WAIMAKARIRI DISTRICT COUNCIL

REPORT FOR DECISION

FILE NO and TRIM NO:	RDG-32-123-08/ 260207021456
REPORT TO:	COUNCIL
DATE OF MEETING:	3 March 2026
AUTHOR(S):	Rob Kerr - REL Programme Manager Joanne McBride - Roading and Transport Manager
SUBJECT:	Rangiora Eastern Link: Adoption of Business Case

ENDORSED BY: (for Reports to Council, Committees or Boards)	General Manager	Chief Executive

1. SUMMARY

1.1. This report seeks Council approval of:

1.1.1. The Rangiora Eastern Link (REL) Single-Stage Business Case;

1.1.2. Submission of the Business Case to Waka Kotahi NZ Transport Agency for co-funding under the National Land Transport Programme (NLTP);

1.1.3. The funding arrangements, noting that the budgets to align with the proposed delivery plan, will be considered as part of the Annual Plan and subsequent Long Term Plan processes;

1.1.4. Commencing procurement of the necessary design consultants during the NZTA decision making period; and

1.1.5. Commencing design and consenting of the project subject to securing agreement with NZTA that this cost is eligible for co-funding if the Business Case is approved up to a maximum expenditure of $250,000.

1.2. The Business Case for investment in the Rangiora Eastern Link confirms the draft case adopted by Council in April 2025 which found that the project:

- Supports the growth of up to 5,000 new homes in East Rangiora
- Reduces travel time from East Rangiora by 3 to 4 minutes (300-400 hours each day across all residents)
- Saves approximately 7,000 kilometres per day (VKT) in driving distance, leading to consequential sustainability benefits.
- Reduces the traffic volume across Lineside Road level crossing down from 17,600 vpd (vehicles per day) to 14,000 per day.
- Leads to a predicted traffic volume to 19,200 vehicles per day (vpd) on Southbrook Road instead of 23,000 vpd today.
- Maintains a population of approximately 40,000 people within 10 minutes' drive of Southbrook and its employment and retail opportunities.
- Has a benefit cost ratio of 3.3, which delivers over $250 million of benefits and strongly aligns with the National Land Transport programme outcomes framework.

1.3. The business case assumes the expected capital cost of approximately $65.59 million (excl. GST) based on the 'Minimum Viable Product' that is able to deliver these transport benefits. This estimate has been prepared by WSP, with supporting work by Beca and BG Contracting with the contingency assessed using a quantitative risk analysis methodology. The project team consider this to be the minimum scope and cost necessary to realise the above benefits.

1.4. Funding is proposed via Development Contributions (Outer East Rangiora ODA) ($14.6m), NZTA ($26.0) and District Wide Development Contributions ($8.0m[1]) with the balance from Rates ($17.0m). This means that Rates form 25% of the total project cost, reflecting an excellent return for the ratepayers.

1.5. However, the contribution from Rates (Level of Service) has increased from the estimate prepared in 2021 and reflect in the current Long-Term Plan. This adjustment reflects real-world factors like inflation, materials, and engineering considerations as well as materially improved understanding of the works required to deliver the road.

1.6. Based on 2025 dollar costs, this will lead to an average increase in property rates from 29c/week to 67c/week (increase of 38c/week). In annual terms, the rates contribution in the LTP is currently $15.03pa, increasing by $19.73pa to $34.76 pa.

1.7. NZTA Informal feedback from NZ Transport Agency indicates that it is likely that co-funding for the pre-implementation phase of the project would be supported initially (i.e., design and consenting stage) and may extend to include land acquisition, with a second approval gate once the detailed design has been completed and the construction cost confirmed.

1.8. To enable progress to be made during the NZ Transport Agency decision making process, approval is sought to commence procurement of the design consultant and advance design work. This would be on the basis that design work and related expenditure is subject to securing agreement with NZTA that up to $250,000 will be eligible for co-funding if the Business Case is approved.

1.9. The likely procurement approach for the project is a traditional Design–Tender–Construct, subject to a market sounding process. Delivery is expected to be principally via a single construction contract package, with for the exception of the section between Northbrook Stream and Boys Road, which is likely to be delivered through a Private Development Agreement (PDA) with the adjacent Rossburn development. This will be subject to consideration by Council at a later date.

1.10. Construction is targeted to commence in 2027/28 with a two-year delivery period, subject to co-funding approval and successfully securing approvals from Kiwirail, land acquisition and resource consents.

Attachments:

i. REL - Single Stage Business Case – Full (Trim 260207021457)
ii. REL - DBE Cost Estimate Report – Minimum Viable Product (Trim 260205020910)

[1] District Wide DC funds 25% of the project, but is reduced through the NZTA co-funding at the Financial Assistance Rate (FAR) of 51%

2. RECOMMENDATION

THAT the Council:

(a) **Receives** Report No. 260207021456.

(b) **Approves** the Rangiora Eastern Link (REL) Single-Stage Business Case (Trim Ref 260207021457)

(c) **Authorises** submission of the Rangiora Eastern Link (REL) Single-Stage Business Case to Waka Kotahi NZTA for consideration for co-funding under the National Land Transport Plan.

(d) **Approves** the proposed funding arrangements in the business case for submission to NZTA as follows:

Total project cost ($2025)	**$ 65,590,000**
LESS **East Rangiora ODA DC's (not co-funded)**	($ 14,577,384)
Cost to be shared by Council and NLTP	**$ 51,012,615**
Made up as follows	
NZTA co-funding 51% FAR.....	$ 26,016,434
District wide growth (DC's).....	$ 8,034,775
Rates/LoS (debt funded).....	**$ 16,961,406**

(e) **Approves** staff commencing the procurement of the design consultants and seek prior approval with NZTA for recovery of expenditure on design and consenting during the NZ Transport Agency decision making period up to a maximum expenditure of $250,000.

(f) **Notes** that the financial figures in the draft Annual Plan, which is about to be consulted upon, are based on the original cost estimate of $35.0M, although there is a specific section in the document noting the likely increase in expected costs.

(g) **Notes** that if the resolutions are passed, and following community feedback, then a staff submission will be made for consideration as part of the Annual Plan deliberations, to give effect to the change in costs and funding requirements, in particular requesting the budget for 2026/27 is increased from $250,000 to $4,800,000 to fund the detailed design of the project and commerce acquisition of the necessary land.

(h) **Notes** that if NZTA co-funding is not approved, then a separate report will be brought to the Council for consideration.

(i) **Note** that staff are currently reviewing the share of development contributions to the project and this will also be brought to Council for consideration.

3. BACKGROUND

3.1. The Rangiora Transport Study (2001) identified the need to relieve congestion and service growth areas in the future and proposed the Rangiora Eastern Link (REL) and other interventions as a package of measures. A Scheme Assessment Report (2005) advanced investigations of a route for the proposed Rangiora Eastern Link including an initial capital cost estimate.

3.2. A series of planning processes, notably the East Rangiora Structure Plan and subsequent Outline Development plans each show the REL as fundamental to the development of east Rangiora.

3.3. A Notice of Requirement (2021) was prepared for the Proposed Waimakariri District Plan to establish a Designation for the land required for a route between Lineside Rd and Northbrook Rd, including an alignment to the west of the Wastewater Treatment Plant. A range of technical studies were completed to address potential areas of risk and environmental impact to support the Notice of Requirement.

3.4. Development Contributions were agreed with the developers of Bellgrove through a Private Development Agreement and are in the process of being included in a PDA with the developers of Rossburn. These are now reflected in the Development Contributions Policy. Parts of the Rangiora Eastern Link north of Northbrook Road have already been constructed (or will be constructed) through agreement with developers as part of the subdivision process for residential land.

3.5. The route of the new road is now designated in the District Plan and NZ Transport Agency confirmed co-funding for the Business Case and Concept Design in December 2024 and the concept design and business case were developed on that basis.

3.6. In April 2025, Council went through a process of reconsidering whether the original designated route remained the ideal alignment. Elected members and community stakeholders provided feedback on the shortlist of options, summarised in the report. Input from affected landowners was also sought and correspondence is appended to this report. A cross-agency group, including Council, NZ Transport Agency, and Ngāi Tūāhuriri representatives, assessed the shortlisted options against investment objectives and key criteria and led to this recommended route that was confirmed in April.

3.7. The outcome of this process was that the Council confirmed the route for the REL as following the original designation. In addition, it adopted the Strategic and Economic Cases in support of this decision. These note that key transport challenges identified include:

- Severe congestion due to growing traffic volumes.
- Insufficient transport links for new growth areas, and
- Increased travel volumes increasing safety risks.

3.8. Addressing these issues will improve travel times, reliability, safety, and support economic growth. The Economic Case assessed options to achieve these benefits. The analysis considers various solutions, concluding that expanding transport capacity is necessary.

3.9. The initial concept design developed a concept that assumed a high flood protection standard (1% AEP) along with a number of items which, although providing material benefits, lead to an unaffordable project. In response to this, the staff have been progressing detailed value engineering, further investigations, involvement of an experienced contractor to advise on earthworks strategy and other costs, and reduction of

the scope of work to provide the 'Minimum Viable Product' that is able to deliver the transport benefits at a more affordable cost.

3.10. The project team consider that the scope of works and the associated cost estimate is the minimum that is required to relieve congestion at Southbrook Road, enable residential development in East Rangiora and support movement of freight and people more efficiently. Any further reduction in scope will not deliver the necessary benefits as required for NZTA co-funding and would put the viability of the project at risk.

3.11. Adoption of the Business Case is now recommended to enable submission to NZTA to seek co-funding under the National Land Transport Programme.

4. ISSUES AND OPTIONS

Summary of the Business Case

4.1. The Rangiora Eastern Link (REL) is designed to relieve traffic congestion on Southbrook Road, enhance transport efficiency, and unlock new residential areas in East Rangiora and commercial development in Southbrook. With the town being a Priority Development Area in Greater Christchurch, this investment is essential to accommodate the region's rapid growth.

4.2. Rangiora's population is expected to grow significantly, with up to 5,000 new homes planned in East Rangiora alone. Currently, Southbrook Road carries over 23,000 vehicles per day, leading to severe congestion, safety concerns, and inefficient freight movement. The REL will:

- Reduce travel time and congestion in peak periods.
- Improve access to residential and industrial zones.
- Enhance road safety, particularly for pedestrians and cyclists.
- Support economic growth by ensuring reliable transport links.

4.3. The REL aligns with key national, regional, and local strategies, including:

- New Zealand Government Policy Statement (GPS) on Land Transport 2024-34 – Prioritising economic growth, safety, and resilience.
- Canterbury Regional Land Transport Plan (CRLTP) 2024-34 – Addressing congestion, sustainability, and freight efficiency.
- Greater Christchurch Spatial Plan – Supporting intensification and urban expansion.
- Waimakariri District Transport Strategy – Ensuring connectivity for future development.

4.4. The Council has previously resolved the option to increase the capacity of the transport network through a new route that runs west of the Wastewater Treatment Plant and connects with Northbrook Road, as it provides the best balance of cost-effectiveness, land-use benefits, and project feasibility. The project is expected to:

- Reduce vehicle travel time by 3 to 4 minutes per trip for those in East Rangiora.
- Decrease vehicle kilometres travelled (VKT) by 7,000 km/day, lowering emissions and fuel costs; and
- Improve intersection performance and freight movement efficiency.

- Deliver an excellent Benefit Cost Ratio of 3.3, with a Net Present Value of over $257 million and a government BCR of 4.3.

4.5. The business case assumes the expected capital cost of approximately $65.59 million (excl. GST) based on the 'Minimum Viable Product' that is able to deliver these transport benefits. This estimate has been prepared by WSP, with supporting work by Beca and BG Contracting with the contingency assessed using a quantitative risk analysis methodology and is based on 2025 dollar costs.

4.6. Funding is proposed via Development Contributions (Outer East Rangiora ODA) ($14.6m), NZTA ($26.0) and District Wide development Contributions ($8.0m) with the balance from Rates ($17.0m). This means that rates form 25% of the total project cost, reflecting an excellent return for the ratepayers.

4.7. Procurement analysis indicates that a traditional Design/Tender/Construct model is preferred, supplemented by early contractor involvement to mitigate geotechnical and consenting risks.

4.8. Packaging options will be market-tested, but delivery as a single contract is anticipated to reduce interface risks, with the exception of one section which may be delivered through a development agreement with the adjacent development.

4.9. Key risks include geotechnical conditions, coordination with Kiwirail, and integration with adjacent development; these are being actively managed through early engagement, advancing design further than normal at this stage of business case development and robust contract conditions.

4.10. Delivery will be managed by the Council's Project Delivery Unit with design services outsourced. A detailed project management framework will ensure transparent reporting, stakeholder engagement, and benefits realisation. Risk management processes and consenting strategies are already underway, reducing uncertainty ahead of procurement. Subject to co-funding decision by NZTA, delivery is targeted for commencement in 2027/28, aligned with adjacent development staging.

Key issues

4.11. **Impact on Rates:** The project represents the minimum scope necessary to deliver the transport benefits outlined above. The Value Engineering process, with input from multiple consultants and an experienced contractor means that the project team consider that the estimated cost to be robust and it is not likely to be able to be delivered at a lower price.

4.12. The contribution from Rates (Level of Service) has increased from the estimate prepared in 2021. This adjustment reflects real-world factors like inflation, materials, and engineering considerations as well as materially improved understanding of the works required to deliver the road.

4.13. This will lead to an average increase in rates by $19.73 per annum (38cents/week) excluding any allowance for escalation in future years. It is recommended that budgets are re-phased to match the delivery timeline (construction commencing 2027/28, two-year build). This is set out in the financial implications section.

4.14. It is noted that this change in financial implications is not included in the upcoming Annual Plan financial figures but is signalled in the consultation material.

4.15. **Scope of initial co-funding.** NZTA staff have informally indicated that it is likely that co-funding will be initially approved by NZTA for the pre-implementation phase (design and

consenting, and potentially land acquisition), with the construction phase funding considered once detailed design has been completed and all consents and approvals are in place.

4.16. **Land acquisition, approvals and consenting**: Securing land agreements, KiwiRail approvals and resource consents are the key project risks, and it is recommended that these elements are advanced at the earliest opportunity to minimise the risk of delay. Some consenting risks have been recently minimised, however while kōrero with Ngai Tūāhuriri regarding the proposed diversion of Koura Creek has been positive, this process is not yet complete.

4.17. **Addressing risks early**: It is likely that decisions will be made in May 2026 by NZ Transport Agency, although this could be delayed, and it is proposed that staff advance the initial procurement process to secure the design consultant and, subject to securing agreement with NZTA that this will be eligible for co-funding if the Business Case is approved, commence the design and consenting process for the key risk items (Land, rail crossing and Koura Creek) up to a maximum expenditure of $250,000 being the budget allowed for in the draft Annual Plan.

4.18. **Scope not included**: The reduction in scope means that the following elements are not included:

- Addressing the Marsh Road Rail Crossing (now proposed to not have a physical road connection to the REL but to still maintain access for the two residents to the west only to use the crossing)
- Deferring the Shared Use Path (cycleway), but leaving room for the off-road path in the future, noting there will be sealed road shoulders which can be used by more confident cyclists; and
- Limiting the capacity of culverts and bridges to the 10% AEP flood event (which is normal for Collector Roads and other local roads) rather than the materially more expensive 1% AEP flood standard, on the basis that the higher level of protection is not warranted and will cost an additional $19.3 million.

Options for Council

4.19. Council has the following principal options available:

4.19.1. Option 1: Approve the Business Case for submission to NZTA to seek co-funding for the project. This is the recommended option

4.19.2. Option 2: Do not approve the Business Case and instruct staff to seek further savings or refinement of the project in order to reduce the cost. This is not recommended as the project has been subject to a thorough value engineering review and the project team consider that this is the lowest cost for which the transport outcomes are able to be achieved.

4.19.3. Option 3: Do not approve the Business Case and place the project on hold. This is not recommended as the project will deliver significant benefits, resolve congestion in Southbrook, enable residential development and will be unlikely to attract such significant third-party funding in the future, meaning that it is unlikely to be able to be delivered for a lower cost.

Implications for Community Wellbeing

The project has the potential to materially improve community wellbeing by reducing congestion and travel times, improving safety, supporting growth, and strengthening active and public transport connections in east Rangiora.

4.20. The Management Team has reviewed this report and support the recommendations.

5. COMMUNITY VIEWS

5.1. Mana whenua

Whitiora (on behalf of Ngāi Tūāhuriri) have been engaged in the development of the business case and concept design and support the recommended approach to route.

Initial korero on the division of Koura Creek and replacement with a mahinga kai wetland habitat project, leading to a reduction in works at Northbrook Stream are ongoing.

5.2. Groups and Organisations

There are groups and organisations likely to be affected by, or to have an interest in the subject matter of this report. NZ Transport Agency has participated in workshops and co-funds the SSBC. Developers in East Rangiora have a financial interest via DCs.

Staff have met several times with the neighbours of the new road around Marsh Road and incorporated their feedback into the development of the design.

Staff intend to provide information to the McPhail Avenue residents in the near future.

5.3. Wider Community

The wider community is likely to be affected by, or to have an interest in the subject matter of this report. Prior engagement through the Long Term Plan indicates support for progressing the REL to relieve congestion and unlock growth.

6. OTHER IMPLICATIONS AND RISK MANAGEMENT

6.1. Financial Implications

6.1.1. The total forecast cost of the project is materially greater than was initially developed several years ago, with an increase from $35 million to the estimate of $65.59 million. Council will be aware that the budgets for many projects across the region have been reassessed due to construction cost inflation, but also because the initial cost estimate was prepared before extensive investigation and design was undertaken to fully scope and understand the project.

6.1.2. This is why the concept design was bought forward to be prepared alongside development of this business case: reducing the risk that the project cost estimate increases later in the project life and before Council is able to make decisions to rescope, halt or fund the project.

6.1.3. The expected capital cost is based on the ‘Minimum Viable Product’ that can deliver these transport benefits. This estimate has been prepared by WSP, with supporting work by Beca and BG Contracting with the contingency assessed using a quantitative risk analysis methodology.

6.1.4. Funding is proposed via Development Contributions (Outer East Rangiora ODA) ($14.6m), NZTA ($26.0) and District Wide Development Contributions ($8.0m) with the balance from Rates ($17.0m). This means that Rates form 25% of the total project cost, reflecting an excellent return for the ratepayers.

6.1.5. Note that staff have commissioned updated traffic modelling on order to review the share of development contributions to the project and the outcomes of this review will also be brought to Council for consideration.

6.1.6. The table below shows the proposed funding breakdown, with the subsequent table providing the forecast cashflow by financial year for the project.

	Total
Total project cost	$ 65,590,000
LESS East Rangiora ODA DC's (not subsidised)	($ 14,577,384)
Cost to be shared by Council and NLTP	**$ 51,012,615**
Made up as follows	
NZTA co-funding 51% FAR.....	$ 26,016,434
District wide growth (DC's).....	$ 8,034,775
Rates/LoS (debt funded).....	**$ 16,961,406**

Table 1 Funding Structure

	2026/27	2027/28	2028/29	2029/30	TOTAL
Rangiora Eastern Link Road	$ 5,629,916.36	$ 20,233,630.24	$31,782,187.31	$ 7,945,546.83	**$65,591,280.73**

Table 2 Forecast cashflow

6.1.7. Based on 2025 dollar costs, this will lead to an average increase in property rates from 29c/week to 67c/week (increase of 38c/week). In annual terms, the rates contribution in the LTP is currently $15.03pa, increasing by $19.73pa to $34.76 pa.

6.1.8. These forecast costs are based on 2025 dollar costs, and it will be prudent to make further allowance of escalation over the period of delivery as part of next year's Long Term Plan process. BERL has developed the Local Government Cost Index on behalf of Taiuarã, which indicates an additional $6.0m of escalation could occur over the forecast construction period. Allowance for escalation will be considered as part of the Long Term Plan process and once the design process has progressed to the next stage of accuracy.

6.1.9. Note that the draft Annual Plan has been prepared with a budget of $250,000 in 2026/27. This was as a result of a recommendation from staff that the original budget of $5,000,000 would not be spent, based on an earlier assessment that the pace of decision-making would not support significant expenditure in that year.

6.1.10. However, with the recent steps to resolve the estimates, it is now considered that a budget of $4,80,000 is appropriate and achievable, and this will be requested as part of staff submissions to the draft Annual Plan. It is noted that this does not trigger the Significance and Engagement Policy and won't have any effect on rating impact for 26/27, as the loan costs will fall in the following year. This will be included in the 2027-37 LTP.

6.1.11. Subject to Council agreement, it is proposed to seek agreement with NZTA that up to $250,000 of expenditure would be eligible for co-funding if the Business Case is approved. This would enable early progress to be made on the key risk items (Land, Koura Creek and Kiwirail). This is the current budget in the Draft Annual Plan however Council should be aware that the NZTA co-contribution towards this expenditure would only be made if the Business Case was approved.

6.2. **Sustainability and Climate Change Impacts**

The recommendations in this report have sustainability and/or climate change impacts:

- Reduction in 7,000 kilometres travelled per day (VKT), leading to reductions in carbon emissions,
- Travel time reliability will increase the attractiveness of public transport,
- An alternative public transport route, and
- Strengthen active transport connection through the east of the town.

6.3. **Risk Management**

There are risks arising from the recommendations in this report; and the key project risks are outlined below:

NLTP inclusion and funding commitment	The BC is developed on the basis (and for the purpose of securing) co-funding from the NLTP.
Development Contributions cashflow	This is an organisational risk that is broader than the REL and a risk that Council accepts
Geotechnical/groundwater conditions	Full site investigations have been undertaken to materially reduce this risk, with ongoing groundwater monitoring.
Rail interface (KiwiRail) and level crossing works	Early engagement with Kiwirail, including the necessary risk assessment studies have been completed, along with material time periods for design of the new rail crossing allowed for in the programme.
Consenting/Outline Plan timing	The existing global consents for construction and operational phase SW discharge have been extended to cover the REL. Consents for waterway diversion and groundwater interception are low to moderate risk, with the exception of the diversion of Koura Creek.
Land acquisitions	Advance land negotiations as early as possible and allowance in the proposed initial year budget includes some land acquisition.
Interface with adjacent development	The proposed Private Development Agreement with Rossburn will include clear construction phasing and communication protocols.

6.4. **Health and Safety**

There are not health and safety risks arising from the adoption/implementation of the recommendations in this report.

When the contract for physical works is procured, the successful supplier will be required to meet and comply with Council's Health & Safety requirements.

7. CONTEXT

7.1. **Consistency with Policy**

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy. This includes the potential recommendation as part of staff submissions to bring forward the FY26/27 budget to $4.8 million.

This is because the amount is less than 5% of the total budgeted rating revenue (clause 5.2.1) and does not trigger any of the criteria in clause 5.2.2

7.2. **Authorising Legislation**

The Land Transport Management Act, and Local Government Act are relevant in this matter.

7.3. **Consistency with Community Outcomes**

The Council's community outcomes are relevant to the actions arising from recommendations in this report.

The following outcomes are applicable:

Environmental

…that values and restores our environment…

- *The natural and built environment in which people live is clean, healthy and safe.*

Economic

…and is supported by a resilient and innovative economy.

- *Infrastructure and services are sustainable, resilient, and affordable.*

Social

A place where everyone can have a sense of belonging…

- *Our community has equitable access to the essential infrastructure and services required to support community wellbeing.*

7.4. **Authorising Delegations**

The Council has the authority to receive this report and approve the Business Case.