risk Description                                                                                                                                                                                                                                                                               | Source of Risk and Risk Appetite  | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Residual Risk Rating (Lx C) |             |               |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------|---------------|
|         |                                                                                                                                                                                                                                                                                                |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | L                           | C           | Rating        |
|         | delayed, down-scoped, or become unaffordable under the chosen delivery model.                                                                                                                                                                                                                  |                                   | <ul style="list-style-type: none"> <li>Keep alternative delivery and funding mechanisms under active review so that the project can be reconfigured if funding headroom changes.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |             |               |
| F2      | IF commercial or private-sector partners are unwilling to participate in the development components of the project (or require terms that GWRC cannot accept), THEN delivery models may be constrained and GWRC may need to deliver a greater share of the investment directly. <sup>104</sup> | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Undertake structured market sounding to test appetite and use market feedback to refine delivery models, scope boundaries, and risk allocation.</li> <li>Clearly separate delivery of the core station/interchange infrastructure from discretionary development components, allowing the transport investment to proceed independently.</li> <li>Frame private-sector participation as a value-signal rather than a funding dependency, with the economic case articulated on transport, resilience, and network outcomes regardless of partner involvement.</li> <li>Maintain flexible delivery and staging options so development components can be progressed later if market conditions or confidence improve.</li> </ul> | Unlikely (12)               | Level 2 (7) | Low Risk (84) |
| F3      | IF capex exceeds budget/contingency THEN funding gap causes scope cuts, delays, or re-approval.                                                                                                                                                                                                | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Maintain a robust cost plan with contingencies sized to the project's risk profile and will obtain independent cost assurance.</li> <li>Apply disciplined change control and will escalate scope-cost trade-offs through governance early.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Unlikely (12)               | Level 2 (7) | Low Risk (84) |

<sup>104</sup> While this would have limited direct financial impact, the absence of private-sector participation may weaken the economic case by reducing market validation of the project's wider development potential and economic utility.

| Risk ID | Risk Description                                                                                                                                   | Source of Risk and Risk Appetite  | Planned Mitigations                                                                                                                                                                                                                                                                                                     | Residual Risk Rating (L x C) |              |                   |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|-------------------|
|         |                                                                                                                                                    |                                   |                                                                                                                                                                                                                                                                                                                         | L                            | C            | Rating            |
| F4      | IF co-funding assumptions change (eligibility, timing, match ratios) THEN affordability deteriorates and programme phasing is disrupted.           | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Confirm eligibility, timing, and match requirements early and will align internal approvals to funding windows.</li> <li>Maintain fall-back phasing and funding options so the programme can be resized if co-funding settings change.</li> </ul>                                | Unlikely (12)                | Level 2 (7)  | Low Risk (84)     |
| F5      | IF revenue assumptions (parking, leases, advertising, farebox uplift) are overstated, THEN net cost to GWRC increases.                             | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Adopt conservative revenue ranges and will test them through market sounding and benchmarking.</li> <li>Separate “contingent on commercial deal” revenues from baseline revenues and treat high-uncertainty items as sensitivities in affordability testing.</li> </ul>          | Unlikely (12)                | Level 3 (12) | Medium Risk (144) |
| F6      | IF interest rates/financing costs rise materially or debt headroom is constrained, THEN long-term affordability worsens.                           | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Test affordability under alternative interest rate and debt headroom scenarios and will refresh assumptions at each stage gate.</li> <li>Keep alternative financing structures under review and only adopt more complex financing when confidence thresholds are met.</li> </ul> | Unlikely (12)                | Level 2 (7)  | Low Risk (84)     |
| F7      | IF whole-of-life opex/renewal costs are underestimated (new assets, security, cleaning, systems) THEN operating budgets are pressured.             | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Prepare whole-of-life operating and renewal cost models and benchmark service levels and cost profiles against comparable assets.</li> <li>Assign clear ownership for benefits and cost tracking post-implementation to ensure assumptions are validated and updated.</li> </ul> | Unlikely (12)                | Level 2 (7)  | Low Risk (84)     |
| F8      | IF preferred funding source(s) become unviable or are withdrawn (e.g., co-funding with NZTA/funding windows shift) THEN financing shortfall causes | Financial, macroeconomic-Balanced | <ul style="list-style-type: none"> <li>Confirm the funding pathway early and align the programme to funding windows and decision milestones.</li> <li>Build phased delivery and off-ramps into the programme so scope can be adjusted without undermining core outcomes.</li> </ul>                                     | Unlikely (12)                | Level 3 (12) | Medium Risk (144) |

| Risk ID         | Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Source of Risk and Risk Appetite                             | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Residual Risk Rating (L x C) |              |               |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|---------------|
|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | L                            | C            | Rating        |
|                 | delay, scope reduction, reprioritisation and confidence loss.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                              | <ul style="list-style-type: none"> <li>Maintain alternative funding and financing options and use affordability stress testing to identify where contingencies or scope adjustments are required.</li> <li>Maintain engagement and discussion with NZTA to best understand funding likelihood.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                              |              |               |
| F9              | IF the interface with live rail corridors and critical water infrastructure increases perceived construction risk, THEN obtaining construction insurance (including contract works, public liability, and professional indemnity) may be difficult or prohibitively expensive, and the ability to transfer insurance risk to contractors may be constrained. This could increase project costs, limit procurement options, reduce market competition, or require GWRC to retain a greater share of construction risk. | Financial, macroeconomic-Balanced<br><br>Projects - Balanced | <ul style="list-style-type: none"> <li>Engage early with insurers and brokers to test market appetite and identify coverage constraints specific to rail and water-infrastructure interfaces.</li> <li>Structure procurement and contract packaging to separate high-risk interface works where appropriate, enabling more targeted insurance solutions.</li> <li>Clearly define interface risk allocation and controls to reduce insurer uncertainty and premium loading.</li> <li>Consider alternative risk-transfer mechanisms (e.g. self-insurance or retained risk with contingencies) if full transfer to contractors is not market-viable.</li> <li>Allow for insurance cost escalation and retained-risk contingencies within the commercial and economic case assumptions.</li> </ul> | Highly Unlikely (5)          | Level 3 (12) | Low Risk (60) |
| Commercial Case |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |              |               |

| Risk ID | Risk Description                                                                                                                                                | Source of Risk and Risk Appetite | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                           | Residual Risk Rating (Lx C) |              |                   |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------|-------------------|
|         |                                                                                                                                                                 |                                  |                                                                                                                                                                                                                                                                                                                                                                                                               | L                           | C            | Rating            |
| C1      | IF supply chain volatility/labour shortages escalate costs, THEN budget overruns and re-sequencing occurs.                                                      | Projects - Balanced              | <ul style="list-style-type: none"> <li>Use appropriate procurement models (such as early contractor involvement, lump sum, pricing, escalation only for at risk materials) and include realistic escalation allowances and risk provisions.</li> <li>Monitor market signals and refresh procurement and pricing assumptions regularly.</li> </ul>                                                             | Unlikely (12)               | Level 2 (7)  | Low Risk (84)     |
| C2      | IF contractors underperform (delay/quality/spec) THEN rework costs, delays, and reputational damage.                                                            | Projects - Balanced              | <ul style="list-style-type: none"> <li>Include performance-based contract requirements and apply robust contractor selection, quality assurance, and audit regimes.</li> <li>Implement early-warning controls and will use contract remedies and incentives to address performance issues promptly, including strong project management.</li> </ul>                                                           | Unlikely (12)               | Level 2 (7)  | Low Risk (84)     |
| C3      | IF construction methodology is constrained by critical water assets / access requirements, THEN tender prices and programme risk increase.                      | Projects - Balanced              | <ul style="list-style-type: none"> <li>Define site interface requirements early and will incorporate them into design documentation and procurement specifications.</li> <li>Require contractors to demonstrate methodology compliance and to plan works to avoid vibration, settlement, and access impacts to critical infrastructure.</li> </ul>                                                            | Highly Unlikely (5)         | Level 2 (7)  | Low Risk (35)     |
| C4      | IF land/third-party approvals (Crown/Kiwirail corridor interfaces, HCC, Mana Whenua) are delayed, THEN procurement sequencing and constructability is impacted. | Projects - Balanced              | <ul style="list-style-type: none"> <li>Secure early agreements and will maintain an interface governance approach that assigns clear owners for each approval pathway.</li> <li>Keep stakeholders engaged and informed to maintain project understanding and support.</li> <li>Align procurement packaging to approvals sequencing and will maintain an escalation pathway to address bottlenecks.</li> </ul> | Unlikely (12)               | Level 3 (12) | Medium Risk (144) |



| Risk ID | Risk Description                                                                                                                                                                                                                                                                                                                   | Source of Risk and Risk Appetite | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Residual Risk Rating (L x C) |              |                   |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|-------------------|
|         |                                                                                                                                                                                                                                                                                                                                    |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | L                            | C            | Rating            |
| C5      | IF technical requirements are over-specified (or misaligned to KiwiRail/Metlink operations) THEN limited bidders/innovation and higher cost.                                                                                                                                                                                       | Projects - Balanced              | <ul style="list-style-type: none"> <li>Use of outcome-based specifications where applicable and validate requirements iteratively from operational perspective and key stakeholders.</li> <li>Undertake early market sounding to confirm feasibility and proportionality of requirements.</li> </ul>                                                                                                                                                                                                                                                                                 | Unlikely (12)                | Level 2 (7)  | Low Risk (84)     |
| C6      | IF Crown (Kiwirail) land use approvals or corridor permissions are not obtained (or are materially delayed), THEN the project may be constrained in its ability to realise development opportunities and wider outcomes that depend on Crown land, access windows, or approvals.                                                   | Projects - Balanced              | <ul style="list-style-type: none"> <li>Engage KiwiRail early to confirm the approvals pathway, decision timeframes, and conditions that apply to land inclusion, corridor interfaces, and operational requirements.</li> <li>Incorporate KiwiRail dependencies into programme scheduling, including agreed rail access windows and approval milestones.</li> <li>Maintain a fall-back staging plan that allows core interchange works to proceed even if development components dependent on KiwiRail land must be deferred.</li> </ul>                                              | Unlikely (12)                | Level 3 (12) | Medium Risk (144) |
| C7      | IF actual ground conditions, geotechnical characteristics, or contamination levels differ materially from available information or assumptions, THEN design, construction methodology, and programme may need to change, resulting in cost escalation, delays, increased construction risk, and challenges in transferring risk to | Projects - Balanced              | <ul style="list-style-type: none"> <li>Undertake staged and targeted geotechnical and contamination investigations early to progressively reduce uncertainty.</li> <li>Use conservative assumptions and allowances in cost estimates and construction methodologies where information gaps remain.</li> <li>Clearly define ground condition risk allocation in procurement and contract documentation to avoid ambiguity and pricing premiums.</li> <li>Stage delivery and design development to allow responses to emerging ground conditions without widespread rework.</li> </ul> | Unlikely (12)                | Level 3 (12) | Medium Risk (144) |

| Risk ID         | Risk Description                                                                                                                                                                                                                                                                      | Source of Risk and Risk Appetite | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Residual Risk Rating (Lx C) |              |               |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------|---------------|
|                 |                                                                                                                                                                                                                                                                                       |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | L                           | C            | Rating        |
|                 | contractors. This may also affect insurance availability, procurement competitiveness, and overall value-for-money.                                                                                                                                                                   |                                  | <ul style="list-style-type: none"> <li>Maintain appropriate contingencies and risk provisions aligned to the residual uncertainty profile.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |              |               |
| C8              | IF required statutory consents or approvals are delayed, declined, or subject to unanticipated conditions, THEN project design, programme, and cost assumptions may be adversely affected, resulting in delivery delays, scope changes, increased costs, and reduced value-for-money. | Projects - Balanced              | <ul style="list-style-type: none"> <li>Engage early with consent authorities, and approval bodies to identify requirements, risks, and potential conditions.</li> <li>Integrate consenting strategy with design development to avoid late-stage redesign or rework.</li> <li>Allow realistic timeframes and contingencies for approvals within the programme.</li> <li>Stage consents where possible to enable early works to proceed while more complex approvals are progressed.</li> <li>Maintain flexibility in design and construction methodology to respond to consent conditions if imposed.</li> </ul> | Highly Unlikely (5)         | Level 3 (12) | Low Risk (60) |
| Management Case |                                                                                                                                                                                                                                                                                       |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                             |              |               |
| M1              | IF governance/decision rights are unclear across GWRC, Metlink, KiwiRail, HCC and partners, THEN delays, rework, and inconsistent decisions occur.                                                                                                                                    | Projects - Balanced              | <ul style="list-style-type: none"> <li>Establish a governance framework with clearly defined decision rights, roles, and escalation pathways.</li> <li>Maintain an integrated approvals calendar and a decision log to ensure transparency, traceability, and timely escalation of issues.</li> </ul>                                                                                                                                                                                                                                                                                                           | Unlikely (12)               | Level 2 (7)  | Low Risk (84) |

| Risk ID | Risk Description                                                                                                                                                                     | Source of Risk and Risk Appetite                 | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                    | Residual Risk Rating (Lx C) |              |               |
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|         |                                                                                                                                                                                      |                                                  |                                                                                                                                                                                                                                                                                                                                                                        | L                           | C            | Rating        |
| M2      | IF internal capability/capacity is insufficient (early phase especially) THEN delivery falters and confidence drops.                                                                 | Human Resource - Balanced                        | <ul style="list-style-type: none"> <li>Assess capability gaps early and secure skilled resources, supplemented by external expertise where required.</li> <li>Align programme phasing to available capacity and maintain resourcing monitoring as part of governance reporting.</li> </ul>                                                                             | Unlikely (12)               | Level 2 (7)  | Low Risk (84) |
| M3      | IF service continuity during works is not well managed, THEN rail/bus operations are disrupted and customer impacts undermine benefits.                                              | Services being severely curtailed - Balanced     | <ul style="list-style-type: none"> <li>Implement staged construction planning that preserves minimum service levels and safe passenger access.</li> <li>Implement temporary services (e.g., bus replacements) and passenger management plans and communicate disruptions clearly and early to customers.</li> </ul>                                                    | Highly Unlikely (5)         | Level 3 (12) | Low Risk (60) |
| M4      | IF health & safety incidents occur during investigations/works near operational rail and constrained sites, THEN legal exposure, delay and reputational harm results.                | Health & safety to staff & contractors - Adverse | <ul style="list-style-type: none"> <li>Require a comprehensive health and safety management plan, including rail corridor protocols and controlled site access arrangements.</li> <li>Apply contractor prequalification to confirm compliance and performance.</li> </ul>                                                                                              | Highly Unlikely (5)         | Level 3 (12) | Low Risk (60) |
| M5      | IF Waiwhetū Aquifer or Water Treatment Plant protection constraints materially limit foundations/construction methodology, THEN scope, cost, programme and consenting risk increase. | Environmental damage – Adverse                   | <ul style="list-style-type: none"> <li>Complete early geotechnical and hydrogeological investigations to define design parameters and prohibited construction methods.</li> <li>Incorporate aquifer interface controls and construction methodology constraints into the reference design and procurement to understand pricing and programme implications.</li> </ul> | Highly Unlikely (5)         | Level 3 (12) | Low Risk (84) |

| Risk ID | Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Source of Risk and Risk Appetite                                                                                               | Planned Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Residual Risk Rating (Lx C) |              |                   |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------|-------------------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | L                           | C            | Rating            |
| M6      | IF construction activities damage, contaminate, or create contaminant pathways into the Waiwhetū Aquifer, or disrupt, damage, or constrain the operation of the adjacent Waterloo Water Treatment Plant, THEN potable water quality, treatment capacity, and continuity of supply for the Wellington region could be severely compromised, with significant public health, regulatory, and reputational consequences, given the criticality and vulnerability of both assets. | Political and Reputation – Balanced<br><br>Physical harm to the general public – Adverse<br><br>Environmental damage – Adverse | <ul style="list-style-type: none"> <li>Use construction methods that avoid penetration of sensitive aquifer layers and prevent damage or disruption to the Waterloo Water Treatment Plant.</li> <li>Monitor groundwater quality and treatment plant operations, with clear triggers and rapid contingency responses.</li> <li>Embed aquifer and treatment plant protection requirements in design, consenting, and contracts, with clear accountability and audit.</li> </ul>                              | Highly Unlikely (5)         | Level 4 (35) | Medium Risk (175) |
| M7      | IF disruption from Waterloo works coincides with other rail or wider transport disruptions, THEN cumulative impacts may drive public backlash, reduce public transport use, and erode confidence in the investment.                                                                                                                                                                                                                                                           | Political and Reputation – Balanced                                                                                            | <ul style="list-style-type: none"> <li>Coordinate construction staging and planned rail access windows with KiwiRail and other delivery agencies to minimise concurrent disruptions.</li> <li>Provide clear advance notice and journey planning information to passengers, including temporary route and facility arrangements.</li> <li>Monitor patronage and public sentiment during delivery and will adjust staging and mitigation measures if disruption impacts exceed agreed thresholds.</li> </ul> | Highly Unlikely (5)         | Level 2 (7)  | Low Risk (35)     |

## Appendix D: Detailed Long list of Options

| Category                                             | Do minimum / Baseline                                                                                                                                                                                | Essential                                                                                                                                                                                                                                         | Essential +                                                                                            | Essential ++                                                                                                                                      | Developed                                                                                                           | Developed +                                                                                                                  | Developed ++                                                                                                                     | Optimised                                                                                                                                                      | Optimised +                                                                                                                | Optimised ++                                                                                                                                                                                                       |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interchange Structure and Facilities                 |                                                                                                                                                                                                      |                                                                                                                                                                                                                                                   |                                                                                                        |                                                                                                                                                   |                                                                                                                     |                                                                                                                              |                                                                                                                                  |                                                                                                                                                                |                                                                                                                            |                                                                                                                                                                                                                    |
| <b>Roof Structure</b>                                | <p>Reactive maintenance only—address issues as they arise, with no planned patch-fixing or upgrades.</p> <p>Roof to be demolished in part or in full at point of critical failure in the future.</p> | <p>Proactive patch-fixing of the roof over a long period to extend life to maximum extent possible.</p> <p>Roof to be demolished in full or in part at a point in the future where proactive maintenance can no longer prevent total failure.</p> | <p>Remove the station roof entirely. Rely on existing bus shelters for minimal weather protection.</p> | <p>Remove roof over rail corridor and platforms. Install small canopies on platforms for basic coverage in addition to existing bus shelters.</p> | <p>Install roof over platforms. Basic design for functional weatherproofing with basic coverage over key areas.</p> | <p>Roof spanning platforms provides approx. 60% coverage from rain and wind.</p>                                             | <p>Roof spanning platforms (not across corridor). Provides approx. 80% coverage from rain and wind, with improved materials.</p> | <p>Continuous roof spanning platforms and rail corridor. Provides 100% coverage from rain and wind, plus additional coverage out to interchange entrances.</p> | <p>Partially enclosed interchange: continuous roof plus partial side panels for improved weather protection, open-air.</p> | <p>Fully enclosed interchange: continuous roof plus sides enclosing the interchange footprint for maximum weather protection and passenger comfort. Includes architectural enhancements for a landmark design.</p> |
| <b>Rail network crossing / East to West Crossing</b> | <p>Existing underpass to retain East to West crossing. Reactive maintenance only until roof is demolished, then upgrade</p>                                                                          | <p>Retain existing underpass. Complete only compliance upgrades required if triggered by</p>                                                                                                                                                      | <p>Retain underpass. Add basic waterproofing and upgrade sumps for improved drainage. When roof is</p> | <p>Retain underpass. Significant upgrade works to address waterproofing, drainage.</p>                                                            | <p>Remove underpass. Construct overpass across rail corridor with stairs and lifts.</p>                             | <p>Remove underpass. Overpass across rail corridor with stairs and lifts, plus improved pedestrian link from interchange</p> | <p>As with Developed +.</p>                                                                                                      | <p>Retain and upgrade existing underpass. Overpass spanning rail corridor and Cambridge Terrace for</p>                                                        | <p>As with Optimised, with enhanced design of overpass, including design for multi-modal</p>                               | <p>Retain and upgrade underpass. Overpass spanning rail corridor and Cambridge Terrace plus a new,</p>                                                                                                             |



| Category                        | Do minimum / Baseline                                                         | Essential                                                                                                                                                                                            | Essential +                                                                                                                                                                     | Essential ++                                                                                                                                                   | Developed                                                                                                                                                                                                                           | Developed +                                                                                                                                                                                                                                                          | Developed ++                                                                                                                             | Optimised                                                                                                                                                                           | Optimised +                                                                                                                                                 | Optimised ++                                                                                                                                  |
|---------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | works to address weather exposure and ensure underpass remains operational.   | roof building consent (e.g., ramps to meet accessibility standards). When roof is demolished, upgrade works as required to address weather exposure and ensure underpass remains operational.        | demolished, upgrade works as required to address weather exposure and ensure underpass remains operational.                                                                     |                                                                                                                                                                |                                                                                                                                                                                                                                     | to Trafalgar Square.                                                                                                                                                                                                                                                 |                                                                                                                                          | seamless connectivity. Includes stairs and lifts.                                                                                                                                   | integration like cycle ramps                                                                                                                                | upgraded underpass for maximum pedestrian flow, landmark design.                                                                              |
| <b>Access and Accessibility</b> | <p>No change. Current access retained.</p> <p>No change to accessibility.</p> | <p>No change to current access arrangements.</p> <p>Complete accessibility compliance upgrades only if triggered by roof building consent (e.g., ramps to meet minimum accessibility standards).</p> | <p>No change to current access arrangements.</p> <p>Complete accessibility compliance upgrades required if triggered by roof building consent and other minor improvements.</p> | <p>No change to current access arrangements.</p> <p>Complete accessibility compliance upgrades and other moderate improvements (including into underpass).</p> | <p>Some access improvements, such as some improved grading to Trafalgar Square for better pedestrian movement.</p> <p>Complete full accessibility compliance upgrades for disabled access. Beyond minimum compliance standards.</p> | <p>Improved access on both sides of the interchange (eg from Oxford Street and Cambridge Terrace into the station), including adding a pedestrian crossing at Cambridge Terrace and smoother grade transitions.</p> <p>Full accessibility across interchange and</p> | <p>As with Developed + but with further enhancements to the access into the interchange from surrounding roads and across all modes.</p> | <p>Comprehensive access upgrades into the interchange from all surrounding areas: seamless, step-free movement in and out of the interchange, including both sides of the road.</p> | <p>Access fully integrated with surrounding precinct, including new pedestrian links and grade-separated crossings. Universal accessibility throughout.</p> | <p>As with Optimised +, including integration upgrades to improve connectivity from the interchange as a whole to Lower Hutt city centre.</p> |

| Category                                    | Do minimum / Baseline      | Essential                  | Essential +                                                                                                 | Essential ++                                                                                                                  | Developed                                                                                                                              | Developed +                                                                                                                                                                                      | Developed ++                                                                                                                                                                                                                             | Optimised                                                                                                                                                                       | Optimised +                                                                                                                                  | Optimised ++                                                                                                                                                                                       |
|---------------------------------------------|----------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                             |                            |                            |                                                                                                             |                                                                                                                               |                                                                                                                                        | between all modes.                                                                                                                                                                               |                                                                                                                                                                                                                                          |                                                                                                                                                                                 |                                                                                                                                              |                                                                                                                                                                                                    |
| <b>Platform condition and configuration</b> | Reactive maintenance only. | Reactive maintenance only. | Upgrade platforms only to meet basic compliance requirements if triggered by roof building consent          | Compliance upgrades plus additional improvements for improved levelling.                                                      | Full platform refurbishment, includes accessibility enhancements beyond minimum compliance levels, full levelling of the platforms.    | As with Developed, including full realignment of platforms.                                                                                                                                      | As with Developed +.                                                                                                                                                                                                                     | As with Developed + including extension of platforms to accommodate future capacity and growth. Includes structural modifications to platforms for longer trains.               | As with Optimised, with further expansion and modification for future growth and premium finishes (eg premium tactile surface for platforms) | As with Optimised +.                                                                                                                                                                               |
| <b>Bus Interchange</b>                      | Reactive maintenance only  | Reactive maintenance only. | Minor upgrades to existing bus shelters (e.g., repainting, basic repairs) and improved lighting for safety. | Upgrade existing shelters with better materials and weatherproofing. Add seating and enhanced lighting for passenger comfort. | Replace and upgrade all existing bus shelters and lighting on both sides of the station. Includes modern design and improved features. | Partial consolidation of bus interchange on Cambridge Terrace side of the interchange for improved efficiency. Retain Oxford Street bus stops with material improvements to existing facilities. | Partial consolidation of bus interchange on Cambridge Terrace side for improved efficiency. Replace Oxford Street bus stops entirely, moving and extending the, along Oxford to improve capacity and flow of buses and improve interface | Full bus interchange redevelopment on both Cambridge Terrace and Oxford Street sides to support high passenger volumes, with premium shelters and improved passenger amenities. | As with Optimised, with the bus interchange areas being partially enclosed.                                                                  | One consolidated interchange on the Cambridge Terrace side, with maximised access from bus to the other side of the station and significant improvements to enable on-site consolidation. Includes |

| Category                   | Do minimum / Baseline                                                                                    | Essential                                                                                                                                                                                                              | Essential +                                                                                                                                                                                                                                                   | Essential ++                                                                                                                 | Developed                                                                                                                                                                                                                                            | Developed +                                                                                                                                                                                                                                           | Developed ++                  | Optimised                                                                                                                                                                                                                                           | Optimised +        | Optimised ++                                                                                                                                                                                                 |
|----------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |                                                                                                          |                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                               |                                                                                                                              |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                       | between bus stop and station. |                                                                                                                                                                                                                                                     |                    | <p>premium shelters, sustainability features architectural enhancements for a landmark design, and EV charging bays for buses.</p> <p>Bus interchange is fully enclosed.</p>                                 |
| <b>Interchange Amenity</b> | Reactive maintenance only. Some upgrades to improve health and safety outcomes / CPTED. around platforms | <p>Material improvements to seating, lighting, and overall comfort. Substantial upgrades to passenger experience, including refreshed seating, new benches, enhanced lighting for safety and comfort, and improved</p> | <p>Additional comfort features: more seating options, improved shelter design, and further lighting upgrades. Minor landscaping improvements (e.g., tidied planting, new planters).</p> <p>Upgraded public restroom facilities on Cambridge Terrace side.</p> | As with Essential + with addition of basic bus and train driver facilities within the existing buildings (including toilets) | As with Essential ++, with toilets added to Oxford Street side of the interchange (accessible toilets on both sides of station) as well as improved facilities to bus and train drivers (in existing buildings or extensions to existing buildings). | As with Developed, with the addition of premium seating, excellent wayfinding, landscaping on both sides of the interchange and introduction of intelligent Security facilities (eg active surveillance and monitoring and security, safety buttons). | As with Developed +           | As with Developed ++, including integrated ticket barriers (controlled entry/exit), advanced lighting, and high-quality landscaping on both sides. Significant solar array for interchange lighting and partial backup generation, enhanced storage | As with Optimised. | <p>Comprehensive amenity upgrade: heated seating (solar powered), ergonomic waiting areas for passengers near entrances, ticket barriers, toilets on both sides (accessible), excellent wayfinding, full</p> |

| Category               | Do minimum / Baseline                                  | Essential                                               | Essential +                                                                                                                                                            | Essential ++                                                                                                                                                                        | Developed                                                                       | Developed +                                                                                                                                                                                                | Developed ++                                                       | Optimised                                     | Optimised +                                                                                                                            | Optimised ++                                                                                                                                                                                                                                     |
|------------------------|--------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |                                                        | wayfinding signage.                                     |                                                                                                                                                                        |                                                                                                                                                                                     |                                                                                 |                                                                                                                                                                                                            |                                                                    | facilities with monitored security.           |                                                                                                                                        | landscaping, and premium finishes throughout. Large-scale solar generation with rainwater harvesting for sustainability. Includes architectural enhancements for a landmark interchange experience. Full digital amenity (Wi-Fi, charging, etc). |
| <b>Bike facilities</b> | No change to current facilities (circa 74 bike spaces) | No change to current facilities (circa 74 bike spaces). | Focus on improving security of existing bike parking, add improved CCTV coverage, better lighting, and minor upgrades to ensure more secure racks. Improved signage re | As with Essential +, including minor improvements to facilities such as refresh of existing bike racks additional signage for bike parking, and further enhanced security features. | As with Essential ++, including addition of a shelter/coverage over bike racks. | As with Developed, including relocating existing bike parking to a more secure, visible location within the interchange to further improve security and passive surveillance. Expand bike parking capacity | As with Developed + including addition of some locking bike racks. | As with Developed ++, add more locking racks. | As with Optimised, including private bike storage facility plus e-bike charging stations and a dedicated maintenance area for repairs. | Premium bike hub: private storage, e-bike charging, maintenance facilities/kiosks, and sustainability features (e.g., solar-powered charging).                                                                                                   |

| Category                                                                  | Do minimum / Baseline                                                                                                                                                                          | Essential                                                                                                                                                      | Essential +                                                                                                                                                                                           | Essential ++                                                                                                                                                                                               | Developed                                                                                                                                                                                                                                                    | Developed +                                                                                                                                                                                                                                                | Developed ++                                                                                                                                                | Optimised                                                                                                                                                                                                                                      | Optimised +                                                                                                                                       | Optimised ++                                                                                                                                    |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                           |                                                                                                                                                                                                |                                                                                                                                                                | locking of bikes, etc.                                                                                                                                                                                |                                                                                                                                                                                                            |                                                                                                                                                                                                                                                              | to accommodate up to 100 bikes.                                                                                                                                                                                                                            |                                                                                                                                                             |                                                                                                                                                                                                                                                |                                                                                                                                                   |                                                                                                                                                 |
| <b>Existing Buildings and Commercial Opportunities within interchange</b> | <p>Reactive maintenance only Peppercorn in existing building and coffee kiosk. Advertising on existing screen at station.</p> <p>Demolition of existing buildings when roof is demolished.</p> | <p>Reactive maintenance only. No change to existing buildings or commercial arrangements.</p> <p>Demolition of existing buildings when roof is demolished.</p> | <p>Demolish existing buildings on Oxford Terrace side if essential to remove the station roof due to structural interconnection. No replacement. Ticket office on Cambridge Terrace side remains.</p> | <p>Demolish existing buildings on Oxford Terrace side if essential to remove the station roof. Refresh Cambridge Terrace side building (e.g., repaint, minor upgrades). No new commercial space added.</p> | <p>Demolish existing buildings on Oxford Terrace side if essential to remove the station roof. Moderate refurbishment to Cambridge Terrace side building for potential improved commercial use or operational use (eg bus/train driver rest facilities).</p> | <p>Demolish all existing buildings. Provide basic new structures for some commercial utilisation on Oxford Terrace side of station (e.g., small retail, food outlet). Minimal net lettable area 500m<sup>2</sup> floorplate – 1500m<sup>2</sup> total.</p> | <p>Demolish all existing buildings, provide basic structures for commercial utilisation (with increased net lettable area from the Developed + option).</p> | <p>Demolish all existing buildings, redevelopment of spaces into good quality commercial spaces integrated with interchange design to significantly improved commercial opportunities within interchange and additional net lettable area.</p> | <p>Demolish all existing buildings, comprehensive redevelopment of space to maximise commercial opportunities and NLA within the interchange.</p> | <p>Landmark, multi-level mixed-use development with premium commercial, retail, and community spaces fully integrated with the interchange.</p> |
| <b>Bus routes</b>                                                         | No changes. GWRC-led; changes only as justified by demand, operational needs, or funding availability.                                                                                         | No changes. GWRC-led; changes only as justified by demand, operational needs, or funding availability.                                                         | No changes. GWRC-led; changes only as justified by demand, operational needs, or funding availability.                                                                                                | Minor adjustments and targeted enhancements to existing routes, including potential additional capacity on existing high demand services and small                                                         | As with Essential ++, with more increases in service levels on existing routes through incremental frequency uplifts, targeted capacity increases, and improved peak                                                                                         | As with Developed, plus the introduction of a new circular bus route connecting key Lower Hutt destinations (e.g., Queensgate, hospital, civic centre) to                                                                                                  | Expand the circular route with higher frequency (e.g., every 15–20 minutes during peak). Add additional services to existing routes to improve              | Add express shuttle routes from high-demand areas (e.g., Wainuiomata) to Waterloo. Optimise route paths for reduced travel time and improved                                                                                                   | Expand optimised routes to include multiple demand corridors and feeder services from surrounding suburbs.                                        | Comprehensive network redesign: fully optimized routes connecting Waterloo to all major residential and employment hubs in Lower                |



| Category               | Do minimum / Baseline                 | Essential                                                                                                                                                                                                           | Essential +                                                                                                                                                                                           | Essential ++                                                                                           | Developed                                                            | Developed +                                                                                         | Developed ++                                                                                       | Optimised                                                                                 | Optimised +                                                                                       | Optimised ++                                                                                                         |
|------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
|                        |                                       |                                                                                                                                                                                                                     |                                                                                                                                                                                                       | improvements to timing of additional services to align with trains or to add additional peak service.  | and inter-peak coordination.                                         | Waterloo Interchange. Limited frequency (e.g., every 30–40 minutes during peak hours).              | peak connectivity.                                                                                 | reliability. Consider additional services not provided by GWRC but third party providers. |                                                                                                   | Hutt and surrounding areas. High-frequency, high-capacity services, integrated ticketing, and real-time information. |
| GWRC Adjoining Land    |                                       |                                                                                                                                                                                                                     |                                                                                                                                                                                                       |                                                                                                        |                                                                      |                                                                                                     |                                                                                                    |                                                                                           |                                                                                                   |                                                                                                                      |
| Commercial Development | Current use is carparking (no charge) | Introduce charging for existing carparking. GWRC may manage directly or contract a parking operator to commercialise the parking. GWRC may consider disposal of land. GWRC relinquishes control over disposed land. | Introduce charging for existing carparking. GWRC may manage directly or contract a parking operator to commercialise the parking. Allow limited ancillary services (e.g., advertising, small kiosks). | Paid parking + GWRC considers disposal of part of the land – no GWRC imposed restrictions on land use. | Disposal off all of land - no GWRC imposed restrictions on land use. | Disposal off all of the land – some GWRC imposed restrictions for some alignment with TOD purposes. | Minimal redevelopment of part of land for TOD-related purposes, eg basic commercial opportunities. | Moderate redevelopment of land for TOD-related purposes to meet forward-looking demand.   | Maximised redevelopment of land for TOD-related purposes to facilitate future and long-term need. | Maximised redevelopment of land for TOD-related purposes to facilitate future and long-term need.                    |

| Category          | Do minimum / Baseline                              | Essential                                                                                                                         | Essential +                                                                                                                       | Essential ++                                                                                                                      | Developed                                                                                                                         | Developed +                                                                                                                                           | Developed ++                                                                     | Optimised                                                                        | Optimised +                                                                      | Optimised ++                                                                                                                                                                                                            |
|-------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Crown Land        |                                                    |                                                                                                                                   |                                                                                                                                   |                                                                                                                                   |                                                                                                                                   |                                                                                                                                                       |                                                                                  |                                                                                  |                                                                                  |                                                                                                                                                                                                                         |
| Use of Crown Land | Current lease arrangement continued on same terms. | Current lease arrangement continued on same terms.                                                                                | Current lease arrangement continued on same terms.                                                                                | Current lease arrangement continued on same terms.                                                                                | Current lease arrangement continued on same terms.                                                                                | Secure ownership or full use small areas of Crown land as required to support / facilitate interchange upgrades (eg bus interchange reconfiguration). | Secure ownership or full use of 25% of KiwiRail land for commercial development. | Secure ownership or full use of 50% of KiwiRail land for commercial development. | Secure ownership or full use of 75% of KiwiRail land for commercial development. | Secure ownership use of 100% of Kiwirail land, Full Transit-Oriented Development (TOD), complete utilisation of KiwiRail land for multi-level residential and commercial precinct integrated with transport facilities. |
|                   |                                                    | Introduce charging for existing carparking. GWRC may manage directly or contract a parking operator to commercialise the parking. | Introduce charging for existing carparking. GWRC may manage directly or contract a parking operator to commercialise the parking. | Introduce charging for existing carparking. GWRC may manage directly or contract a parking operator to commercialise the parking. | Introduce charging for existing carparking. GWRC may manage directly or contract a parking operator to commercialise the parking. |                                                                                                                                                       |                                                                                  |                                                                                  |                                                                                  |                                                                                                                                                                                                                         |

## Appendix E: Detailed Critical Success Factors

| Critical Success Factors                              | Detailed Description                                                                                                                                                                                                                                                                                                                                                                    | What it looks at                                                                                                                                                                                                     | Key Attributes                                                                                                                                                                                                                                                                                                                                                                                                                                        | Specific Questions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strategic Fit – Alignment with Case for Change</b> | Assesses how strongly each option supports the investment rationale set out in the Strategic Case. Evaluates whether the option addresses the identified problems, responds to key drivers of change, and contributes to desired outcomes. Also considers alignment with local, regional, and national strategic priorities, policies, and transport/regeneration frameworks.           | Contribution to solving the identified challenges, ability to unlock desired outcomes, alignment with the Case for Change, and consistency with strategic plans, including growth agendas and mode shift objectives. | <ul style="list-style-type: none"> <li>Advances investment objectives and intended benefits.</li> <li>Aligns with GWRC, local authority, and central government priorities.</li> <li>Responds to strategic drivers (capacity, resilience, growth, mode shift).</li> <li>Enables long-term regeneration or economic uplift.</li> <li>Fits with wider transport, land-use, and network transformation programmes and opportunities.</li> </ul>          | <p>Does the option address the identified challenges and realise the opportunities set out in the Case for Change?</p> <p>Does the option advance the agreed investment objectives and deliver the intended outcomes?</p> <p>Does the option align with broader GWRC, local authority, and central government strategies, policies, and priorities?</p>                                                                                                                                                                                                                                |
| <b>Strategic Fit – Key Service Requirements</b>       | Evaluates whether the option meets essential service, operational, and functional requirements for the interchange precinct—both now and into the future. This factor assesses whether the option delivers the capacity, performance, accessibility, intermodal integration, safety, and resilience needed to provide a high-quality, future-ready transport hub and surrounding place. | Ability to deliver integrated interchange, user experience, growth capacity, resilience, financial sustainability, environmental stewardship, and urban integration.                                                 | <ul style="list-style-type: none"> <li>Integrated, step-free, universally accessible interchange.</li> <li>Safe, attractive east–west connection.</li> <li>CPTED-based security and comfort.</li> <li>Multimodal connectivity (train, bus, active modes, Park &amp; Ride).</li> <li>Meets rail technical standards.</li> <li>Handles peak demand.</li> <li>Supports growth, upgrades, and new tech.</li> <li>Resilient to natural hazards.</li> </ul> | <p>Does the option meet the Integrated Interchange &amp; User Experience requirements for accessibility, safety, comfort, and seamless multimodal movement?</p> <p>Does the option meet the Growth Capacity &amp; Resilience requirements for peak demand performance, long-term growth, future-proofing, and system robustness?</p> <p>Does the option meet the Financial Sustainability &amp; Lifecycle Value requirements for whole-of-life cost efficiency, durability, and maintainability?</p> <p>Does the option meet the Environmental Stewardship &amp; Low-Carbon Design</p> |

| Critical Success Factors         | Detailed Description                                                                                                                                                                                                                                                                                                                                                                                                                  | What it looks at                                                                                                                                                                                      | Key Attributes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Specific Questions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>♦ Lifecycle cost efficiency and durability.</li> <li>♦ Minimises environmental impact, protects aquifer.</li> <li>♦ Compact footprint enabling TOD and urban intensification.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                         | <p>requirements for aquifer protection, emissions reduction, and low-impact construction?</p> <p>Does the option meet the Urban Integration &amp; Connectivity requirements for station footprint efficiency, TOD-supportive land-use integration, and improved multimodal links?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Potential Value for Money</b> | <p>Assesses how effectively the option delivers long-term value through an optimal balance of benefits, costs, and risks. This factor looks at whole-of-life performance, opportunities for cost efficiencies, resilience and longevity of the asset, and potential to leverage economic, social, and commercial benefits. The aim is to identify options that deliver maximum public value relative to their investment profile.</p> | <p>Whole-of-life cost performance, long-term durability, cost–benefit trade-offs, delivery of broader benefits (economic, environmental, social), opportunities for revenue or commercial uplift.</p> | <ul style="list-style-type: none"> <li>♦ Minimises lifecycle, maintenance, and replacement costs.</li> <li>♦ Strong cost–performance trade-offs and efficient design.</li> <li>♦ Durable, resilient materials and systems reducing long-term cost.</li> <li>♦ Opportunities for commercial activation, revenue generation, and value capture.</li> <li>♦ Potential to attract anchor tenants, private investors, or mixed-use developers.</li> <li>♦ Effective reuse of existing infrastructure to reduce capital outlay.</li> <li>♦ Generates wider economic benefits or land-value uplift.</li> </ul> | <p>Does the option avoid non-strategic or regrettable spend and optimise and demonstrate strong whole-of-life cost efficiency (capital, operating, maintenance, and renewal)?</p> <p>Does the option use durable and resilient design solutions that reduce lifecycle costs by lowering maintenance, repair, or replacement frequency?</p> <p>Does the option demonstrate appropriate cost-performance trade-offs, ensuring benefits such as resilience, accessibility, and service quality are proportionate to the level of investment?</p> <p>Does the option enhance value for money by converting investment into broader economic and financial returns through commercial activation, revenue generation, or value-capture?</p> <p>Does the option improve market attractiveness in a way that strengthens value outcomes, such as attracting anchor tenants, institutional investors, or mixed-use development that supports long-term financial sustainability?</p> |

| Critical Success Factors                | Detailed Description                                                                                                                                                                                                                                                                                                                                                                 | What it looks at                                                                                                                                                                         | Key Attributes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Specific Questions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         |                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Does the option make effective use of existing infrastructure and assets to improve overall value, including whole-of-life efficiency, asset utilisation, and environmental performance?                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Supplier Capacity and Capability</b> | Assesses whether the supplier market has the capability, capacity, and incentives to deliver the option to the required standards. This includes industry readiness, technical expertise, specialist skills, innovation potential, and the ability to scale delivery in line with programme demands. Also considers alignment between supplier incentives and public value outcomes. | Market availability, contractor capability, technical specialisation, supply chain robustness, capacity to meet delivery timelines, industry appetite and opportunities for innovation   | <ul style="list-style-type: none"> <li>Supplier capacity, scalability, and technical competence.</li> <li>Proven ability to meet required standards and timelines.</li> <li>Innovative delivery, financing, design, or land-use approaches.</li> <li>Market willingness and alignment with incentives.</li> <li>Ability to attract experienced development partners suited to a transit-oriented precinct.</li> <li>Evidence of developer or investor appetite for the proposed concept.</li> </ul> | <p>Does the supplier market have the depth and capability to deliver the option at the required scale, quality, and timeframe, including the necessary technical, resilience, and coordination expertise?</p> <p>Is there demonstrable market depth and appetite for the option, including interest from suitably experienced and capable development, construction, or investment partners?</p> <p>Does the option provide sufficient flexibility for suppliers or development partners to bring forward innovative financing, construction, procurement, or land-use approaches that enhance deliverability or reduce delivery risk for GWRC?</p> |
| <b>Potential Affordability</b>          | Evaluates whether the option can be delivered within available funding constraints, both upfront and over time. This factor considers capital and operating affordability, flexibility to stage investment, opportunities to leverage co-funding or partnerships, and the degree of cost certainty. It also considers cost risks and the likelihood of cost escalation.              | Short- and long-term funding requirements, opportunities for staging or phasing, co-investment potential, and financial risk management, and mechanisms to reduce GWRC capital exposure. | <ul style="list-style-type: none"> <li>Fits within expected capital and operating funding envelopes.</li> <li>High cost certainty with manageable escalation and risk profile.</li> <li>Ability to stage delivery to match funding availability and market cycles.</li> </ul>                                                                                                                                                                                                                       | <p>Is the option affordable within current and forecast funding envelopes across its full delivery profile, including capital, operating, and any future funding commitments?</p> <p>Does the option provide a robust approach to managing major cost and funding risks—such as escalation, inflation, phasing pressures, and supply-chain volatility—within acceptable fiscal tolerances?</p>                                                                                                                                                                                                                                                      |



| Critical Success Factors       | Detailed Description                                                                                                                                                                                                                                                                                                                                                                                           | What it looks at                                                                                                                                                                                     | Key Attributes                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Specific Questions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                |                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>♦ Access to co-funding, value capture, commercial partnerships, or JV structures.</li> <li>♦ Creates market-ready parcels or revenue streams that improve affordability.</li> <li>♦ Potential to offset GWRC costs through development contributions, joint ventures, or concessional finance arrangements.</li> </ul>                                                                                                                     | <p>Does the option include credible and viable mechanisms for private capital participation (e.g. concessions, public-private partnerships, ground leases, joint ventures, or co-investment) that reduce GWRC's direct funding requirement or balance-sheet exposure?</p> <p>Does the option provide opportunities to reduce net public funding exposure by enabling partnerships, value-capture mechanisms, or market-ready development and revenue opportunities that could meaningfully offset GWRC investment over time?</p> <p>Does the option allow capital and funding commitments to be staged, deferred, or scaled in response to funding availability, demand, or fiscal constraints?</p> |
| <b>Potential Achievability</b> | Assesses how realistically and smoothly the option can be delivered given organisational capability, market conditions, regulatory pathways, and environmental constraints. It also considers delivery sequencing, construction impacts, and the ability to minimise disruption to transport users, businesses, and local communities. Environmental protection and consenting feasibility are key components. | Delivery complexity, constructability, disruption risk, regulatory and consenting feasibility, environmental impacts, dependencies with other projects, and the ability to deliver at required pace. | <ul style="list-style-type: none"> <li>♦ Achievable at intended pace, scale, and sequencing.</li> <li>♦ Minimises disruption to rail operations, bus services, roads, and communities.</li> <li>♦ Construction methodology that is efficient, safe, and manageable</li> <li>♦ Protects the Waiwhetū Aquifer and Waterloo Water Treatment Plant.</li> <li>♦ Clear, achievable consenting and regulatory pathway for both transport works and private-sector components.</li> </ul> | <p>Is the option technically and practically deliverable at the required scale and pace, with an achievable construction methodology, manageable complexity, and realistic staging?</p> <p>Can the option be delivered while maintaining safe and acceptable levels of operation for rail, bus, road, and active-mode networks, and minimising disruption to surrounding communities during construction?</p> <p>Can the option be designed and delivered in a way that adequately protects water quality and critical infrastructure,</p>                                                                                                                                                          |

| Critical Success Factors | Detailed Description | What it looks at | Key Attributes                                                                                                                                                                                                                     | Specific Questions                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------|----------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          |                      |                  | <ul style="list-style-type: none"> <li>♦ Coordination with adjacent developments, utilities, and network operations.</li> <li>♦ Feasible governance, land-use, and leasing mechanisms to support commercial agreements.</li> </ul> | <p>including the Waiwhetū Aquifer and the Waterloo Water Treatment Plant?</p> <p>Is it feasible to obtain all required consents, statutory and Council approvals, land-use approvals (including matters relating to Crown land), and associated governance decisions without undue delay, material legal risk, or unmanageable regulatory or organisational complexity?</p> |

Public Excluded

## Appendix F: Detailed Long List Evaluation

Public Excluded

| Assessment Criteria                                                                                                                            |                                                                                                                                                                                                                                | Baseline   | Long List Options |             |              |           |             |              |           |             |              |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------|-------------|--------------|-----------|-------------|--------------|-----------|-------------|--------------|
|                                                                                                                                                |                                                                                                                                                                                                                                | Status Quo | Essential         | Essential + | Essential ++ | Developed | Developed + | Developed ++ | Optimised | Optimised + | Optimised ++ |
| Description                                                                                                                                    | Key Questions for Assessment                                                                                                                                                                                                   |            |                   |             |              |           |             |              |           |             |              |
| Strategic Fit                                                                                                                                  |                                                                                                                                                                                                                                |            |                   |             |              |           |             |              |           |             |              |
| Alignment with case for change                                                                                                                 | Does the option address the identified challenges and realise the opportunities set out in the Case for Change?                                                                                                                | -3         | -2                | -2          | 1            | 1         | 2           | 2            | 3         | 3           | 3            |
| This dimension assesses how well an option supports the rationale for investment as articulated in the strategic case.                         | Does the option advance the agreed investment objectives and deliver the intended outcomes?                                                                                                                                    | -3         | -3                | -2          | 1            | 1         | 2           | 2            | 3         | 3           | 2            |
|                                                                                                                                                | Does the option align with broader GWRC, local authority, and central government strategies, policies, and priorities?                                                                                                         | -3         | -3                | -2          | 0            | 1         | 3           | 3            | 3         | 3           | 2            |
| Criteria Average                                                                                                                               |                                                                                                                                                                                                                                | -3.00      | -2.67             | -2.00       | 0.67         | 1.00      | 2.33        | 2.33         | 3.00      | 3.00        | 2.33         |
| Business Needs / Key Service Requirements                                                                                                      | Does the option meet the Integrated Interchange & User Experience requirements for accessibility, safety, comfort, and seamless multimodal movement?                                                                           | -3         | -2                | -1          | 1            | 2         | 3           | 3            | 3         | 3           | 3            |
| Assesses how well the option meets operational, functional, and technical requirements for the station and precinct (Key Service Requirements) | Does the option meet the Growth Capacity & Resilience requirements for peak demand performance, long-term growth, future-proofing, and system robustness?                                                                      | -2         | -2                | -1          | 1            | 2         | 2           | 3            | 3         | 3           | 3            |
|                                                                                                                                                | Does the option meet the Financial Sustainability & Lifecycle Value requirements for whole-of-life cost efficiency, durability, and maintainability?                                                                           | -3         | -3                | -1          | 2            | 3         | 3           | 3            | 2         | 2           | 1            |
|                                                                                                                                                | Does the option meet the Environmental Stewardship & Low-Carbon Design requirements for aquifer protection, emissions reduction, and low-impact construction?                                                                  | -2         | -2                | -1          | 1            | 3         | 3           | 2            | 2         | 1           | 1            |
|                                                                                                                                                | Does the option meet the Urban Integration & Connectivity requirements for station footprint efficiency, TOD-supportive land-use integration, and improved multimodal links?                                                   | -3         | -3                | -2          | -1           | 1         | 2           | 2            | 3         | 3           | 3            |
| Criteria Average                                                                                                                               |                                                                                                                                                                                                                                | -2.6       | -2.4              | -1.2        | 0.8          | 2.2       | 2.6         | 2.6          | 2.6       | 2.4         | 2.2          |
| Potential Value for Money                                                                                                                      |                                                                                                                                                                                                                                |            |                   |             |              |           |             |              |           |             |              |
| Evaluates long-term value through the balance of benefits, costs, risks, commercial opportunity, and broader economic contribution.            | Does the option avoid non-strategic or regrettable spend and optimise and demonstrate strong whole-of-life cost efficiency (capital, operating, maintenance, and renewal)?                                                     | -3         | -2                | 0           | 2            | 3         | 3           | 3            | 2         | 1           | 1            |
|                                                                                                                                                | Does the option use durable and resilient design solutions that reduce lifecycle costs by lowering maintenance, repair, or replacement frequency?                                                                              | -3         | -3                | -1          | 1            | 2         | 3           | 3            | 2         | 1           | 1            |
|                                                                                                                                                | Does the option demonstrate appropriate cost-performance trade-offs, ensuring benefits such as resilience, accessibility, and service quality are proportionate to the level of investment?                                    | -3         | -3                | 1           | 2            | 3         | 3           | 3            | 2         | 0           | -1           |
|                                                                                                                                                | Does the option enhance value for money by converting investment into broader economic and financial returns through commercial activation, revenue generation, or value-capture?                                              | -2         | -2                | -2          | -1           | 1         | 2           | 2            | 3         | 3           | 3            |
|                                                                                                                                                | Does the option improve market attractiveness in a way that strengthens value outcomes, such as attracting anchor tenants, institutional investors, or mixed-use development that supports long-term financial sustainability? | -3         | -3                | -2          | -2           | -1        | 1           | 2            | 2         | 3           | 3            |
|                                                                                                                                                | Does the option make effective use of existing infrastructure and assets to improve overall value, including whole-of-life efficiency, asset utilisation, and environmental performance?                                       | -1         | -1                | 1           | 2            | 3         | 3           | 2            | 1         | -1          | -2           |
| Criteria Average                                                                                                                               |                                                                                                                                                                                                                                | -2.50      | -2.33             | -0.50       | 0.67         | 1.83      | 2.50        | 2.50         | 2.00      | 1.17        | 0.83         |
| Supplier capacity and capability                                                                                                               |                                                                                                                                                                                                                                |            |                   |             |              |           |             |              |           |             |              |

|                                                                                                                                                                 |                                                                                                                                                                                                                                                                                        |      |       |       |      |      |      |      |      |      |      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------|-------|------|------|------|------|------|------|------|
| Assesses whether the market can realistically deliver the option and bring innovation, commercial alignment, and development expertise.                         | Does the supplier market have the depth and capability to deliver the option at the required scale, quality, and timeframe, including the necessary technical, resilience, and coordination expertise?                                                                                 | -1   | -1    | 2     | 3    | 3    | 3    | 3    | 2    | 1    | 1    |
|                                                                                                                                                                 | Is there demonstrable market depth and appetite for the option, including interest from suitably experienced and capable development, construction, or investment partners?                                                                                                            | -2   | -2    | -1    | 1    | 2    | 3    | 3    | 3    | 2    | 2    |
|                                                                                                                                                                 | Does the option provide sufficient flexibility for suppliers or development partners to bring forward innovative financing, construction, procurement, or land-use approaches that enhance deliverability or reduce delivery risk for Council?                                         | -3   | -3    | -3    | -2   | 1    | 2    | 2    | 2    | 3    | 3    |
| Criteria Average                                                                                                                                                |                                                                                                                                                                                                                                                                                        | -2   | -2.00 | -0.67 | 0.67 | 2.00 | 2.67 | 2.67 | 2.33 | 2.00 | 2.00 |
| Potential affordability                                                                                                                                         |                                                                                                                                                                                                                                                                                        |      |       |       |      |      |      |      |      |      |      |
| Assesses whether the option is financially deliverable within funding constraints and provides mechanisms to reduce public cost exposure.                       | Is the option affordable within current and forecast funding envelopes across its full delivery profile, including capital, operating, and any future funding commitments?                                                                                                             | -2   | -1    | 1     | 1    | -1   | -2   | -2   | -2   | -3   | -3   |
|                                                                                                                                                                 | Does the option provide a robust approach to managing major cost and funding risks—such as escalation, inflation, phasing pressures, and supply-chain volatility—within acceptable fiscal tolerances?                                                                                  | -3   | -2    | 1     | 3    | 3    | 2    | 2    | 1    | 1    | 0    |
|                                                                                                                                                                 | Does the option include credible and viable mechanisms for private capital participation (e.g. concessions, public–private partnerships, ground leases, joint ventures, or co-investment) that reduce Council's direct funding requirement or balance-sheet exposure?                  | -3   | -3    | -3    | -2   | -2   | 2    | 2    | 3    | 3    | 3    |
|                                                                                                                                                                 | Does the option provide opportunities to reduce net public funding exposure by enabling partnerships, value-capture mechanisms, or market-ready development and revenue opportunities that could meaningfully offset Council investment over time?                                     | -2   | -2    | -2    | -1   | 1    | 2    | 2    | 3    | 3    | 3    |
|                                                                                                                                                                 | Does the option allow capital and funding commitments to be staged, deferred, or scaled in response to funding availability, demand, or fiscal constraints?                                                                                                                            | -3   | -1    | 1     | 2    | 3    | 3    | 3    | 2    | 2    | 2    |
| Criteria Average                                                                                                                                                |                                                                                                                                                                                                                                                                                        | -2.6 | -1.8  | -0.4  | 0.6  | 0.8  | 1.4  | 1.4  | 1.4  | 1.2  | 1    |
| Potential achievability                                                                                                                                         |                                                                                                                                                                                                                                                                                        |      |       |       |      |      |      |      |      |      |      |
| Assesses deliverability within real-world constraints, including construction feasibility, programme risks, regulatory considerations, and commercial pathways. | Is the option technically and practically deliverable at the required scale and pace, with an achievable construction methodology, manageable complexity, and realistic staging?                                                                                                       | -3   | -1    | 2     | 3    | 3    | 3    | 2    | 2    | 1    | 1    |
|                                                                                                                                                                 | Can the option be delivered while maintaining safe and acceptable levels of operation for rail, bus, road, and active-mode networks, and minimising disruption to surrounding communities during construction?                                                                         | -3   | -1    | 3     | 3    | 2    | 2    | 1    | 1    | -1   | -1   |
|                                                                                                                                                                 | Can the option be designed and delivered in a way that adequately protects water quality and critical infrastructure, including the Waiwhetū Aquifer and the Waterloo Water Treatment Plant?                                                                                           | -2   | -1    | 3     | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
|                                                                                                                                                                 | Is it feasible to obtain all required consents, statutory and Council approvals, land-use approvals (including matters relating to Crown land), and associated governance decisions without undue delay, material legal risk, or unmanageable regulatory or organisational complexity? | -2   | 1     | 3     | 3    | 2    | 2    | 1    | 1    | 0    | 0    |
| Criteria Average                                                                                                                                                |                                                                                                                                                                                                                                                                                        | -2.5 | -0.5  | 2.75  | 3    | 2.5  | 2.5  | 1.75 | 1.75 | 0.75 | 0.75 |



| Assessment Criteria                                                                                                                                             |  | Baseline   | Long List Options |             |              |           |             |              |           |             |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------|-------------------|-------------|--------------|-----------|-------------|--------------|-----------|-------------|--------------|
|                                                                                                                                                                 |  | Status Quo | Essential         | Essential + | Essential ++ | Developed | Developed + | Developed ++ | Optimised | Optimised + | Optimised ++ |
|                                                                                                                                                                 |  |            |                   |             | X            |           | X           |              | X         |             |              |
| Strategic Fit                                                                                                                                                   |  |            |                   |             |              |           |             |              |           |             |              |
| <b>Alignment with case for change</b>                                                                                                                           |  |            |                   |             |              |           |             |              |           |             |              |
| This dimension assesses how well an option supports the rationale for investment as articulated in the strategic case.                                          |  | -3.00      | -2.67             | -2.00       | 0.67         | 1.00      | 2.33        | 2.33         | 3.00      | 3.00        | 2.33         |
| <b>Business Needs</b>                                                                                                                                           |  |            |                   |             |              |           |             |              |           |             |              |
| Assesses how well the option meets the Key Service Requirements                                                                                                 |  | -2.60      | -2.40             | -1.20       | 0.80         | 2.20      | 2.60        | 2.60         | 2.60      | 2.40        | 2.20         |
| Potential Value for Money                                                                                                                                       |  |            |                   |             |              |           |             |              |           |             |              |
| Evaluates long-term value through the balance of benefits, costs, risks, commercial opportunity, and broader economic contribution.                             |  | -2.50      | -2.33             | -0.50       | 0.67         | 1.83      | 2.50        | 2.50         | 2.00      | 1.17        | 0.83         |
| Supplier capacity and capability                                                                                                                                |  |            |                   |             |              |           |             |              |           |             |              |
| Assesses whether the market can realistically deliver the option and bring innovation, commercial alignment, and development expertise.                         |  | -2.00      | -2.00             | -0.67       | 0.67         | 2.00      | 2.67        | 2.67         | 2.33      | 2.00        | 2.00         |
| Potential Affordability                                                                                                                                         |  |            |                   |             |              |           |             |              |           |             |              |
| Assesses whether the option is financially deliverable within funding constraints and provides mechanisms to reduce public cost exposure.                       |  | -2.60      | -1.80             | -0.40       | 0.60         | 0.80      | 1.40        | 1.40         | 1.40      | 1.20        | 1.00         |
| Potential Achievability                                                                                                                                         |  |            |                   |             |              |           |             |              |           |             |              |
| Assesses deliverability within real-world constraints, including construction feasibility, programme risks, regulatory considerations, and commercial pathways. |  | -2.50      | -0.50             | 2.75        | 3.00         | 2.50      | 2.50        | 1.75         | 1.75      | 0.75        | 0.75         |
| OVERALL                                                                                                                                                         |  |            |                   |             |              |           |             |              |           |             |              |
|                                                                                                                                                                 |  | -2.53      | -1.95             | -0.34       | 1.07         | 1.72      | 2.33        | 2.21         | 2.18      | 1.75        | 1.52         |

## Appendix G: Economic Analysis Model

Public Excluded

Waterloo TOD • Economic Business Case

Version 3.0

| Category                                       | Unit        | FY25 (Base) | FY26     | FY27     | FY28     | FY29     | FY30    | FY31 (Open) | FY32    | FY33    | FY34    | FY35    | FY41    | FY51    | FY61     | FY71     |
|------------------------------------------------|-------------|-------------|----------|----------|----------|----------|---------|-------------|---------|---------|---------|---------|---------|---------|----------|----------|
| Period Index (n)                               | Year        |             | 0        | 1        | 2        | 3        | 4       | 5           | 6       | 7       | 8       | 9       | 15      | 25      | 35       | 45       |
| Discount Rate                                  | %           | 2.00%       | 2.00%    | 2.00%    | 2.00%    | 2.00%    | 2.00%   | 2.00%       | 2.00%   | 2.00%   | 2.00%   | 2.00%   | 2.00%   | 2.00%   | 2.00%    | 2.00%    |
| Discount Factor                                | $1/(1+r)^n$ | 1.0000      | 1.0000   | 0.9804   | 0.9612   | 0.9423   | 0.9238  | 0.9057      | 0.8880  | 0.8706  | 0.8535  | 0.8368  | 0.7430  | 0.6095  | 0.5000   | 0.4102   |
| <b>I. ECONOMIC COSTS</b>                       |             |             |          |          |          |          |         |             |         |         |         |         |         |         |          |          |
| Capital Costs (Capex, P50)                     | \$m         | 0.00        | (24.80)  | (43.40)  | (43.40)  | (12.40)  | 0.00    | 0.00        | 0.00    | 0.00    | 0.00    | 0.00    | 0.00    | 0.00    | 0.00     | 0.00     |
| Incremental Opex (Maint.)                      | \$m         | 0.00        | 0.00     | 0.00     | 0.00     | 0.00     | 0.00    | 0.00        | 0.00    | (0.62)  | (0.62)  | (0.62)  | (0.95)  | (1.78)  | (1.86)   | (1.86)   |
| TOTAL COSTS (Undiscounted)                     | \$m         | 0.00        | (24.80)  | (43.40)  | (43.40)  | (12.40)  | 0.00    | 0.00        | 0.00    | (0.62)  | (0.62)  | (0.62)  | (0.95)  | (1.78)  | (1.86)   | (1.86)   |
| <b>II. ECONOMIC BENEFITS</b>                   |             |             |          |          |          |          |         |             |         |         |         |         |         |         |          |          |
| <b>1. TRAVEL TIME SAVINGS</b>                  |             |             |          |          |          |          |         |             |         |         |         |         |         |         |          |          |
| Volume (Hours Saved)                           | '000s hrs   | 0.0         | 0.0      | 0.0      | 0.0      | 0.0      | 0.0     | 125.0       | 127.5   | 130.1   | 132.7   | 135.3   | 152.4   | 185.7   | 226.4    | 276.0    |
| Price (Weighted \$/hr)                         | \$/hr       | \$36.50     | \$36.50  | \$36.50  | \$36.50  | \$36.50  | \$36.50 | \$36.50     | \$36.50 | \$36.50 | \$36.50 | \$36.50 | \$36.50 | \$36.50 | \$36.50  | \$36.50  |
| Total TTR Benefit                              | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$4.56      | \$4.65  | \$4.75  | \$4.84  | \$4.94  | \$5.56  | \$6.78  | \$8.26   | \$10.07  |
| <b>2. VEHICLE OP. COSTS (VOC)</b>              |             |             |          |          |          |          |         |             |         |         |         |         |         |         |          |          |
| Volume (Km Reduced)                            | '000s km    | 0.0         | 0.0      | 0.0      | 0.0      | 0.0      | 0.0     | 3,675.0     | 3,748.5 | 3,823.5 | 3,899.9 | 3,977.9 | 4,479.8 | 5,460.9 | 6,656.8  | 8,114.5  |
| Price (\$/km)                                  | \$/km       | \$0.280     | \$0.280  | \$0.280  | \$0.280  | \$0.280  | \$0.280 | \$0.280     | \$0.280 | \$0.280 | \$0.280 | \$0.280 | \$0.280 | \$0.280 | \$0.280  | \$0.280  |
| Total VOC Benefit                              | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$1.03      | \$1.05  | \$1.07  | \$1.09  | \$1.11  | \$1.25  | \$1.53  | \$1.86   | \$2.27   |
| <b>3. SAFETY (MOTOR VEHICLE CRASH SAVINGS)</b> |             |             |          |          |          |          |         |             |         |         |         |         |         |         |          |          |
| Volume (Fatalities Avoided)                    | # equiv     | 0.000       | 0.000    | 0.000    | 0.000    | 0.000    | 0.000   | 0.125       | 0.125   | 0.125   | 0.125   | 0.125   | 0.125   | 0.125   | 0.125    | 0.125    |
| Price (Value of Life)                          | \$m         | \$12.50     | \$12.50  | \$12.50  | \$12.50  | \$12.50  | \$12.50 | \$12.50     | \$12.50 | \$12.50 | \$12.50 | \$12.50 | \$12.50 | \$12.50 | \$12.50  | \$12.50  |
| Total Safety Benefit                           | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$1.56      | \$1.56  | \$1.56  | \$1.56  | \$1.56  | \$1.56  | \$1.56  | \$1.56   | \$1.56   |
| <b>4. WIDER ECONOMIC BENEFITS (WEBs)</b>       |             |             |          |          |          |          |         |             |         |         |         |         |         |         |          |          |
| Productivity / Land Uplift                     | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$5.20      | \$5.40  | \$5.59  | \$5.79  | \$5.98  | \$5.98  | \$5.98  | \$5.98   | \$5.98   |
| <b>5. ENVIRONMENTAL (CARBON)</b>               |             |             |          |          |          |          |         |             |         |         |         |         |         |         |          |          |
| Volume (Tonnes CO <sub>2</sub> Saved)          | Tonnes      | 0.0         | 0.0      | 0.0      | 0.0      | 0.0      | 0.0     | 2,425.5     | 2,474.0 | 2,523.5 | 2,574.0 | 2,625.4 | 2,956.7 | 3,604.2 | 4,393.5  | 5,355.6  |
| Price (Shadow Price Carbon)                    | \$/T        | \$120       | \$120    | \$120    | \$120    | \$120    | \$120   | \$120       | \$120   | \$120   | \$120   | \$120   | \$120   | \$120   | \$120    | \$120    |
| Total Carbon Benefit                           | \$m         | \$0.000     | \$0.000  | \$0.000  | \$0.000  | \$0.000  | \$0.000 | \$0.291     | \$0.297 | \$0.303 | \$0.309 | \$0.315 | \$0.355 | \$0.432 | \$0.527  | \$0.643  |
| TOTAL BENEFITS (Undiscounted)                  | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$12.65     | \$12.96 | \$13.27 | \$13.59 | \$13.91 | \$14.71 | \$16.28 | \$18.20  | \$20.53  |
| Net Social Cash Flow (undiscounted)            | \$m         | \$0.00      | -\$24.80 | -\$43.40 | -\$43.40 | -\$12.40 | \$0.00  | \$12.65     | \$12.96 | \$12.65 | \$12.97 | \$13.29 | \$13.76 | \$14.51 | \$16.34  | \$18.67  |
| <b>III. DISCOUNTED CASH FLOW</b>               |             |             |          |          |          |          |         |             |         |         |         |         |         |         |          |          |
| 1. Travel Time Savings PV                      | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$4.13      | \$8.26  | \$12.40 | \$16.53 | \$20.66 | \$45.46 | \$86.78 | \$128.10 | \$169.43 |
| 2. Vehicle Operating Costs PV                  | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$0.93      | \$1.86  | \$2.80  | \$3.73  | \$4.66  | \$10.25 | \$19.57 | \$28.89  | \$38.21  |
| 3. Safety (Crash Savings) PV                   | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$1.42      | \$2.80  | \$4.16  | \$5.50  | \$6.80  | \$14.13 | \$24.56 | \$33.11  | \$40.13  |
| 4. Wider Economic Benefits PV                  | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$4.71      | \$9.50  | \$14.37 | \$19.30 | \$24.31 | \$52.34 | \$92.25 | \$124.99 | \$151.85 |
| 5. Environmental (Carbon) PV                   | \$m         | \$0.00      | \$0.00   | \$0.00   | \$0.00   | \$0.00   | \$0.00  | \$0.26      | \$0.53  | \$0.79  | \$1.05  | \$1.32  | \$2.90  | \$5.54  | \$8.17   | \$10.81  |

|                   |       |        |          |          |           |           |           |           |           |           |           |           |           |           |           |           |          |
|-------------------|-------|--------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| Total Benefits PV | \$m   | \$0.00 | \$0.00   | \$0.00   | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$11.45   | \$22.96   | \$34.51   | \$46.11   | \$57.75   | \$125.07  | \$228.69  | \$323.27  | \$410.43 |
| Total Costs PV    | \$m   | \$0.00 | -\$24.80 | -\$67.35 | -\$109.06 | -\$120.75 | -\$120.75 | -\$120.75 | -\$120.75 | -\$121.29 | -\$121.82 | -\$122.34 | -\$125.87 | -\$135.16 | -\$145.34 | -\$153.70 |          |
| Cumulative NPSV   | \$m   | 0.00   | (24.80)  | (67.35)  | (109.06)  | (120.75)  | (120.75)  | (109.30)  | (97.79)   | (86.77)   | (75.70)   | (64.58)   | (0.80)    | 93.53     | 177.93    | 256.73    |          |
| Cumulative BCR    | ratio |        | 0.00     | 0.00     | 0.00      | 0.00      | 0.00      | 0.09      | 0.19      | 0.28      | 0.38      | 0.47      | 0.99      | 1.69      | 2.22      | 2.67      |          |
| NPSV to 2071      | \$m   | 256.73 |          |          |           |           |           |           |           |           |           |           |           |           |           |           |          |
| BCR @ 2071        | ratio | 2.67   |          |          |           |           |           |           |           |           |           |           |           |           |           |           |          |

| KEY ASSUMPTIONS PANEL | Value | Note / Source |
|-----------------------|-------|---------------|
|-----------------------|-------|---------------|

#### 0. GENERAL

|                        |   |       |                                                                            |
|------------------------|---|-------|----------------------------------------------------------------------------|
| Discount Rate (Social) | % | 2.00% | NZTA Waka Kotahi EEM; standard social discount rate for NZ public projects |
|------------------------|---|-------|----------------------------------------------------------------------------|

#### 1. ECONOMIC COSTS

|                        |     |          |                                                                   |
|------------------------|-----|----------|-------------------------------------------------------------------|
| Total CapEx (P50)      | \$m | \$124.00 | NZTA P50 estimate; phased over FY26–FY29. See phasing rows below. |
| FY26 phasing           | %   | 20.00%   | Phased 20-35-35-10 across FY26-29                                 |
| FY27 phasing           | %   | 35.00%   |                                                                   |
| FY28 phasing           | %   | 35.00%   |                                                                   |
| FY29 phasing           | %   | 10.00%   |                                                                   |
| FY26 CapEx (auto-calc) | \$m | -\$24.80 | auto-calculated                                                   |
| FY27 CapEx (auto-calc) | \$m | -\$43.40 | auto-calculated                                                   |
| FY28 CapEx (auto-calc) | \$m | -\$43.40 | auto-calculated                                                   |
| FY29 CapEx (auto-calc) | \$m | -\$12.40 | auto-calculated                                                   |

| Inc. OpEx as % of CapEx (from #1. LGFA Base MC) | Start Rate | End Rate | From Yr | To Yr                                        |
|-------------------------------------------------|------------|----------|---------|----------------------------------------------|
| Warranty: Yrs 5 ● 6                             | 0.0%       | 0.0%     | 5       | 6                                            |
| Operate: Yrs 7 ● 10                             | 0.5%       | 0.5%     | 7       | 10                                           |
| Operate: Yrs 11 ● 26 (steps evenly)             | 0.5%       | 1.5%     | 11      | 26                                           |
| Operate: Yrs 27 ● 45                            | 1.5%       | 1.5%     | 27      | 45                                           |
| Annual Opex from opening (FY31+)                | \$m p.a.   | -\$2.00  |         | Incremental maintenance from station opening |

#### 1. TRAVEL TIME SAVINGS

|                                                  |         |         |                                                                                                                                                                                                           |
|--------------------------------------------------|---------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual passenger trips (opening)                 | m trips | 1.5     | 6m Hutt Valley boardings p.a.; Waterloo ~25% share                                                                                                                                                        |
| Annual trip growth rate                          | %       | 2.00%   | Conservative compounding growth post-opening                                                                                                                                                              |
| Avg time saved per round trip (2.5 min each way) | mins    | 5.00    | Mean=5 min total (2.5 each way). Source: NZTA Waka Kotahi EEM; typical Lower Hutt–Wellington rail time advantage vs private car                                                                           |
| Value of travel time (weighted avg.)             | \$/hr   | \$36.50 | Source: NZTA Waka Kotahi Economic Evaluation Manual (EEM) v1.0, Appendix A3 Table A3.1; 2024/25 urban weighted blend of commuter (\$31.60/hr) and business (\$60.40/hr) travel, Waterloo route mix ~50/50 |

#### 2. VEHICLE OPERATING COSTS (VOC)

|                                           |    |     |                                                                           |
|-------------------------------------------|----|-----|---------------------------------------------------------------------------|
| Trips per day reduction (cars)            | n  | 420 | 1.5m boardings ÷ 250 days = 6,000/day; 1.15 persons/car; 7% modal capture |
| Return distance (Lower Hutt → Wellington) | km | 35  | Approximate round-trip road distance via SH2/motorway                     |
| Working days per year                     | n  | 250 | Standard NZ working year (excl. public holidays)                          |

|                                   |       |         |                                                                                                                 |
|-----------------------------------|-------|---------|-----------------------------------------------------------------------------------------------------------------|
| VOC rate (vehicle operating cost) | \$/km | \$0.280 | Source: NZTA Waka Kotahi EEM Table A4.2; 2024 light vehicle operating cost per km (petrol/hybrid fleet average) |
|-----------------------------------|-------|---------|-----------------------------------------------------------------------------------------------------------------|

### 3. SAFETY (CRASH SAVINGS)

|                                   |          |         |                                                                                                                                               |
|-----------------------------------|----------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Fatality-equiv. avoided per year  | # equiv  | 0.125   | 1 serious MV crash avoided per 8 years = 0.125 fatality-equiv. p.a. Source: NZTA Crash Analysis System (CAS); Hutt Valley corridor crash data |
| Value of Statistical Life (VSL)   | \$m      | \$12.50 | Source: NZTA Waka Kotahi EEM Section 4.3 Table 4.3; 2024/25 VSL = \$12.5m (fatality equivalent)                                               |
| Annual safety benefit (auto-calc) | \$m p.a. | \$1.563 | auto-calculated: fatality-equiv. × VSL                                                                                                        |

### 4. WIDER ECONOMIC BENEFITS (WEBs)

|                                                |          |         |                                                                                                                                 |
|------------------------------------------------|----------|---------|---------------------------------------------------------------------------------------------------------------------------------|
| Walkable catchment land value (800m radius)    | \$m      | \$1,300 | First-principles estimate: \$1.0bn–\$1.5bn range; \$1,300m conservative midpoint adopted. See citation block below (rows 108+). |
| Annual uplift rate — opening years (FY31–FY35) | %        | 0.40%   | Ramp rate as TOD opens; agglomeration & accessibility gains build gradually. Std Dev=0.10% for MC.                              |
| Annual uplift rate — steady state (FY35+)      | %        | 0.46%   | Stabilised once TOD land value premium fully capitalised. Std Dev=0.10% for MC.                                                 |
| Opening WEB benefit (auto-calc)                | \$m p.a. | \$5.200 | auto-calc: catchment value × opening uplift rate                                                                                |
| Steady state WEB benefit (auto-calc)           | \$m p.a. | \$5.980 | auto-calc: catchment value × steady state uplift rate                                                                           |

### 5. ENVIRONMENTAL (CARBON)

|                          |                       |       |                                                                                                            |
|--------------------------|-----------------------|-------|------------------------------------------------------------------------------------------------------------|
| Vehicle emission factor  | g CO <sub>2</sub> /km | 220   | Source: Ministry for the Environment NZ; average light fleet emission intensity 2024 (petrol/hybrid blend) |
| System effect multiplier | ×                     | 3.0   | Accounts for reduced congestion and indirect emissions across transport network (NZTA EEM guidance)        |
| Shadow price of carbon   | \$/T CO <sub>2</sub>  | \$120 | Source: NZ Ministry for the Environment; 2024 shadow price of carbon for social cost-benefit analysis      |

## 6. CATCHMENT LAND VALUE —

#### a. Catchment Geometry

|                                     |                 |      |                                                      |
|-------------------------------------|-----------------|------|------------------------------------------------------|
| Catchment radius                    | m               | 800  | Standard TOD walkable catchment (800m = 10-min walk) |
| Catchment area ( $\pi \times r^2$ ) | km <sup>2</sup> | 2.01 | Geometric: 800m radius circle = 2.01 km <sup>2</sup> |

#### b. Property Count in Catchment

|                                             |                     |         |                                                                                                          |
|---------------------------------------------|---------------------|---------|----------------------------------------------------------------------------------------------------------|
| Lower Hutt urban area                       | km <sup>2</sup>     | 78.54   | Source: Wikipedia / Statistics NZ — Lower Hutt urban area (excl. Wainuiomata & Eastbourne rural extents) |
| Total rated properties, Lower Hutt          | (n)                 | 41,830  | Source: Hutt City Council / QV, 2022 Rating Revaluation (1 Sep 2022). huttcity.govt.nz                   |
| City-wide property density                  | per km <sup>2</sup> | 533     | Derived: total properties ÷ urban area                                                                   |
| Waterloo suburb area                        | km <sup>2</sup>     | 1.81    | Source: Wikipedia — Waterloo, New Zealand (Waterloo East + West SA2)                                     |
| Waterloo suburb population (2023 Census)    | (n)                 | 5,508   | Source: Statistics NZ, 2023 Census of Population and Dwellings                                           |
| Lower Hutt population (2023 Census)         | (n)                 | 107,562 | Source: Statistics NZ, 2023 Census of Population and Dwellings                                           |
| Waterloo pop. density ratio vs city average | ratio               | 2.22    | Waterloo is ~2.2× denser than LH city average — confirmed by central urban location                      |



|                                         |     |       |                                                       |
|-----------------------------------------|-----|-------|-------------------------------------------------------|
| Method 1: city-wide density × catchment | (n) | 1,071 | Conservative lower bound                              |
| Method 2: Waterloo-adjusted density ×   | (n) | 2,378 | Upper bound: adjusted for Waterloo's relative density |
| Adopted count (midpoint M1 & M2)        | (n) | 1,725 | Central estimate used in market value calculation     |

#### c. Average Property Value

|                                                     |      |         |                                                                                                                                                                                                                |
|-----------------------------------------------------|------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total rateable value, Lower Hutt (2022 revaluation) | \$bn | 40.8    | Source: Hutt City Council / QV, 2022 Rating Revaluation (1 Sep 2022). \$40.8bn total, up 32.7% since 2019. <a href="http://huttcity.govt.nz">huttcity.govt.nz</a> & <a href="http://qv.co.nz">qv.co.nz</a>     |
| City-wide avg. property value, all types (2022)     | \$m  | \$0.975 | Total rateable value ÷ total rated properties                                                                                                                                                                  |
| Market decline factor (2022 → 2025)                 | %    | -7.00%  | Hutt City Council 2025 revaluation: residential down ~11% since 2022 (QV, Dec 2025). Conservative 7% adjustment applied to all-property average.                                                               |
| City-wide avg. property value (adjusted to          | \$m  | \$0.907 | Adjusted for market decline since 2022 revaluation benchmark date                                                                                                                                              |
| Waterloo avg. house value (residential, 2025)       | \$m  | \$0.801 | Source: Opes Partners, Waterloo House Prices 2025. <a href="https://opespartners.co.nz/property-markets/wellington/lower-hutt/waterloo">opespartners.co.nz/property-markets/wellington/lower-hutt/waterloo</a> |

#### d. Total Market Value — Derived Estimates

|                                               |     |                |                                                                                                                                                        |
|-----------------------------------------------|-----|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Low estimate (Method 1 × city-wide avg        | \$m | \$971          | Conservative: city-wide density + city-wide adjusted avg value                                                                                         |
| High estimate (Method 2 × Waterloo avg        | \$m | \$1,905        | Upper bound: Waterloo-adjusted density + Waterloo residential avg value                                                                                |
| Central estimate (midpoint of low & high)     | \$m | \$1,438        | Simple midpoint of the two method estimates                                                                                                            |
| <b>ADOPTED VALUE (→ Assumption Dg4 above)</b> | \$m | <b>\$1,300</b> | \$1,300m: rounded below central estimate to reflect (i) non-urban land within catchment (river, reserves); (ii) data uncertainty. See full note above. |

#### e. Data Sources & URLs

|                           |                                                                                 |                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hutt City Council / QV    | 2022 Rating Revaluation (1 Sep 2022)                                            | <a href="http://huttcity.govt.nz/people-and-communities/news/2022/new-rating-valuations-for-hutt-city-council">huttcity.govt.nz/people-and-communities/news/2022/new-rating-valuations-for-hutt-city-council</a>   <a href="http://qv.co.nz/news/new-rating-valuations-hutt-city-council/">qv.co.nz/news/new-rating-valuations-hutt-city-council/</a> |
| QV / Hutt City Council    | 2025 Rating Revaluation (1 Aug 2025)                                            | <a href="http://huttcity.govt.nz/people-and-communities/news/2025/new-property-valuations-coming-for-lower-hutt">huttcity.govt.nz/people-and-communities/news/2025/new-property-valuations-coming-for-lower-hutt</a>                                                                                                                                  |
| Opes Partners             | Waterloo House Prices 2025 — suburb market data                                 | <a href="https://opespartners.co.nz/property-markets/wellington/lower-hutt/waterloo">opespartners.co.nz/property-markets/wellington/lower-hutt/waterloo</a>                                                                                                                                                                                           |
| Statistics NZ             | 2023 Census — Waterloo SA2 (Waterloo East + West)                               | <a href="https://stats.govt.nz/2023-census/">stats.govt.nz/2023-census/</a>                                                                                                                                                                                                                                                                           |
| Statistics NZ / Wikipedia | Lower Hutt urban area 78.54 km <sup>2</sup> ; Waterloo suburb 8 km <sup>2</sup> | <a href="https://wikipedia.org/wiki/Lower_Hutt">wikipedia.org/wiki/Lower_Hutt</a>   <a href="https://wikipedia.org/wiki/Waterloo,_New_Zealand">wikipedia.org/wiki/Waterloo,_New_Zealand</a>                                                                                                                                                           |
| Geometric calculation     | 800m radius catchment = $\pi \times (0.8 \text{ km})^2 = 2.01 \text{ km}^2$     | Standard TOD methodology — no external source required                                                                                                                                                                                                                                                                                                |
| NZTA EEM / MfE / QV       | Value of time \$36.50/hr; VOC \$0.28/km; Carbon \$100/T; VSL \$12.5m            | <a href="https://nzta.govt.nz/resources/economic-evaluation-manual/">nzta.govt.nz/resources/economic-evaluation-manual/</a>   <a href="https://mfe.govt.nz">mfe.govt.nz</a>                                                                                                                                                                           |

## Waterloo TOD • Economic Business Case • Monte Carlo

Version 3.0

| Category                                   | Unit        | FY25 (Base)    | FY26            | FY27            | FY28            | FY29            | FY30           | FY31 (Open)    | FY32           | FY33           | FY34           | FY35           | FY41           | FY51           | FY61           | FY71           |
|--------------------------------------------|-------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Period Index (n)                           | Year        |                | 0               | 1               | 2               | 3               | 4              | 5              | 6              | 7              | 8              | 9              | 15             | 25             | 35             | 45             |
| Discount Rate                              | %           | 2.00%          | 2.00%           | 2.00%           | 2.00%           | 2.00%           | 2.00%          | 2.00%          | 2.00%          | 2.00%          | 2.00%          | 2.00%          | 2.00%          | 2.00%          | 2.00%          | 2.00%          |
| Discount Factor                            | $1/(1+r)^n$ | 1.0000         | 1.0000          | 0.9804          | 0.9612          | 0.9423          | 0.9238         | 0.9057         | 0.8880         | 0.8706         | 0.8535         | 0.8368         | 0.7430         | 0.6095         | 0.5000         | 0.4102         |
| <b>I. ECONOMIC COSTS</b>                   |             |                |                 |                 |                 |                 |                |                |                |                |                |                |                |                |                |                |
| Capital Costs (Capex, P50)                 | \$m         | 0.00           | -28.28          | -49.48          | -49.48          | -14.14          | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Incremental Opex (Maint.)                  | \$m         | 0.00           | 0.00            | 0.00            | 0.00            | 0.00            | 0.00           | 0.00           | 0.00           | -0.71          | -0.71          | -0.71          | -1.08          | -2.03          | -2.12          | -2.12          |
| <b>TOTAL COSTS (Undiscounted)</b>          | \$m         | <b>0.00</b>    | <b>-28.28</b>   | <b>-49.48</b>   | <b>-49.48</b>   | <b>-14.14</b>   | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>    | <b>-0.71</b>   | <b>-0.71</b>   | <b>-0.71</b>   | <b>-1.08</b>   | <b>-2.03</b>   | <b>-2.12</b>   | <b>-2.12</b>   |
| <b>II. ECONOMIC BENEFITS</b>               |             |                |                 |                 |                 |                 |                |                |                |                |                |                |                |                |                |                |
| <b>1. TRAVEL TIME SAVINGS</b>              |             |                |                 |                 |                 |                 |                |                |                |                |                |                |                |                |                |                |
| Volume (Hours Saved)                       | '000s hrs   | 0.0            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            | 124.4          | 126.9          | 129.5          | 132.0          | 134.7          | 151.7          | 184.9          | 225.4          | 274.8          |
| Price (Weighted \$/hr)                     | \$/hr       | \$36.50        | \$36.50         | \$36.50         | \$36.50         | \$36.50         | \$36.50        | \$36.50        | \$36.50        | \$36.50        | \$36.50        | \$36.50        | \$36.50        | \$36.50        | \$36.50        | \$36.50        |
| <b>Total TTR Benefit</b>                   | \$m         | <b>\$0.00</b>  | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>  | <b>\$4.54</b>  | <b>\$4.63</b>  | <b>\$4.73</b>  | <b>\$4.82</b>  | <b>\$4.92</b>  | <b>\$5.54</b>  | <b>\$6.75</b>  | <b>\$8.23</b>  | <b>\$10.03</b> |
| <b>2. VEHICLE OP. COSTS (VOC)</b>          |             |                |                 |                 |                 |                 |                |                |                |                |                |                |                |                |                |                |
| Volume (Km Reduced)                        | '000s km    | 0.0            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            | 3,675.0        | 3,748.5        | 3,823.5        | 3,899.9        | 3,977.9        | 4,479.8        | 5,460.9        | 6,656.8        | 8,114.5        |
| Price (\$/km)                              | \$/km       | \$0.280        | \$0.280         | \$0.280         | \$0.280         | \$0.280         | \$0.280        | \$0.280        | \$0.280        | \$0.280        | \$0.280        | \$0.280        | \$0.280        | \$0.280        | \$0.280        | \$0.280        |
| <b>Total VOC Benefit</b>                   | \$m         | <b>\$0.00</b>  | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>  | <b>\$1.03</b>  | <b>\$1.05</b>  | <b>\$1.07</b>  | <b>\$1.09</b>  | <b>\$1.11</b>  | <b>\$1.25</b>  | <b>\$1.53</b>  | <b>\$1.86</b>  | <b>\$2.27</b>  |
| <b>3. SAFETY (CRASH SAVINGS)</b>           |             |                |                 |                 |                 |                 |                |                |                |                |                |                |                |                |                |                |
| Volume (Fatalities Avoided)                | # equiv     | 0.000          | 0.000           | 0.000           | 0.000           | 0.000           | 0.000          | 0.166          | 0.166          | 0.166          | 0.166          | 0.166          | 0.166          | 0.166          | 0.166          | 0.166          |
| Price (Value of Life)                      | \$m         | \$12.50        | \$12.50         | \$12.50         | \$12.50         | \$12.50         | \$12.50        | \$12.50        | \$12.50        | \$12.50        | \$12.50        | \$12.50        | \$12.50        | \$12.50        | \$12.50        | \$12.50        |
| <b>Total Safety Benefit</b>                | \$m         | <b>\$0.00</b>  | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>  | <b>\$2.08</b>  | <b>\$2.08</b>  | <b>\$2.08</b>  | <b>\$2.08</b>  | <b>\$2.08</b>  | <b>\$2.08</b>  | <b>\$2.08</b>  | <b>\$2.08</b>  | <b>\$2.08</b>  |
| <b>4. WIDER ECONOMIC BENEFITS (WEBs)</b>   |             |                |                 |                 |                 |                 |                |                |                |                |                |                |                |                |                |                |
| Productivity / Land Uplift                 | \$m         | \$0.00         | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00         | \$5.78         | \$5.55         | \$5.31         | \$5.07         | \$4.83         | \$4.83         | \$4.83         | \$4.83         | \$4.83         |
| <b>5. ENVIRONMENTAL (CARBON)</b>           |             |                |                 |                 |                 |                 |                |                |                |                |                |                |                |                |                |                |
| Volume (Tonnes CO <sub>2</sub> Saved)      | Tonnes      | 0.0            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            | 2,425.5        | 2,474.0        | 2,523.5        | 2,574.0        | 2,625.4        | 2,956.7        | 3,604.2        | 4,393.5        | 5,355.6        |
| Price (Shadow Price Carbon)                | \$/T        | \$120          | \$120           | \$120           | \$120           | \$120           | \$120          | \$120          | \$120          | \$120          | \$120          | \$120          | \$120          | \$120          | \$120          | \$120          |
| <b>Total Carbon Benefit</b>                | \$m         | <b>\$0.000</b> | <b>\$0.000</b>  | <b>\$0.000</b>  | <b>\$0.000</b>  | <b>\$0.000</b>  | <b>\$0.000</b> | <b>\$0.291</b> | <b>\$0.297</b> | <b>\$0.303</b> | <b>\$0.309</b> | <b>\$0.315</b> | <b>\$0.355</b> | <b>\$0.432</b> | <b>\$0.527</b> | <b>\$0.643</b> |
| <b>TOTAL BENEFITS (Undiscounted)</b>       | \$m         | <b>\$0.00</b>  | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>   | <b>\$0.00</b>  | <b>\$13.73</b> | <b>\$13.60</b> | <b>\$13.49</b> | <b>\$13.37</b> | <b>\$13.26</b> | <b>\$14.06</b> | <b>\$15.62</b> | <b>\$17.53</b> | <b>\$19.85</b> |
| <b>Net Social Cash Flow (undiscounted)</b> | \$m         | <b>\$0.00</b>  | <b>-\$28.28</b> | <b>-\$49.48</b> | <b>-\$49.48</b> | <b>-\$14.14</b> | <b>\$0.00</b>  | <b>\$13.73</b> | <b>\$13.60</b> | <b>\$12.78</b> | <b>\$12.66</b> | <b>\$12.55</b> | <b>\$12.97</b> | <b>\$13.59</b> | <b>\$15.41</b> | <b>\$17.73</b> |
| <b>III. DISCOUNTED CASH FLOW</b>           |             |                |                 |                 |                 |                 |                |                |                |                |                |                |                |                |                |                |
| 1. Travel Time Savings PV                  | \$m         | \$0.00         | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00         | \$4.11         | \$8.23         | \$12.34        | \$16.45        | \$20.57        | \$45.25        | \$86.39        | \$127.52       | \$168.66       |
| 2. Vehicle Operating Costs PV              | \$m         | \$0.00         | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00         | \$0.93         | \$1.86         | \$2.80         | \$3.73         | \$4.66         | \$10.25        | \$19.57        | \$28.89        | \$38.21        |
| 3. Safety (Crash Savings) PV               | \$m         | \$0.00         | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00         | \$1.88         | \$3.73         | \$5.54         | \$7.32         | \$9.06         | \$18.81        | \$32.69        | \$44.08        | \$53.42        |
| 4. Wider Economic Benefits PV              | \$m         | \$0.00         | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00         | \$5.24         | \$10.16        | \$14.78        | \$19.11        | \$23.15        | \$45.79        | \$78.04        | \$104.49       | \$126.18       |
| 5. Environmental (Carbon) PV               | \$m         | \$0.00         | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00         | \$0.26         | \$0.53         | \$0.79         | \$1.05         | \$1.32         | \$2.90         | \$5.54         | \$8.17         | \$10.81        |

|                   |       |        |        |        |         |         |         |         |         |         |         |         |         |         |         |         |
|-------------------|-------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total Benefits PV | \$m   | 0.00   | 0.00   | 0.00   | 0.00    | 0.00    | 0.00    | 12.43   | 24.51   | 36.25   | 47.66   | 58.76   | 123.00  | 222.22  | 313.15  | 397.28  |
| Total Costs PV    | \$m   | 0.00   | -28.28 | -76.79 | -124.35 | -137.67 | -137.67 | -137.67 | -137.67 | -138.29 | -138.89 | -139.48 | -143.51 | -154.10 | -165.71 | -175.24 |
| Cumulative NPSV   | \$m   | 0.00   | -28.28 | -76.79 | -124.35 | -137.67 | -137.67 | -125.24 | -113.16 | -102.03 | -91.23  | -80.73  | -20.51  | 68.12   | 147.44  | 222.05  |
| Cumulative BCR    | ratio |        | 0.00   | 0.00   | 0.00    | 0.00    | 0.00    | 0.09    | 0.18    | 0.26    | 0.34    | 0.42    | 0.86    | 1.44    | 1.89    | 2.27    |
| NPSV to 2071      | \$m   | 222.05 |        |        |         |         |         |         |         |         |         |         |         |         |         |         |
| BCR @ 2071        | ratio | 2.27   |        |        |         |         |         |         |         |         |         |         |         |         |         |         |

| KEY ASSUMPTIONS PANEL | Value | Mean / Min | Std Dev / Max | Skew / Fixed | Note / Source |
|-----------------------|-------|------------|---------------|--------------|---------------|
|-----------------------|-------|------------|---------------|--------------|---------------|

## 0. GENERAL

|                        |   |       |       |       |                                                                            |
|------------------------|---|-------|-------|-------|----------------------------------------------------------------------------|
| Discount Rate (Social) | % | 2.00% | 2.00% | Fixed | NZTA Waka Kotahi EEM; standard social discount rate for NZ public projects |
|------------------------|---|-------|-------|-------|----------------------------------------------------------------------------|

## 1. ECONOMIC COSTS

|                                     |          |          |          |          |       |                                                                                                                                                      |
|-------------------------------------|----------|----------|----------|----------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total CapEx (P50 base = Min in MC)  | \$m      | \$141.38 | \$124.00 | \$148.80 | 0.75  | MC: power-skewed distribution (Finance BC v4.2.2 pattern). Min=P50 base, Max=P90 scenario, Skew=0.5 (upward bias reflects typical cost overrun risk) |
| FY26 phasing                        | %        | 20.00%   |          |          | Fixed | Phased 20-35-35-10 across FY26-29                                                                                                                    |
| FY27 phasing                        | %        | 35.00%   |          |          | Fixed |                                                                                                                                                      |
| FY28 phasing                        | %        | 35.00%   |          |          | Fixed |                                                                                                                                                      |
| FY29 phasing                        | %        | 10.00%   |          |          | Fixed |                                                                                                                                                      |
| FY26 CapEx (auto-calc)              | \$m      | -\$28.28 |          |          | Fixed | auto-calculated                                                                                                                                      |
| FY27 CapEx (auto-calc)              | \$m      | -\$49.48 |          |          | Fixed | auto-calculated                                                                                                                                      |
| FY28 CapEx (auto-calc)              | \$m      | -\$49.48 |          |          | Fixed | auto-calculated                                                                                                                                      |
| FY29 CapEx (auto-calc)              | \$m      | -\$14.14 |          |          | Fixed | auto-calculated                                                                                                                                      |
| Annual Opex from opening (FY31+)    | \$m p.a. | -\$2.00  |          |          | Fixed | Incremental maintenance from station opening                                                                                                         |
| Warranty: Yrs 5 • 6                 | 0.0%     | 0.0%     | 5        | 6        |       |                                                                                                                                                      |
| Operate: Yrs 7 • 10                 | 0.5%     | 0.5%     | 7        | 10       |       |                                                                                                                                                      |
| Operate: Yrs 11 • 26 (steps evenly) | 0.5%     | 1.5%     | 11       | 26       |       |                                                                                                                                                      |
| Operate: Yrs 27 • 45                | 1.5%     | 1.5%     | 27       | 45       |       |                                                                                                                                                      |

## 1. TRAVEL TIME SAVINGS

|                                                  |         |         |         |       |                                                                                                                                                                                                           |
|--------------------------------------------------|---------|---------|---------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual passenger trips (opening)                 | m trips | 1.5     | 1.5     | Fixed | 6m Hutt Valley boardings p.a.; Waterloo ~25% share                                                                                                                                                        |
| Annual trip growth rate                          | %       | 2.00%   | 2.00%   | Fixed | Conservative compounding growth post-opening                                                                                                                                                              |
| Avg time saved per round trip (2.5 min each way) | mins    | 4.98    | 5.00    | 1.00  | MC variable — NORM.INV distribution. Mean=5 min (2.5 each way), Std Dev=1 min. Source: NZTA EEM; typical Wgtn-LH rail time advantage                                                                      |
| Value of travel time (weighted avg.)             | \$/hr   | \$36.50 | \$36.50 | Fixed | Source: NZTA Waka Kotahi Economic Evaluation Manual (EEM) v1.0, Appendix A3 Table A3.1; 2024/25 urban weighted blend of commuter (\$31.60/hr) and business (\$60.40/hr) travel, Waterloo route mix ~50/50 |

## 2. VEHICLE OPERATING COSTS (VOC)

|                                |   |     |     |       |                                                                           |
|--------------------------------|---|-----|-----|-------|---------------------------------------------------------------------------|
| Trips per day reduction (cars) | n | 420 | 420 | Fixed | 1.5m boardings ÷ 250 days = 6,000/day; 1.15 persons/car; 7% modal capture |
|--------------------------------|---|-----|-----|-------|---------------------------------------------------------------------------|

|                                           |       |         |         |       |                                                                                                                 |
|-------------------------------------------|-------|---------|---------|-------|-----------------------------------------------------------------------------------------------------------------|
| Return distance (Lower Hutt → Wellington) | km    | 35      | 35      | Fixed | Approximate round-trip road distance via SH2/motorway                                                           |
| Working days per year                     | n     | 250     | 250     | Fixed | Standard NZ working year (excl. public holidays)                                                                |
| VOC rate (vehicle operating cost)         | \$/km | \$0.280 | \$0.280 | Fixed | Source: NZTA Waka Kotahi EEM Table A4.2; 2024 light vehicle operating cost per km (petrol/hybrid fleet average) |

### 3. SAFETY (CRASH SAVINGS)

|                                   |          |         |         |       |                                                                                                                                       |
|-----------------------------------|----------|---------|---------|-------|---------------------------------------------------------------------------------------------------------------------------------------|
| Fatality-equiv. avoided per year  | # equiv  | 0.166   | 0.125   | 0.040 | MC variable — NORM.INV. Mean=0.125 (1 serious crash per 8 yrs). Std Dev=0.04. Source: NZTA CAS crash statistics, Hutt Valley corridor |
| Value of Statistical Life (VSL)   | \$m      | \$12.50 | \$12.50 | Fixed | Source: NZTA Waka Kotahi EEM Section 4.3 Table 4.3; 2024/25 VSL = \$12.5m (fatality equivalent)                                       |
| Annual safety benefit (auto-calc) | \$m p.a. | \$2.080 |         | Fixed | auto-calculated: fatality-equiv. × VSL                                                                                                |

### 4. WIDER ECONOMIC BENEFITS (WEBs)

|                                                |          |         |         |       |                                                                                                                                 |
|------------------------------------------------|----------|---------|---------|-------|---------------------------------------------------------------------------------------------------------------------------------|
| Walkable catchment land value (800m radius)    | \$m      | \$1,300 | \$1,300 | Fixed | First-principles estimate: \$1.0bn–\$1.5bn range; \$1,300m conservative midpoint adopted. See citation block below (rows 108+). |
| Annual uplift rate — opening years (FY31–FY35) | %        | 0.44%   | 0.40%   | 0.10% | MC variable — NORM.INV. Mean=0.40%, Std Dev=0.10%. Reflects agglomeration & access gain uncertainty                             |
| Annual uplift rate — steady state (FY35+)      | %        | 0.37%   | 0.46%   | 0.10% | MC variable — NORM.INV. Mean=0.46%, Std Dev=0.10%.                                                                              |
| Opening WEB benefit (auto-calc)                | \$m p.a. | \$5.784 |         | Fixed | auto-calc: catchment value × opening uplift rate                                                                                |
| Steady state WEB benefit (auto-calc)           | \$m p.a. | \$4.831 |         | Fixed | auto-calc: catchment value × steady state uplift rate                                                                           |

### 5. ENVIRONMENTAL (CARBON)

|                          |                       |       |       |       |                                                                                                            |
|--------------------------|-----------------------|-------|-------|-------|------------------------------------------------------------------------------------------------------------|
| Vehicle emission factor  | g CO <sub>2</sub> /km | 220   | 220   | Fixed | Source: Ministry for the Environment NZ; average light fleet emission intensity 2024 (petrol/hybrid blend) |
| System effect multiplier | ×                     | 3.0   | 3.0   | Fixed | Accounts for reduced congestion and indirect emissions across transport network (NZTA EEM guidance)        |
| Shadow price of carbon   | \$/T CO <sub>2</sub>  | \$120 | \$120 | Fixed | Source: NZ Ministry for the Environment; 2024 shadow price of carbon for social cost-benefit analysis      |

### 6. CATCHMENT LAND VALUE —

#### a. Catchment Geometry

|                                     |                 |      |  |  |                                                      |
|-------------------------------------|-----------------|------|--|--|------------------------------------------------------|
| Catchment radius                    | m               | 800  |  |  | Standard TOD walkable catchment (800m = 10-min walk) |
| Catchment area ( $\pi \times r^2$ ) | km <sup>2</sup> | 2.01 |  |  | Geometric: 800m radius circle = 2.01 km <sup>2</sup> |

#### b. Property Count in Catchment

|                                          |                     |        |  |  |                                                                                                            |
|------------------------------------------|---------------------|--------|--|--|------------------------------------------------------------------------------------------------------------|
| Lower Hutt urban area                    | km <sup>2</sup>     | 78.54  |  |  | Source: Wikipedia / Statistics NZ — Lower Hutt urban area (excl. Whainuiamata & Featherston rural extents) |
| Total rated properties, Lower Hutt       | (n)                 | 41,830 |  |  | Source: Hutt City Council / QV, 2022 Rating Revaluation (1 Jan 2022). Hutt City area only.                 |
| City-wide property density               | per km <sup>2</sup> | 533    |  |  | Derived: total properties ÷ urban area                                                                     |
| Waterloo suburb area                     | km <sup>2</sup>     | 1.81   |  |  | Source: Wikipedia — Waterloo, New Zealand (Waterloo East + West End)                                       |
| Waterloo suburb population (2023 Census) | (n)                 | 5,508  |  |  | Source: Statistics NZ, 2023 Census of Population and Dwellings                                             |

|                                             |       |         |                                                                                     |
|---------------------------------------------|-------|---------|-------------------------------------------------------------------------------------|
| Lower Hutt population (2023 Census)         | (n)   | 107,562 | Source: Statistics NZ, 2023 Census of Population and Dwellings                      |
| Waterloo pop. density ratio vs city average | ratio | 2.22    | Waterloo is ~2.2x denser than LH city average — confirmed by central urban location |
| Method 1: city-wide density × catchment     | (n)   | 1,071   | Conservative lower bound                                                            |
| Method 2: Waterloo-adjusted density ×       | (n)   | 2,378   | Upper bound: adjusted for Waterloo's relative density                               |
| Adopted count (midpoint M1 & M2)            | (n)   | 1,725   | Central estimate used in market value calculation                                   |

#### c. Average Property Value

|                                                  |      |         |                                                                                                                                                                                                                                |
|--------------------------------------------------|------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total rateable value, Lower Hutt (2022)          | \$bn | 40.8    | Source: Hutt City Council / QV, 2022 Rating Revaluation (1 Jan 2022). \$40.8bn total up 33.7% since 2019.                                                                                                                      |
| City-wide avg. property value, all types (2022)  | \$m  | \$0.975 | Total rateable value ÷ total rated properties                                                                                                                                                                                  |
| Market decline factor (2022 → 2025)              | %    | -7.00%  | Hutt City Council 2025 revaluation: residential down ~11% since 2022 (QV, Dec 2023). Conservative 7% adjustment.                                                                                                               |
| City-wide avg. property value (adjusted to 2025) | \$m  | \$0.907 | Adjusted for market decline since 2022 revaluation benchmark data.                                                                                                                                                             |
| Waterloo avg. house value (residential, 2025)    | \$m  | \$0.801 | Source: Opes Partners, Waterloo House Prices 2025. <a href="https://www.opespartners.co.nz/property-markets/wellington/lower-hutt/waterloo">https://www.opespartners.co.nz/property-markets/wellington/lower-hutt/waterloo</a> |

#### d. Total Market Value — Derived Estimates

|                                           |     |                |                                                                                                                   |
|-------------------------------------------|-----|----------------|-------------------------------------------------------------------------------------------------------------------|
| Low estimate (Method 1 × city-wide avg)   | \$m | \$971          | Conservative: city-wide density + city-wide adjusted avg value                                                    |
| High estimate (Method 2 × Waterloo avg)   | \$m | \$1,905        | Upper bound: Waterloo-adjusted density + Waterloo residential avg value                                           |
| Central estimate (midpoint of low & high) | \$m | \$1,438        | Simple midpoint of the two method estimates                                                                       |
| <b>ADOPTED VALUE (→ Assumption D94)</b>   | \$m | <b>\$1,300</b> | \$1,300m: rounded below central estimate to reflect (i) non-urban land within catchment (river, reservoirs); (ii) |

#### e. Data Sources & URLs

|                           |               |                                                                                                                                                                                                 |
|---------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hutt City Council / QV    | 2022          | <a href="https://huttcity.govt.nz/people-and-communities/low-cost-housing/valuing-hutt">huttcity.govt.nz/people-and-communities/low-cost-housing/valuing-hutt</a>                               |
| QV / Hutt City Council    | 2025          | <a href="https://huttcity.govt.nz/people-and-communities/low-cost-housing/valuing-hutt">huttcity.govt.nz/people-and-communities/low-cost-housing/valuing-hutt</a>                               |
| Opes Partners             | Waterloo      | <a href="https://www.opespartners.co.nz/property-markets/wellington/lower-hutt/waterloo">www.opespartners.co.nz/property-markets/wellington/lower-hutt/waterloo</a>                             |
| Statistics NZ             | 2023          | <a href="https://stats.govt.nz/2023-census/">stats.govt.nz/2023-census/</a>                                                                                                                     |
| Statistics NZ / Wikipedia | Lower Hutt    | <a href="https://en.wikipedia.org/wiki/Lower_Hutt">wikipedia.org/wiki/Lower_Hutt</a>   <a href="https://en.wikipedia.org/wiki/Mataroa,_New_Zealand">wikipedia.org/wiki/Mataroa, New Zealand</a> |
| Geometric calculation     | 800m radius   | Standard TOD methodology — no external source required                                                                                                                                          |
| NZTA EEM / MfE / QV       | Value of time | <a href="https://nzta.govt.nz/resources/economic-evaluation-manual/">nzta.govt.nz/resources/economic-evaluation-manual/</a>   <a href="https://mfe.govt.nz">mfe.govt.nz</a>                     |

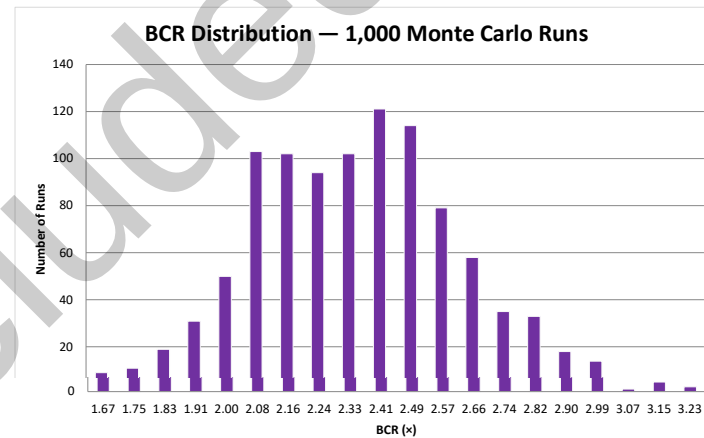
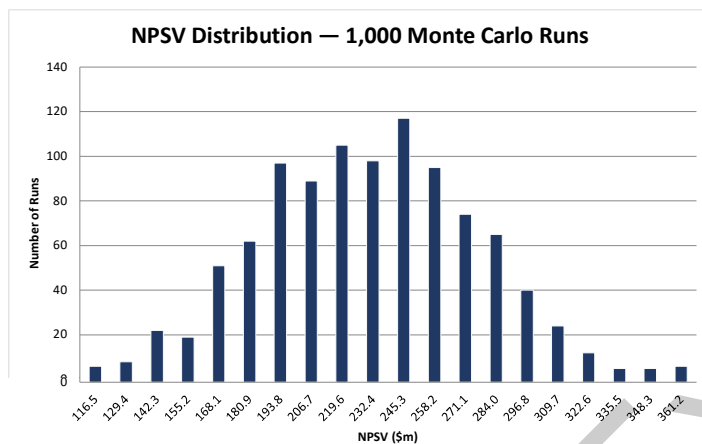


Waterloo TOD • Economic Business Case • Monte Carlo Dashboard (n=1,000)

Version 3.0

| Statistic | NPSV (\$m) | BCR (x) |
|-----------|------------|---------|
| Mean      | \$237.70   | 2.39    |
| Median    | \$238.84   | 2.39    |
| Std Dev   | \$44.97    | 0.28    |
| P10       | \$180.67   | 2.04    |
| P25       | \$205.44   | 2.18    |
| P75       | \$268.22   | 2.57    |
| P90       | \$295.00   | 2.75    |
| Min       | \$116.55   | 1.67    |
| Max       | \$374.10   | 3.32    |

| 12.88           |               |        | 0.08          |               |           |
|-----------------|---------------|--------|---------------|---------------|-----------|
| NPSV            |               |        | BCR           |               |           |
| Bin Upper (\$m) | Frequency (n) | f Runs | Bin Upper (x) | Frequency (n) | % of Runs |
| 116.5           | 6             | 0.6%   | 1.7           | 9             | 0.9%      |
| 129.4           | 8             | 0.8%   | 1.7           | 11            | 1.1%      |
| 142.3           | 22            | 2.2%   | 1.8           | 19            | 1.9%      |
| 155.2           | 19            | 1.9%   | 1.9           | 31            | 3.1%      |
| 168.1           | 51            | 5.1%   | 2.0           | 50            | 5.0%      |
| 180.9           | 62            | 6.2%   | 2.1           | 103           | 10.3%     |
| 193.8           | 97            | 9.7%   | 2.2           | 102           | 10.2%     |
| 206.7           | 89            | 8.9%   | 2.2           | 94            | 9.4%      |
| 219.6           | 105           | 10.5%  | 2.3           | 102           | 10.2%     |
| 232.4           | 98            | 9.8%   | 2.4           | 121           | 12.1%     |
| 245.3           | 117           | 11.7%  | 2.5           | 114           | 11.4%     |
| 258.2           | 95            | 9.5%   | 2.6           | 79            | 7.9%      |
| 271.1           | 74            | 7.4%   | 2.7           | 58            | 5.8%      |
| 284.0           | 65            | 6.5%   | 2.7           | 35            | 3.5%      |
| 296.8           | 40            | 4.0%   | 2.8           | 33            | 3.3%      |
| 309.7           | 24            | 2.4%   | 2.9           | 18            | 1.8%      |
| 322.6           | 12            | 1.2%   | 3.0           | 14            | 1.4%      |
| 335.5           | 5             | 0.5%   | 3.1           | 1             | 0.1%      |
| 348.3           | 5             | 0.5%   | 3.2           | 4             | 0.4%      |
| 361.2           | 6             | 0.6%   | 3.2           | 2             | 0.2%      |



## Appendix H: Commentary re Community Benefits of Healthcare & Social Service Accessibility

### Context

Waterloo is the second-largest station in the Wellington region and sits at the centre of one of Lower Hutt's most diverse catchments. According to the 2023 Census, approximately 19.7% of Lower Hutt's population of 106,500 identify as Māori and 12.3% as Pacific peoples, meaning roughly one in three residents belongs to a population group with documented higher rates of unmet healthcare need and transport-related barriers to services. [1][2]

The Waterloo TOD project presents a material opportunity to improve access to secondary healthcare and social services for these communities. This note summarises the New Zealand evidence base supporting the inclusion of this as a community benefit in the Economics Business Case.

### The Problem: Transport as a Barrier to Health

New Zealand research consistently identifies transport as a leading driver of unmet healthcare need, particularly for Māori, Pacific peoples, disabled people, and low-income households. These groups are disproportionately represented in Lower Hutt.

1. Māori are more than twice as likely as non-Māori to cite travel costs as a barrier to accessing a GP (18% vs 8%). Pacific peoples report similar rates. [3]
2. A 2021 Christchurch study found only 58.4% of people in the most deprived areas had access to high-frequency bus services, limiting their ability to attend secondary appointments. [4]
3. Research on half-price public transport fares in Aotearoa found that reduced transport costs directly enabled people to reach health and social services they had previously been unable to access. [5]
4. A burden-of-disease study linked transport inequity to measurable gaps in life expectancy between Māori and non-Māori, and found Māori bear a disproportionate share of transport-related health impacts. [6]
5. Disabled people face compounded barriers when transport access intersects with other forms of marginalisation, limiting their ability to reach social and health services. [7]

### The Opportunity: Improved Connectivity to Services

The TOD upgrade creates an opportunity to better connect secondary health and social services to the station precinct, either through co-location, improved interchange, or enhanced pedestrian access. The evidence supports this on multiple grounds:

1. Improved transport access to healthcare reduces missed appointments, lowers avoidable emergency department demand, and supports earlier intervention in chronic conditions, all of which carry measurable savings to Health New Zealand. [8]

2. Transport improvements that reduce barriers to social services (housing support, mental health, benefit access) reduce the downstream burden on multiple public agencies, consistent with a whole-of-government cost-benefit approach. [6]
3. Research on Māori social housing residents found that access to the wider urban environment is essential for health and wellbeing, and that successful outcomes require co-design with Māori communities as equal partners. [8]

## Alignment with Healthcare Policy

Including healthcare accessibility as a benefit in this business case is well supported by current national healthcare policy:

4. The restructure of Aotearoa New Zealand's health system in 2022 explicitly identified transport and geographical access as equity levers requiring cross-sector action, and established reducing health disparities as a statutory objective. [9]
5. Te Tiriti o Waitangi obligations require agencies to actively reduce disparities in health outcomes for Māori, and improving transport-linked access to services is a direct and evidenced mechanism for doing so. [6]
6. The New Zealand Disability Strategy identifies accessible transport to services as a key national outcome. [7]

## Summary: Value Streams for the IBC

The community benefit of improved healthcare and social service access can be structured around three value streams for the Economics Business Case:

| Value Stream                | Basis for Inclusion                                                                                                                                          |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Avoided health system costs | Fewer missed appointments, lower avoidable ED presentations, earlier intervention in chronic conditions                                                      |
| Wider social value          | Reduced downstream burden on housing, mental health, and social support agencies, consistent with Treasury CBAX whole-of-government guidance                 |
| Health equity               | Measurable reduction in disparities for Māori (~19.7%) and Pacific peoples (~12.3%) in Lower Hutt, a statutory obligation and a national healthcare priority |

## References

- [1] [2023 Census, Lower Hutt City ethnic groups. Stats NZ / Figure NZ.](#)

- [2] [2023 Census population counts by ethnic group. Stats NZ.](#)
- [3] [Financial barriers to primary health care in Aotearoa New Zealand. Family Practice, Oxford Academic \(2024\).](#)
- [4] [Access to Primary Care Services Using Public Transport in Ōtautahi Christchurch. PubMed \(2021\).](#)
- [5] [Accessibility and Affordability Impacts of Half Price Public Transport Fares in Aotearoa New Zealand. Findings Press.](#)
- [6] [Keall et al. The impact of transport on population health and health equity for Māori in Aotearoa New Zealand. PMC \(2022\).](#)
- [7] [Transport Experiences of Disabled People in Aotearoa New Zealand. NZTA \(2022\).](#)
- [8] [Considering the importance of transport to the wellbeing of Māori social housing residents. ScienceDirect \(2024\).](#)
- [9] [The 2022 restructure of Aotearoa New Zealand's health system. ScienceDirect \(2023\).](#)

Public Excluded



## Appendix I: Financial Models Preferred Option (LGFA and alternative funding Scenarios)

Public Excluded

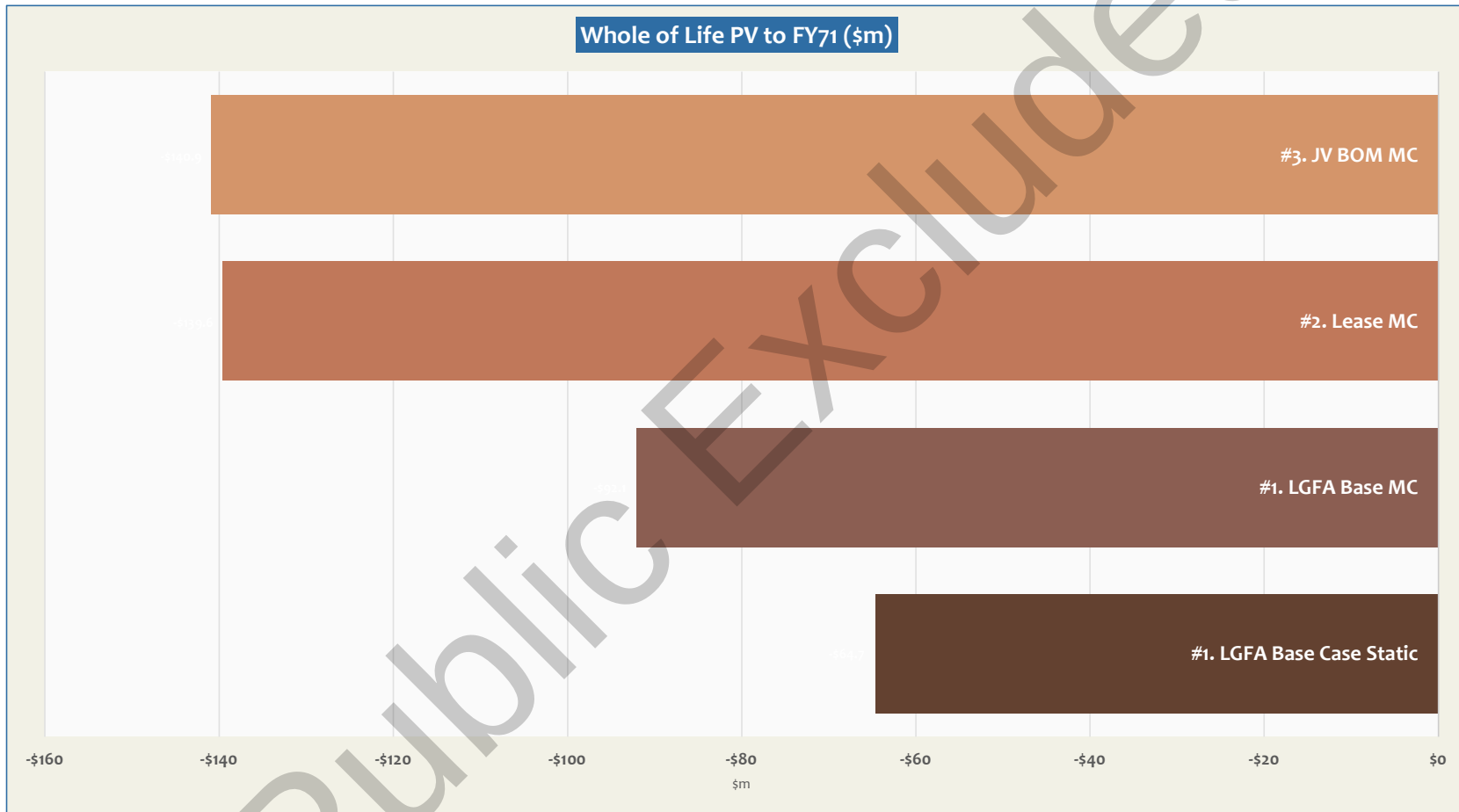
PREFERRED • Waterloo TOD • Finance Business Case • Inputs & Summary

Version 7.3

| INPUT / ASSUMPTION                                   | NOTES                                       | #1. LGFA Base Case Static | #1. LGFA Base MC | #2. Lease MC | #3. JV BOM MC |
|------------------------------------------------------|---------------------------------------------|---------------------------|------------------|--------------|---------------|
| <b>I. CAPITAL INPUTS</b>                             |                                             |                           |                  |              |               |
| Baseline CapEx (\$m)                                 | Phased 20% / 35% / 35% / 10%                | 124.0                     | 141.8            | 141.8        | 141.8         |
| CapEx Phase 1 (Approvals)                            | % of total CapEx                            | 20%                       | 20%              | -            | -             |
| CapEx Phase 2 (D.&Const. Yr 1)                       | % of total CapEx                            | 35%                       | 35%              | -            | -             |
| CapEx Phase 3 (D.&Const. Yr 2)                       | % of total CapEx                            | 35%                       | 35%              | -            | -             |
| CapEx Phase 4 (D.&Const. Yr 3)                       | % of total CapEx                            | 10%                       | 10%              | -            | -             |
| Land Opportunity / Capital Release (\$m)             | MC: Min \$15m / Max \$20m / Skew 0.5        | 3                         | 3                | 19.9         | 3             |
| Developer Margin                                     | Applied to Build CapEx                      | -                         | -                | 20%          | -             |
| Total Development Cost (\$m)                         | CapEx × (1 + Dev. Margin)                   | -                         | -                | 170.2        | -             |
| Depreciation (Years)                                 | Straight Line                               | 40                        | 40               | 40           | -             |
| Inc. Pref. Option OpEx (% of CapEx p.a.)             | Yrs 5-6: 0% (warranty); see band table on M | 0.5% → 1.5%               | 0.5% → 1.5%      | 2.0%         | 2.0%          |
| <b>II. FINANCING &amp; RATE INPUTS</b>               |                                             |                           |                  |              |               |
| GWRC WACC                                            | Discount rate                               | 5.5%                      | 5.5%             | 5.5%         | 5.5%          |
| LGFA Interest Rate                                   | MC: Mean 5.5% / SD 0.25%                    | 5.50%                     | 5.48%            | 4.57%        | -             |
| ↳ Mean                                               | #1 MC only                                  | -                         | 5.50%            | -            | -             |
| ↳ Std Deviation                                      | #1 MC only                                  | -                         | 0.25%            | -            | -             |
| JV BOM Partner WACC                                  | JV BOM scenario only                        | -                         | -                | -            | 7.5%          |
| CapEx component of Avail. Payment (\$m)              | 25 yr JV BOM PMT                            | -                         | -                | -            | -12.7         |
| Ann. AP OpEx as % of CapEx                           | JV BOM scenario only                        | -                         | -                | -            | 2%            |
| AP OpEx (\$m) for FY2031                             | JV BOM scenario only                        | -                         | -                | -            | -2.84         |
| <b>III. ESCALATION INPUTS</b>                        |                                             |                           |                  |              |               |
| Farebox Uplift (TOD)                                 | Est. increase from FY31                     | 2.5%                      | 2.2%             | 2.2%         | 2.2%          |
| ↳ Mean                                               | #1 MC only                                  | -                         | 2.5%             | -            | -             |
| ↳ Std Deviation                                      | #1 MC only                                  | -                         | 0.3%             | -            | -             |
| Inflation - OpEx & CapEx                             | Annual escalator                            | 3.0%                      | 3.0%             | 3.0%         | 3.0%          |
| Water Escalator (Local Water Done Well)              | Annual escalator                            | 4.0%                      | 4.0%             | 4.0%         | 4.0%          |
| Annual Lease Escalator                               | #2 Lease MC only                            | -                         | -                | 3.0%         | -             |
| <b>IV. LEASE STRUCTURE INPUTS (#2 Lease MC only)</b> |                                             |                           |                  |              |               |
| Developer Target Yield                               | Drives lease cost                           | -                         | -                | 7.5%         | -             |
| Station GFA Share                                    | Transport / Total GFA                       | -                         | -                | 73.1%        | -             |
| Transport Facility Net Rentable Area (sqm)           | GWRC Lease                                  | -                         | -                | 4,080        | -             |
| Commercial/Retail Net Rentable Area (sqm)            | Underwritten                                | -                         | -                | 1,500        | -             |
| Commercial/Retail Rate per sqm (\$)                  | Underwritten                                | -                         | -                | 450          | -             |
| Incremental OpEx % of CapEx p.a. (3rd party)         | 3rd party flat rate (Lease & JV BOM)        | -                         | -                | 2.0%         | -             |
| Incremental OpEx FY31 \$m (CapEx × OpEx %)           | Lease CapEx × LGFA MC OpEx %                | -                         | -                | 2.84         | -             |
| 2031 WTOD Total Cost (Lease + OpEx) (\$m p.a.)       | Dev. Cost × Yield × GFA Share + OpEx        | -                         | -                | 12.17        | -             |
| CapEx MC Min (\$m)                                   | MC range                                    | -                         | -                | 124.0        | -             |
| CapEx MC Max (\$m)                                   | MC range                                    | -                         | -                | 148.8        | -             |
| Land Value MC Min (\$m)                              | MC range                                    | -                         | -                | 15.0         | -             |
| <b>V. KEY OUTPUT SUMMARY</b>                         |                                             |                           |                  |              |               |
| Present Value to FY71 (\$m)                          | NPV of project cashflows                    | -64.7                     | -92.1            | -139.6       | -140.9        |
| Min Net Surplus (\$m)                                | Worst annual surplus                        | N/A                       | -8.6             | -26.9        | -23.3         |
| Max LGFA Debt (\$m)                                  | Peak LGFA borrowing                         | 124.0                     | 141.8            | N/A          | N/A           |
| Peak LGFA Debt to Revenue                            | Debt serviceability metric                  | N/A                       | 1.97x            | N/A          | N/A           |

|                         |                   |     |     |        |        |
|-------------------------|-------------------|-----|-----|--------|--------|
| Lease PV to FY71 (\$m)  | #2 Lease MC only  | N/A | N/A | -139.6 | N/A    |
| JV BOM PV to FY71 (\$m) | #3 JV BOM MC only | N/A | N/A | N/A    | -140.9 |

| Whole of Life PV to FY71 (\$m) |        |
|--------------------------------|--------|
| #1. LGFA Base Case Static      | -64.7  |
| #1. LGFA Base MC               | -92.1  |
| #2. Lease MC                   | -139.6 |
| #3. JV BOM MC                  | -140.9 |



## Waterloo TOD • Finance Business Case • #1. - LGFA Base Case Static

|                                              |         | 5.50% GWRC WACC |            |            |            |            |            |         |           |           |           |           |         |
|----------------------------------------------|---------|-----------------|------------|------------|------------|------------|------------|---------|-----------|-----------|-----------|-----------|---------|
|                                              |         | 0               | 1          | 2          | 3          | 4          | 5          | 10      | 15        | 25        | 35        | 45        |         |
|                                              |         | 1.00            | 1.06       | 1.11       | 1.17       | 1.24       | 1.31       | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |         |
| FY25 Base Yr. Audited Acc's                  |         | Approvals       | D. & Const | D. & Const | D. & Const | D. & Const | D. & Const | Operate | Operate   | Operate   | Operate   | Operate   | Operate |
| Financial Year (\$m)                         | Jun 25  | Jun 26          | Jun 27     | Jun 28     | Jun 29     | Jun 30     | Jun 31     | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |         |
| <b>I. PROFIT &amp; LOSS</b>                  |         |                 |            |            |            |            |            |         |           |           |           |           |         |
| Base Revenue (Rates/Grants)                  | 451.70  | 465.25          | 479.21     | 493.58     | 508.39     | 523.64     | 539.35     | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |         |
| Farebox Revenue (Base)                       | 121.30  | 124.94          | 128.69     | 132.55     | 136.52     | 140.62     | 144.84     | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |         |
| Other Income (water supply)                  | 63.80   | 66.35           | 69.01      | 71.77      | 74.64      | 77.62      | 80.73      | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |         |
| Farebox Uplift (TOD)                         |         |                 |            |            |            |            | 3.62       | 4.20    | 4.87      | 6.54      | 8.79      | 11.81     |         |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |         |                 |            |            |            |            |            |         |           |           |           |           |         |
| Total Revenue incl. WTOD                     | 636.80  | 656.54          | 676.90     | 697.90     | 719.55     | 741.89     | 768.54     | 895.58  | 1,043.86  | 1,419.15  | 1,931.33  | 2,631.25  |         |
| Base Operating Expenditure                   | -667.70 | -687.73         | -708.36    | -729.61    | -751.50    | -774.05    | -797.27    | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |         |
| Do Min Additional OpEx (from FY28)           | 0.00    | 0.00            | 0.00       | -1.50      | -1.55      | -1.59      | -1.64      | -1.90   | -2.20     | -2.96     | -3.98     | -5.35     |         |
| Do Min LGFA Interest on Do Min Debt          | 0.00    | 0.00            | 0.00       | -0.52      | -0.52      | -0.52      | -0.52      | -0.52   | -0.39     | -0.26     | -0.13     | 0.00      |         |
| Waterloo TOD Incremental OpEx                | 0.00    | 0.00            | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | -0.68   | -1.20     | -3.03     | -4.26     | -5.72     |         |
| LGFA Interest (Project Debt)                 | 0.00    | 0.00            | -1.20      | -3.59      | -5.97      | -6.66      | -6.66      | -6.66   | -6.66     | -3.33     | -1.66     | 0.00      |         |
| Depreciation (TOD Asset)                     | 0.00    | 0.00            | 0.00       | 0.00       | 0.00       | 0.00       | -3.10      | -3.10   | -3.10     | -3.10     | -3.10     | 0.00      |         |
| Total Expenditure incl. WTOD                 | -667.70 | -687.73         | -709.56    | -735.22    | -759.54    | -782.82    | -809.19    | -937.11 | -1,085.02 | -1,452.63 | -1,948.31 | -2,611.79 |         |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90  | -31.19          | -32.66     | -37.32     | -39.99     | -40.93     | -40.65     | -41.53  | -41.16    | -33.48    | -16.98    | 19.46     |         |
| Net Surplus excl. WTOD                       | -30.90  | -31.19          | -31.46     | -33.74     | -34.02     | -34.27     | -34.51     | -35.29  | -35.06    | -30.57    | -16.75    | 13.37     |         |
| Change in Net Surplus atrib WTOD             | 0.00    | 0.00            | -1.20      | -3.59      | -5.97      | -6.66      | -6.13      | -6.23   | -6.09     | -2.91     | -0.23     | 6.09      |         |
| <b>II. PROJECT CASH FLOWS</b>                |         |                 |            |            |            |            |            |         |           |           |           |           |         |
| Net Operating Cash                           | -30.90  | 0.00            | -1.20      | -3.59      | -5.97      | -6.66      | -3.03      | -3.13   | -2.99     | 0.19      | 2.87      | 6.09      |         |
| Investing • Project CapEx                    | 0.00    | 0.00            | -24.80     | -43.40     | -43.40     | -12.40     | 0.00       | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |         |
| Investing • Do Min CapEx (FY27)              | 0.00    | 0.00            | -9.50      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |         |
| Investing • Comm. Capital Release            |         | 0.00            | 3.00       | 0.00       | 0.00       | 0.00       | W TOD Lar  | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |         |
| Financing • Do Min LGFA Drawdown & Repayment | 0.00    | 0.00            | 9.50       | 0.00       | 0.00       | 0.00       | 0.00       | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |         |
| Financing • LGFA Loan Drawdown & Repayment   | 0.00    | 0.00            | 21.80      | 43.40      | 43.40      | 12.40      | 0.00       | 0.00    | -30.25    | -30.25    | -30.25    | -30.25    |         |

|                      |        |      |       |       |       |       |       |       |        |        |        |        |
|----------------------|--------|------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|
| Net Cash Movement    | -30.90 | 0.00 | -1.20 | -3.59 | -5.97 | -6.66 | -3.03 | -3.13 | -35.62 | -32.44 | -29.76 | -26.53 |
| Discounted Cash Flow |        | 0.00 | -1.14 | -3.22 | -5.09 | -5.37 | -2.32 | -1.84 | -15.95 | -8.51  | -4.57  | -2.38  |

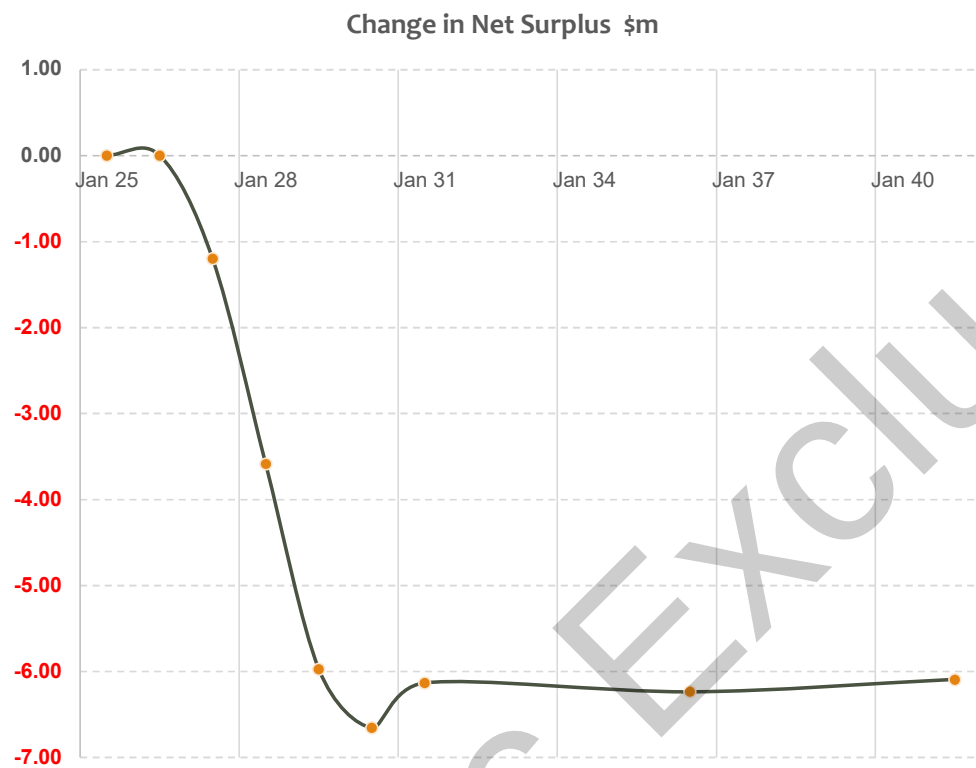
### III. BALANCE SHEET

|                              |          |          | 3.00     | 0.00     | 0.00     | 0.00     | W TOD Land Sale • Capital Release |          |          |       |       |      |
|------------------------------|----------|----------|----------|----------|----------|----------|-----------------------------------|----------|----------|-------|-------|------|
| GWRC Consolidated Assets     | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52 | 4,040.20                          | 4,683.69 | 5,429.68 |       |       |      |
| W TOD WIP Assets             | 0.00     | 0.00     | 24.80    | 68.20    | 111.60   | 124.00   | 0.00                              | 0.00     | 0.00     |       |       |      |
| W TOD Completed Fixed Assets | 0.00     | 0.00     | -3.00    | -3.00    | -3.00    | -3.00    | 117.90                            | 102.40   | 86.90    |       |       |      |
| W TOD Accum. Depreciation    | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 3.10                              | 18.60    | 34.10    |       |       |      |
| Total Assets                 | 3,383.60 | 3,485.11 | 3,611.46 | 3,762.55 | 3,916.87 | 4,043.52 | 4,161.20                          | 4,804.69 | 5,550.68 |       |       |      |
| Non W TOD Debt               | 1,178.70 | 1,202.04 | 1,226.61 | 1,255.61 | 1,287.02 | 1,319.11 | 1,350.65                          | 1,507.64 | 1,656.94 |       |       |      |
| LGFA Project Debt            | 0.00     | 0.00     | 21.80    | 65.20    | 108.60   | 121.00   | 121.00                            | 121.00   | 90.75    | 60.50 | 30.25 | 0.00 |
| Do Min LGFA Debt             | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50     | 9.50                              | 9.50     | 7.13     | 4.75  | 2.38  | 0.00 |
| Other Liabilities            | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38   | 312.48                            | 362.25   | 419.95   |       |       |      |
| Total Equity                 | 1,943.20 | 2,013.52 | 2,085.41 | 2,155.78 | 2,226.71 | 2,300.03 | 2,377.06                          | 2,813.80 | 3,383.04 |       |       |      |
| Total Liabilities + Equity   | 3,383.60 | 3,485.11 | 3,620.96 | 3,772.05 | 3,926.37 | 4,053.02 | 4,170.70                          | 4,814.19 | 5,557.81 |       |       |      |
|                              | 0.00     | 0.00     | -9.50    | -9.50    | -9.50    | -9.50    | -9.50                             | -9.50    | -7.12    |       |       |      |

Present Value to FY71 **-64.67**

| VARIABLE                                        | NOTES      |                              |         |       |     |     |
|-------------------------------------------------|------------|------------------------------|---------|-------|-----|-----|
| Baseline CapEx (from #2 Lease MC)               | 124.00     | Phased                       | 20%     | 35%   | 35% | 10% |
| LGFA Interest Rate (from #1 MC)                 | 5.5%       |                              |         |       |     |     |
| Farebox Uplift (from #1 LGFA Base MC)           | 2.5%       | Estimated increase from FY33 |         |       |     |     |
| Inflation (OpEx & CapEx) from #1 MC             | 3%         | Annual escalator             |         |       |     |     |
| Water esc. (Local water done well) From #1      | 4%         | Annual escalator             |         |       |     |     |
| Depreciation Yrs (From #1. MC)                  | 40         | Straight Line                |         |       |     |     |
| Inc. OpEx as % of CapEx (from #1. LGFA Base MC) | Start Rate | End Rate                     | From Yr | To Yr |     |     |
| Warranty: Yrs 5 • 6                             | 0.0%       | 0%                           | 5       | 6     |     |     |
| Operate: Yrs 7 • 10                             | 0.5%       | 0.5%                         | 7       | 10    |     |     |
| Operate: Yrs 11 • 26 (steps evenly)             | 0.5%       | 1.5%                         | 11      | 26    |     |     |
| Operate: Yrs 27 • 45                            | 1.5%       | 1.5%                         | 27      | 45    |     |     |





## Waterloo TOD • Finance Business Case • #1 - LGFA Base Case Monte Carlo PREFERRED

5.50% GWRC WACC

|                                              | 1.00      | 0          | 1          | 2          | 3          | 4          | 5       | 10      | 15        | 25        | 35        | 45        |
|----------------------------------------------|-----------|------------|------------|------------|------------|------------|---------|---------|-----------|-----------|-----------|-----------|
|                                              | 1.00      | 1.00       | 1.06       | 1.11       | 1.17       | 1.24       | 1.31    | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |
| FY25 Base Yr. Audited Acc's                  | Approvals | D. & Const | D. & Const | D. & Const | D. & Const | D. & Const | Operate | Operate | Operate   | Operate   | Operate   | Operate   |
| Financial Year (\$m)                         | Jun 25    | Jun 26     | Jun 27     | Jun 28     | Jun 29     | Jun 30     | Jun 31  | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |
| <b>I. PROFIT &amp; LOSS</b>                  |           |            |            |            |            |            |         |         |           |           |           |           |
| Base Revenue (Rates/Grants)                  | 451.70    | 465.25     | 479.21     | 493.58     | 508.39     | 523.64     | 539.35  | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |
| Farebox Revenue (Base)                       | 121.30    | 124.94     | 128.69     | 132.55     | 136.52     | 140.62     | 144.84  | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |
| Other Income (water supply)                  | 63.80     | 66.35      | 69.01      | 71.77      | 74.64      | 77.62      | 80.73   | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |
| Farebox Uplift (TOD)                         |           |            |            |            |            |            | 3.22    | 3.73    | 4.32      | 5.81      | 7.81      | 10.49     |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |           |            |            |            |            |            |         |         |           |           |           |           |
| Total Revenue incl. WTOD                     | 636.80    | 656.54     | 676.90     | 697.90     | 719.55     | 741.89     | 768.14  | 895.11  | 1,043.32  | 1,418.42  | 1,930.35  | 2,629.93  |
| Base Operating Expenditure                   | -667.70   | -687.73    | -708.36    | -729.61    | -751.50    | -774.05    | -797.27 | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |
| Do Min Additional OpEx (from FY28)           | 0.00      | 0.00       | 0.00       | 0.00       | -1.50      | -1.55      | -1.59   | -1.84   | -2.14     | -2.87     | -3.86     | -5.19     |
| Do Min LGFA Interest on Do Min Debt          | 0.00      | 0.00       | 0.00       | -0.52      | -0.52      | -0.52      | -0.52   | -0.52   | -0.39     | -0.26     | -0.13     | 0.00      |
| Waterloo TOD Incremental OpEx                | 0.00      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | 0.00    | -0.77   | -1.38     | -3.46     | -4.87     | -6.54     |
| LGFA Interest (Project Debt)                 | 0.00      | 0.00       | 0.00       | -4.28      | -7.00      | -7.77      | -7.77   | -7.77   | -7.77     | -5.83     | -3.89     | -1.94     |
| Depreciation (TOD Asset)                     | 0.00      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | -3.55   | -3.55   | -3.55     | -3.55     | -3.55     | 0.00      |
| Total Expenditure incl. WTOD                 | -667.70   | -687.73    | -708.36    | -734.41    | -760.52    | -783.89    | -810.70 | -938.71 | -1,086.69 | -1,455.93 | -1,951.47 | -2,614.40 |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90    | -31.19     | -31.46     | -36.51     | -40.96     | -42.00     | -42.56  | -43.60  | -43.37    | -37.51    | -21.12    | 15.53     |
| Net Surplus excl. WTOD                       | -30.90    | -31.19     | -31.46     | -32.24     | -33.97     | -34.23     | -34.46  | -35.24  | -35.00    | -30.48    | -16.63    | 13.52     |
| Change in Net Surplus atrib WTOD             | 0.00      | 0.00       | 0.00       | -4.28      | -7.00      | -7.77      | -8.10   | -8.37   | -8.37     | -7.03     | -4.49     | 2.01      |
| <b>II. PROJECT CASH FLOWS</b>                |           |            |            |            |            |            |         |         |           |           |           |           |
| Net Operating Cash                           | -30.90    | 0.00       | 0.00       | -4.28      | -7.00      | -7.77      | -4.56   | -4.82   | -4.83     | -3.48     | -0.95     | 2.01      |
| Investing • Project CapEx                    | 0.00      | 0.00       | -28.37     | -49.64     | -49.64     | -14.18     | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Do Min CapEx (FY27)              | 0.00      | 0.00       | -9.50      | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Comm. Capital Release            |           | 0.00       | 3.00       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Financing • Do Min LGFA Drawdown & Repayment | 0.00      | 0.00       | 9.50       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |
| Financing • LGFA Loan Drawdown & Repayment   | 0.00      | 0.00       | 28.37      | 49.64      | 49.64      | 14.18      | 0.00    | 0.00    | -35.46    | -35.46    | -35.46    | -35.46    |
| Net Cash Movement                            | -30.90    | 0.00       | 3.00       | -4.28      | -7.00      | -7.77      | -4.56   | -4.82   | -42.66    | -41.32    | -38.78    | -35.83    |

|                      |      |      |       |       |       |       |       |        |        |       |       |
|----------------------|------|------|-------|-------|-------|-------|-------|--------|--------|-------|-------|
| Discounted Cash Flow | 0.00 | 2.84 | -3.84 | -5.96 | -6.27 | -3.49 | -2.82 | -19.11 | -10.83 | -5.95 | -3.22 |
|----------------------|------|------|-------|-------|-------|-------|-------|--------|--------|-------|-------|

### III. BALANCE SHEET

|                              |          | 3.00     | 0.00     | 0.00     | 0.00     | W TOD Land Sale • Capital Release |          |          |          |          |          |           |
|------------------------------|----------|----------|----------|----------|----------|-----------------------------------|----------|----------|----------|----------|----------|-----------|
| GWRC Consolidated Assets     | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52                          | 4,040.20 | 4,683.69 | 5,429.68 | 7,297.04 | 9,806.61 | 13,179.27 |
| W TOD WIP Assets             | 0.00     | 0.00     | 28.37    | 78.01    | 127.66   | 141.84                            | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00      |
| W TOD Completed Fixed Assets | 0.00     | 0.00     | -3.00    | -3.00    | -3.00    | -3.00                             | 135.30   | 117.57   | 99.84    | 64.37    | 28.91    | -3.00     |
| W TOD Accum. Depreciation    | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00                              | 3.55     | 21.28    | 39.01    | 74.47    | 109.93   | 141.84    |
| Total Assets                 | 3,383.60 | 3,485.11 | 3,615.03 | 3,772.36 | 3,932.93 | 4,061.36                          | 4,179.04 | 4,822.54 | 5,568.53 | 7,435.88 | 9,945.46 | 13,318.11 |
| Do Min LGFA Debt             | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50                              | 9.50     | 9.50     | 7.13     | 4.75     | 2.38     | 0.00      |
| Non W TOD Debt               | 1,178.70 | 1,202.04 | 1,225.41 | 1,253.59 | 1,285.98 | 1,319.14                          | 1,352.61 | 1,519.73 | 1,679.78 |          |          |           |
| LGFA Project Debt            | 0.00     | 0.00     | 28.37    | 78.01    | 127.66   | 141.84                            | 141.84   | 141.84   | 141.84   |          |          |           |
| Other Liabilities            | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38                            | 312.48   | 362.25   | 419.95   |          |          |           |
| Total Equity                 | 1,943.20 | 2,013.52 | 2,083.61 | 2,154.79 | 2,224.75 | #####                             | 2,372.11 | 2,798.71 | #####    |          |          |           |
| Total Liabilities + Equity   | 3,383.60 | 3,485.11 | 3,615.03 | 3,772.36 | 3,932.93 | 4,061.36                          | 4,179.04 | 4,822.54 | 5,568.53 |          |          |           |
|                              | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00                              | 0.00     | 0.00     | 0.00     |          |          |           |

|                    |          | 0        | 1        | 2        | 3        | 4        | 5        | 10       | 15       | 25     | 35     | 45     |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------|--------|--------|
|                    | Jun 25   | Jun 26   | Jun 27   | Jun 28   | Jun 29   | Jun 30   | Jun 31   | Jun 36   | Jun 41   | Jun 51 | Jun 61 | Jun 71 |
| Total Debt         | 1,178.70 | 1,202.04 | 1,253.78 | 1,331.61 | 1,413.64 | 1,460.98 | 1,494.45 | 1,661.57 | 1,821.62 |        |        |        |
| Total Revenue      | 636.80   | 656.54   | 676.90   | 697.90   | 719.55   | 741.89   | 768.14   | 895.11   | 1,043.32 |        |        |        |
| Total Debt/Revenue | 1.85     | 1.83     | 1.85     | 1.91     | 1.96     | 1.97     | 1.95     | 1.86     | 1.75     |        |        |        |

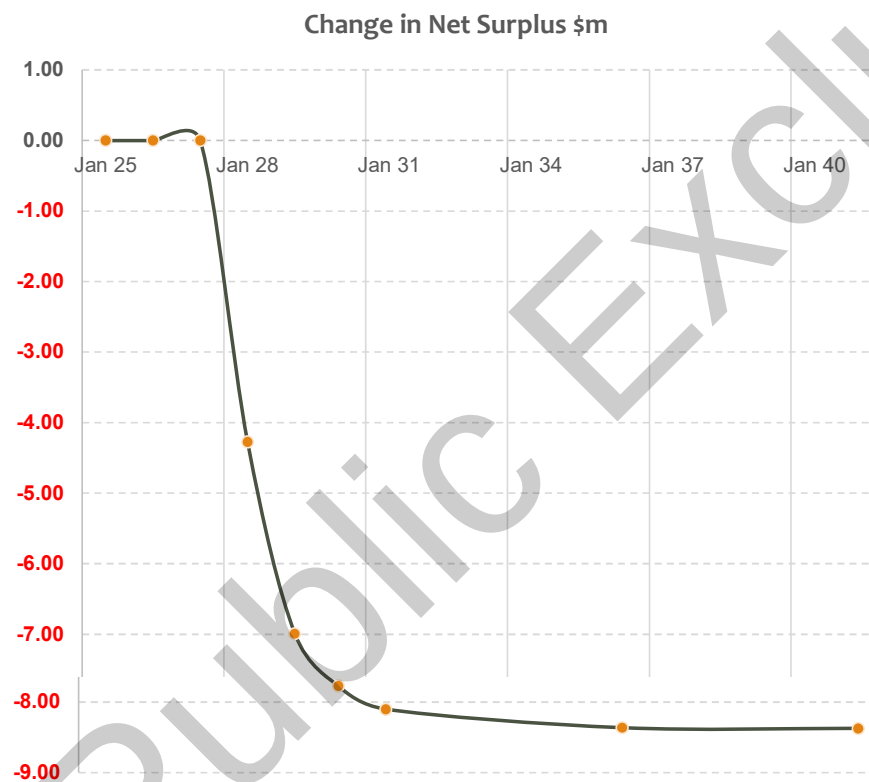
|                       |        |                                      |       |                                  |
|-----------------------|--------|--------------------------------------|-------|----------------------------------|
| Max LGFA Debt         | 141.84 | Four equal bond principal repayments | 35.46 | Occur 06/41, 06/51, 06/61, 06/71 |
| Peak LGFA Debt to Rev | 1.97   |                                      |       |                                  |
| LGFA PV to FY71       | -92.06 |                                      |       |                                  |
| Min Net Surplus       | -8.62  |                                      |       |                                  |

| VARIABLE       | NOTES  |     |     |     |     |
|----------------|--------|-----|-----|-----|-----|
| Baseline CapEx | Phased | 20% | 35% | 35% | 10% |

|                      |      |      |   |    |
|----------------------|------|------|---|----|
| Operate: Yrs 5 • 6   | 0.0% | 0%   | 5 | 6  |
| Operate: Yrs. 7 • 10 | 0.5% | 0.5% | 7 | 10 |

|                       |      |      |    |    |
|-----------------------|------|------|----|----|
| Operate: Yrs. 11 • 26 | 0.5% | 1.5% | 11 | 26 |
| Operate: Yrs 27 • 45  | 1.5% | 1.5% | 27 | 45 |

|                                         |       |                  |       |                              |
|-----------------------------------------|-------|------------------|-------|------------------------------|
| LGFA Interest Rate                      | 5.48% | 5.50%            | 0.25% | Estimated cost of funds      |
| Farebox Uplift                          | 2.2%  | 2.50%            | 0.25% | Estimated increase from FY33 |
| Inflation (OpEx & CapEx)                | 3%    | Annual escalator |       |                              |
| Water escalator (Local water done well) | 4%    | Annual escalator |       |                              |
| Depreciation (Years)                    | 40    | Straight Line    |       |                              |



## Waterloo TOD • Finance Business Case • #2 - Notional Sale & Leaseback Monte Carlo PREFERRED

|                                              |         | 5.50% GWRC WACC |             |            |            |            |                                   |         |           |           |           |           |  |
|----------------------------------------------|---------|-----------------|-------------|------------|------------|------------|-----------------------------------|---------|-----------|-----------|-----------|-----------|--|
|                                              |         | 0               | 1           | 2          | 3          | 4          | 5                                 | 10      | 15        | 25        | 35        | 45        |  |
|                                              |         | 1.00            | 1.06        | 1.11       | 1.17       | 1.24       | 1.31                              | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |  |
| FY25 Base Yr. Audited Acc's                  |         | Approvals       | D. & Const. | D. & Const | D. & Const | D. & Const | Operate                           | Operate | Operate   | Operate   | Operate   | Operate   |  |
| Financial Year (\$m)                         | Jun 25  | Jun 26          | Jun 27      | Jun 28     | Jun 29     | Jun 30     | Jun 31                            | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |  |
| I. PROFIT & LOSS                             |         |                 |             |            |            |            |                                   |         |           |           |           |           |  |
| Base Revenue (Rates/Grants)                  | 451.70  | 465.25          | 479.21      | 493.58     | 508.39     | 523.64     | 539.35                            | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |  |
| Farebox Revenue (Base)                       | 121.30  | 124.94          | 128.69      | 132.55     | 136.52     | 140.62     | 144.84                            | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |  |
| Other Income (water supply)                  | 63.80   | 66.35           | 69.01       | 71.77      | 74.64      | 77.62      | 80.73                             | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |  |
| Farebox Uplift (TOD)                         |         |                 |             |            |            |            | 3.22                              | 3.73    | 4.32      | 5.81      | 7.81      | 10.49     |  |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |         |                 |             |            |            |            |                                   |         |           |           |           |           |  |
| Total Revenue incl. WTOD                     | 636.80  | 656.54          | 676.90      | 697.90     | 719.55     | 741.89     | 768.14                            | 895.11  | 1,043.32  | 1,418.42  | 1,930.35  | 2,629.93  |  |
| Base Operating Expenditure                   | -667.70 | -687.73         | -708.36     | -729.61    | -751.50    | -774.05    | -797.27                           | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |  |
| Do Min Additional OpEx (from FY28)           | 0.00    | 0.00            | 0.00        | -1.50      | -1.55      | -1.59      | -1.64                             | -1.90   | -2.20     | -2.96     | -3.98     | -5.35     |  |
| Do Min LGFA Interest on Do Min Debt          | 0.00    | 0.00            | 0.00        | -0.43      | -0.43      | -0.43      | -0.43                             | -0.43   | -0.33     | -0.22     | -0.11     | 0.00      |  |
| WTOD Leaseback expense                       | 0.00    | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 0.00                              | -13.30  | -15.42    | -20.72    | -27.85    | -37.42    |  |
| Total Expenditure incl. WTOD                 | -667.70 | -687.73         | -708.36     | -731.55    | -753.48    | -776.07    | -799.34                           | -939.89 | -1,089.41 | -1,463.85 | -1,967.11 | -2,643.49 |  |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90  | -31.19          | -31.46      | -33.65     | -33.93     | -34.19     | -31.21                            | -44.77  | -46.09    | -45.43    | -36.76    | -13.56    |  |
| Net Surplus excl. WTOD                       | -30.90  | -31.19          | -31.46      | -33.65     | -33.93     | -34.19     | -34.42                            | -35.20  | -35.00    | -30.52    | -16.72    | 13.37     |  |
| Change in Net Surplus attrib WTOD            | 0.00    | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 3.22                              | -9.57   | -11.10    | -14.91    | -20.04    | -26.93    |  |
| II. PROJECT CASH FLOWS                       |         |                 |             |            |            |            |                                   |         |           |           |           |           |  |
| Net Operating Cash                           | -30.90  | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 3.22                              | -9.57   | -11.10    | -14.91    | -20.04    | -26.93    |  |
| Investing • Do Min CapEx (FY27)              | 0.00    | 0.00            | -9.50       | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |  |
| Investing • Project CapEx                    | 0.00    | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |  |
| Investing • Comm. Capital Release            |         |                 | 19.94       | 0.00       | 0.00       | 0.00       |                                   |         |           |           |           |           |  |
| ing • Do Min LGFA Drawdown & Repayment       | 0.00    | 0.00            | 9.50        | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |  |
| Net Cash Movement                            | -30.90  | 0.00            | 10.44       | 0.00       | 0.00       | 0.00       | 3.22                              | -9.57   | -11.10    | -14.91    | -20.04    | -26.93    |  |
| Discounted Cash Flow                         |         | 0.00            | 9.90        | 0.00       | 0.00       | 0.00       | 2.46                              | -5.60   | -4.97     | -3.91     | -3.08     | -2.42     |  |
| III. BALANCE SHEET                           |         |                 |             |            |            |            |                                   |         |           |           |           |           |  |
|                                              |         |                 | 19.94       | 0.00       | 0.00       | 0.00       | W TOD Land Sale • Capital Release |         |           |           |           |           |  |



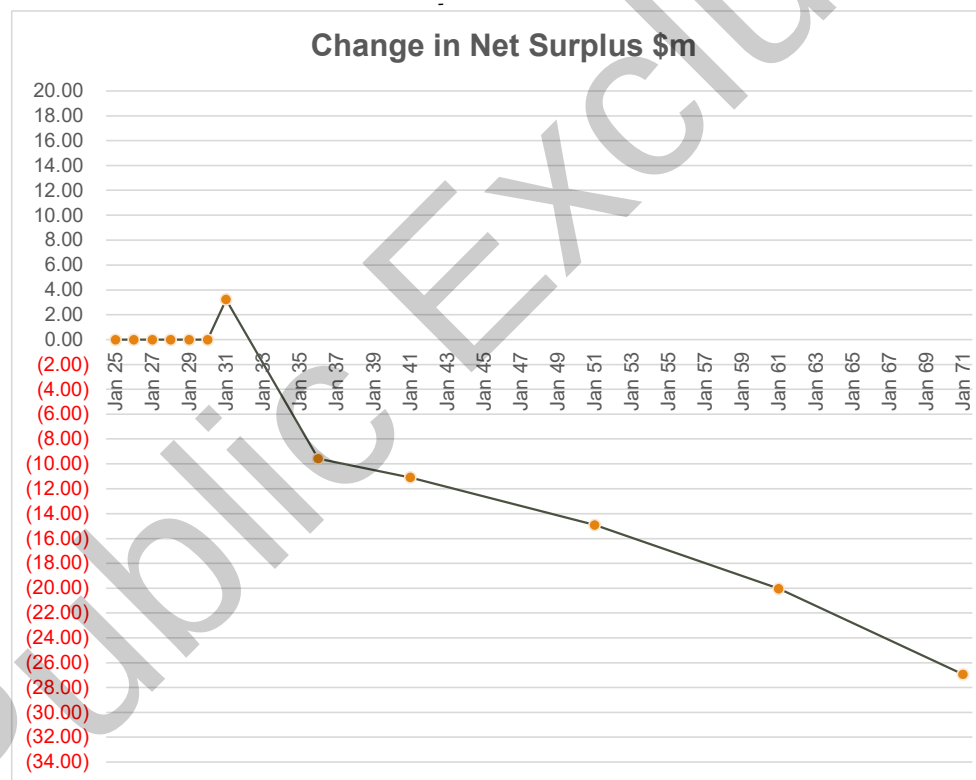
|                            |                |               |               |               |               |               |               |               |               |               |               |               |
|----------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| GWRC Consolidated Assets   | 3,383.60       | 3,485.11      | 3,589.66      | 3,697.35      | 3,808.27      | 3,922.52      | 4,040.20      | 4,683.69      | 5,429.68      |               |               |               |
| Total Assets               | 3,383.60       | 3,485.11      | 3,589.66      | 3,697.35      | 3,808.27      | 3,922.52      | 4,040.20      | 4,683.69      | 5,429.68      |               |               |               |
| Do Min LGFA Debt           | 0.00           | 0.00          | 9.50          | 9.50          | 9.50          | 9.50          | 9.50          | 9.50          | 7.13          | 4.75          | 2.38          | 0.00          |
| Non W TOD Debt             | 1,178.70       | 1,202.04      | 1,225.41      | 1,250.73      | 1,276.08      | 1,301.43      | 1,323.54      | 1,481.84      | 1,652.51      |               |               |               |
| Other Liabilities          | 261.70         | 269.55        | 277.64        | 285.97        | 294.55        | 303.38        | 312.48        | 362.25        | 419.95        |               |               |               |
| Total Equity               | 1,943.20       | 2,013.52      | 2,086.61      | 2,160.65      | 2,237.65      | 2,317.71      | 2,404.18      | #####         | 3,357.22      |               |               |               |
| Total Liabilities + Equity | 3,383.60       | 3,485.11      | 3,589.66      | 3,697.35      | 3,808.27      | 3,922.52      | 4,040.20      | 4,683.69      | 5,429.68      |               |               |               |
|                            | 0.00           | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |               |               |               |
|                            | <b>Jun 25</b>  | <b>Jun 26</b> | <b>Jun 27</b> | <b>Jun 28</b> | <b>Jun 29</b> | <b>Jun 30</b> | <b>Jun 31</b> | <b>Jun 36</b> | <b>Jun 41</b> | <b>Jun 51</b> | <b>Jun 61</b> | <b>Jun 71</b> |
| Total Debt                 | 1,178.70       | 1,202.04      | 1,225.41      | 1,250.73      | 1,276.08      | 1,301.43      | 1,323.54      | 1,481.84      | 1,652.51      |               |               |               |
| Total Revenue              | 636.80         | 656.54        | 676.90        | 697.90        | 719.55        | 741.89        | 768.14        | 895.11        | 1,043.32      |               |               |               |
| Total Debt/Revenue         | 1.85           | 1.83          | 1.81          | 1.79          | 1.77          | 1.75          | 1.72          | 1.66          | 1.58          |               |               |               |
| <b>Lease PV to FY71</b>    | <b>-139.60</b> |               |               |               |               |               |               |               |               |               |               |               |
| Min Net Surplus            | -26.93         |               |               |               |               |               |               |               |               |               |               |               |

| VARIABLE                                      |       | NOTES                        |
|-----------------------------------------------|-------|------------------------------|
| Build CapEx (from calc below)                 | 141.8 |                              |
| Waterloo TOD Lease Expense \$m                | 12.17 |                              |
| LGFA Interest Rate                            | 4.57% | Estimated cost of funds      |
| Farebox Uplift (from LGFA Base #1. MC)        | 2.2%  | Estimated increase from FY31 |
| Inflation (OpEx & CapEx) (from #1. MC)        | 3%    | Annual escalator             |
| ter esc.(Local water done well) (from #1. MC) | 4%    | Annual escalator             |
| Depreciation Yrs (from #1. MC)                | 40    | Straight Line                |

|                                  | Net Rentable Area | Rate per sqm | 2031 Ann. Rent<br>\$m |
|----------------------------------|-------------------|--------------|-----------------------|
| Transport Facility (GWRC Lease)  | \$ 4,080          | \$2,983      | 12.17                 |
| Commercial/Retail (Underwritten) | \$ 1,500          | \$450        | 0.68                  |
| Residential (BTR) (Underwritten) | \$ -              | \$400        | \$0                   |
| <b>TOTAL</b>                     | <b>\$ 5,580</b>   | <b>\$ 0</b>  | <b>12.85</b>          |

| Variable Category | Input Name | alue (\$m or %) | Min | Max | Power | Skew |
|-------------------|------------|-----------------|-----|-----|-------|------|
|-------------------|------------|-----------------|-----|-----|-------|------|

|                              |                                              |        |                        |        |      |
|------------------------------|----------------------------------------------|--------|------------------------|--------|------|
| I. Capital & Operating Stack | Ind Opportunity Value                        | 19.94  | 15.00                  | 20.00  | 0.5  |
|                              | Build CapEx                                  | 141.84 | 124.00                 | 148.80 | 0.75 |
|                              | Developer Margin                             | 20.00% |                        |        |      |
|                              | Development Cost                             | 170.21 |                        |        |      |
|                              | Incremental OpEx % of CapEx p.a. (3rd party) | 2.0%   |                        |        |      |
|                              | Incremental OpEx FY33 \$m (CapEx × OpEx %)   | 2.84   |                        |        |      |
| II. Lease Metrics            | al Cost (Lease + OpEx)                       | 7.50%  |                        |        |      |
|                              | Station GFA Share                            | 73.12% |                        |        |      |
|                              | 2031 W TOD Lease Cost                        | 12.17  |                        |        |      |
|                              | Annual Lease Escalator                       | 3.00%  |                        |        |      |
| III. Underwrite              | Rent Underwrite Gap                          | \$0    | Not factored in as yet |        |      |

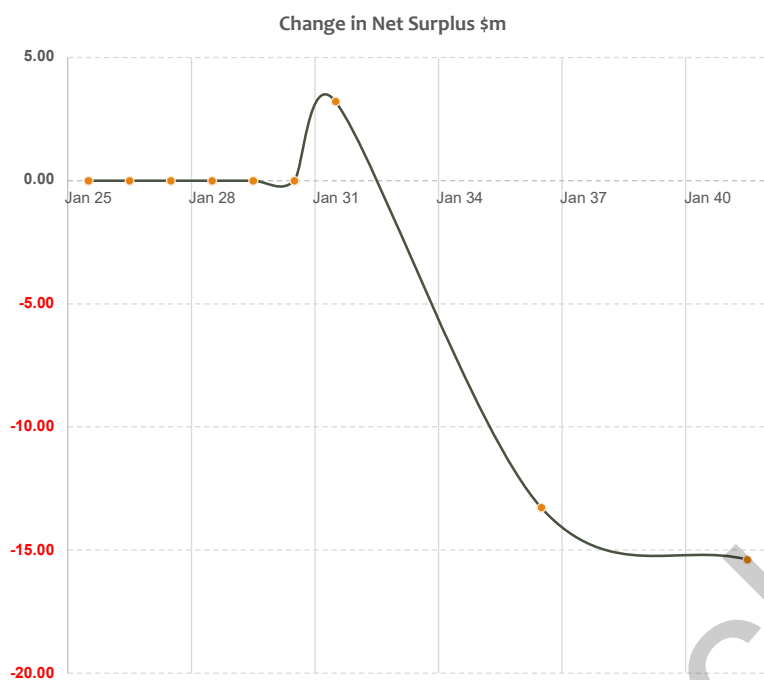


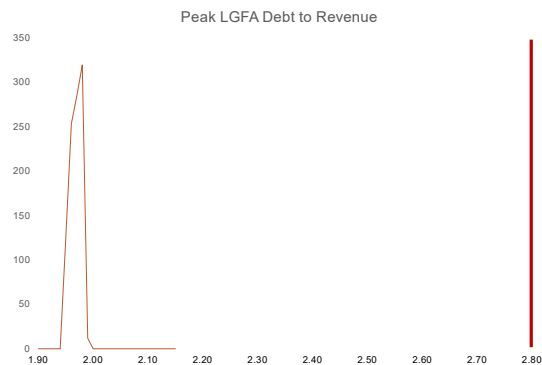
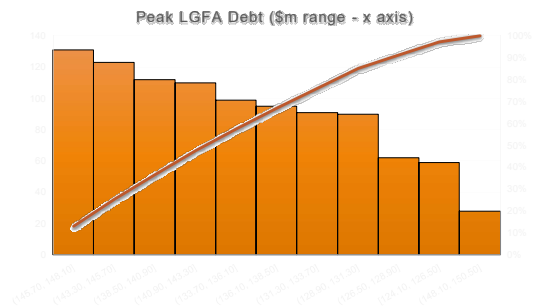
## Waterloo TOD • Finance Business Case • #3 - JV Build/Operate/Maintain ('JV BOM') Monte Carlo

|                                              |          | 5.50% GWRC WACC % |            |            |            |            |                                   |          |           |           |           |           |  |
|----------------------------------------------|----------|-------------------|------------|------------|------------|------------|-----------------------------------|----------|-----------|-----------|-----------|-----------|--|
|                                              |          | 0                 | 1          | 2          | 3          | 4          | 5                                 | 10       | 15        | 25        | 35        | 45        |  |
|                                              |          | 1.00              | 1.06       | 1.11       | 1.17       | 1.24       | 1.31                              | 1.71     | 2.23      | 3.81      | 6.51      | 11.13     |  |
| FY25 Base Yr. Audited Acc's                  |          | Approvals         | D. & Const | D. & Const | D. & Const | D. & Const | Operate                           | Operate  | Operate   | Operate   | Operate   | Operate   |  |
| Financial Year (\$m)                         | Jun 25   | Jun 26            | Jun 27     | Jun 28     | Jun 29     | Jun 30     | Jun 31                            | Jun 36   | Jun 41    | Jun 51    | Jun 61    | Jun 71    |  |
| I. PROFIT & LOSS                             |          |                   |            |            |            |            |                                   |          |           |           |           |           |  |
| Base Revenue (Rates/Grants)                  | 451.70   | 465.25            | 479.21     | 493.58     | 508.39     | 523.64     | 539.35                            | 625.26   | 724.85    | 974.13    | 1,309.15  | 1,759.39  |  |
| Farebox Revenue (Base)                       | 121.30   | 124.94            | 128.69     | 132.55     | 136.52     | 140.62     | 144.84                            | 167.91   | 194.65    | 261.59    | 351.56    | 472.47    |  |
| Other Income (water supply)                  | 63.80    | 66.35             | 69.01      | 71.77      | 74.64      | 77.62      | 80.73                             | 98.22    | 119.50    | 176.88    | 261.83    | 387.57    |  |
| Farebox Uplift (TOD)                         |          |                   |            |            |            |            | 3.22                              | 3.73     | 4.32      | 5.81      | 7.81      | 10.49     |  |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |          |                   |            |            |            |            |                                   |          |           |           |           |           |  |
| Total Revenue incl. WTOD                     | 636.80   | 656.54            | 676.90     | 697.90     | 719.55     | 741.89     | 768.14                            | 895.11   | 1,043.32  | 1,418.42  | 1,930.35  | 2,629.93  |  |
| Base Operating Expenditure                   | -667.70  | -687.73           | -708.36    | -729.61    | -751.50    | -774.05    | -797.27                           | -924.25  | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |  |
| Do Min Additional OpEx (from FY28)           | 0.00     | 0.00              | 0.00       | -1.50      | -1.55      | -1.59      | -1.64                             | -1.90    | -2.20     | -2.96     | -3.98     | -5.35     |  |
| Do Min LGFA Interest on Do Min Debt          | 0.00     | 0.00              | 0.00       | -0.52      | -0.52      | -0.52      | -0.52                             | -0.52    | -0.39     | -0.26     | -0.13     | 0.00      |  |
| W TOD JV BOM Payment • GWRC OpEx post yr. 25 | 0.00     | 0.00              | 0.00       | 0.00       | 0.00       | 0.00       | 0.00                              | -17.00   | -19.71    | -26.49    | -6.49     | -8.72     |  |
| Total Expenditure incl. WTOD                 | -667.70  | -687.73           | -708.36    | -731.63    | -753.57    | -776.16    | -799.43                           | -943.68  | -1,093.77 | -1,469.67 | -1,945.78 | -2,614.79 |  |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90   | -31.19            | -31.46     | -33.74     | -34.01     | -34.27     | -31.29                            | -48.57   | -50.45    | -51.25    | -15.43    | 15.14     |  |
| Net Surplus excl. WTOD                       | -30.90   | -31.19            | -31.46     | -33.74     | -34.01     | -34.27     | -34.51                            | -35.29   | -35.06    | -30.57    | -16.74    | 13.37     |  |
| Change in Net Surplus atrib WTOD             | 0.00     | 0.00              | 0.00       | 0.00       | 0.00       | 0.00       | 3.22                              | -13.28   | -15.39    | -20.68    | 1.32      | 1.77      |  |
| II. PROJECT CASH FLOWS                       |          |                   |            |            |            |            |                                   |          |           |           |           |           |  |
| Net Operating Cash                           |          | 0.00              | 0.00       | 0.00       | 0.00       | 0.00       | 3.22                              | -13.28   | -15.39    | -20.68    | 1.32      | 1.77      |  |
| Investing • Do Min CapEx (FY27)              | 0.00     | 0.00              | -9.50      | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00     | 0.00      | 0.00      | 0.00      | 0.00      |  |
| Investing • Comm. Capital Release            |          |                   | 3.00       | 0.00       | 0.00       | 0.00       |                                   |          |           |           |           |           |  |
| Financing • Do Min LGFA Drawdown & Repay     | 0.00     | 0.00              | 9.50       | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00     | -2.38     | -2.38     | -2.38     | -2.38     |  |
| Financing                                    |          | 0.00              | 0.00       | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00     | 0.00      | 0.00      | 0.00      | 0.00      |  |
| Net Cash Movement                            | 0.00     | 0.00              | 3.00       | 0.00       | 0.00       | 0.00       | 3.22                              | -13.28   | -17.77    | -23.06    | -1.06     | -0.61     |  |
| Discounted Cash Flow                         |          | 0.00              | 2.84       | 0.00       | 0.00       | 0.00       | 2.46                              | -7.77    | -7.96     | -6.05     | -0.16     | -0.05     |  |
| III. BALANCE SHEET                           |          |                   |            |            |            |            |                                   |          |           |           |           |           |  |
|                                              |          |                   | 3.00       | 0.00       | 0.00       | 0.00       | W TOD Land Sale • Capital Release |          |           |           |           |           |  |
| GWRC Consolidated Assets                     | 3,383.60 | 3,485.11          | 3,589.66   | 3,697.35   | 3,808.27   | 3,922.52   | 4,040.20                          | 4,683.69 | 5,429.68  |           |           |           |  |
| Other                                        |          |                   |            |            |            |            |                                   |          |           |           |           |           |  |
| Do Min LGFA Debt                             | 0.00     | 0.00              | 9.50       | 9.50       | 9.50       | 9.50       | 9.50                              | 9.50     | 7.13      | 4.75      | 2.38      | 0.00      |  |
| Total Assets                                 | 3,383.60 | 3,485.11          | 3,589.66   | 3,697.35   | 3,808.27   | 3,922.52   | 4,040.20                          | 4,683.69 | 5,429.68  |           |           |           |  |
| Non W TOD Debt                               | 1,178.70 | 1,202.04          | 1,225.41   | 1,250.82   | 1,276.25   | 1,301.69   | 1,323.88                          | 1,496.81 | 1,688.15  |           |           |           |  |
| Other Liabilities                            | 261.70   | 269.55            | 277.64     | 285.97     | 294.55     | 303.38     | 312.48                            | 362.25   | 419.95    |           |           |           |  |
| Total Equity                                 | 1,943.20 | 2,013.52          | 2,086.61   | 2,160.57   | 2,237.47   | 2,317.45   | #####                             | #####    | 3,321.58  |           |           |           |  |
| Total Liabilities + Equity                   | 3,383.60 | 3,485.11          | 3,589.66   | 3,697.35   | 3,808.27   | 3,922.52   | 4,040.20                          | 4,683.69 | 5,429.68  |           |           |           |  |
|                                              | 0.00     | 0.00              | 0.00       | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00     | 0.00      |           |           |           |  |
|                                              | Jun 25   | Jun 26            | Jun 27     | Jun 28     | Jun 29     | Jun 30     | Jun 31                            | Jun 36   | Jun 41    |           |           |           |  |
| Total Debt                                   | 1,178.70 | 1,202.04          | 1,225.41   | 1,250.82   | 1,276.25   | 1,301.69   | 1,323.88                          | 1,496.81 | 1,688.15  |           |           |           |  |
| Total Revenue                                | 636.80   | 656.54            | 676.90     | 697.90     | 719.55     | 741.89     | 768.14                            | 895.11   | 1,043.32  |           |           |           |  |
| Total Debt/Revenue                           | 1.85     | 1.83              | 1.81       | 1.79       | 1.77       | 1.75       | 1.72                              | 1.67     | 1.62      |           |           |           |  |
| Peak Debt to Revenue                         | 1.85     |                   |            |            |            |            |                                   |          |           |           |           |           |  |
| JV BOM PV to FY71                            | -140.92  |                   |            |            |            |            |                                   |          |           |           |           |           |  |
| Min Net Surplus                              | -23.28   |                   |            |            |            |            |                                   |          |           |           |           |           |  |

| VARIABLE                               | NOTES                             |
|----------------------------------------|-----------------------------------|
| Baseline JV BOM CapEx                  | 141.84                            |
| JV BOM Partner WACC                    | 7.50%                             |
| CapEx component of Avail Payment (\$m) | -12.72 25 year JV BOM assumed     |
| Ann. AP OpEx as a % of CapEx           | 2.00%                             |
| AP OpEx (\$m) FY2033 (CapEx × OpEx %)  | -2.84 CapEx × 2% — 3rd party rate |
| Total BOM Payment up to end of year 25 | -15.56                            |

|                                                  |                |                  |                              |
|--------------------------------------------------|----------------|------------------|------------------------------|
|                                                  | Farebox Uplift | 2.22%            | Estimated increase from FY31 |
| AP OpEx Inflat. beyond 2031 (from #1. MC)        | 3%             | Annual escalator |                              |
| Water esc. (Local water done well) (From #1. MC) | 4%             | Annual escalator |                              |





| Bins (X-Axis) Freq. (Y-Axis) |       | % of Total  |            | Debt Covenant Y-Value (Height) |       |
|------------------------------|-------|-------------|------------|--------------------------------|-------|
| Bin                          | Count | Probability | LGFA Limit | 2.8                            | 0     |
| 1.90                         | 0     | 0%          | LGFA Limit | 0                              | 198.6 |
| 1.91                         | 0     | 0%          |            |                                |       |
| 1.92                         | 0     | 0%          |            |                                |       |
| 1.93                         | 0     | 0%          |            |                                |       |
| 1.94                         | 0     | 0%          |            |                                |       |
| 1.95                         | 129   | 13%         |            |                                |       |
| 1.96                         | 254   | 25%         |            |                                |       |
| 1.97                         | 285   | 29%         |            |                                |       |
| 1.98                         | 320   | 32%         |            |                                |       |
| 1.99                         | 12    | 1%          |            |                                |       |
| 2.00                         | 0     | 0%          |            |                                |       |
| 2.01                         | 0     | 0%          |            |                                |       |
| 2.02                         | 0     | 0%          |            |                                |       |
| 2.03                         | 0     | 0%          |            |                                |       |
| 2.04                         | 0     | 0%          |            |                                |       |
| 2.05                         | 0     | 0%          |            |                                |       |
| 2.06                         | 0     | 0%          |            |                                |       |
| 2.07                         | 0     | 0%          |            |                                |       |
| 2.08                         | 0     | 0%          |            |                                |       |
| 2.09                         | 0     | 0%          |            |                                |       |
| 2.10                         | 0     | 0%          |            |                                |       |
| 2.11                         | 0     | 0%          |            |                                |       |
| 2.12                         | 0     | 0%          |            |                                |       |
| 2.13                         | 0     | 0%          |            |                                |       |
| 2.14                         | 0     | 0%          |            |                                |       |
| 2.15                         | 0     | 0%          |            |                                |       |
|                              | 0     |             |            |                                |       |



## Appendix J: Financial Model Essential ++ Option

Public Excluded

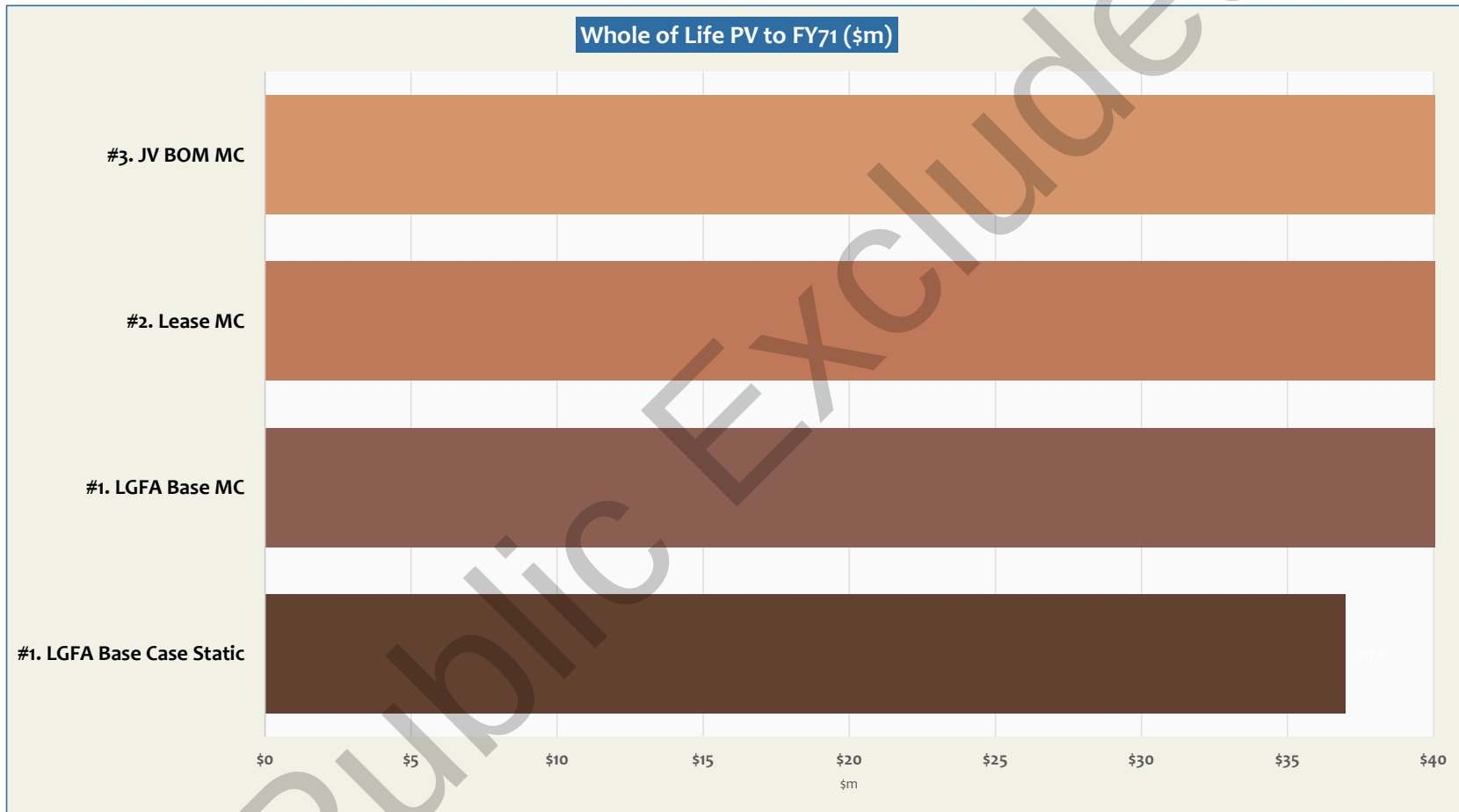
## Waterloo TOD • Finance Business Case • Inputs & Summary

### Version 7.2

| INPUT / ASSUMPTION                                   | NOTES                                | #1. LGFA Base Case Static | #1. LGFA Base MC | #2. Lease MC | #3. JV BOM MC |
|------------------------------------------------------|--------------------------------------|---------------------------|------------------|--------------|---------------|
| <b>I. CAPITAL INPUTS</b>                             |                                      |                           |                  |              |               |
| Baseline CapEx (\$m)                                 | Phased 20% / 35% / 35% / 10%         | 22.3                      | 23.2             | 23.2         | 23.2          |
| CapEx Phase 1 (Approvals)                            | % of total CapEx                     | 20%                       | 20%              | -            | -             |
| CapEx Phase 2 (D.&Const. Yr 1)                       | % of total CapEx                     | 35%                       | 35%              | -            | -             |
| CapEx Phase 3 (D.&Const. Yr 2)                       | % of total CapEx                     | 35%                       | 35%              | -            | -             |
| CapEx Phase 4 (D.&Const. Yr 3)                       | % of total CapEx                     | 10%                       | 10%              | -            | -             |
| Land Opportunity / Capital Release (\$m)             | MC: Min \$15m / Max \$20m / Skew 0.5 | 3                         | 3                | 16.0         | 3             |
| Developer Margin                                     | Applied to Build CapEx               | -                         | -                | 20%          | -             |
| Total Development Cost (\$m)                         | CapEx × (1 + Dev. Margin)            | -                         | -                | 27.8         | -             |
| Depreciation (Years)                                 | Straight Line                        | 40                        | 40               | 40           | -             |
| Inc. Pref. Option OpEx FY31 (% of CapEx p.a.)        | Preferred option incremental opex    | N/A                       | 4.0%             | -            | -             |
| <b>II. FINANCING &amp; RATE INPUTS</b>               |                                      |                           |                  |              |               |
| GWRC WACC                                            | Discount rate                        | 5.5%                      | 5.5%             | 5.5%         | 5.5%          |
| LGFA Interest Rate                                   | MC: Mean 5.5% / SD 0.25%             | 5.50%                     | 5.46%            | 5.15%        | -             |
| ↳ Mean                                               | #1 MC only                           | -                         | 5.50%            | -            | -             |
| ↳ Std Deviation                                      | #1 MC only                           | -                         | 0.25%            | -            | -             |
| JV BOM Partner WACC                                  | JV BOM scenario only                 | -                         | -                | -            | 7.5%          |
| CapEx component of Avail. Payment (\$m)              | 25 yr JV BOM PMT                     | -                         | -                | -            | -2.1          |
| Ann. AP OpEx as % of CapEx                           | JV BOM scenario only                 | -                         | -                | -            | 4%            |
| AP OpEx (\$m) for FY2031                             | JV BOM scenario only                 | -                         | -                | -            | -0.93         |
| <b>III. ESCALATION INPUTS</b>                        |                                      |                           |                  |              |               |
| Farebox Uplift (TOD)                                 | Est. increase from FY31              | 2.5%                      | 3.2%             | 3.2%         | 3.2%          |
| ↳ Mean                                               | #1 MC only                           | -                         | 2.5%             | -            | -             |
| ↳ Std Deviation                                      | #1 MC only                           | -                         | 0.3%             | -            | -             |
| Inflation - OpEx & CapEx                             | Annual escalator                     | 3.0%                      | 3.0%             | 3.0%         | 3.0%          |
| Water Escalator (Local Water Done Well)              | Annual escalator                     | 4.0%                      | 4.0%             | 4.0%         | 4.0%          |
| Annual Lease Escalator                               | #2 Lease MC only                     | -                         | -                | 3.0%         | -             |
| <b>IV. LEASE STRUCTURE INPUTS (#2 Lease MC only)</b> |                                      |                           |                  |              |               |
| Developer Target Yield                               | Drives lease cost                    | -                         | -                | 7.5%         | -             |
| Station GFA Share                                    | Transport / Total GFA                | -                         | -                | 73.1%        | -             |
| Transport Facility Net Rentable Area (sqm)           | GWRC Lease                           | -                         | -                | 4,080        | -             |
| Commercial/Retail Net Rentable Area (sqm)            | Underwritten                         | -                         | -                | 1,500        | -             |
| Commercial/Retail Rate per sqm (\$)                  | Underwritten                         | -                         | -                | 450          | -             |
| Incremental OpEx % of CapEx p.a. (from #1 MC)        | Same as LGFA MC C65                  | -                         | -                | 4.0%         | -             |
| Incremental OpEx FY31 \$m (CapEx × OpEx %)           | Lease CapEx × LGFA MC OpEx %         | -                         | -                | 0.93         | -             |
| 2031 WTOD Total Cost (Lease + OpEx) (\$m p.a.)       | Dev. Cost × Yield × GFA Share + OpEx | -                         | -                | 2.45         | -             |
| CapEx MC Min (\$m)                                   | MC range                             | -                         | -                | 22.3         | -             |
| CapEx MC Max (\$m)                                   | MC range                             | -                         | -                | 26.7         | -             |
| Land Value MC Min (\$m)                              | MC range                             | -                         | -                | 15.0         | -             |
| <b>V. KEY OUTPUT SUMMARY</b>                         |                                      |                           |                  |              |               |
| Present Value to FY71 (\$m)                          | NPV of project cashflows             | 37.0                      | 55.9             | 55.8         | 51.6          |
| Min Net Surplus (\$m)                                | Worst annual surplus                 | N/A                       | -1.3             | 0.0          | 0.0           |
| Max LGFA Debt (\$m)                                  | Peak LGFA borrowing                  | 22.3                      | 23.2             | N/A          | N/A           |
| Peak LGFA Debt to Revenue                            | Debt serviceability metric           | N/A                       | 1.85x            | N/A          | N/A           |

|                         |                   |     |     |      |      |
|-------------------------|-------------------|-----|-----|------|------|
| Lease PV to FY71 (\$m)  | #2 Lease MC only  | N/A | N/A | 55.8 | N/A  |
| JV BOM PV to FY71 (\$m) | #3 JV BOM MC only | N/A | N/A | N/A  | 51.6 |

| Whole of Life PV to FY71 (\$m) |      |
|--------------------------------|------|
| #1. LGFA Base Case Static      | 37.0 |
| #1. LGFA Base MC               | 55.9 |
| #2. Lease MC                   | 55.8 |
| #3. JV BOM MC                  | 51.6 |



## Waterloo TOD • Finance Business Case • #1. - LGFA Base Case Static

|                                              |         | 5.50% GWRC WACC |            |            |            |            |            |         |           |           |           |           |         |
|----------------------------------------------|---------|-----------------|------------|------------|------------|------------|------------|---------|-----------|-----------|-----------|-----------|---------|
|                                              |         | 0               | 1          | 2          | 3          | 4          | 5          | 10      | 15        | 25        | 35        | 45        |         |
|                                              |         | 1.00            | 1.06       | 1.11       | 1.17       | 1.24       | 1.31       | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |         |
| FY25 Base Yr. Audited Acc's                  |         | Approvals       | D. & Const | D. & Const | D. & Const | D. & Const | D. & Const | Operate | Operate   | Operate   | Operate   | Operate   | Operate |
| Financial Year (\$m)                         | Jun 25  | Jun 26          | Jun 27     | Jun 28     | Jun 29     | Jun 30     | Jun 31     | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |         |
| <b>I. PROFIT &amp; LOSS</b>                  |         |                 |            |            |            |            |            |         |           |           |           |           |         |
| Base Revenue (Rates/Grants)                  | 451.70  | 465.25          | 479.21     | 493.58     | 508.39     | 523.64     | 539.35     | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |         |
| Farebox Revenue (Base)                       | 121.30  | 124.94          | 128.69     | 132.55     | 136.52     | 140.62     | 144.84     | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |         |
| Other Income (water supply)                  | 63.80   | 66.35           | 69.01      | 71.77      | 74.64      | 77.62      | 80.73      | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |         |
| Farebox Uplift (TOD)                         |         |                 |            |            |            |            | 3.62       | 4.20    | 4.87      | 6.54      | 8.79      | 11.81     |         |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |         |                 |            |            |            |            |            |         |           |           |           |           |         |
| Total Revenue incl. WTOD                     | 636.80  | 656.54          | 676.90     | 697.90     | 719.55     | 741.89     | 768.54     | 895.58  | 1,043.86  | 1,419.15  | 1,931.33  | 2,631.25  |         |
| Base Operating Expenditure                   | -667.70 | -687.73         | -708.36    | -729.61    | -751.50    | -774.05    | -797.27    | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |         |
| Do Min Additional OpEx (from FY28)           | 0.00    | 0.00            | 0.00       | -1.50      | -1.55      | -1.59      | -1.64      | -1.90   | -2.20     | -2.96     | -3.98     | -5.35     |         |
| Do Min LGFA Interest on Do Min Debt          | 0.00    | 0.00            | 0.00       | -0.52      | -0.52      | -0.52      | -0.52      | -0.52   | -0.39     | -0.26     | -0.13     | 0.00      |         |
| Waterloo TOD Incremental OpEx                | 0.00    | 0.00            | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | -1.01   | -1.18     | -1.58     | -2.12     | -2.85     |         |
| LGFA Interest (Project Debt)                 | 0.00    | 0.00            | -0.08      | -0.51      | -0.94      | -1.06      | -1.06      | -1.06   | -1.06     | -0.53     | -0.26     | 0.00      |         |
| Depreciation (TOD Asset)                     | 0.00    | 0.00            | 0.00       | 0.00       | 0.00       | 0.00       | -0.56      | -0.56   | -0.56     | -0.56     | -0.56     | 0.00      |         |
| Total Expenditure incl. WTOD                 | -667.70 | -687.73         | -708.44    | -732.14    | -754.51    | -777.22    | -801.05    | -929.30 | -1,076.85 | -1,445.84 | -1,942.23 | -2,608.92 |         |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90  | -31.19          | -31.54     | -34.25     | -34.95     | -35.33     | -32.51     | -33.72  | -32.99    | -26.69    | -10.90    | 22.33     |         |
| Net Surplus excl. WTOD                       | -30.90  | -31.19          | -31.46     | -33.74     | -34.02     | -34.27     | -34.51     | -35.29  | -35.06    | -30.57    | -16.75    | 13.37     |         |
| Change in Net Surplus atrib WTOD             | 0.00    | 0.00            | -0.08      | -0.51      | -0.94      | -1.06      | 2.01       | 1.57    | 2.08      | 3.87      | 5.85      | 8.96      |         |
| <b>II. PROJECT CASH FLOWS</b>                |         |                 |            |            |            |            |            |         |           |           |           |           |         |
| Net Operating Cash                           | -30.90  | 0.00            | -0.08      | -0.51      | -0.94      | -1.06      | 2.56       | 2.13    | 2.63      | 4.43      | 6.40      | 8.96      |         |
| Investing • Project CapEx                    | 0.00    | 0.00            | -4.45      | -7.79      | -7.79      | -2.23      | 0.00       | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |         |
| Investing • Do Min CapEx (FY27)              | 0.00    | 0.00            | -9.50      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |         |
| Investing • Comm. Capital Release            |         | 0.00            | 3.00       | 0.00       | 0.00       | 0.00       | W TOD Lar  | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |         |
| Financing • Do Min LGFA Drawdown & Repayment | 0.00    | 0.00            | 9.50       | 0.00       | 0.00       | 0.00       | 0.00       | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |         |
| Financing • LGFA Loan Drawdown & Repayment   | 0.00    | 0.00            | 1.45       | 7.79       | 7.79       | 2.23       | 0.00       | 0.00    | -4.81     | -4.81     | -4.81     | -4.81     |         |

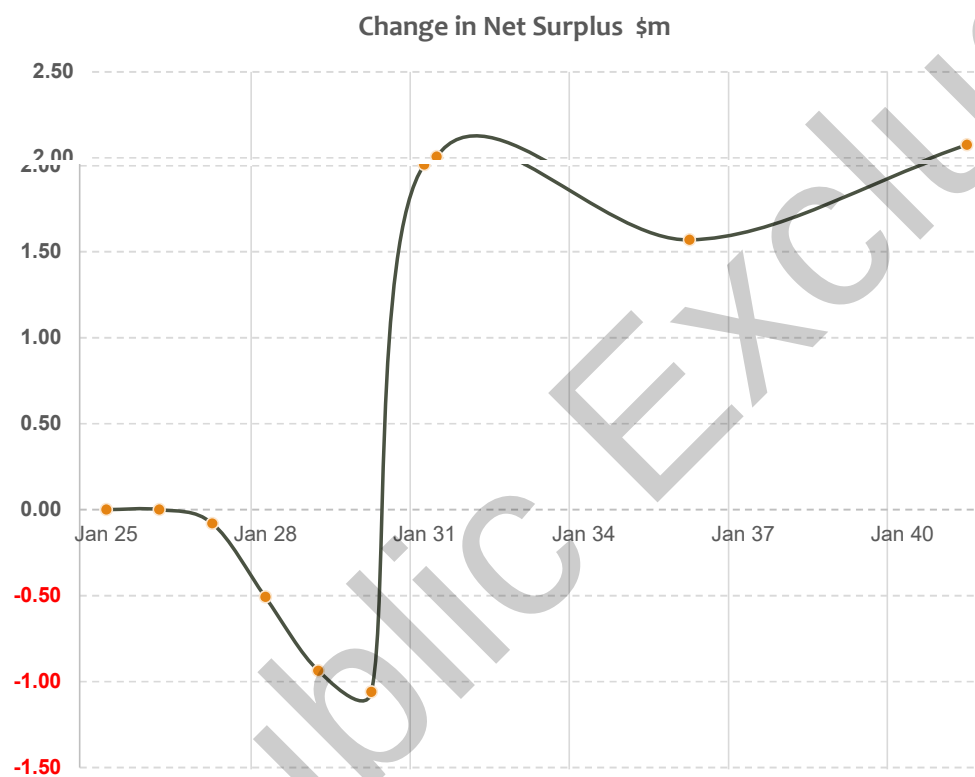
|                      |        |      |       |       |       |       |      |      |       |       |       |      |
|----------------------|--------|------|-------|-------|-------|-------|------|------|-------|-------|-------|------|
| Net Cash Movement    | -30.90 | 0.00 | -0.08 | -0.51 | -0.94 | -1.06 | 2.56 | 2.13 | -4.56 | -2.76 | -0.79 | 1.77 |
| Discounted Cash Flow |        | 0.00 | -0.08 | -0.46 | -0.80 | -0.85 | 1.96 | 1.24 | -2.04 | -0.72 | -0.12 | 0.16 |

### III. BALANCE SHEET

|                              |          |          | 3.00     | 0.00     | 0.00     | 0.00     | W TOD Land Sale • Capital Release |          |          |      |      |      |
|------------------------------|----------|----------|----------|----------|----------|----------|-----------------------------------|----------|----------|------|------|------|
| GWRC Consolidated Assets     | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52 | 4,040.20                          | 4,683.69 | 5,429.68 |      |      |      |
| W TOD WIP Assets             | 0.00     | 0.00     | 4.45     | 12.24    | 20.03    | 22.25    | 0.00                              | 0.00     | 0.00     |      |      |      |
| W TOD Completed Fixed Assets | 0.00     | 0.00     | -3.00    | -3.00    | -3.00    | -3.00    | 18.69                             | 15.91    | 13.13    |      |      |      |
| W TOD Accum. Depreciation    | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.56                              | 3.34     | 6.12     |      |      |      |
| Total Assets                 | 3,383.60 | 3,485.11 | 3,591.11 | 3,706.59 | 3,825.30 | 3,941.77 | 4,059.45                          | 4,702.94 | 5,448.93 |      |      |      |
| Non W TOD Debt               | 1,178.70 | 1,202.04 | 1,225.49 | 1,251.41 | 1,277.78 | 1,304.28 | 1,327.68                          | 1,445.26 | 1,554.68 |      |      |      |
| LGFA Project Debt            | 0.00     | 0.00     | 1.45     | 9.24     | 17.03    | 19.25    | 19.25                             | 19.25    | 14.44    | 9.63 | 4.81 | 0.00 |
| Do Min LGFA Debt             | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50     | 9.50                              | 9.50     | 7.13     | 4.75 | 2.38 | 0.00 |
| Other Liabilities            | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38   | 312.48                            | 362.25   | 419.95   |      |      |      |
| Total Equity                 | 1,943.20 | 2,013.52 | 2,086.53 | 2,159.98 | 2,235.94 | 2,314.86 | #####                             | 2,876.18 | 3,459.87 |      |      |      |
| Total Liabilities + Equity   | 3,383.60 | 3,485.11 | 3,600.61 | 3,716.09 | 3,834.80 | 3,951.27 | 4,068.95                          | 4,712.44 | 5,456.06 |      |      |      |
|                              | 0.00     | 0.00     | -9.50    | -9.50    | -9.50    | -9.50    | -9.50                             | -9.50    | -7.12    |      |      |      |

Present Value to FY71 **36.97**

| VARIABLE                                   |       | NOTES                        |     |     |     |     |
|--------------------------------------------|-------|------------------------------|-----|-----|-----|-----|
| Baseline CapEx (from #2 Lease MC)          | 22.25 | Phased                       | 20% | 35% | 35% | 10% |
| LGFA Interest Rate (from #1 MC)            | 5.5%  |                              |     |     |     |     |
| Farebox Uplift (from #1 LGFA Base MC)      | 2.5%  | Estimated increase from FY31 |     |     |     |     |
| Inflation (OpEx & CapEx) from #1 MC        | 3%    | Annual escalator             |     |     |     |     |
| Water esc. (Local water done well) From #1 | 4%    | Annual escalator             |     |     |     |     |
| Depreciation Yrs (From #1. MC)             | 40    | Straight Line                |     |     |     |     |





## Waterloo TOD • Finance Business Case • #1 - LGFA Base Case Monte Carlo

| 5.50% GWRC WACC                              |           |            |            |            |            |            |         |         |           |           |           |           |
|----------------------------------------------|-----------|------------|------------|------------|------------|------------|---------|---------|-----------|-----------|-----------|-----------|
|                                              | 1.00      | 0          | 1          | 2          | 3          | 4          | 5       | 10      | 15        | 25        | 35        | 45        |
|                                              | 1.00      | 1.00       | 1.06       | 1.11       | 1.17       | 1.24       | 1.31    | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |
| FY25 Base Yr. Audited Acc's                  | Approvals | D. & Const | D. & Const | D. & Const | D. & Const | D. & Const | Operate | Operate | Operate   | Operate   | Operate   | Operate   |
| Financial Year (\$m)                         | Jun 25    | Jun 26     | Jun 27     | Jun 28     | Jun 29     | Jun 30     | Jun 31  | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |
| <b>I. PROFIT &amp; LOSS</b>                  |           |            |            |            |            |            |         |         |           |           |           |           |
| Base Revenue (Rates/Grants)                  | 451.70    | 465.25     | 479.21     | 493.58     | 508.39     | 523.64     | 539.35  | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |
| Farebox Revenue (Base)                       | 121.30    | 124.94     | 128.69     | 132.55     | 136.52     | 140.62     | 144.84  | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |
| Other Income (water supply)                  | 63.80     | 66.35      | 69.01      | 71.77      | 74.64      | 77.62      | 80.73   | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |
| Farebox Uplift (TOD)                         |           |            |            |            |            |            | 4.60    | 5.33    | 6.18      | 8.31      | 11.16     | 15.00     |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |           |            |            |            |            |            |         |         |           |           |           |           |
| Total Revenue incl. WTOD                     | 636.80    | 656.54     | 676.90     | 697.90     | 719.55     | 741.89     | 769.52  | 896.71  | 1,045.17  | 1,420.92  | 1,933.71  | 2,634.43  |
| Base Operating Expenditure                   | -667.70   | -687.73    | -708.36    | -729.61    | -751.50    | -774.05    | -797.27 | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |
| Do Min Additional OpEx (from FY28)           | 0.00      | 0.00       | 0.00       | 0.00       | -1.50      | -1.55      | -1.59   | -1.84   | -2.14     | -2.87     | -3.86     | -5.19     |
| Do Min LGFA Interest on Do Min Debt          | 0.00      | 0.00       | 0.00       | -0.52      | -0.52      | -0.52      | -0.52   | -0.52   | -0.39     | -0.26     | -0.13     | 0.00      |
| Waterloo TOD Incremental OpEx                | 0.00      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | 0.00    | -1.01   | -1.18     | -1.58     | -2.12     | -2.85     |
| LGFA Interest (Project Debt)                 | 0.00      | 0.00       | 0.00       | -0.70      | -1.14      | -1.27      | -1.27   | -1.27   | -1.27     | -0.95     | -0.63     | -0.32     |
| Depreciation (TOD Asset)                     | 0.00      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | -0.58   | -0.58   | -0.58     | -0.58     | -0.58     | 0.00      |
| Total Expenditure incl. WTOD                 | -667.70   | -687.73    | -708.36    | -730.83    | -754.66    | -777.38    | -801.22 | -929.48 | -1,077.01 | -1,446.20 | -1,942.51 | -2,609.08 |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90    | -31.19     | -31.46     | -32.93     | -35.11     | -35.49     | -31.71  | -32.76  | -31.84    | -25.28    | -8.80     | 25.35     |
| Net Surplus excl. WTOD                       | -30.90    | -31.19     | -31.46     | -32.23     | -33.97     | -34.22     | -34.46  | -35.23  | -35.00    | -30.48    | -16.63    | 13.52     |
| Change in Net Surplus atrib WTOD             | 0.00      | 0.00       | 0.00       | -0.70      | -1.14      | -1.27      | 2.75    | 2.47    | 3.16      | 5.20      | 7.83      | 11.83     |
| <b>II. PROJECT CASH FLOWS</b>                |           |            |            |            |            |            |         |         |           |           |           |           |
| Net Operating Cash                           | -30.90    | 0.00       | 0.00       | -0.70      | -1.14      | -1.27      | 3.33    | 3.05    | 3.74      | 5.78      | 8.41      | 11.83     |
| Investing • Project CapEx                    | 0.00      | 0.00       | -4.64      | -8.12      | -8.12      | -2.32      | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Do Min CapEx (FY27)              | 0.00      | 0.00       | -9.50      | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Comm. Capital Release            |           | 0.00       | 3.00       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Financing • Do Min LGFA Drawdown & Repayment | 0.00      | 0.00       | 9.50       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |
| Financing • LGFA Loan Drawdown & Repayment   | 0.00      | 0.00       | 4.64       | 8.12       | 8.12       | 2.32       | 0.00    | 0.00    | -5.80     | -5.80     | -5.80     | -5.80     |
| Net Cash Movement                            | -30.90    | 0.00       | 3.00       | -0.70      | -1.14      | -1.27      | 3.33    | 3.05    | -4.44     | -2.40     | 0.23      | 3.66      |

|                      |      |      |       |       |       |      |      |       |       |      |      |
|----------------------|------|------|-------|-------|-------|------|------|-------|-------|------|------|
| Discounted Cash Flow | 0.00 | 2.84 | -0.63 | -0.97 | -1.02 | 2.55 | 1.79 | -1.99 | -0.63 | 0.04 | 0.33 |
|----------------------|------|------|-------|-------|-------|------|------|-------|-------|------|------|

### III. BALANCE SHEET

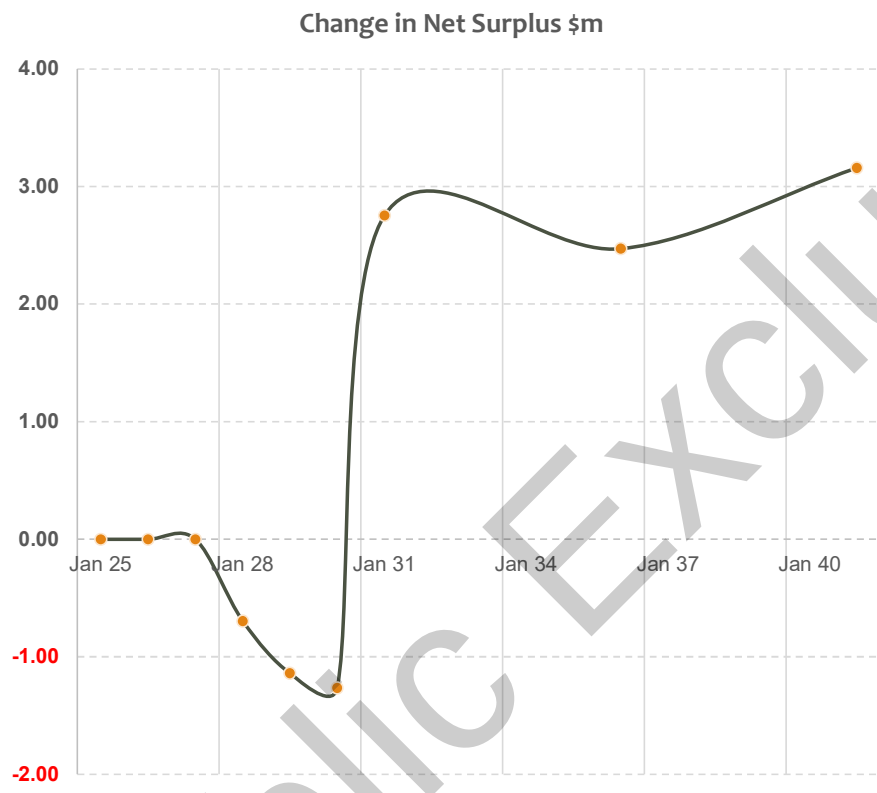
|                              |          | 3.00     | 0.00     | 0.00     | 0.00     | W TOD Land Sale • Capital Release |          |          |          |          |          |           |
|------------------------------|----------|----------|----------|----------|----------|-----------------------------------|----------|----------|----------|----------|----------|-----------|
| GWRC Consolidated Assets     | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52                          | 4,040.20 | 4,683.69 | 5,429.68 | 7,297.04 | 9,806.61 | 13,179.27 |
| W TOD WIP Assets             | 0.00     | 0.00     | 4.64     | 12.76    | 20.88    | 23.20                             | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00      |
| W TOD Completed Fixed Assets | 0.00     | 0.00     | -3.00    | -3.00    | -3.00    | -3.00                             | 19.62    | 16.72    | 13.82    | 8.02     | 2.22     | -3.00     |
| W TOD Accum. Depreciation    | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00                              | 0.58     | 3.48     | 6.38     | 12.18    | 17.98    | 23.20     |
| Total Assets                 | 3,383.60 | 3,485.11 | 3,591.30 | 3,707.11 | 3,826.15 | 3,942.71                          | 4,060.39 | 4,703.89 | 5,449.88 | 7,317.24 | 9,826.81 | 13,199.47 |
| Do Min LGFA Debt             | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50                              | 9.50     | 9.50     | 7.13     | 4.75     | 2.38     | 0.00      |
| Non W TOD Debt               | 1,178.70 | 1,202.04 | 1,225.41 | 1,250.01 | 1,276.54 | 1,303.19                          | 1,325.80 | 1,438.90 | 1,542.96 |          |          |           |
| LGFA Project Debt            | 0.00     | 0.00     | 4.64     | 12.76    | 20.88    | 23.20                             | 23.20    | 23.20    | 23.20    |          |          |           |
| Other Liabilities            | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38                            | 312.48   | 362.25   | 419.95   |          |          |           |
| Total Equity                 | 1,943.20 | 2,013.52 | 2,083.61 | 2,158.37 | 2,234.19 | 2,312.94                          | 2,398.91 | #####    | #####    |          |          |           |
| Total Liabilities + Equity   | 3,383.60 | 3,485.11 | 3,591.30 | 3,707.11 | 3,826.15 | 3,942.71                          | 4,060.39 | 4,703.89 | 5,449.88 |          |          |           |
|                              | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00                              | 0.00     | 0.00     | 0.00     |          |          |           |

|                    | Jun 25   | Jun 26   | Jun 27   | Jun 28   | Jun 29   | Jun 30   | Jun 31   | Jun 36   | Jun 41   | Jun 51 | Jun 61 | Jun 71 |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------|--------|--------|
| Total Debt         | 1,178.70 | 1,202.04 | 1,230.05 | 1,262.77 | 1,297.42 | 1,326.39 | 1,348.99 | 1,462.10 | 1,566.15 |        |        |        |
| Total Revenue      | 636.80   | 656.54   | 676.90   | 697.90   | 719.55   | 741.89   | 769.52   | 896.71   | 1,045.17 |        |        |        |
| Total Debt/Revenue | 1.85     | 1.83     | 1.82     | 1.81     | 1.80     | 1.79     | 1.75     | 1.63     | 1.50     |        |        |        |

|                       |       |                                      |      |                                  |
|-----------------------|-------|--------------------------------------|------|----------------------------------|
| Max LGFA Debt         | 23.20 | Four equal bond principal repayments | 5.80 | Occur 06/41, 06/51, 06/61, 06/71 |
| Peak LGFA Debt to Rev | 1.85  |                                      |      |                                  |
| LGFA PV to FY71       | 55.92 |                                      |      |                                  |
| Min Net Surplus       | -1.27 |                                      |      |                                  |

| VARIABLE                                       | NOTES |                  |       |                              |     |     |
|------------------------------------------------|-------|------------------|-------|------------------------------|-----|-----|
| Baseline CapEx                                 | 23.2  | Phased           | 20%   | 35%                          | 35% | 10% |
| Inc. Pref. Option OpEx in FY33 as a % of CapEx | 4%    |                  |       |                              |     |     |
| LGFA Interest Rate                             | 5.46% | 5.50%            | 0.25% | Estimated cost of funds      |     |     |
| Farebox Uplift                                 | 3.2%  | 2.50%            | 0.25% | Estimated increase from FY33 |     |     |
| Inflation (OpEx & CapEx)                       | 3%    | Annual escalator |       |                              |     |     |

|                                         |    |                  |
|-----------------------------------------|----|------------------|
| Water escalator (Local water done well) | 4% | Annual escalator |
| Depreciation (Years)                    | 40 | Straight Line    |



## Waterloo TOD • Finance Business Case • #2 - Notional Sale &amp; Leaseback Monte Carlo

|                                              |  | 5.50% GWRC WACC |             |            |            |            |         |                                   |         |           |           |           |           |
|----------------------------------------------|--|-----------------|-------------|------------|------------|------------|---------|-----------------------------------|---------|-----------|-----------|-----------|-----------|
|                                              |  | 0               | 1           | 2          | 3          | 4          | 5       | 10                                | 15      | 25        | 35        | 45        |           |
|                                              |  | 1.00            | 1.06        | 1.11       | 1.17       | 1.24       | 1.31    | 1.71                              | 2.23    | 3.81      | 6.51      | 11.13     |           |
| FY25 Base Yr. Audited Acc's                  |  | Approvals       | D. & Const. | D. & Const | D. & Const | D. & Const | Operate | Operate                           | Operate | Operate   | Operate   | Operate   |           |
| Financial Year (\$m)                         |  | Jun 25          | Jun 26      | Jun 27     | Jun 28     | Jun 29     | Jun 30  | Jun 31                            | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |
| I. PROFIT & LOSS                             |  |                 |             |            |            |            |         |                                   |         |           |           |           |           |
| Base Revenue (Rates/Grants)                  |  | 451.70          | 465.25      | 479.21     | 493.58     | 508.39     | 523.64  | 539.35                            | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |
| Farebox Revenue (Base)                       |  | 121.30          | 124.94      | 128.69     | 132.55     | 136.52     | 140.62  | 144.84                            | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |
| Other Income (water supply)                  |  | 63.80           | 66.35       | 69.01      | 71.77      | 74.64      | 77.62   | 80.73                             | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |
| Farebox Uplift (TOD)                         |  |                 |             |            |            |            |         | 4.60                              | 5.33    | 6.18      | 8.31      | 11.16     | 15.00     |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |  |                 |             |            |            |            |         |                                   |         |           |           |           |           |
| Total Revenue incl. WTOD                     |  | 636.80          | 656.54      | 676.90     | 697.90     | 719.55     | 741.89  | 769.52                            | 896.71  | 1,045.17  | 1,420.92  | 1,933.71  | 2,634.43  |
| Base Operating Expenditure                   |  | -667.70         | -687.73     | -708.36    | -729.61    | -751.50    | -774.05 | -797.27                           | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |
| Do Min Additional OpEx (from FY28)           |  | 0.00            | 0.00        | 0.00       | -1.50      | -1.55      | -1.59   | -1.64                             | -1.90   | -2.20     | -2.96     | -3.98     | -5.35     |
| Do Min LGFA Interest on Do Min Debt          |  | 0.00            | 0.00        | 0.00       | -0.49      | -0.49      | -0.49   | -0.49                             | -0.49   | -0.37     | -0.24     | -0.12     | 0.00      |
| WTOD Leaseback expense                       |  | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 0.00    | 0.00                              | -2.68   | -3.11     | -4.18     | -5.62     | -7.55     |
| Total Expenditure incl. WTOD                 |  | -667.70         | -687.73     | -708.36    | -731.60    | -753.54    | -776.13 | -799.40                           | -929.32 | -1,077.14 | -1,447.34 | -1,944.90 | -2,613.61 |
| Net Surplus / (Deficit) Incl. WTOD           |  | -30.90          | -31.19      | -31.46     | -33.70     | -33.98     | -34.24  | -29.88                            | -32.61  | -31.97    | -26.42    | -11.19    | 20.82     |
| Net Surplus excl. WTOD                       |  | -30.90          | -31.19      | -31.46     | -33.70     | -33.98     | -34.24  | -34.48                            | -35.26  | -35.04    | -30.55    | -16.74    | 13.37     |
| Change in Net Surplus atrib WTOD             |  | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 0.00    | 4.60                              | 2.65    | 3.07      | 4.13      | 5.55      | 7.45      |
| II. PROJECT CASH FLOWS                       |  |                 |             |            |            |            |         |                                   |         |           |           |           |           |
| Net Operating Cash                           |  | -30.90          | 0.00        | 0.00       | 0.00       | 0.00       | 0.00    | 4.60                              | 2.65    | 3.07      | 4.13      | 5.55      | 7.45      |
| Investing • Do Min CapEx (FY27)              |  | 0.00            | 0.00        | -9.50      | 0.00       | 0.00       | 0.00    | 0.00                              | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Project CapEx                    |  | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 0.00    | 0.00                              | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Comm. Capital Release            |  |                 |             | 15.99      | 0.00       | 0.00       | 0.00    |                                   |         |           |           |           |           |
| ing • Do Min LGFA Drawdown & Repayment       |  | 0.00            | 0.00        | 9.50       | 0.00       | 0.00       | 0.00    | 0.00                              | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |
| Net Cash Movement                            |  | -30.90          | 0.00        | 6.49       | 0.00       | 0.00       | 0.00    | 4.60                              | 2.65    | 3.07      | 4.13      | 5.55      | 7.45      |
| Discounted Cash Flow                         |  |                 | 0.00        | 6.15       | 0.00       | 0.00       | 0.00    | 3.52                              | 1.55    | 1.38      | 1.08      | 0.85      | 0.67      |
| III. BALANCE SHEET                           |  |                 |             |            |            |            |         |                                   |         |           |           |           |           |
|                                              |  |                 |             | 15.99      | 0.00       | 0.00       | 0.00    | W TOD Land Sale • Capital Release |         |           |           |           |           |

|                            |          |          |          |          |          |          |          |          |          |      |      |      |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------|------|------|
| GWRC Consolidated Assets   | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52 | 4,040.20 | 4,683.69 | 5,429.68 |      |      |      |
| Total Assets               | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52 | 4,040.20 | 4,683.69 | 5,429.68 |      |      |      |
| Do Min LGFA Debt           | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50     | 9.50     | 9.50     | 7.13     | 4.75 | 2.38 | 0.00 |
| Non W TOD Debt             | 1,178.70 | 1,202.04 | 1,225.41 | 1,250.79 | 1,276.19 | 1,301.60 | 1,322.38 | 1,432.75 | 1,536.87 |      |      |      |
| Other Liabilities          | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38   | 312.48   | 362.25   | 419.95   |      |      |      |
| Total Equity               | 1,943.20 | 2,013.52 | 2,086.61 | 2,160.60 | 2,237.53 | 2,317.54 | 2,405.34 | #####    | 3,472.86 |      |      |      |
| Total Liabilities + Equity | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52 | 4,040.20 | 4,683.69 | 5,429.68 |      |      |      |
|                            | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     |      |      |      |

|                    |          |          |          |          |          |          |          |          |          |        |        |        |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------|--------|--------|
|                    | Jun 25   | Jun 26   | Jun 27   | Jun 28   | Jun 29   | Jun 30   | Jun 31   | Jun 36   | Jun 41   | Jun 51 | Jun 61 | Jun 71 |
| Total Debt         | 1,178.70 | 1,202.04 | 1,225.41 | 1,250.79 | 1,276.19 | 1,301.60 | 1,322.38 | 1,432.75 | 1,536.87 |        |        |        |
| Total Revenue      | 636.80   | 656.54   | 676.90   | 697.90   | 719.55   | 741.89   | 769.52   | 896.71   | 1,045.17 |        |        |        |
| Total Debt/Revenue | 1.85     | 1.83     | 1.81     | 1.79     | 1.77     | 1.75     | 1.72     | 1.60     | 1.47     |        |        |        |

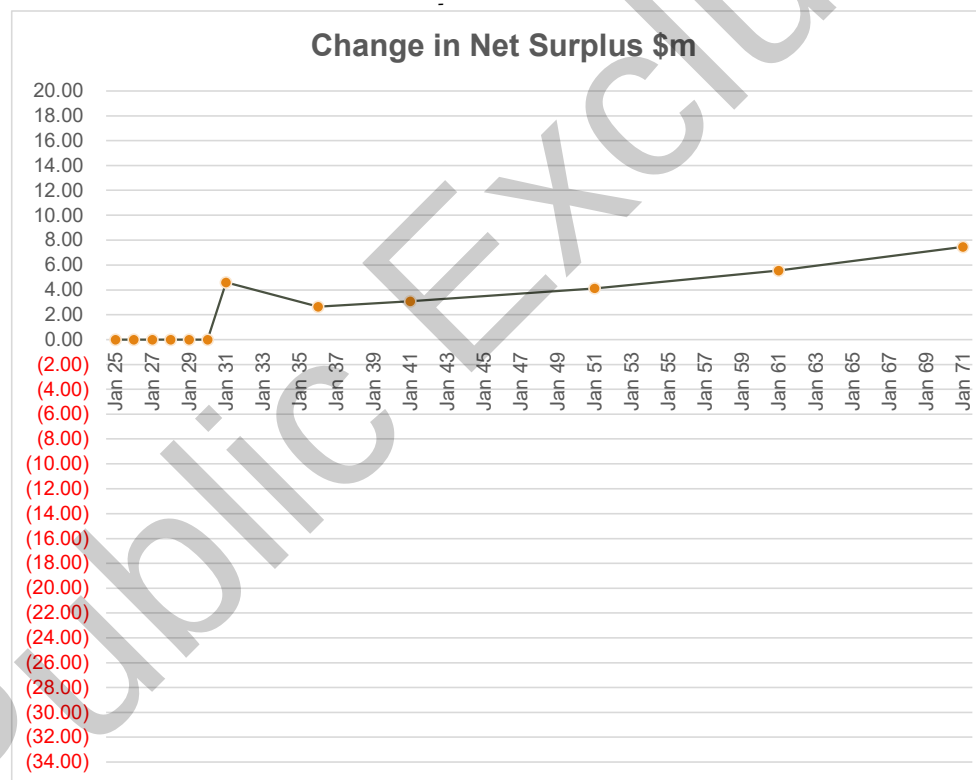
|                  |       |
|------------------|-------|
| Lease PV to FY71 | 55.83 |
| Min Net Surplus  | 0.00  |

| VARIABLE                                      |       | NOTES                        |
|-----------------------------------------------|-------|------------------------------|
| Build CapEx (from calc below)                 | 23.2  |                              |
| Waterloo TOD Lease Expense \$m                | 2.45  |                              |
| LGFA Interest Rate                            | 5.15% | Estimated cost of funds      |
| Farebox Uplift (from LGFA Base #1. MC)        | 3.2%  | Estimated increase from FY31 |
| Inflation (OpEx & CapEx) (from #1. MC)        | 3%    | Annual escalator             |
| ter esc.(Local water done well) (from #1. MC) | 4%    | Annual escalator             |
| Depreciation Yrs (from #1. MC)                | 40    | Straight Line                |

|                                  | Net Rentable Area | Rate per sqm | 2031 Ann. Rent<br>\$m |
|----------------------------------|-------------------|--------------|-----------------------|
| Transport Facility (GWRC Lease)  | \$ 4,080          | \$602        | 2.45                  |
| Commercial/Retail (Underwritten) | \$ 1,500          | \$450        | 0.68                  |
| Residential (BTR) (Underwritten) | \$ -              | \$400        | \$0                   |
| TOTAL                            | \$ 5,580          | \$ 0         | 3.13                  |

| Variable Category | Input Name | alue (\$m or %) | Min | Max | Power | Skew |
|-------------------|------------|-----------------|-----|-----|-------|------|
|-------------------|------------|-----------------|-----|-----|-------|------|

|                              |                                               |        |                        |       |      |
|------------------------------|-----------------------------------------------|--------|------------------------|-------|------|
| I. Capital & Operating Stack | Ind Opportunity Value                         | 15.99  | 15.00                  | 20.00 | 0.5  |
|                              | Build CapEx                                   | 23.20  | 22.25                  | 26.70 | 0.75 |
|                              | Developer Margin                              | 20.00% |                        |       |      |
|                              | Development Cost                              | 27.83  |                        |       |      |
|                              | Incremental OpEx % of CapEx p.a. (from #1 MC) | 4.0%   |                        |       |      |
|                              | Incremental OpEx FY33 \$m (CapEx × OpEx %)    | 0.93   |                        |       |      |
| II. Lease Metrics            | al Cost (Lease + OpEx)                        | 7.50%  |                        |       |      |
|                              | Station GFA Share                             | 73.12% |                        |       |      |
|                              | 2031 W TOD Lease Cost                         | 2.45   |                        |       |      |
|                              | Annual Lease Escalator                        | 3.00%  |                        |       |      |
| III. Underwrite              | Rent Underwrite Gap                           | \$0    | Not factored in as yet |       |      |





## Waterloo TOD • Finance Business Case • #3 - JV Build/Operate/Maintain ('JV BOM') Monte Carlo

|                                              |         | 5.50% GWRC WACC % |            |            |            |            |         |         |           |           |           |           |  |
|----------------------------------------------|---------|-------------------|------------|------------|------------|------------|---------|---------|-----------|-----------|-----------|-----------|--|
|                                              |         | 0                 | 1          | 2          | 3          | 4          | 5       | 10      | 15        | 25        | 35        | 45        |  |
|                                              |         | 1.00              | 1.06       | 1.11       | 1.17       | 1.24       | 1.31    | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |  |
| FY25 Base Yr. Audited Acc's                  |         | Approvals         | D. & Const | D. & Const | D. & Const | D. & Const | Operate | Operate | Operate   | Operate   | Operate   | Operate   |  |
| Financial Year (\$m)                         | Jun 25  | Jun 26            | Jun 27     | Jun 28     | Jun 29     | Jun 30     | Jun 31  | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |  |
| <b>I. PROFIT &amp; LOSS</b>                  |         |                   |            |            |            |            |         |         |           |           |           |           |  |
| Base Revenue (Rates/Grants)                  | 451.70  | 465.25            | 479.21     | 493.58     | 508.39     | 523.64     | 539.35  | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |  |
| Farebox Revenue (Base)                       | 121.30  | 124.94            | 128.69     | 132.55     | 136.52     | 140.62     | 144.84  | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |  |
| Other Income (water supply)                  | 63.80   | 66.35             | 69.01      | 71.77      | 74.64      | 77.62      | 80.73   | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |  |
| Farebox Uplift (TOD)                         |         |                   |            |            |            |            | 4.60    | 5.33    | 6.18      | 8.31      | 11.16     | 15.00     |  |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |         |                   |            |            |            |            |         |         |           |           |           |           |  |
| Total Revenue incl. WTOD                     | 636.80  | 656.54            | 676.90     | 697.90     | 719.55     | 741.89     | 769.52  | 896.71  | 1,045.17  | 1,420.92  | 1,933.71  | 2,634.43  |  |
| Base Operating Expenditure                   | -667.70 | -687.73           | -708.36    | -729.61    | -751.50    | -774.05    | -797.27 | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |  |
| Do Min Additional OpEx (from FY28)           | 0.00    | 0.00              | 0.00       | -1.50      | -1.55      | -1.59      | -1.64   | -1.90   | -2.20     | -2.96     | -3.98     | -5.35     |  |
| Do Min LGFA Interest on Do Min Debt          | 0.00    | 0.00              | 0.00       | -0.52      | -0.52      | -0.52      | -0.52   | -0.52   | -0.39     | -0.26     | -0.13     | 0.00      |  |
| W TOD JV BOM Payment • GWRC OpEx post yr. 25 | 0.00    | 0.00              | 0.00       | 0.00       | 0.00       | 0.00       | 0.00    | -3.29   | -3.81     | -5.12     | -2.12     | -2.85     |  |
| Total Expenditure incl. WTOD                 | -667.70 | -687.73           | -708.36    | -731.63    | -753.57    | -776.16    | -799.43 | -929.96 | -1,077.87 | -1,448.30 | -1,941.41 | -2,608.92 |  |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90  | -31.19            | -31.46     | -33.73     | -34.01     | -34.27     | -29.91  | -33.25  | -32.69    | -27.38    | -7.71     | 25.51     |  |
| Net Surplus excl. WTOD                       | -30.90  | -31.19            | -31.46     | -33.73     | -34.01     | -34.27     | -34.51  | -35.29  | -35.06    | -30.57    | -16.74    | 13.37     |  |
| Change in Net Surplus atrib WTOD             | 0.00    | 0.00              | 0.00       | 0.00       | 0.00       | 0.00       | 4.60    | 2.04    | 2.37      | 3.18      | 9.04      | 12.15     |  |
| <b>II. PROJECT CASH FLOWS</b>                |         |                   |            |            |            |            |         |         |           |           |           |           |  |
| Net Operating Cash                           |         | 0.00              | 0.00       | 0.00       | 0.00       | 0.00       | 4.60    | 2.04    | 2.37      | 3.18      | 9.04      | 12.15     |  |
| Investing • Do Min CapEx (FY27)              | 0.00    | 0.00              | -9.50      | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |  |
| Investing • Comm. Capital Release            |         |                   | 3.00       | 0.00       | 0.00       | 0.00       |         |         |           |           |           |           |  |
| Financing • Do Min LGFA Drawdown & Repay     | 0.00    | 0.00              | 9.50       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |  |
| Financing                                    |         | 0.00              | 0.00       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |  |
| Net Cash Movement                            | 0.00    | 0.00              | 3.00       | 0.00       | 0.00       | 0.00       | 4.60    | 2.04    | -0.01     | 0.81      | 6.66      | 9.77      |  |
| Discounted Cash Flow                         |         | 0.00              | 2.84       | 0.00       | 0.00       | 0.00       | 3.52    | 1.20    | -0.00     | 0.21      | 1.02      | 0.88      |  |

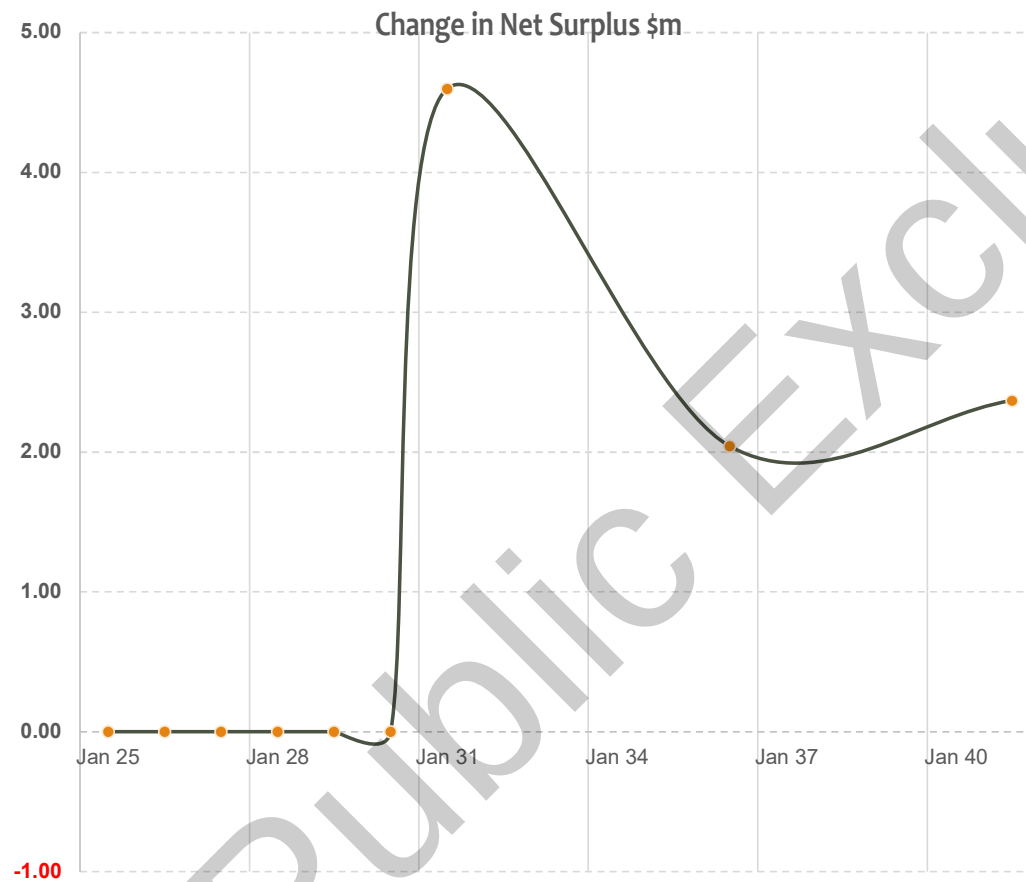
### III. BALANCE SHEET

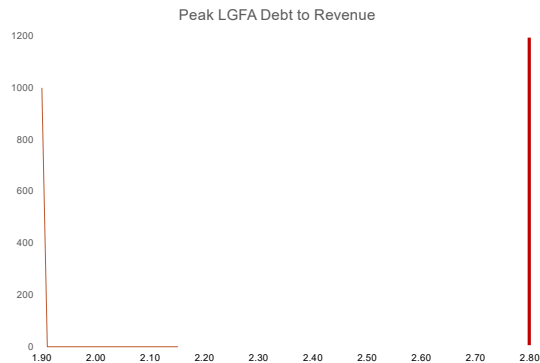
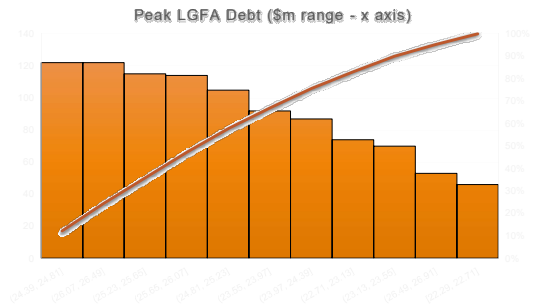
|                            |          | 3.00     | 0.00     | 0.00     | 0.00     | W TOD Land Sale • Capital Release |          |          |          |      |
|----------------------------|----------|----------|----------|----------|----------|-----------------------------------|----------|----------|----------|------|
| GWRC Consolidated Assets   | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52                          | 4,040.20 | 4,683.69 | 5,429.68 |      |
| Other                      |          |          |          |          |          |                                   |          |          |          |      |
| Do Min LGFA Debt           | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50                              | 9.50     | 9.50     | 7.13     | 4.75 |
| Total Assets               | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52                          | 4,040.20 | 4,683.69 | 5,429.68 | 2.38 |
| Non W TOD Debt             | 1,178.70 | 1,202.04 | 1,225.41 | 1,250.82 | 1,276.25 | 1,301.68                          | 1,322.49 | 1,435.33 | 1,542.90 |      |
| Other Liabilities          | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38                            | 312.48   | 362.25   | 419.95   |      |
| Total Equity               | 1,943.20 | 2,013.52 | 2,086.61 | 2,160.57 | 2,237.48 | 2,317.45                          | 2,405.22 | 2,886.11 | #####    |      |
| Total Liabilities + Equity | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52                          | 4,040.20 | 4,683.69 | 5,429.68 |      |
|                            | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00                              | 0.00     | 0.00     | 0.00     |      |

|                          | Jun 25       | Jun 26   | Jun 27   | Jun 28   | Jun 29   | Jun 30   | Jun 31   | Jun 36   | Jun 41   |
|--------------------------|--------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Total Debt               | 1,178.70     | 1,202.04 | 1,225.41 | 1,250.82 | 1,276.25 | 1,301.68 | 1,322.49 | 1,435.33 | 1,542.90 |
| Total Revenue            | 636.80       | 656.54   | 676.90   | 697.90   | 719.55   | 741.89   | 769.52   | 896.71   | 1,045.17 |
| Total Debt/Revenue       | 1.85         | 1.83     | 1.81     | 1.79     | 1.77     | 1.75     | 1.72     | 1.60     | 1.48     |
| Peak Debt to Revenue     | 1.85         |          |          |          |          |          |          |          |          |
| <b>JV BOM PV to FY71</b> | <b>51.56</b> |          |          |          |          |          |          |          |          |
| Min Net Surplus          | 0.00         |          |          |          |          |          |          |          |          |

| VARIABLE                                         | NOTES                                      |
|--------------------------------------------------|--------------------------------------------|
| Baseline JV BOM CapEx                            | 23.20                                      |
| JV BOM Partner WACC                              | 7.50%                                      |
| CapEx component of Avail Payment (\$m)           | -2.08 25 year JV BOM assumed               |
| Ann. AP OpEx as a % of CapEx                     | 4.00%                                      |
| AP OpEx (\$m) FY2033 (CapEx × OpEx %)            | -0.93 CapEx × 4% — consistent with LGFA MC |
| Total BOM Payment up to end of year 25           | -3.01                                      |
| Farebox Uplift                                   | 3.17% Estimated increase from FY31         |
| AP OpEx Inflat. beyond 2031 (from #1. MC)        | 3% Annual escalator                        |
| Water esc. (Local water done well) (From #1. MC) | 4% Annual escalator                        |

Change in Net Surplus \$m





| Bins (X-Axis) |       | Freq. (Y-Axis) | % of Total |  | Debt Covenant Y-Value (Height) |   |       |
|---------------|-------|----------------|------------|--|--------------------------------|---|-------|
| Bin           | Count | Probability    | LGFA Limit |  | 2.8                            | 0 |       |
| 1.90          | 1000  | 100%           | LGFA Limit |  |                                |   | 198.6 |
| 1.91          | 0     | 0%             |            |  |                                |   |       |
| 1.92          | 0     | 0%             |            |  |                                |   |       |
| 1.93          | 0     | 0%             |            |  |                                |   |       |
| 1.94          | 0     | 0%             |            |  |                                |   |       |
| 1.95          | 0     | 0%             |            |  |                                |   |       |
| 1.96          | 0     | 0%             |            |  |                                |   |       |
| 1.97          | 0     | 0%             |            |  |                                |   |       |
| 1.98          | 0     | 0%             |            |  |                                |   |       |
| 1.99          | 0     | 0%             |            |  |                                |   |       |
| 2.00          | 0     | 0%             |            |  |                                |   |       |
| 2.01          | 0     | 0%             |            |  |                                |   |       |
| 2.02          | 0     | 0%             |            |  |                                |   |       |
| 2.03          | 0     | 0%             |            |  |                                |   |       |
| 2.04          | 0     | 0%             |            |  |                                |   |       |
| 2.05          | 0     | 0%             |            |  |                                |   |       |
| 2.06          | 0     | 0%             |            |  |                                |   |       |
| 2.07          | 0     | 0%             |            |  |                                |   |       |
| 2.08          | 0     | 0%             |            |  |                                |   |       |
| 2.09          | 0     | 0%             |            |  |                                |   |       |
| 2.10          | 0     | 0%             |            |  |                                |   |       |
| 2.11          | 0     | 0%             |            |  |                                |   |       |
| 2.12          | 0     | 0%             |            |  |                                |   |       |
| 2.13          | 0     | 0%             |            |  |                                |   |       |
| 2.14          | 0     | 0%             |            |  |                                |   |       |
| 2.15          | 0     | 0%             |            |  |                                |   |       |
|               | 0     |                |            |  |                                |   |       |

## Appendix K: Financial Model Optimised Option

Public Excluded

# OPTIMISED • Waterloo TOD • Finance Business Case • Inputs & Summary

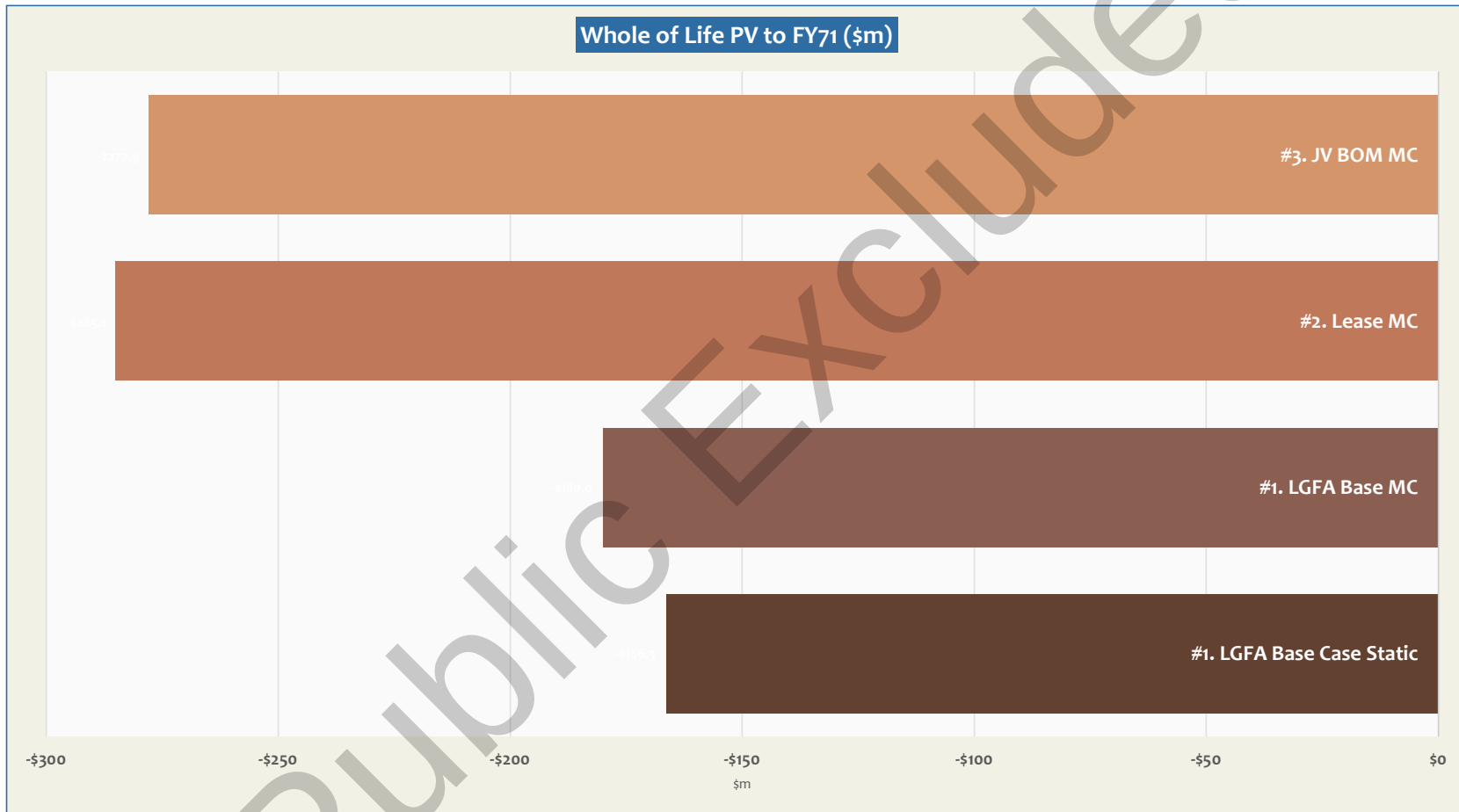
## Version 7.3

| INPUT / ASSUMPTION                                   | NOTES                                       | #1. LGFA Base Case Static | #1. LGFA Base MC | #2. Lease MC | #3. JV BOM MC |
|------------------------------------------------------|---------------------------------------------|---------------------------|------------------|--------------|---------------|
| <b>I. CAPITAL INPUTS</b>                             |                                             |                           |                  |              |               |
| Baseline CapEx (\$m)                                 | Phased 20% / 35% / 35% / 10%                | 215.0                     | 243.2            | 243.2        | 243.2         |
| CapEx Phase 1 (Approvals)                            | % of total CapEx                            | 20%                       | 20%              | -            | -             |
| CapEx Phase 2 (D.&Const. Yr 1)                       | % of total CapEx                            | 35%                       | 35%              | -            | -             |
| CapEx Phase 3 (D.&Const. Yr 2)                       | % of total CapEx                            | 35%                       | 35%              | -            | -             |
| CapEx Phase 4 (D.&Const. Yr 3)                       | % of total CapEx                            | 10%                       | 10%              | -            | -             |
| Land Opportunity / Capital Release (\$m)             | MC: Min \$15m / Max \$20m / Skew 0.5        | 3                         | 3                | 17.0         | 3             |
| Developer Margin                                     | Applied to Build CapEx                      | -                         | -                | 20%          | -             |
| Total Development Cost (\$m)                         | CapEx × (1 + Dev. Margin)                   | -                         | -                | 291.9        | -             |
| Depreciation (Years)                                 | Straight Line                               | 40                        | 40               | 40           | -             |
| Inc. Pref. Option OpEx (% of CapEx p.a.)             | Yrs 5-6: 0% (warranty); see band table on M | 0.5% → 1.5%               | 0.5% → 1.5%      | 2.0%         | 2.0%          |
| <b>II. FINANCING &amp; RATE INPUTS</b>               |                                             |                           |                  |              |               |
| GWRC WACC                                            | Discount rate                               | 5.5%                      | 5.5%             | 5.5%         | 5.5%          |
| LGFA Interest Rate                                   | MC: Mean 5.5% / SD 0.25%                    | 5.50%                     | 5.01%            | 5.84%        | -             |
| ↳ Mean                                               | #1 MC only                                  | -                         | 5.50%            | -            | -             |
| ↳ Std Deviation                                      | #1 MC only                                  | -                         | 0.25%            | -            | -             |
| JV BOM Partner WACC                                  | JV BOM scenario only                        | -                         | -                | -            | 7.5%          |
| CapEx component of Avail. Payment (\$m)              | 25 yr JV BOM PMT                            | -                         | -                | -            | -21.8         |
| Ann. AP OpEx as % of CapEx                           | JV BOM scenario only                        | -                         | -                | -            | 2%            |
| AP OpEx (\$m) for FY2031                             | JV BOM scenario only                        | -                         | -                | -            | -4.86         |
| <b>III. ESCALATION INPUTS</b>                        |                                             |                           |                  |              |               |
| Farebox Uplift (TOD)                                 | Est. increase from FY31                     | 2.5%                      | 2.6%             | 2.6%         | 2.6%          |
| ↳ Mean                                               | #1 MC only                                  | -                         | 2.5%             | -            | -             |
| ↳ Std Deviation                                      | #1 MC only                                  | -                         | 0.3%             | -            | -             |
| Inflation - OpEx & CapEx                             | Annual escalator                            | 3.0%                      | 3.0%             | 3.0%         | 3.0%          |
| Water Escalator (Local Water Done Well)              | Annual escalator                            | 4.0%                      | 4.0%             | 4.0%         | 4.0%          |
| Annual Lease Escalator                               | #2 Lease MC only                            | -                         | -                | 3.0%         | -             |
| <b>IV. LEASE STRUCTURE INPUTS (#2 Lease MC only)</b> |                                             |                           |                  |              |               |
| Developer Target Yield                               | Drives lease cost                           | -                         | -                | 7.5%         | -             |
| Station GFA Share                                    | Transport / Total GFA                       | -                         | -                | 73.1%        | -             |
| Transport Facility Net Rentable Area (sqm)           | GWRC Lease                                  | -                         | -                | 4,080        | -             |
| Commercial/Retail Net Rentable Area (sqm)            | Underwritten                                | -                         | -                | 1,500        | -             |
| Commercial/Retail Rate per sqm (\$)                  | Underwritten                                | -                         | -                | 450          | -             |
| Incremental OpEx % of CapEx p.a. (3rd party)         | 3rd party flat rate (Lease & JV BOM)        | -                         | -                | 2.0%         | -             |
| Incremental OpEx FY31 \$m (CapEx × OpEx %)           | Lease CapEx × LGFA MC OpEx %                | -                         | -                | 4.86         | -             |
| 2031 WTOD Total Cost (Lease + OpEx) (\$m p.a.)       | Dev. Cost × Yield × GFA Share + OpEx        | -                         | -                | 20.87        | -             |
| CapEx MC Min (\$m)                                   | MC range                                    | -                         | -                | 215.0        | -             |
| CapEx MC Max (\$m)                                   | MC range                                    | -                         | -                | 258.0        | -             |
| Land Value MC Min (\$m)                              | MC range                                    | -                         | -                | 15.0         | -             |
| <b>V. KEY OUTPUT SUMMARY</b>                         |                                             |                           |                  |              |               |
| Present Value to FY71 (\$m)                          | NPV of project cashflows                    | -166.3                    | -180.0           | -285.1       | -277.9        |
| Min Net Surplus (\$m)                                | Worst annual surplus                        | N/A                       | -15.6            | -52.0        | -43.5         |
| Max LGFA Debt (\$m)                                  | Peak LGFA borrowing                         | 215.0                     | 243.2            | N/A          | N/A           |
| Peak LGFA Debt to Revenue                            | Debt serviceability metric                  | N/A                       | 2.12x            | N/A          | N/A           |



|                         |                   |     |     |        |        |
|-------------------------|-------------------|-----|-----|--------|--------|
| Lease PV to FY71 (\$m)  | #2 Lease MC only  | N/A | N/A | -285.1 | N/A    |
| JV BOM PV to FY71 (\$m) | #3 JV BOM MC only | N/A | N/A | N/A    | -277.9 |

| Whole of Life PV to FY71 (\$m) |        |
|--------------------------------|--------|
| #1. LGFA Base Case Static      | -166.3 |
| #1. LGFA Base MC               | -180.0 |
| #2. Lease MC                   | -285.1 |
| #3. JV BOM MC                  | -277.9 |



## Waterloo TOD • Finance Business Case • #1. - LGFA Base Case Static OPTIMISED

|                                              |         | 5.50% GWRC WACC |            |            |            |            |           |         |           |           |           |           |  |
|----------------------------------------------|---------|-----------------|------------|------------|------------|------------|-----------|---------|-----------|-----------|-----------|-----------|--|
|                                              |         | 0               | 1          | 2          | 3          | 4          | 5         | 10      | 15        | 25        | 35        | 45        |  |
|                                              |         | 1.00            | 1.06       | 1.11       | 1.17       | 1.24       | 1.31      | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |  |
| FY25 Base Yr. Audited Acc's                  |         | Approvals       | D. & Const | D. & Const | D. & Const | D. & Const | Operate   | Operate | Operate   | Operate   | Operate   | Operate   |  |
| Financial Year (\$m)                         | Jun 25  | Jun 26          | Jun 27     | Jun 28     | Jun 29     | Jun 30     | Jun 31    | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |  |
| <b>I. PROFIT &amp; LOSS</b>                  |         |                 |            |            |            |            |           |         |           |           |           |           |  |
| Base Revenue (Rates/Grants)                  | 451.70  | 465.25          | 479.21     | 493.58     | 508.39     | 523.64     | 539.35    | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |  |
| Farebox Revenue (Base)                       | 121.30  | 124.94          | 128.69     | 132.55     | 136.52     | 140.62     | 144.84    | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |  |
| Other Income (water supply)                  | 63.80   | 66.35           | 69.01      | 71.77      | 74.64      | 77.62      | 80.73     | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |  |
| Farebox Uplift (TOD)                         |         |                 |            |            |            |            | 3.62      | 4.20    | 4.87      | 6.54      | 8.79      | 11.81     |  |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |         |                 |            |            |            |            |           |         |           |           |           |           |  |
| Total Revenue incl. WTOD                     | 636.80  | 656.54          | 676.90     | 697.90     | 719.55     | 741.89     | 768.54    | 895.58  | 1,043.86  | 1,419.15  | 1,931.33  | 2,631.25  |  |
| Base Operating Expenditure                   | -667.70 | -687.73         | -708.36    | -729.61    | -751.50    | -774.05    | -797.27   | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |  |
| Do Min Additional OpEx (from FY28)           | 0.00    | 0.00            | 0.00       | -1.50      | -1.55      | -1.59      | -1.64     | -1.90   | -2.20     | -2.96     | -3.98     | -5.35     |  |
| Do Min LGFA Interest on Do Min Debt          | 0.00    | 0.00            | 0.00       | -0.52      | -0.52      | -0.52      | -0.52     | -0.52   | -0.39     | -0.26     | -0.13     | 0.00      |  |
| Waterloo TOD Incremental OpEx                | 0.00    | 0.00            | 0.00       | 0.00       | 0.00       | 0.00       | 0.00      | -1.17   | -2.09     | -5.25     | -7.38     | -9.92     |  |
| LGFA Interest (Project Debt)                 | 0.00    | 0.00            | -2.20      | -6.34      | -10.48     | -11.66     | -11.66    | -11.66  | -11.66    | -5.83     | -2.92     | 0.00      |  |
| Depreciation (TOD Asset)                     | 0.00    | 0.00            | 0.00       | 0.00       | 0.00       | 0.00       | -5.38     | -5.38   | -5.38     | -5.38     | -5.38     | 0.00      |  |
| Total Expenditure incl. WTOD                 | -667.70 | -687.73         | -710.56    | -737.98    | -764.05    | -787.82    | -816.47   | -944.89 | -1,093.18 | -1,459.63 | -1,954.96 | -2,615.98 |  |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90  | -31.19          | -33.66     | -40.08     | -44.49     | -45.93     | -47.93    | -49.30  | -49.32    | -40.48    | -23.62    | 15.26     |  |
| Net Surplus excl. WTOD                       | -30.90  | -31.19          | -31.46     | -33.74     | -34.02     | -34.27     | -34.51    | -35.29  | -35.06    | -30.57    | -16.75    | 13.37     |  |
| Change in Net Surplus atrib WTOD             | 0.00    | 0.00            | -2.20      | -6.34      | -10.48     | -11.66     | -13.41    | -14.01  | -14.26    | -9.91     | -6.88     | 1.90      |  |
| <b>II. PROJECT CASH FLOWS</b>                |         |                 |            |            |            |            |           |         |           |           |           |           |  |
| Net Operating Cash                           | -30.90  | 0.00            | -2.20      | -6.34      | -10.48     | -11.66     | -8.04     | -8.64   | -8.88     | -4.54     | -1.50     | 1.90      |  |
| Investing • Project CapEx                    | 0.00    | 0.00            | -43.00     | -75.25     | -75.25     | -21.50     | 0.00      | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |  |
| Investing • Do Min CapEx (FY27)              | 0.00    | 0.00            | -9.50      | 0.00       | 0.00       | 0.00       | 0.00      | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |  |
| Investing • Comm. Capital Release            |         | 0.00            | 3.00       | 0.00       | 0.00       | 0.00       | W TOD Lar | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |  |
| Financing • Do Min LGFA Drawdown & Repayment | 0.00    | 0.00            | 9.50       | 0.00       | 0.00       | 0.00       | 0.00      | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |  |
| Financing • LGFA Loan Drawdown & Repayment   | 0.00    | 0.00            | 40.00      | 75.25      | 75.25      | 21.50      | 0.00      | 0.00    | -53.00    | -53.00    | -53.00    | -53.00    |  |

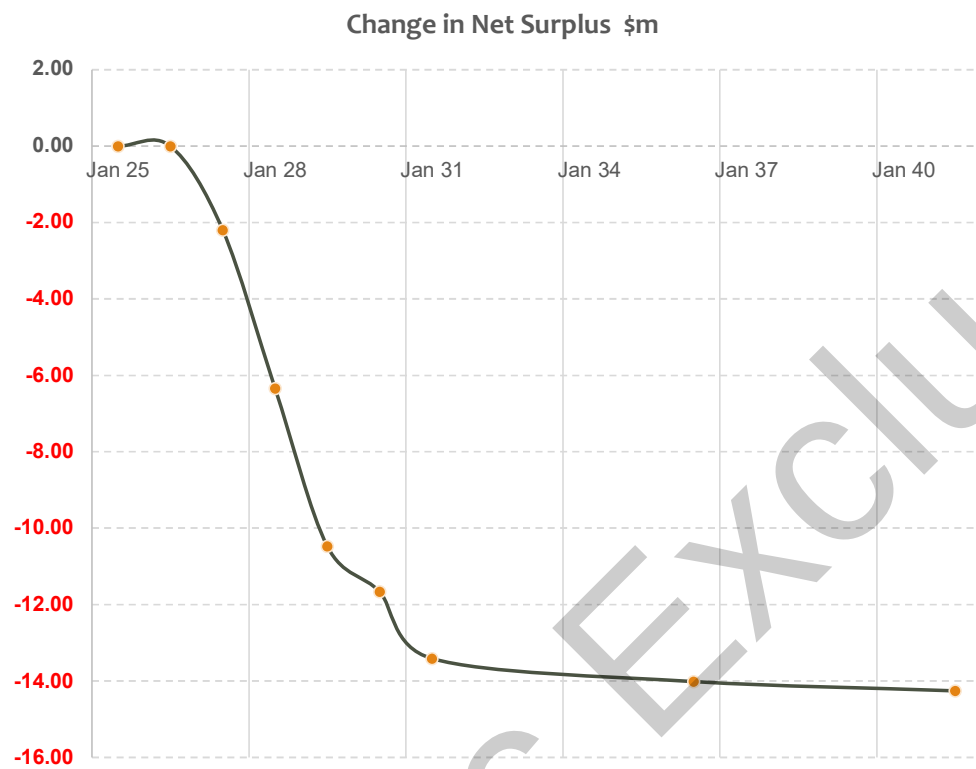
|                      |        |      |       |       |        |        |       |       |        |        |        |        |
|----------------------|--------|------|-------|-------|--------|--------|-------|-------|--------|--------|--------|--------|
| Net Cash Movement    | -30.90 | 0.00 | -2.20 | -6.34 | -10.48 | -11.66 | -8.04 | -8.64 | -64.26 | -59.91 | -56.88 | -53.48 |
| Discounted Cash Flow |        | 0.00 | -2.09 | -5.70 | -8.92  | -9.41  | -6.15 | -5.06 | -28.78 | -15.71 | -8.73  | -4.81  |

### III. BALANCE SHEET

|                              |          |          | 3.00     | 0.00     | 0.00     | 0.00     | W TOD Land Sale • Capital Release |          |          |        |       |      |
|------------------------------|----------|----------|----------|----------|----------|----------|-----------------------------------|----------|----------|--------|-------|------|
| GWRC Consolidated Assets     | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52 | 4,040.20                          | 4,683.69 | 5,429.68 |        |       |      |
| W TOD WIP Assets             | 0.00     | 0.00     | 43.00    | 118.25   | 193.50   | 215.00   | 0.00                              | 0.00     | 0.00     |        |       |      |
| W TOD Completed Fixed Assets | 0.00     | 0.00     | -3.00    | -3.00    | -3.00    | -3.00    | 206.63                            | 179.75   | 152.88   |        |       |      |
| W TOD Accum. Depreciation    | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 5.38                              | 32.25    | 59.13    |        |       |      |
| Total Assets                 | 3,383.60 | 3,485.11 | 3,629.66 | 3,812.60 | 3,998.77 | 4,134.52 | 4,252.20                          | 4,895.69 | 5,641.68 |        |       |      |
| Non W TOD Debt               | 1,178.70 | 1,202.04 | 1,227.61 | 1,259.36 | 1,295.27 | 1,332.37 | 1,371.20                          | 1,566.49 | 1,755.65 |        |       |      |
| LGFA Project Debt            | 0.00     | 0.00     | 40.00    | 115.25   | 190.50   | 212.00   | 212.00                            | 212.00   | 159.00   | 106.00 | 53.00 | 0.00 |
| Do Min LGFA Debt             | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50     | 9.50                              | 9.50     | 7.13     | 4.75   | 2.38  | 0.00 |
| Other Liabilities            | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38   | 312.48                            | 362.25   | 419.95   |        |       |      |
| Total Equity                 | 1,943.20 | 2,013.52 | 2,084.41 | 2,152.02 | 2,218.45 | 2,286.77 | 2,356.52                          | 2,754.95 | 3,307.08 |        |       |      |
| Total Liabilities + Equity   | 3,383.60 | 3,485.11 | 3,639.16 | 3,822.10 | 4,008.27 | 4,144.02 | 4,261.70                          | 4,905.19 | 5,648.81 |        |       |      |
|                              | 0.00     | 0.00     | -9.50    | -9.50    | -9.50    | -9.50    | -9.50                             | -9.50    | -7.13    |        |       |      |

Present Value to FY71 **-166.35**

| VARIABLE                                        | NOTES      |                              |         |       |     |     |
|-------------------------------------------------|------------|------------------------------|---------|-------|-----|-----|
| Baseline CapEx (from #2 Lease MC)               | 215.00     | Phased                       | 20%     | 35%   | 35% | 10% |
| LGFA Interest Rate (from #1 MC)                 | 5.5%       |                              |         |       |     |     |
| Farebox Uplift (from #1 LGFA Base MC)           | 2.5%       | Estimated increase from FY33 |         |       |     |     |
| Inflation (OpEx & CapEx) from #1 MC             | 3%         | Annual escalator             |         |       |     |     |
| Water esc. (Local water done well) From #1      | 4%         | Annual escalator             |         |       |     |     |
| Depreciation Yrs (From #1. MC)                  | 40         | Straight Line                |         |       |     |     |
| Inc. OpEx as % of CapEx (from #1. LGFA Base MC) | Start Rate | End Rate                     | From Yr | To Yr |     |     |
| Warranty: Yrs 5 • 6                             | 0.0%       | 0%                           | 5       | 6     |     |     |
| Operate: Yrs 7 • 10                             | 0.5%       | 0.5%                         | 7       | 10    |     |     |
| Operate: Yrs 11 • 26 (steps evenly)             | 0.5%       | 1.5%                         | 11      | 26    |     |     |
| Operate: Yrs 27 • 45                            | 1.5%       | 1.5%                         | 27      | 45    |     |     |



## Waterloo TOD • Finance Business Case • #1 - LGFA Base Case Monte Carlo OPTIMISED

5.50% GWRC WACC

|                                              | 1.00      | 0          | 1          | 2          | 3          | 4          | 5       | 10      | 15        | 25        | 35        | 45        |
|----------------------------------------------|-----------|------------|------------|------------|------------|------------|---------|---------|-----------|-----------|-----------|-----------|
|                                              | 1.00      | 1.00       | 1.06       | 1.11       | 1.17       | 1.24       | 1.31    | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |
| FY25 Base Yr. Audited Acc's                  | Approvals | D. & Const | D. & Const | D. & Const | D. & Const | D. & Const | Operate | Operate | Operate   | Operate   | Operate   | Operate   |
| Financial Year (\$m)                         | Jun 25    | Jun 26     | Jun 27     | Jun 28     | Jun 29     | Jun 30     | Jun 31  | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |
| <b>I. PROFIT &amp; LOSS</b>                  |           |            |            |            |            |            |         |         |           |           |           |           |
| Base Revenue (Rates/Grants)                  | 451.70    | 465.25     | 479.21     | 493.58     | 508.39     | 523.64     | 539.35  | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |
| Farebox Revenue (Base)                       | 121.30    | 124.94     | 128.69     | 132.55     | 136.52     | 140.62     | 144.84  | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |
| Other Income (water supply)                  | 63.80     | 66.35      | 69.01      | 71.77      | 74.64      | 77.62      | 80.73   | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |
| Farebox Uplift (TOD)                         |           |            |            |            |            |            | 3.74    | 4.34    | 5.03      | 6.76      | 9.08      | 12.21     |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |           |            |            |            |            |            |         |         |           |           |           |           |
| Total Revenue incl. WTOD                     | 636.80    | 656.54     | 676.90     | 697.90     | 719.55     | 741.89     | 768.66  | 895.72  | 1,044.02  | 1,419.37  | 1,931.63  | 2,631.64  |
| Base Operating Expenditure                   | -667.70   | -687.73    | -708.36    | -729.61    | -751.50    | -774.05    | -797.27 | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |
| Do Min Additional OpEx (from FY28)           | 0.00      | 0.00       | 0.00       | 0.00       | -1.50      | -1.55      | -1.59   | -1.84   | -2.14     | -2.87     | -3.86     | -5.19     |
| Do Min LGFA Interest on Do Min Debt          | 0.00      | 0.00       | 0.00       | -0.48      | -0.48      | -0.48      | -0.48   | -0.48   | -0.36     | -0.24     | -0.12     | 0.00      |
| Waterloo TOD Incremental OpEx                | 0.00      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | 0.00    | -1.33   | -2.36     | -5.94     | -8.35     | -11.22    |
| LGFA Interest (Project Debt)                 | 0.00      | 0.00       | 0.00       | -6.70      | -10.97     | -12.19     | -12.19  | -12.19  | -12.19    | -9.14     | -6.10     | -3.05     |
| Depreciation (TOD Asset)                     | 0.00      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | -6.08   | -6.08   | -6.08     | -6.08     | -6.08     | 0.00      |
| Total Expenditure incl. WTOD                 | -667.70   | -687.73    | -708.36    | -736.79    | -764.45    | -788.26    | -817.61 | -946.17 | -1,094.59 | -1,464.23 | -1,959.69 | -2,620.18 |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90    | -31.19     | -31.46     | -38.90     | -44.90     | -46.37     | -48.95  | -50.45  | -50.57    | -44.86    | -28.06    | 11.46     |
| Net Surplus excl. WTOD                       | -30.90    | -31.19     | -31.46     | -32.19     | -33.92     | -34.18     | -34.42  | -35.19  | -34.97    | -30.46    | -16.62    | 13.52     |
| Change in Net Surplus atrib WTOD             | 0.00      | 0.00       | 0.00       | -6.70      | -10.97     | -12.19     | -14.53  | -15.26  | -15.60    | -14.40    | -11.44    | -2.06     |
| <b>II. PROJECT CASH FLOWS</b>                |           |            |            |            |            |            |         |         |           |           |           |           |
| Net Operating Cash                           | -30.90    | 0.00       | 0.00       | -6.70      | -10.97     | -12.19     | -8.45   | -9.18   | -9.52     | -8.32     | -5.36     | -2.06     |
| Investing • Project CapEx                    | 0.00      | 0.00       | -48.65     | -85.13     | -85.13     | -24.32     | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Do Min CapEx (FY27)              | 0.00      | 0.00       | -9.50      | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Comm. Capital Release            |           | 0.00       | 3.00       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Financing • Do Min LGFA Drawdown & Repayment | 0.00      | 0.00       | 9.50       | 0.00       | 0.00       | 0.00       | 0.00    | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |
| Financing • LGFA Loan Drawdown & Repayment   | 0.00      | 0.00       | 48.65      | 85.13      | 85.13      | 24.32      | 0.00    | 0.00    | -60.81    | -60.81    | -60.81    | -60.81    |
| Net Cash Movement                            | -30.90    | 0.00       | 3.00       | -6.70      | -10.97     | -12.19     | -8.45   | -9.18   | -72.71    | -71.50    | -68.54    | -65.24    |

|                      |      |      |       |       |       |       |       |        |        |        |       |
|----------------------|------|------|-------|-------|-------|-------|-------|--------|--------|--------|-------|
| Discounted Cash Flow | 0.00 | 2.84 | -6.02 | -9.34 | -9.84 | -6.46 | -5.37 | -32.57 | -18.75 | -10.52 | -5.86 |
|----------------------|------|------|-------|-------|-------|-------|-------|--------|--------|--------|-------|

### III. BALANCE SHEET

|                              |          | 3.00     | 0.00     | 0.00     | 0.00     | W TOD Land Sale • Capital Release |          |          |          |          |           |           |
|------------------------------|----------|----------|----------|----------|----------|-----------------------------------|----------|----------|----------|----------|-----------|-----------|
| GWRC Consolidated Assets     | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52                          | 4,040.20 | 4,683.69 | 5,429.68 | 7,297.04 | 9,806.61  | 13,179.27 |
| W TOD WIP Assets             | 0.00     | 0.00     | 48.65    | 133.78   | 218.91   | 243.23                            | 0.00     | 0.00     | 0.00     | 0.00     | 0.00      | 0.00      |
| W TOD Completed Fixed Assets | 0.00     | 0.00     | -3.00    | -3.00    | -3.00    | -3.00                             | 234.15   | 203.75   | 173.34   | 112.53   | 51.73     | -3.00     |
| W TOD Accum. Depreciation    | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00                              | 6.08     | 36.48    | 66.89    | 127.70   | 188.50    | 243.23    |
| Total Assets                 | 3,383.60 | 3,485.11 | 3,635.31 | 3,828.13 | 4,024.18 | 4,162.75                          | 4,280.43 | 4,923.92 | 5,669.92 | 7,537.27 | 10,046.84 | 13,419.50 |
| Do Min LGFA Debt             | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50                              | 9.50     | 9.50     | 7.13     | 4.75     | 2.38      | 0.00      |
| Non W TOD Debt               | 1,178.70 | 1,202.04 | 1,225.41 | 1,255.98 | 1,292.30 | 1,329.83                          | 1,369.68 | 1,570.59 | 1,765.72 |          |           |           |
| LGFA Project Debt            | 0.00     | 0.00     | 48.65    | 133.78   | 218.91   | 243.23                            | 243.23   | 243.23   | 243.23   |          |           |           |
| Other Liabilities            | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38                            | 312.48   | 362.25   | 419.95   |          |           |           |
| Total Equity                 | 1,943.20 | 2,013.52 | 2,083.61 | 2,152.40 | 2,218.43 | 2,286.30                          | 2,355.03 | 2,747.85 | 3,241.02 |          |           |           |
| Total Liabilities + Equity   | 3,383.60 | 3,485.11 | 3,635.31 | 3,828.13 | 4,024.18 | 4,162.75                          | 4,280.43 | 4,923.92 | 5,669.92 |          |           |           |
|                              | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00                              | 0.00     | 0.00     | 0.00     |          |           |           |

|                    |          | 0        | 1        | 2        | 3        | 4        | 5        | 10       | 15       | 25     | 35     | 45     |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------|--------|--------|
|                    | Jun 25   | Jun 26   | Jun 27   | Jun 28   | Jun 29   | Jun 30   | Jun 31   | Jun 36   | Jun 41   | Jun 51 | Jun 61 | Jun 71 |
| Total Debt         | 1,178.70 | 1,202.04 | 1,274.06 | 1,389.76 | 1,511.20 | 1,573.06 | 1,612.91 | 1,813.82 | 2,008.95 |        |        |        |
| Total Revenue      | 636.80   | 656.54   | 676.90   | 697.90   | 719.55   | 741.89   | 768.66   | 895.72   | 1,044.02 |        |        |        |
| Total Debt/Revenue | 1.85     | 1.83     | 1.88     | 1.99     | 2.10     | 2.12     | 2.10     | 2.02     | 1.92     |        |        |        |

|                       |         |                                      |       |                                  |
|-----------------------|---------|--------------------------------------|-------|----------------------------------|
| Max LGFA Debt         | 243.23  | Four equal bond principal repayments | 60.81 | Occur 06/41, 06/51, 06/61, 06/71 |
| Peak LGFA Debt to Rev | 2.12    |                                      |       |                                  |
| LGFA PV to FY71       | -180.00 |                                      |       |                                  |
| Min Net Surplus       | -15.60  |                                      |       |                                  |

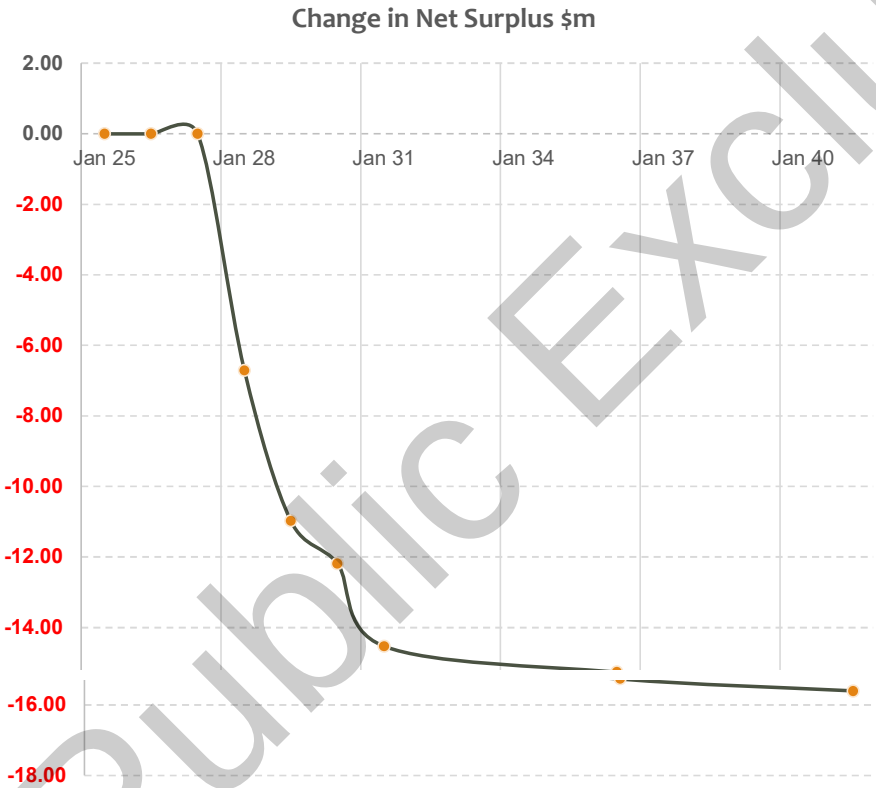
| VARIABLE       | NOTES  |     |     |     |     |
|----------------|--------|-----|-----|-----|-----|
| Baseline CapEx | Phased | 20% | 35% | 35% | 10% |

|                      |      |      |   |    |
|----------------------|------|------|---|----|
| Operate: Yrs 5 • 6   | 0.0% | 0%   | 5 | 6  |
| Operate: Yrs. 7 • 10 | 0.5% | 0.5% | 7 | 10 |



|                       |      |      |    |    |
|-----------------------|------|------|----|----|
| Operate: Yrs. 11 • 26 | 0.5% | 1.5% | 11 | 26 |
| Operate: Yrs 27 • 45  | 1.5% | 1.5% | 27 | 45 |

|                                         |       |                  |       |                              |
|-----------------------------------------|-------|------------------|-------|------------------------------|
| LGFA Interest Rate                      | 5.01% | 5.50%            | 0.25% | Estimated cost of funds      |
| Farebox Uplift                          | 2.6%  | 2.50%            | 0.25% | Estimated increase from FY33 |
| Inflation (OpEx & CapEx)                | 3%    | Annual escalator |       |                              |
| Water escalator (Local water done well) | 4%    | Annual escalator |       |                              |
| Depreciation (Years)                    | 40    | Straight Line    |       |                              |



**Waterloo TOD • Finance Business Case • #2 - Notional Sale & Leaseback Monte Carlo**  
**PREFERRED**

|                                              |         | 5.50% GWRC WACC |             |            |            |            |                                   |         |           |           |           |           |
|----------------------------------------------|---------|-----------------|-------------|------------|------------|------------|-----------------------------------|---------|-----------|-----------|-----------|-----------|
|                                              |         | 0               | 1           | 2          | 3          | 4          | 5                                 | 10      | 15        | 25        | 35        | 45        |
|                                              |         | 1.00            | 1.06        | 1.11       | 1.17       | 1.24       | 1.31                              | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |
| FY25 Base Yr. Audited Acc's                  |         | Approvals       | D. & Const. | D. & Const | D. & Const | D. & Const | Operate                           | Operate | Operate   | Operate   | Operate   | Operate   |
| Financial Year (\$m)                         | Jun 25  | Jun 26          | Jun 27      | Jun 28     | Jun 29     | Jun 30     | Jun 31                            | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |
| <b>I. PROFIT &amp; LOSS</b>                  |         |                 |             |            |            |            |                                   |         |           |           |           |           |
| Base Revenue (Rates/Grants)                  | 451.70  | 465.25          | 479.21      | 493.58     | 508.39     | 523.64     | 539.35                            | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |
| Farebox Revenue (Base)                       | 121.30  | 124.94          | 128.69      | 132.55     | 136.52     | 140.62     | 144.84                            | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |
| Other Income (water supply)                  | 63.80   | 66.35           | 69.01       | 71.77      | 74.64      | 77.62      | 80.73                             | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |
| Farebox Uplift (TOD)                         |         |                 |             |            |            |            | 3.74                              | 4.34    | 5.03      | 6.76      | 9.08      | 12.21     |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |         |                 |             |            |            |            |                                   |         |           |           |           |           |
| Total Revenue incl. WTOD                     | 636.80  | 656.54          | 676.90      | 697.90     | 719.55     | 741.89     | 768.66                            | 895.72  | 1,044.02  | 1,419.37  | 1,931.63  | 2,631.64  |
| Base Operating Expenditure                   | -667.70 | -687.73         | -708.36     | -729.61    | -751.50    | -774.05    | -797.27                           | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |
| Do Min Additional OpEx (from FY28)           | 0.00    | 0.00            | 0.00        | -1.50      | -1.55      | -1.59      | -1.64                             | -1.90   | -2.20     | -2.96     | -3.98     | -5.35     |
| Do Min LGFA Interest on Do Min Debt          | 0.00    | 0.00            | 0.00        | -0.55      | -0.55      | -0.55      | -0.55                             | -0.55   | -0.42     | -0.28     | -0.14     | 0.00      |
| WTOD Leaseback expense                       | 0.00    | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 0.00                              | -22.81  | -26.44    | -35.53    | -47.75    | -64.17    |
| Total Expenditure incl. WTOD                 | -667.70 | -687.73         | -708.36     | -731.67    | -753.60    | -776.19    | -799.46                           | -949.51 | -1,100.52 | -1,478.72 | -1,987.05 | -2,670.24 |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90  | -31.19          | -31.46      | -33.77     | -34.05     | -34.31     | -30.80                            | -53.79  | -56.50    | -59.35    | -55.42    | -38.60    |
| Net Surplus excl. WTOD                       | -30.90  | -31.19          | -31.46      | -33.77     | -34.05     | -34.31     | -34.54                            | -35.32  | -35.09    | -30.58    | -16.75    | 13.37     |
| Change in Net Surplus attrib WTOD            | 0.00    | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 3.74                              | -18.47  | -21.41    | -28.77    | -38.67    | -51.96    |
| <b>II. PROJECT CASH FLOWS</b>                |         |                 |             |            |            |            |                                   |         |           |           |           |           |
| Net Operating Cash                           | -30.90  | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 3.74                              | -18.47  | -21.41    | -28.77    | -38.67    | -51.96    |
| Investing • Do Min CapEx (FY27)              | 0.00    | 0.00            | -9.50       | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Project CapEx                    | 0.00    | 0.00            | 0.00        | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Comm. Capital Release            |         |                 | 16.99       | 0.00       | 0.00       | 0.00       |                                   |         |           |           |           |           |
| Investing • Do Min LGFA Drawdown & Repayment | 0.00    | 0.00            | 9.50        | 0.00       | 0.00       | 0.00       | 0.00                              | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |
| Net Cash Movement                            | -30.90  | 0.00            | 7.49        | 0.00       | 0.00       | 0.00       | 3.74                              | -18.47  | -21.41    | -28.77    | -38.67    | -51.96    |
| Discounted Cash Flow                         |         | 0.00            | 7.10        | 0.00       | 0.00       | 0.00       | 2.86                              | -10.81  | -9.59     | -7.54     | -5.94     | -4.67     |
| <b>III. BALANCE SHEET</b>                    |         |                 |             |            |            |            |                                   |         |           |           |           |           |
|                                              |         |                 | 16.99       | 0.00       | 0.00       | 0.00       | W TOD Land Sale • Capital Release |         |           |           |           |           |

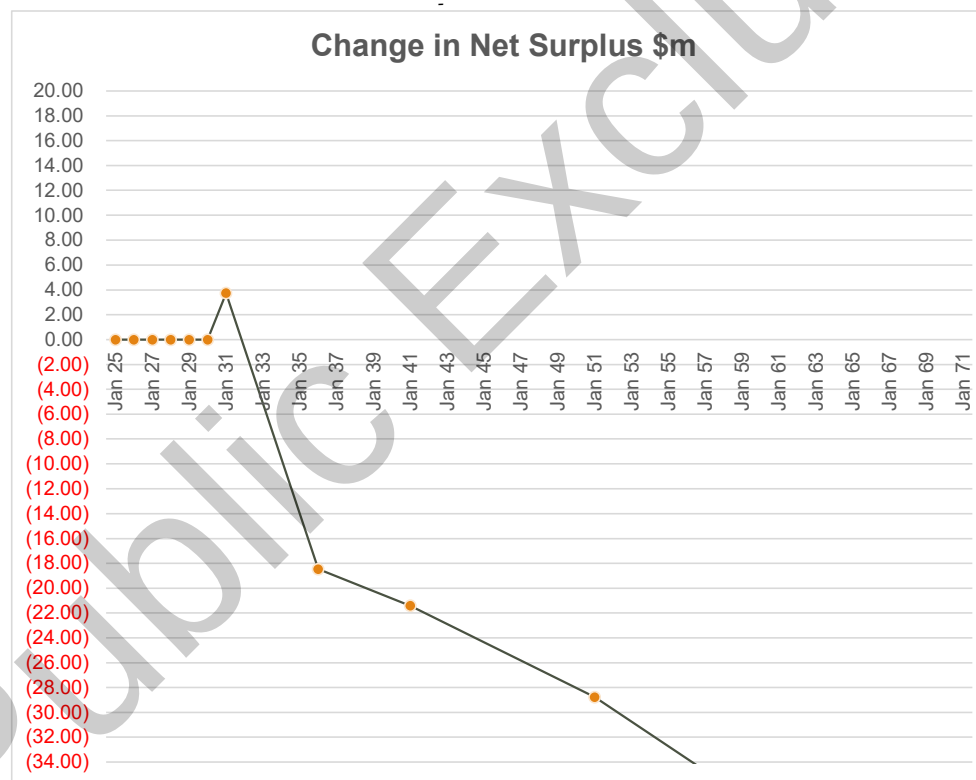
|                            |          |          |          |          |          |          |          |          |          |        |        |        |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------|--------|--------|
| GWRC Consolidated Assets   | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52 | 4,040.20 | 4,683.69 | 5,429.68 |        |        |        |
| Total Assets               | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52 | 4,040.20 | 4,683.69 | 5,429.68 |        |        |        |
| Do Min LGFA Debt           | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50     | 9.50     | 9.50     | 7.13     | 4.75   | 2.38   | 0.00   |
| Non W TOD Debt             | 1,178.70 | 1,202.04 | 1,225.41 | 1,250.85 | 1,276.32 | 1,301.79 | 1,323.49 | 1,515.92 | 1,735.82 |        |        |        |
| Other Liabilities          | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38   | 312.48   | 362.25   | 419.95   |        |        |        |
| Total Equity               | 1,943.20 | 2,013.52 | 2,086.61 | 2,160.53 | 2,237.40 | 2,317.35 | 2,404.22 | 2,805.52 | 3,273.91 |        |        |        |
| Total Liabilities + Equity | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52 | 4,040.20 | 4,683.69 | 5,429.68 |        |        |        |
|                            | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     |        |        |        |
|                            | Jun 25   | Jun 26   | Jun 27   | Jun 28   | Jun 29   | Jun 30   | Jun 31   | Jun 36   | Jun 41   | Jun 51 | Jun 61 | Jun 71 |
| Total Debt                 | 1,178.70 | 1,202.04 | 1,225.41 | 1,250.85 | 1,276.32 | 1,301.79 | 1,323.49 | 1,515.92 | 1,735.82 |        |        |        |
| Total Revenue              | 636.80   | 656.54   | 676.90   | 697.90   | 719.55   | 741.89   | 768.66   | 895.72   | 1,044.02 |        |        |        |
| Total Debt/Revenue         | 1.85     | 1.83     | 1.81     | 1.79     | 1.77     | 1.75     | 1.72     | 1.69     | 1.66     |        |        |        |
| Lease PV to FY71           | -285.10  |          |          |          |          |          |          |          |          |        |        |        |
| Min Net Surplus            | -51.96   |          |          |          |          |          |          |          |          |        |        |        |

| VARIABLE                                      |       | NOTES                        |
|-----------------------------------------------|-------|------------------------------|
| Build CapEx (from calc below)                 | 243.2 |                              |
| Waterloo TOD Lease Expense \$m                | 20.87 |                              |
| LGFA Interest Rate                            | 5.84% | Estimated cost of funds      |
| Farebox Uplift (from LGFA Base #1. MC)        | 2.6%  | Estimated increase from FY31 |
| Inflation (OpEx & CapEx) (from #1. MC)        | 3%    | Annual escalator             |
| ter esc.(Local water done well) (from #1. MC) | 4%    | Annual escalator             |
| Depreciation Yrs (from #1. MC)                | 40    | Straight Line                |

|                                  | Net Rentable Area | Rate per sqm | 2031 Ann. Rent<br>\$m |
|----------------------------------|-------------------|--------------|-----------------------|
| Transport Facility (GWRC Lease)  | \$ 4,080          | \$5,115      | 20.87                 |
| Commercial/Retail (Underwritten) | \$ 1,500          | \$450        | 0.68                  |
| Residential (BTR) (Underwritten) | \$ -              | \$400        | \$0                   |
| TOTAL                            | \$ 5,580          | \$ 0         | 21.55                 |

| Variable Category | Input Name | alue (\$m or %) | Min | Max | Power | Skew |
|-------------------|------------|-----------------|-----|-----|-------|------|
|-------------------|------------|-----------------|-----|-----|-------|------|

|                              |                                              |        |                        |        |      |
|------------------------------|----------------------------------------------|--------|------------------------|--------|------|
| I. Capital & Operating Stack | Ind Opportunity Value                        | 16.99  | 15.00                  | 20.00  | 0.5  |
|                              | Build CapEx                                  | 243.23 | 215.00                 | 258.00 | 0.75 |
|                              | Developer Margin                             | 20.00% |                        |        |      |
|                              | Development Cost                             | 291.88 |                        |        |      |
|                              | Incremental OpEx % of CapEx p.a. (3rd party) | 2.0%   |                        |        |      |
|                              | Incremental OpEx FY33 \$m (CapEx × OpEx %)   | 4.86   |                        |        |      |
| II. Lease Metrics            | al Cost (Lease + OpEx)                       | 7.50%  |                        |        |      |
|                              | Station GFA Share                            | 73.12% |                        |        |      |
|                              | 2031 W TOD Lease Cost                        | 20.87  |                        |        |      |
|                              | Annual Lease Escalator                       | 3.00%  |                        |        |      |
| III. Underwrite              | Rent Underwrite Gap                          | \$0    | Not factored in as yet |        |      |



## Waterloo TOD • Finance Business Case • #3 - JV Build/Operate/Maintain ('JV BOM') Monte Carlo

5.50% GWRC WACC %

|                                              |                             | 0         | 1           | 2           | 3           | 4           | 5       | 10      | 15        | 25        | 35        | 45        |
|----------------------------------------------|-----------------------------|-----------|-------------|-------------|-------------|-------------|---------|---------|-----------|-----------|-----------|-----------|
|                                              |                             | 1.00      | 1.06        | 1.11        | 1.17        | 1.24        | 1.31    | 1.71    | 2.23      | 3.81      | 6.51      | 11.13     |
|                                              | FY25 Base Yr. Audited Acc's | Approvals | D. & Const. | D. & Const. | D. & Const. | D. & Const. | Operate | Operate | Operate   | Operate   | Operate   | Operate   |
| Financial Year (\$m)                         | Jun 25                      | Jun 26    | Jun 27      | Jun 28      | Jun 29      | Jun 30      | Jun 31  | Jun 36  | Jun 41    | Jun 51    | Jun 61    | Jun 71    |
| <b>I. PROFIT &amp; LOSS</b>                  |                             |           |             |             |             |             |         |         |           |           |           |           |
| Base Revenue (Rates/Grants)                  | 451.70                      | 465.25    | 479.21      | 493.58      | 508.39      | 523.64      | 539.35  | 625.26  | 724.85    | 974.13    | 1,309.15  | 1,759.39  |
| Farebox Revenue (Base)                       | 121.30                      | 124.94    | 128.69      | 132.55      | 136.52      | 140.62      | 144.84  | 167.91  | 194.65    | 261.59    | 351.56    | 472.47    |
| Other Income (water supply)                  | 63.80                       | 66.35     | 69.01       | 71.77       | 74.64       | 77.62       | 80.73   | 98.22   | 119.50    | 176.88    | 261.83    | 387.57    |
| Farebox Uplift (TOD)                         |                             |           |             |             |             |             | 3.74    | 4.34    | 5.03      | 6.76      | 9.08      | 12.21     |
| Other P&L Uplift Source Incl. NZTA LTF (TOD) |                             |           |             |             |             |             |         |         |           |           |           |           |
| Total Revenue incl. WTOD                     | 636.80                      | 656.54    | 676.90      | 697.90      | 719.55      | 741.89      | 768.66  | 895.72  | 1,044.02  | 1,419.37  | 1,931.63  | 2,631.64  |
| Base Operating Expenditure                   | -667.70                     | -687.73   | -708.36     | -729.61     | -751.50     | -774.05     | -797.27 | -924.25 | -1,071.46 | -1,439.96 | -1,935.18 | -2,600.72 |
| Do Min Additional OpEx (from FY28)           | 0.00                        | 0.00      | 0.00        | -1.50       | -1.55       | -1.59       | -1.64   | -1.90   | -2.20     | -2.96     | -3.98     | -5.35     |
| Do Min LGFA Interest on Do Min Debt          | 0.00                        | 0.00      | 0.00        | -0.48       | -0.48       | -0.48       | -0.48   | -0.48   | -0.36     | -0.24     | -0.12     | 0.00      |
| W TOD JV BOM Payment • GWRC OpEx post yr. 25 | 0.00                        | 0.00      | 0.00        | 0.00        | 0.00        | 0.00        | 0.00    | -29.16  | -33.80    | -45.43    | -11.13    | -14.96    |
| Total Expenditure incl. WTOD                 | -667.70                     | -687.73   | -708.36     | -731.59     | -753.52     | -776.11     | -799.38 | -955.79 | -1,107.83 | -1,488.58 | -1,950.41 | -2,621.03 |
| Net Surplus / (Deficit) Incl. WTOD           | -30.90                      | -31.19    | -31.46      | -33.69      | -33.97      | -34.23      | -30.72  | -60.07  | -63.80    | -69.21    | -18.78    | 10.62     |
| Net Surplus excl. WTOD                       | -30.90                      | -31.19    | -31.46      | -33.69      | -33.97      | -34.23      | -34.46  | -35.25  | -35.03    | -30.54    | -16.73    | 13.37     |
| Change in Net Surplus atrib WTOD             | 0.00                        | 0.00      | 0.00        | 0.00        | 0.00        | 0.00        | 3.74    | -24.82  | -28.77    | -38.67    | -2.05     | -2.75     |
| <b>II. PROJECT CASH FLOWS</b>                |                             |           |             |             |             |             |         |         |           |           |           |           |
| Net Operating Cash                           |                             | 0.00      | 0.00        | 0.00        | 0.00        | 0.00        | 3.74    | -24.82  | -28.77    | -38.67    | -2.05     | -2.75     |
| Investing • Do Min CapEx (FY27)              | 0.00                        | 0.00      | -9.50       | 0.00        | 0.00        | 0.00        | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Investing • Comm. Capital Release            |                             |           | 3.00        | 0.00        | 0.00        | 0.00        |         |         |           |           |           |           |
| Financing • Do Min LGFA Drawdown & Repay     | 0.00                        | 0.00      | 9.50        | 0.00        | 0.00        | 0.00        | 0.00    | 0.00    | -2.38     | -2.38     | -2.38     | -2.38     |
| Financing                                    |                             | 0.00      | 0.00        | 0.00        | 0.00        | 0.00        | 0.00    | 0.00    | 0.00      | 0.00      | 0.00      | 0.00      |
| Net Cash Movement                            | 0.00                        | 0.00      | 3.00        | 0.00        | 0.00        | 0.00        | 3.74    | -24.82  | -31.15    | -41.05    | -4.42     | -5.12     |
| Discounted Cash Flow                         |                             | 0.00      | 2.84        | 0.00        | 0.00        | 0.00        | 2.86    | -14.53  | -13.95    | -10.76    | -0.68     | -0.46     |

### III. BALANCE SHEET

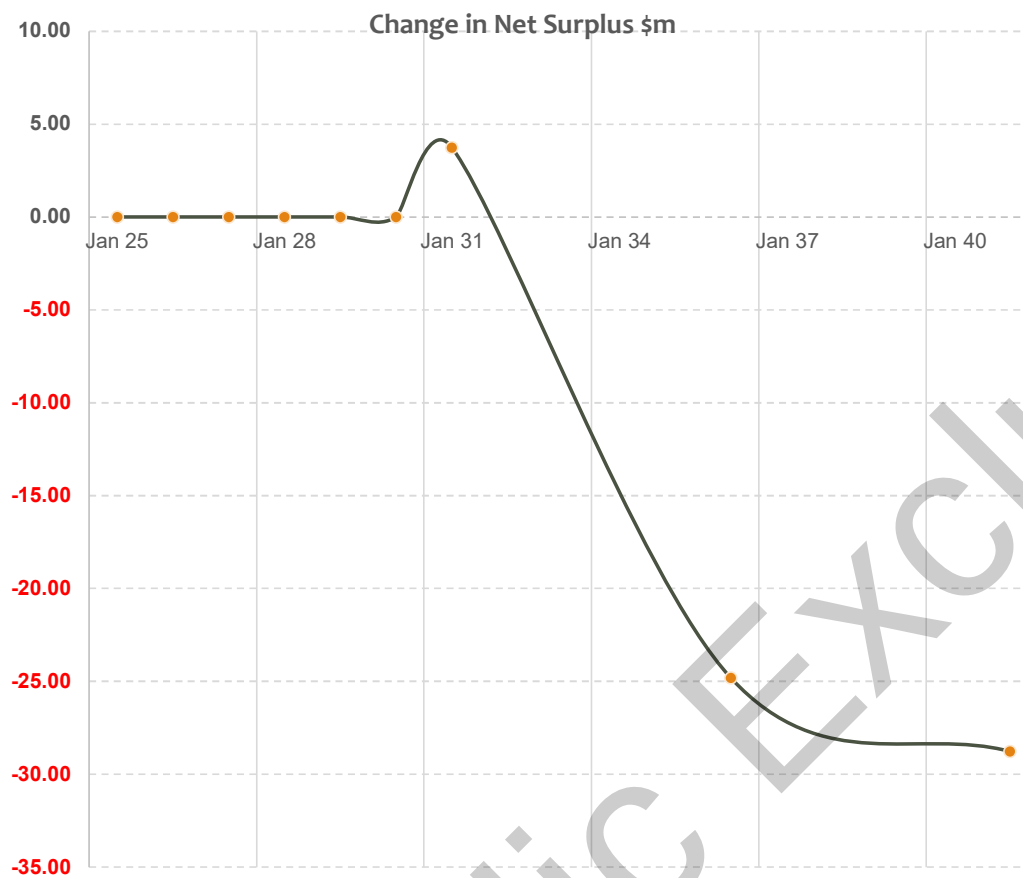
|                            |          | 3.00     | 0.00     | 0.00     | 0.00     | W TOD Land Sale • Capital Release |          |          |          |      |
|----------------------------|----------|----------|----------|----------|----------|-----------------------------------|----------|----------|----------|------|
| GWRC Consolidated Assets   | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52                          | 4,040.20 | 4,683.69 | 5,429.68 |      |
| Other                      |          |          |          |          |          |                                   |          |          |          |      |
| Do Min LGFA Debt           | 0.00     | 0.00     | 9.50     | 9.50     | 9.50     | 9.50                              | 9.50     | 9.50     | 7.13     | 4.75 |
| Total Assets               | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52                          | 4,040.20 | 4,683.69 | 5,429.68 | 2.38 |
| Non W TOD Debt             | 1,178.70 | 1,202.04 | 1,225.41 | 1,250.77 | 1,276.17 | 1,301.56                          | 1,323.18 | 1,539.54 | 1,793.81 |      |
| Other Liabilities          | 261.70   | 269.55   | 277.64   | 285.97   | 294.55   | 303.38                            | 312.48   | 362.25   | 419.95   |      |
| Total Equity               | 1,943.20 | 2,013.52 | 2,086.61 | 2,160.61 | 2,237.56 | 2,317.58                          | 2,404.53 | 2,781.90 | 3,215.92 |      |
| Total Liabilities + Equity | 3,383.60 | 3,485.11 | 3,589.66 | 3,697.35 | 3,808.27 | 3,922.52                          | 4,040.20 | 4,683.69 | 5,429.68 |      |
|                            | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00                              | 0.00     | 0.00     | 0.00     |      |

|                      | Jun 25   | Jun 26   | Jun 27   | Jun 28   | Jun 29   | Jun 30   | Jun 31   | Jun 36   | Jun 41   |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Total Debt           | 1,178.70 | 1,202.04 | 1,225.41 | 1,250.77 | 1,276.17 | 1,301.56 | 1,323.18 | 1,539.54 | 1,793.81 |
| Total Revenue        | 636.80   | 656.54   | 676.90   | 697.90   | 719.55   | 741.89   | 768.66   | 895.72   | 1,044.02 |
| Total Debt/Revenue   | 1.85     | 1.83     | 1.81     | 1.79     | 1.77     | 1.75     | 1.72     | 1.72     | 1.72     |
| Peak Debt to Revenue | 1.85     |          |          |          |          |          |          |          |          |
| JV BOM PV to FY71    | -277.89  |          |          |          |          |          |          |          |          |
| Min Net Surplus      | -43.52   |          |          |          |          |          |          |          |          |

| VARIABLE                                         | NOTES                              |
|--------------------------------------------------|------------------------------------|
| Baseline JV BOM CapEx                            | 243.23                             |
| JV BOM Partner WACC                              | 7.50%                              |
| CapEx component of Avail Payment (\$m)           | -21.82 25 year JV BOM assumed      |
| Ann. AP OpEx as a % of CapEx                     | 2.00%                              |
| AP OpEx (\$m) FY2033 (CapEx × OpEx %)            | -4.86 CapEx × 2% — 3rd party rate  |
| Total BOM Payment up to end of year 25           | -26.68                             |
| Farebox Uplift                                   | 2.58% Estimated increase from FY31 |
| AP OpEx Inflat. beyond 2031 (from #1. MC)        | 3% Annual escalator                |
| Water esc. (Local water done well) (From #1. MC) | 4% Annual escalator                |

Change in Net Surplus \$m





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## Qualifications, Assumptions and Limitations

### Purpose and Status of this Business Case

This IBC has been prepared to support investment decision-making by Greater Wellington Regional Council (GWRC). It is intended to inform consideration of the problem, options, and potential costs and benefits, rather than to provide a definitive or exhaustive assessment of all matters relevant to the Project.

### Qualifications

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reliance on Information          | In preparing this IBC, reliance has been placed on information provided by GWRC and other stakeholders, together with publicly available information. No independent verification has been undertaken to confirm the accuracy or completeness of that information. Accordingly, the analysis and conclusions presented are dependent on the quality and reliability of the information made available at the time of preparation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Scope of Expertise               | The analysis reflects commercial, economic, and strategic advisory expertise relevant to the preparation of an investment business case. It does not constitute, and should not be relied upon as, legal, financial, accounting, tax, engineering, planning, or technical advice. Except as expressly stated, no opinion is given on matters outside the scope of a strategic investment case, including legal enforceability, regulatory compliance, or technical feasibility.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Jurisdictional Context           | The IBC has been prepared having regard to the New Zealand policy, regulatory, and operating environment. No opinion is expressed in respect of any other jurisdiction.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Economic Case and Financial Case | <p>The Economic Case and Financial Case are underpinned by economic and financial models developed specifically for IBC. These models:</p> <ul style="list-style-type: none"> <li>are based on high-level assumptions appropriate to the IBC stage;</li> <li>draw on best-available information at the time of preparation; and</li> <li>are intended to illustrate the relative performance of options, rather than to provide precise forecasts or fully assured investment outputs.</li> </ul> <p>The models necessarily rely on assumptions regarding future costs, demand, benefits, delivery timing, and external factors. Actual outcomes may differ materially from those assumed.</p> <p>The models have been prepared by the authors as an initial analytical framework only to support GWRC's consideration of the potential investment. They are indicative in nature and are not intended to represent final, fully developed, or fully assured models suitable for detailed investment approval, procurement, or contracting without further development, testing, and assurance.</p> |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                             | No representations or warranties are given as to the accuracy, completeness, or fitness for purpose of the economic or financial models, their inputs, assumptions, or outputs. GWRC must satisfy itself, through its own review, assurance processes, and any further due diligence it considers appropriate, as to whether it is comfortable relying on these models for decision-making purposes.                                                                                                                                                                                                                                                            |
| No independent verification | <p>In preparing this IBC, it has been assumed that:</p> <ul style="list-style-type: none"> <li>information and documentation provided to the authors is materially complete and accurate;</li> <li>no material information relevant to the Project has been withheld;</li> <li>documents reviewed are genuine and reflect current positions unless otherwise stated;</li> <li>responses provided by stakeholders are accurate and not misleading; and</li> <li>applicable legislation and policy frameworks are valid and in force at the time of preparation.</li> </ul> <p>No independent investigation has been undertaken to confirm these assumptions.</p> |
| Limitations of Review       | <p>This IBC:</p> <ul style="list-style-type: none"> <li>does not constitute an audit, valuation, or formal assurance report;</li> <li>is not a substitute for detailed technical, commercial, legal, or financial due diligence;</li> <li>is limited to matters within the agreed scope and level of detail appropriate for an IBC; and</li> <li>may not identify all risks, issues, or dependencies relevant to later stages of investment decision-making.</li> </ul> <p>The analysis is based on information available as at the date of preparation and does not take account of events or information arising subsequently.</p>                            |
| No Third-Party Reliance     | <p>This IBC has been prepared solely for the use of GWRC for the purposes of considering the Project. To the extent permitted by law:</p> <ul style="list-style-type: none"> <li>no duty of care is owed to any other person; and</li> <li>no liability is accepted for any reliance placed on this IBC by third parties.</li> </ul>                                                                                                                                                                                                                                                                                                                            |
| Date                        | This IBC is given as at [13 March 2026] and has not been updated to reflect matters arising after that date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |