



Summary

Governance of the City Rail Link project

The City Rail Link is a 3.45km twin-tunnel underground rail link that will be up to 42m below Auckland's city centre. Auckland Transport expects the City Rail Link to double the number of Aucklanders living within 30 minutes' travel of the central city and improve transport around the city.

For our audit, we looked at the governance arrangements of the City Rail Link project. This project involves building the City Rail Link and other works, such as constructing new stations and redeveloping existing stations.

To carry out the City Rail Link project, the Government established a special purpose Crown company called City Rail Link Ltd. The project's sponsors – the Crown and Auckland Council – have, so far, committed to investing about \$4.42 billion in City Rail Link Ltd.

Wider network improvements are also needed to integrate the City Rail Link into the existing transport network in Auckland. Auckland Transport and KiwiRail Holdings Group are responsible for this. The budget for these wider network improvements is about \$1.11 billion, bringing the current total estimated work to get City Rail Link running to about \$5.53 billion.

Separate from the City Rail Link project and the wider network improvements, Auckland Transport and KiwiRail Holdings Group have also signalled that, between now and 2036, additional investment of about \$7.5 billion in the Auckland Rail Network Development Programme could enable up to 54,000 passengers to travel through the City Rail Link each hour during peak times.

Why we did this audit

The City Rail link project is challenging. It is the country's largest and costliest transport infrastructure project. In our work, we often identify poor governance as the reason why major projects have problems. Therefore, we wanted to provide Parliament and the public with assurance that the governance arrangements for the City Rail Link project were effective and likely to support its successful completion. We also wanted to provide observations on how central and local government have worked together to deliver significant infrastructure projects.



What we found

- Aspects of the City Rail Link project's governance arrangements are working well, despite challenging circumstances. However, it is likely that this project will exceed its current budget and take longer than originally planned to be completed.
- The Sponsors' officials have carried out some of their responsibilities well. They recognised the need for specialist expertise on the City Rail Link project and contracted an external Assurance Manager for independent advice. However, we could not conclude how well officials are responding to the Assurance Manager's advice or whether all critical issues had been addressed.
- In 2019, the Delivery Partner Steering Committee was set up. This Committee is a forum for senior managers from five agencies to co-ordinate the works that City Rail Link Ltd, Auckland Transport, and KiwiRail Holdings Group need to complete for the rail system to operate effectively for City Rail Link's opening day. However, we are not yet satisfied

that there is an effective forum for the governing Boards of City Rail Link Ltd, Auckland Transport, and KiwiRail to resolve issues that the Delivery Partners Steering Committee cannot.

- Planning for benefits realisation needs to be prioritised. During our audit, we observed that there was confusion about which agency is responsible for planning, managing, and reporting progress in achieving the benefits of the City Rail Link project in the context of the wider Auckland transport network. This is concerning for a project of this significance.

What did we recommend?

We made four recommendations in our report. The recommendations are intended to further strengthen the City Rail Link project's governance arrangements. This will help ensure that the project is successfully completed in conjunction with the wider network improvements, enabling the City Rail Link to operate effectively from opening day and achieve its intended benefits over the long term.

How the City Rail Link connects the Auckland rail passenger network more effectively

