

INITIAL BUSINESS CASE

Southern Satellite Depot for Unit 22 (North-South Spine)



Document Control

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Executive Summary

Greater Wellington Regional Council (Greater Wellington) is undertaking the procurement of Unit 22, the North-South Spine of Wellington's Future Bus Services Contracts. Commencing in July 2028, Unit 22 will form a critical component of the public transport network, providing high-capacity services along Wellington's primary North-South corridor.

To support the successful operation of Unit 22, suitable depot infrastructure will be required to accommodate fleet, workforce and operational requirements over the life of the contract. Without access to an alternative southern satellite depot facility, Unit 22 operations would be supported from Grenada Depot. While this arrangement is operationally feasible, it does not provide an efficient or sustainable long-term solution for North-South Spine operations.

The primary limitation is not depot capacity, but depot location. Grenada Depot is situated at the northern end of the operating corridor, whereas a significant proportion of Unit 22 services will commence and conclude in southern Wellington. This would require substantial non-revenue vehicle movements between the depot and the start and end points of service operations, increasing operating costs, vehicle kilometres travelled, workforce requirements and transport emissions over the life of the contract.

Greater Wellington has therefore identified a strategic requirement to investigate opportunities for a secure and sustainable long-term southern satellite depot solution to support the efficient operation of Unit 22 services.

Assessment of the existing depot network confirms that Greater Wellington does not currently have access to a secure and sustainable long-term southern satellite depot solution for Unit 22. Existing facilities are constrained by ownership arrangements, seismic risks, operational limitations, future land use uncertainty and long-term availability.

Recognising this challenge, Greater Wellington undertook a comprehensive site identification and assessment process to investigate potential southern satellite depot opportunities. That work confirmed that opportunities capable of accommodating depot activities within southern Wellington are extremely limited due to physical, planning, environmental and property market constraints. During this process, the Landfill Road site was identified as a potentially viable opportunity warranting further investigation due to its scale, location and potential to support Greater Wellington's operational, strategic and asset management objectives.

Recognising the limited availability of suitable depot opportunities within southern Wellington, Greater Wellington acquired the Landfill Road site in 2025 to preserve the opportunity while further investigations were undertaken. The acquisition did not constitute a decision to develop a depot. Rather, it preserved a potentially strategic transport infrastructure opportunity while Greater Wellington considered potential long-term responses to the identified strategic problem.

The purpose of this Initial Business Case is not to seek approval for depot construction or implementation. Rather, it is to confirm the strategic requirement, identify and assess a range of credible options for addressing the identified problem, determine whether further investment in business case development is justified, and provide an evidence-based foundation for future assessment through a Detailed Business Case.

To inform this assessment, a structured options analysis was undertaken to evaluate a range of credible options available to Greater Wellington. The four options assessed represent the principal approaches available to support future Unit 22 depot requirements and were assessed against a common set of investment objectives and assessment criteria developed in consultation with relevant subject matter experts. The assessment identified differing strengths, weaknesses, opportunities and risks across the options considered. Based on the information currently available, Option 3, Greater Wellington Develops and Owns a Southern Satellite Depot at Landfill Road, demonstrated the strongest overall alignment with the investment objectives and assessment criteria.

Consistent with the purpose of an Initial Business Case, the assessment provides an initial indication of the relative merits of the options but does not determine a preferred investment response. Additional analysis and evidence are required to fully assess the viability, affordability, deliverability and value for money of the options considered.

The next phase of work, undertaken through a Detailed Business Case, will obtain this information and provide the analysis required to identify a preferred investment response for future Council consideration. In particular, the outcome of the current Unit 22 procurement process will provide important information regarding future depot requirements, commercial arrangements, costs and delivery considerations.

Funding of approximately \$2.3 million has been approved to support development of the Detailed Business Case. This will enable technical investigations, site due diligence activities, remediation investigations, design development, consenting activities, procurement planning and preparation of the Detailed Business Case. The approved funding allocation is currently considered sufficient to complete the Detailed Business Case phase and no additional funding approval is required to undertake this work.

Should Council subsequently decide to proceed with a depot investment, funding provision exists within the Long Term Plan 2024-2034 through Greater Wellington's Strategic Public Transport Asset Control Strategy. Any future recommendation regarding depot development, implementation funding, procurement, or delivery would be subject to separate Council consideration following completion of the Detailed Business Case.

Accordingly, this Initial Business Case supports a recommendation that Council approves progression to the Detailed Business Case stage.

If approved, progression to the Detailed Business Case stage will include engagement with mana whenua, affected communities, operators and other stakeholders, consistent with Greater Wellington's commitment to transparent and evidence-based decision-making. The outcomes of this engagement, together with technical investigations, engineering assessments, environmental analysis, commercial considerations, and detailed financial and economic evaluation, will inform any future investment recommendation to Council.

1 Introduction

1.1 Purpose

The Initial Business Case assesses a range of potential responses to the identified strategic problem, identifies the highest-scoring option based on currently available information, and determines whether further investigation through a Detailed Business Case is justified.

The Detailed Business Case will undertake further assessment of the options identified through the Initial Business Case and obtain the information required to assess their relative viability before a preferred investment response is identified and recommended for Council consideration.

The Initial Business Case has been prepared in accordance with recognised public sector business case principles and supports evidence-based decision making regarding future public transport infrastructure investment.

1.2 Strategic Context

Greater Wellington is responsible for planning, funding and procuring public transport services across the Wellington region. As part of this role, Greater Wellington is delivering the Future Bus Services Contracts procurement programme, which is designed to improve competition, operational performance and long-term service delivery outcomes across the public transport network. Unit 22 (North-South Spine) is currently being procured and is scheduled to commence operation in July 2028.

1.3 Depot Infrastructure as a Strategic Asset

Successful delivery of public transport services relies on the availability of suitable supporting infrastructure, including fleet, workforce facilities and depot infrastructure. Depot facilities perform a critical operational role by providing vehicle stabling, maintenance facilities, dispatch functions, driver amenities and operational management capability.

The availability, location and long-term security of depot infrastructure can significantly influence public transport outcomes, including operational efficiency, procurement flexibility, service reliability, network resilience and overall value for money. Access to suitable depot infrastructure can also affect market participation, particularly in constrained urban environments where appropriately located sites are scarce.

Recognising the importance of these assets, Greater Wellington's Strategic Public Transport Asset Control Strategy identifies depot infrastructure as a critical component of the public transport system. The Strategy recognises that appropriately located depot sites within Wellington are limited and strategically significant assets, and that increased public influence over such assets can support long-term service continuity, procurement flexibility, network resilience and value-for-money outcomes.

Against this strategic backdrop, Greater Wellington has undertaken this Initial Business Case to assess options for addressing the long-term depot requirements of Unit 22.

2 Strategic Case

2.1 Strategic Rationale for Unit 22

Unit 22 was developed through Greater Wellington's Future Bus Services Contracts programme as part of a broader review of bus service unit design and operating arrangements. The unit configuration was designed to improve operational efficiency, support effective fleet and driver utilisation, strengthen network resilience, and create an operating unit of sufficient scale and attractiveness to support competitive procurement outcomes.

The North-South Spine configuration consolidates services operating across a substantial portion of the Wellington urban bus network into a single operating unit. This approach supports more efficient service delivery, reduces operational interfaces between operators, and provides greater flexibility in managing fleet and workforce resources across the network.

While the operating model delivers a range of strategic, operational and commercial benefits, it also creates an increased requirement for appropriately located depot infrastructure capable of efficiently supporting services operating at both ends of the corridor. As a result, the future success of Unit 22 is influenced not only by the operating contract itself, but also by the availability of suitable long-term depot infrastructure within southern Wellington.

2.2 The Strategic Problem

While depot infrastructure is recognised as a strategically important public transport asset, **Greater Wellington does not currently have access to a secure and sustainable long-term southern satellite depot solution to support future Unit 22 operations.**

To support the successful delivery of Unit 22 services, suitable depot infrastructure will be required to accommodate fleet, workforce and operational requirements over the life of the contract. Based on currently available infrastructure, these services would be operated from Grenada Depot.

While this arrangement is operationally feasible, it does not provide an efficient or sustainable long-term operating model for the North-South Spine. The primary limitation is not depot capacity, but depot location. Grenada Depot has sufficient capacity to accommodate the fleet requirements associated with Unit 22; however, it is located at the northern end of the corridor, while a significant proportion of services commence and terminate in the south.

As a result, buses and drivers would be required to undertake substantial non-revenue movements between Grenada Depot and southern Wellington before entering service and after completing service each day. While operationally achievable, these movements would increase dead-running, workforce requirements, fleet utilisation, energy consumption and operating costs, while reducing overall operational efficiency over the life of the contract.

Greater Wellington has therefore identified a strategic requirement to investigate long-term depot solutions that can support the efficient, reliable and sustainable operation of Unit 22 services¹.

2.3 Investment Objectives

The investment objectives establish the outcomes against which potential responses to the identified strategic problem have been assessed.

The strategic problem identified through this Initial Business Case is that the existing depot network does not provide a secure, fit-for-purpose and sustainable long-term southern satellite depot solution capable of supporting the future operating requirements of Unit 22. This creates ongoing operational inefficiencies and limits Greater Wellington's ability to achieve its longer-term network, procurement, resilience and asset management objectives.

The investment objectives have therefore been developed to ensure potential options are assessed not only against operational requirements, but also against Greater Wellington's broader strategic, financial, environmental, asset management and community outcomes.

The investment objectives are summarised below.

¹ The strategic problem definition has been refined during development of this Initial Business Case to provide greater clarity regarding the operational and strategic implications of the identified depot infrastructure gap. The refinement improves readability and understanding for decision-makers but does not materially alter the underlying issue considered through the MCA process or affect the validity of the assessment undertaken.

Investment Objective 1 – Public Transport Outcomes

Support delivery of Greater Wellington's public transport strategy².

The extent to which each option supports current and future public transport operations and contributes to efficient service delivery across the network.

Investment Objective 2 – Asset Control

Support delivery of Greater Wellington's Strategic Public Transport Asset Control Strategy³.

The extent to which each option strengthens Greater Wellington's ability to secure, influence and manage strategically important public transport assets in support of long-term service delivery outcomes.

Investment Objective 3 – Environmental Outcomes

Support delivery of Greater Wellington's environmental objectives⁴.

The extent to which each option contributes to positive environmental outcomes and supports the responsible management of environmental effects associated with public transport infrastructure and operations.

Investment Objective 4 – Wider Community Outcomes

Support Greater Wellington's wider community outcome objectives⁵.

The extent to which each option contributes to a safe, resilient and sustainable public transport network and supports broader community wellbeing.

2.4 Existing Southern Wellington Facilities

Assessment of the existing southern Wellington depot network has concluded that no current facility provides a secure, fit-for-purpose and sustainable long-term solution capable of supporting the future operating requirements of Unit 22.

- **Rongotai Depot** is privately owned and is not considered fit-for-purpose as a long-term strategic depot supporting future Unit 22 operations. The site has operational and physical limitations that constrain its ability to support Greater Wellington's future operating model and long-term depot requirements. Existing capacity constraints have also necessitated the use of on-street parking for operational vehicles in surrounding residential areas, further illustrating the limitations of the site as a long-term depot solution.
- **The Kilbirnie Bus Barns** currently provide depot capacity within southern Wellington. However, the site is privately owned, subject to known seismic strengthening requirements, and identified within Wellington City Council's planning framework as having potential for future mixed-use redevelopment. The planning framework anticipates the comprehensive redevelopment of the site should the current depot use transition in the future, reflecting the strategic development pressures associated with its location within the Kilbirnie town centre. The facility is also situated within a highly urbanised residential and commercial environment, which may constrain its long-term suitability and

² As set out in the [Wellington Regional Public Transport Plan 2025-2035](#)

³ As set out in the [Strategic Public Transport Asset Control Strategy](#)

⁴ As set out in the [Long Term Plan 2024 - 2034](#), [Wellington Regional Transport Emissions Reduction Pathway](#) and [Zero Emission Bus Transition Roadmap](#)

⁵ As set out in the [Long Term Plan 2024 - 2034](#) and [Wellington Regional Public Transport Plan 2025-2035](#)

ability to support future depot operations. Collectively, these factors create uncertainty regarding the site's long-term availability and suitability for public transport purposes.

Having assessed the facility against its future operational and strategic requirements, Greater Wellington has concluded that the Kilbirnie Bus Barns does not provide a secure and sustainable long-term depot solution. While the site may continue to support public transport operations in the short to medium term, it does not provide the level of long-term certainty required to support Greater Wellington's future operating model.

- **The future Kauri Street Depot** will provide critical infrastructure supporting East-West Spine operations and future fleet electrification objectives. However, the facility is designed specifically to support Unit 26 operations, has not been consented to accommodate diesel bus activities, and is not configured to support multiple operators. As a consequence, it cannot provide a practical depot solution for Unit 22.

Collectively, these constraints mean Greater Wellington currently lacks a suitable long-term southern satellite depot capable of supporting efficient operation of the North-South Spine.

2.5 Procurement and Market Participation

The Future Bus Services Contracts programme is founded on maintaining effective competition for operating units and ensuring that infrastructure arrangements do not unnecessarily constrain future procurement outcomes.

Access to suitable depot infrastructure can represent a significant barrier to market participation, particularly in constrained urban environments where appropriately located sites are scarce.

This constraint is particularly relevant in the Wellington market, where suitable depot sites are limited and the availability of depot infrastructure has the potential to influence operator participation and future procurement outcomes.

Identifying and securing a sustainable long-term depot solution for Unit 22 would support procurement flexibility, reduce infrastructure-related barriers to entry for future tendering rounds, and help ensure operating arrangements continue to achieve value for money for Greater Wellington and the travelling public.

2.6 Consequences of Inaction

If no action is taken, Greater Wellington is unlikely to secure a suitable long-term southern satellite depot to support Unit 22 operations.

In the absence of a strategically planned depot solution, Greater Wellington would likely be required to rely on either:

- Unit 22 operating primarily from Grenada Depot; or
- The successful operator identifying, securing and funding its own depot solution which may or may not align with Greater Wellington's long-term public transport objectives.

While both approaches may be capable of supporting service delivery, neither provides confidence that Greater Wellington's long-term strategic, operational and procurement objectives will be achieved.

The likely consequences of inaction include:

- Reduced operational efficiency arising from increased non-revenue vehicle movements, higher operating costs, greater vehicle utilisation and increased greenhouse gas emissions.

- Reduced value for money over the life of the contract due to ongoing operational inefficiencies, increased workforce requirements and higher operating costs.
- Increased greenhouse gas emissions, energy consumption and environmental impacts associated with continued reliance on a single-depot operating model and increased non-revenue vehicle movements.
- Greater dependence on privately controlled or operator-led depot infrastructure, limiting Greater Wellington's ability to influence the location, capability and long-term availability of strategically important assets.
- Reduced procurement flexibility and increased barriers to market participation arising from continued reliance on infrastructure not controlled by Greater Wellington.
- Reduced network resilience through continued reliance on a limited number of depot locations and increased exposure to service disruption should existing facilities become constrained or unavailable.
- Reduced ability to support future public transport network growth, service changes, fleet transitions and evolving operational requirements.
- Increased procurement and delivery risk, including uncertainty regarding the future availability of suitable depot sites and the potential need for operators to establish depot solutions within constrained timeframes.
- Potential loss of future depot opportunities in an environment where suitable sites capable of accommodating depot activities within southern Wellington are scarce and increasingly difficult to secure.

Reliance on an operator-led solution would also introduce uncertainty regarding future cost, location, availability and suitability. Given the constrained property market within southern Wellington, there is no assurance that a future operator would be able to secure a depot site that delivers the operational, environmental and strategic outcomes sought by Greater Wellington.

Collectively, these outcomes would reduce the efficiency, resilience and long-term sustainability of Greater Wellington's public transport operating model and constrain its ability to optimise operation of the North-South Spine over time.

2.7 Why Action is Required Now

Unit 22 is scheduled to commence operation in July 2028. To support the successful delivery of these services, Greater Wellington must ensure that appropriate depot arrangements are in place prior to contract commencement.

Should a future decision be made to develop a depot facility, substantial work would be required, including detailed investigations, planning and consenting processes, business case approvals, procurement activities and potential construction works. These activities are likely to require a number of years to complete.

The Unit 22 procurement process has also recognised the uncertainty associated with future depot arrangements and requires tenderers to demonstrate how service delivery requirements would be met under alternative depot scenarios. Information obtained through the procurement process will provide additional insight into operational requirements, depot solutions, market capability and delivery approaches, and will help inform development of the Detailed Business Case.

Accordingly, if Greater Wellington wishes to preserve the option of a southern satellite depot solution for future Unit 22 operations, further investigation must commence now, noting that opportunities capable of accommodating depot activities within southern Wellington have been found to be limited. Progression to a

Detailed Business Case will enable the remaining uncertainties to be assessed and provide Council with the information required to determine whether any future investment should proceed.

3 Site Identification and Assessment

3.1 Site Identification Process

Having identified the need to explore long-term depot options to support future Unit 22 operations, Greater Wellington undertook a structured site identification process across southern Wellington.

The investigation formed part of broader public transport planning, asset management and procurement activities. Its purpose was to identify sites capable of supporting the operational, technical and strategic requirements of a depot facility, while recognising the constraints associated with locating large-scale transport infrastructure within a highly developed urban environment.

The assessment process included:

- Property market investigations.
- Site identification and screening exercises.
- Operational assessments.
- Preliminary engineering and technical reviews.
- Strategic alignment assessments.
- Planning and environmental considerations.
- Engagement with property owners and relevant stakeholders.

Potential sites were assessed against a range of criteria including:

- Availability and ownership.
- Site size and configuration.
- Accessibility and transport connections.
- Operational suitability.
- Electrification potential.
- Existing land use and surrounding activities.
- Planning and consenting considerations.
- Environmental constraints.
- Development feasibility.
- Alignment with Greater Wellington's long-term public transport objectives.

The assessment confirmed that opportunities capable of accommodating depot activities within southern Wellington are extremely limited. The combination of topographical constraints, established urban development, competing land uses, environmental considerations and fragmented land ownership significantly reduced the number of sites capable of supporting a strategically located depot facility.

Several opportunities were identified and evaluated through the assessment process. Most were subsequently discounted because they were unavailable, operationally unsuitable, constrained by existing land uses, unable to accommodate required depot functions, or inconsistent with Greater Wellington's long-term strategic objectives.

3.2 Identification of Landfill Road

During the site identification process, Landfill Road was identified as a potentially viable opportunity capable of supporting future depot operations within southern Wellington. Based on a high-level assessment of its scale, location and ownership circumstances, the site was considered potentially viable to warrant further investigation.

Recognising the limited availability of potential depot sites within southern Wellington, Greater Wellington acquired the site in 2025 to preserve the opportunity while further investigations were undertaken.

At the time of acquisition, further technical, environmental, planning, engineering, commercial and financial investigations were required to determine whether the site could support Greater Wellington's long-term public transport objectives and the future operating requirements of Unit 22.

Accordingly, the Landfill Road site was carried forward for further consideration through this Initial Business Case.

4 Development of Options for Assessment

The site identification activities described above confirmed that suitable depot opportunities within southern Wellington are limited and that the Landfill Road site warranted further consideration. Identification of a potentially suitable site does not in itself determine the most appropriate strategic response to the operational requirements of Unit 22.

Accordingly, the option assessment considers a range of strategic responses reflecting different approaches to meeting future depot requirements and supporting operation of the North-South Spine.

The options include both single-depot and dual-depot operating models, recognising that Unit 22 services can be delivered through a number of fundamentally different infrastructure arrangements. These arrangements have materially different implications for operational efficiency, fleet and workforce utilisation, network resilience, emissions, operating costs, procurement flexibility, asset control and the long-term sustainability of Greater Wellington's public transport operating model.

The options assessed represent:

- reliance on Greater Wellington's existing depot infrastructure at Grenada (the 'Do nothing' option);
- reliance on existing operator-provided southern depot infrastructure;
- direct investment by Greater Wellington in a southern satellite depot at Landfill Road; and
- provision of a southern satellite depot solution through the market.

These options reflect the principal strategic choices available to Greater Wellington having regard to operational requirements, Future Bus Services Contracts procurement objectives, procurement considerations, asset management considerations and the findings of the southern depot site identification process.

5 Options Assessment

A structured options assessment was undertaken to evaluate the range of credible strategic responses available to Greater Wellington for addressing the identified depot requirement. Each option was assessed against the investment objectives using a Multi-Criteria Assessment (MCA) framework.

5.1 Option Terminology and Traceability

The option titles and descriptions presented in this Initial Business Case have been refined from the terminology used during the Multi-Criteria Assessment (MCA) workshops to improve clarity for readers and decision-makers. These amendments are editorial in nature and have been made to better reflect the intent and characteristics of each option in a business case context.

The changes do not alter the options assessed, the assessment criteria, the scoring applied, or the conclusions reached through the MCA process. The original MCA workshop documentation remains the authoritative record of the assessment undertaken. References to option titles within this Initial Business Case are therefore intended to provide clearer descriptions of the same options assessed during the MCA process.

IBC Option Title	MCA Workshop Terminology	Description
Option 1 – Operate Unit 22 from Grenada Depot	Option 1 – Do not develop Landfill Road and use Grenada	Unit 22 services are operated from the Grenada Depot. This option utilises existing depot infrastructure and avoids the need to develop a new depot facility in southern Wellington.
Option 2 – Operate Unit 22 from an existing Operator-provided southern satellite depot	Option 2 – Do not develop Landfill Road and use existing Operator-provided depot facilities	Unit 22 services are operated from an existing southern satellite depot facility provided by the successful operator. Under this option, Greater Wellington relies on operator-provided depot infrastructure rather than providing dedicated depot facilities itself.
Option 3 – Greater Wellington develops and owns a southern satellite depot at Landfill Road	Option 3 – Develop Landfill Road as a depot	Greater Wellington develops and owns a southern satellite depot at the Landfill Road site to support Unit 22 services. The depot would provide strategically located operational infrastructure and remain under Greater Wellington ownership and control.
Option 4 – Market-provided southern satellite depot solution	Option 4 – Market-led development	Greater Wellington engages the market to identify, secure and provide a suitable southern satellite depot solution capable of supporting Unit 22 services. The location, ownership, delivery model and development approach would be determined through a market-led process.

These options represent a credible range of responses to the identified strategic problem. Collectively, they consider the use of existing depot infrastructure, utilisation of operator-provided facilities, direct investment in new depot infrastructure by Greater Wellington, and delivery of a depot solution through the market.

5.2 Assessment Criteria

The assessment criteria were derived from the investment objectives developed for this Initial Business Case and supplemented by an additional Achievability / Deliverability criterion. This additional criterion was included to ensure the assessment considered not only the extent to which each option contributes to the desired strategic outcomes, but also the practical ability to successfully implement and operate the option within required timeframes and constraints.

Criterion	Assessment Focus
Public Transport Outcomes	Considers the extent to which the option supports efficient, reliable and resilient public transport operations while enabling effective delivery of current and future network requirements. Relevant considerations include: - Operational efficiency and service performance. - Network reliability and resilience. - Fleet and workforce deployment requirements. - Alignment with future operating model requirements. - Flexibility to accommodate future service changes and network growth. - Contribution to emissions reduction objectives. In the context of this business case, particular consideration is given to the extent to which options support efficient operation of Unit 22 services, minimise non-revenue vehicle movements, and enhance long-term operational resilience.
Asset Control	Considers the extent to which the option supports Greater Wellington's strategic ownership, influence, and long-term control of public transport infrastructure required to deliver public transport services. Relevant considerations include: - Level of control over critical depot infrastructure. - Long-term infrastructure availability and security. - Strategic influence over depot location, capability, and future development. - Reduced dependency on third-party infrastructure decisions. - Flexibility to support future service procurement and network requirements. - Alignment with Greater Wellington's Strategic Public Transport Asset Control Strategy. In the context of this business case, particular consideration is given to the extent to which options provide long-term certainty of depot access and capability, while reducing operational and strategic risks associated with reliance on infrastructure outside Greater Wellington's control.

Criterion	Assessment Focus
Environmental Outcomes	Considers the extent to which the option avoids, mitigates, or improves environmental impacts while supporting sustainable public transport outcomes and responsible stewardship of public assets. Relevant considerations include: • Management and remediation of contaminated land. • Stormwater management and broader environmental effects. • Greenhouse gas emissions and energy consumption. • Reduction in non-revenue vehicle movements. • Responsible long-term stewardship of land and public assets. • Opportunities to enhance environmental outcomes over time. In the context of this business case, particular consideration is given to the management of site-specific environmental risks and the extent to which options contribute to reduced operational emissions and more sustainable long-term public transport operations.
Wider Community Outcomes	Considers the extent to which the option supports safe, accessible and effective public transport services while contributing to positive outcomes for communities, the regional economy, and the long-term wellbeing of Wellington's residents. Relevant considerations include: • Safety of public transport services and supporting infrastructure. • Public transport accessibility and connectivity. • Community wellbeing and quality of life. • Access to employment, education, and essential services. • Support for future growth and development. • Regional resilience and continuity of critical transport services. • Broader social and economic benefits arising from an effective public transport network. In the context of this business case, particular consideration is given to the extent to which options contribute to a safe, reliable and accessible public transport network that supports community wellbeing, regional resilience, and Wellington's long-term growth and development.
Achievability / Deliverability	Considers the extent to which the option can be successfully planned, approved, funded, procured, and implemented, taking account of delivery complexity, dependencies, risks, and operational requirements. Relevant considerations include: • Site availability, suitability, and readiness.

Criterion	Assessment Focus
	- Planning, consenting, and regulatory requirements. - Delivery timeframes and programme dependencies. - Construction and implementation complexity. - Operational integration and transition requirements. - Commercial, procurement, and market factors. - Availability of resources, specialist expertise, and supporting infrastructure. - Key risks, assumptions, constraints, and interdependencies. - Confidence in achieving required outcomes within expected cost and time parameters. In the context of this business case, particular consideration is given to the ability to secure, develop, and operationalise a depot solution within required timeframes, while managing implementation risks and supporting future Unit 22 service requirements.

5.3 Assessment Methodology

The options were assessed using a Multi-Criteria Assessment (MCA) framework based on the investment objectives outlined in Section 2.

Each option was assessed using a six-point scale ranging from 0 to 5, which measures the degree to which an option contributes positively to each assessment criterion.

Score	Assessment
0	Does not contribute to the criterion
1	Very low contribution
2	Low contribution
3	Moderate contribution
4	High contribution
5	Very high contribution

Weightings were applied to the assessment criteria to reflect their relative importance within the Multi-Criteria Assessment.

Criterion	Weighting
Public Transport Outcomes	40%
Asset Control	10%

Criterion	Weighting
Environmental Outcomes	15%
Wider Community Outcomes	15%
Achievability / Deliverability	20%
Total	100%

Public Transport Outcomes received the highest weighting because the primary purpose of the investment is to support delivery of Greater Wellington's public transport strategy and the efficient operation of future Unit 22 services.

Achievability and Deliverability received the second-highest weighting, reflecting the importance of identifying a solution capable of being implemented within the required operational timeframe.

The remaining criteria recognise the contribution of asset control, environmental outcomes and wider community outcomes to the overall investment decision.

5.4 Value for Money

Value for Money is a key consideration in determining whether investment is justified and is a core principle of the NZ Transport Agency's public transport procurement framework. In this context, Value for Money extends beyond capital cost and includes consideration of whole-of-life costs, operational efficiency, procurement outcomes, service delivery performance, asset utilisation and long-term network resilience.

Value for Money considerations have informed the development of the investment objectives, options assessment and overall evaluation undertaken as part of this Initial Business Case.

While a detailed financial and economic assessment of individual options is beyond the scope of the Initial Business Case, the location and availability of depot infrastructure have a significant influence on the long-term costs, operational efficiency, resilience, and effectiveness of public transport services.

A future Value for Money assessment will consider factors including:

- Capital investment requirements.
- Operating cost implications.
- Non-revenue vehicle movements and associated costs.
- Procurement and market participation impacts.
- Asset ownership and control considerations.
- Environmental costs and benefits.
- Service reliability and resilience outcomes.
- Whole-of-life costs and benefits.

The Detailed Business Case will undertake a comprehensive assessment of costs, benefits and value for money before any future investment decision is considered by Council.

5.5 Multi-Criteria Assessment Results

The raw, non-weighted results of the MCA are shown below. The maximum available raw score was 25.

Option	Public Transport Outcomes	Strategic Public Transport Asset Control	Environmental Outcomes	Wider Community Outcomes	Achievability / Deliverability	Raw Score
Option 1	1	4	1	1	5	12
Option 2	1	1	1	3	2	8
Option 3	5	5	3	3	4	20
Option 4	3	3	2	3	1	12

Applying the agreed weighting factors produced the following results.

Option	Weighted Score	Rank
Option 1	2.1	3
Option 2	1.9	4
Option 3	5.0	1
Option 4	2.7	2

Option 3 achieved both the highest raw score and the highest weighted score. It performed particularly strongly against Public Transport Outcomes and Asset Control and also achieved positive scores across the remaining assessment criteria.

Option 4 ranked second. While a market-led solution has the potential to provide positive public transport, asset-control and community outcomes, the uncertainty associated with site availability, timing, location, suitability and delivery resulted in a lower Achievability / Deliverability score.

The assessment recognised that a market-provided solution could ultimately perform better or worse than indicated by the MCA depending on the characteristics of any future proposal. However, the absence of a defined solution limited confidence that the option would reliably achieve Greater Wellington's strategic objectives.

5.6 Assessment Findings

Option 1 - Operate Unit 22 from Grenada Depot

This option would avoid the costs, risks and complexity associated with developing Landfill Road and would utilise depot infrastructure already controlled by Greater Wellington.

However, the option would not provide a southern satellite depot solution for Unit 22. While operationally feasible, reliance on Grenada Depot alone would require significant non-revenue vehicle movements between the depot and southern Wellington services.

This would be expected to result in increased operating costs, greater workforce inefficiencies, increased emissions and reduced operational flexibility when compared with a strategically located southern satellite depot.

The option achieved relatively strong scores for Asset Control and Achievability / Deliverability but performed poorly against Public Transport Outcomes, Environmental Outcomes and Wider Community Outcomes.

Option 2 - Operate Unit 22 From an Existing Operator-Provided Southern Satellite Depot

Under this option, Unit 22 operations would rely on existing depot infrastructure provided by the successful operator.

While this may avoid the need for Greater Wellington to directly develop Landfill Road, it would provide limited control over strategically important infrastructure and would maintain reliance on privately controlled assets.

The location, suitability, capacity, commercial arrangements and long-term availability of any operator-provided depot solution have not been confirmed. Consequently, the option may not align with Greater Wellington's long-term public transport, procurement or asset-control objectives.

This option achieved the lowest raw and weighted scores and performed poorly across most assessment criteria.

Option 3 - Greater Wellington Develops and Owns a Southern Satellite Depot at Landfill Road

The option would provide strategically located depot infrastructure capable of supporting efficient operation of Unit 22 services. As a southern satellite depot, it has the potential to reduce non-revenue vehicle movements, improve workforce utilisation, strengthen service reliability and improve network resilience.

The option would also provide Greater Wellington with a high degree of control over strategically important infrastructure and reduce long-term reliance on privately controlled depot facilities.

Development of the site would require further investigation and carries geotechnical, contamination, planning, consenting, utility, stakeholder, funding and delivery risks. These matters will require detailed assessment through the Detailed Business Case.

Notwithstanding these risks, Option 3 achieved the highest score under both the raw and weighted assessments and demonstrated the strongest alignment with the investment objectives.

Option 4 - Market-Provided Southern Satellite Depot Solution

This option would engage the market to identify and deliver a depot solution capable of supporting Unit 22 operations.

A market-led approach may provide access to private-sector expertise and could potentially deliver positive operational, environmental and community outcomes.

However, these outcomes cannot be confirmed until a specific market proposal is available. Any solution developed by the market is likely to be influenced primarily by commercial considerations and may not fully align with Greater Wellington's strategic, operational, environmental or community objectives.

Previous site identification work demonstrated that opportunities capable of supporting depot activities within southern Wellington are extremely limited. Suitable sites are scarce, difficult to secure, and subject to significant physical, planning and market constraints. This reduces confidence that an equivalent opportunity could be identified, secured and developed through a future market-led process within the required timeframe.

The location, availability, timing, capacity and long-term viability of a market-provided solution are also uncertain, resulting in a low Achievability / Deliverability score.

5.7 Assessment Outcome

Based on the completed MCA, Option 3 - Greater Wellington develops and owns a southern satellite depot at Landfill Road achieved the highest score of the options assessed.

Option 3 achieved the highest raw score (20 out of 25) and the highest weighted score (5.0), substantially outperforming the remaining options. The assessment concluded that it provides the strongest alignment with the investment objectives and the most effective response to the identified strategic requirement based on currently available information.

While the assessment has provided an initial indication of the relative strengths and weaknesses of each option, further information and analysis is required before the relative viability of the options can be fully assessed. In particular, the outcome of the Unit 22 procurement process is expected to provide important information regarding future depot requirements, commercial arrangements, costs and delivery considerations. The Detailed Business Case phase will undertake this further analysis and determine whether any options can be discounted before a preferred investment response is identified.

Importantly, identification of Option 3 as the highest-scoring option does not constitute approval to construct a bus depot or commit implementation funding. Rather, based on the information available at this stage, the assessment indicates that Option 3 demonstrates the strongest alignment with Greater Wellington's investment objectives and assessment criteria.

The Detailed Business Case will further assess the options identified through the Initial Business Case and develop the Economic, Financial, Commercial and Management Cases required to determine their relative viability and identify the preferred investment response. This work, together with the outcomes of the Unit 22 procurement process, will evaluate feasibility, affordability, deliverability, costs, benefits, risks, commercial implications and value for money, providing the evidence base required for Council to determine the preferred investment option and future course of action.

6 Risk Assessment

The Initial Business Case has identified a range of potential options capable of responding to Greater Wellington's long-term depot requirements for Unit 22. While the assessment has provided sufficient confidence to justify progression to a Detailed Business Case, a number of strategic, technical, commercial, financial, and stakeholder risks remain and will require further investigation.

The most significant risks identified at this stage are:

Technical and Site Delivery Risk

Engineering, geotechnical, environmental, servicing, and planning investigations may identify constraints that affect the feasibility, cost, timing, or deliverability of individual options.

Commercial and Procurement Risk

The final Future Bus Services Contract procurement outcomes, including operator depot arrangements, dead-running impacts, depot contingency requirements, and associated commercial considerations, may influence the relative benefits and costs of the viable options.

Financial and Affordability Risk

Detailed capital costs, operating costs, whole-of-life costs, and funding requirements have not yet been established. Future analysis may affect affordability assessments and influence the preferred investment response.

Stakeholder and Community Risk

Stakeholder, community, mana whenua, and regulatory perspectives may influence option acceptability and future decision-making. In relation to Landfill Road, feedback received to date has highlighted concerns regarding traffic and transport effects, environmental impacts, site resilience, and the potential implications of future depot activities for surrounding communities.

Programme Delivery Risk

The timing of investigations, approvals, procurement activities, and implementation planning may affect Greater Wellington's ability to establish a long-term depot solution aligned with future Unit 22 operational requirements.

The risks identified through this Initial Business Case highlight the need for further technical, commercial, financial and operational analysis. The Detailed Business Case will provide the evidence required to assess these risks, determine their implications for the options identified through the Initial Business Case, and evaluate the relative viability of those options to support future Council decision-making.

7 Recommendations

It is recommended that Council:

- a) **Note** the strategic requirement for a fit-for-purpose, secure and sustainable long-term bus depot solution supporting future Unit 22 operations.
- b) **Note** the findings of the options assessment, including the relative performance of the options considered against the investment objectives and assessment criteria.
- c) **Approve** progression to the Detailed Business Case stage to enable development of the Economic, Financial, Commercial and Management Cases, and further development and assessment of the options identified through the Initial Business Case before a preferred investment response is recommended for Council consideration.

8 Next Steps

Subject to Council approval, Greater Wellington will progress to the Detailed Business Case stage to further assess the options identified through the Initial Business Case and develop the Economic, Financial, Commercial and Management Cases required to support future decision-making.

Key activities during the next phase will include:

- Technical, environmental, planning, engineering and site investigations.
- Assessment of operational requirements and future depot arrangements for Unit 22.
- Development of the Economic, Financial, Commercial and Management Cases.
- Evaluation of procurement, delivery, ownership and implementation options.
- Assessment of costs, affordability, funding requirements and value for money.
- Consideration of Future Bus Services Contract procurement outcomes and their implications for future depot requirements.
- Engagement with mana whenua, affected communities, operators and other stakeholders.

As part of this work, Greater Wellington intends to lodge a land use consent application for the Landfill Road site to better understand planning requirements, potential consent conditions and implementation risks. Lodgement of a consent application does not constitute a decision to develop a depot and does not predetermine any future Council decision regarding the site.

Funding of approximately \$2.3 million has been approved to support these investigations and activities. The approved funding allocation is considered sufficient to complete the next phase of work and no additional funding approval is required at this stage.

Should Council subsequently decide to proceed with a depot investment, funding provision exists within the Long Term Plan 2024-2034 through Greater Wellington's Strategic Public Transport Asset Control Strategy. Any future recommendation regarding depot development, implementation funding, procurement or delivery would be subject to separate Council consideration.

On completion of the Detailed Business Case, Council will be provided with the information required to assess the feasibility, costs, benefits, risks, affordability, deliverability and value for money of the available options and determine the preferred future course of action.