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Listed below are the most commonly used grounds from the OIA.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by <ul style="list-style-type: none"> (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Auckland Light Rail (ALR) Sponsors meeting KAUPAPA / AGENDA

Time and date	3.30-4.30pm, Tuesday 27 September 2022
Location	Out of Scope
ALR Sponsors	Hon Michael Wood (Chair) Hon Minister Grant Robertson Phil Goff, Mayor of Auckland Bill Cashmore, Deputy Mayor of Auckland
Also in attendance	Dame Fran Wilde – Chair, Auckland Light Rail Board
Officials	Bryn Gandy, Gareth Fairweather, Chris Gulik, Kerry Lambeth and Tristan Coulson – Ministry of Transport Ben Wells – The Treasury Mary Barton and Natasha Tod – Ministry of Housing and Urban Development Megan Tyler and Vanessa Blakelock – Auckland Council Tommy Parker and Lucy Riddiford – Auckland Light Rail Group
Apologies	Hon Megan Woods

Wā / Time	Tūemi / Item	Arahi / Lead
-	1. Welcome	Minister Wood
10 mins	2. Update from the ALR Group	Tommy Parker and Lucy Riddiford
20 mins	3. Verbal update on the set up of Auckland Light Rail Limited and the Project Planning Agreement (PPA)	Chris Guilik
15 mins	s 9(2)(b)(ii)	
10 mins	5. Reporting on the policy work programme	Gareth Fairweather and Kerry Lambeth
5 mins	6. Discussion on format of future Sponsors meetings, and topics for discussion	Minister Wood / All



GROUP

Sponsor paper

To:	Project Sponsors
Meeting date:	27 September 2022
Subject:	ALR Group Project Update
Pages:	5 + 3 appendices

A. Purpose

1. This is the ALR Group report for the sponsors' meeting on 27 September 2022. There are no key decisions sought in this paper.

B. Contents

2. This paper covers:

- Recommendations
- Project Update
- Key risks

C. Recommendations

That the Sponsors **note** the contents of this paper.

D. Project update

D.1 Setting up the company

3. The establishment of the company is on track. We are grateful for the support of sponsors, Ministers and officials and understand that, subject to decisions of Cabinet, the company will be set up in the first week of October.

4. We are on track from an operational perspective and the Chair will be in a position to provide assurance to Ministers that we are ready to operate as a company.

Specifically:

- We have been working closely with the Ministry of Transport and other policy agencies to support a range of decisions by Cabinet and Ministers
- The Directors have signed the consent to act as director forms

- The Board has resolved to open a bank account. We have initiated conversations with the BNZ and will open the account as soon as we have a company number (which will also enable us to get an IRD number)
- We have engaged Marsh as an insurance broker and we are on track to have appropriate insurances in place
- The Board has approved policies required for the company (Code of Conduct, delegations, procurement etc)
- We have selected a finance management system, which is being implemented and we have selected a payroll provider
- s 9(2)(g)(i)
- Contracts with suppliers have been novated to the Ministry and we have an established process with all suppliers to migrate them to the new company
- The Project Planning and Funding Agreement is well advanced and delegations are in place to the Chair to sign it
- The Chair has the delegation to provide assurance to Ministers that the company is sufficiently ready from an operational perspective to be established
- We have signed the licence with City Rail Link Limited for the new premises at level 3 of the CPO building above Britomart and we are on track to move into the office in early to mid-October, with the Alliance.

D.2 Procurement of professional services

5. The preferred proponent for the Urban, Engineering and Planning Alliance will be confirmed on 23 September. We will provide a verbal update on who has been appointed at the sponsors' meeting.
6. The other procurement processes have been completed, or are on track:
 - *Operations and maintenance (O&M)* – As part of the preconstruction planning phase of the project there is a requirement for specialist Operations and Maintenance (O&M) advice to ensure that O&M requirements are adequately considered, informing the optioneering associated with the Corridor Business Case, potential depot development and other key decisions. Procurement of an O&M Advisor was prioritised such that they could be established in advance of the successful UEP Proponent team being confirmed, noting that these skills are primarily located outside of New Zealand. We have appointed SNC-Lavalin. They are a successful firm, with a global presence and they have recently acquired Atkins, who are also well established in this field.

- *Legal services* - Legal services for the preconstruction planning phase are required in the areas of consenting (RMA), property, commercial and general. Securing consenting and property legal services are a priority for the ALR project with lodgement of designation plans and Notice of Requirement targeted by July 2023 (critical path items). An open tender process for the ALR Consenting (RMA) and Property legal services is nearly complete, with the preferred proponents to be advised in the week commencing 19 September. We will provide a verbal update on the preferred proponent at the meeting. Procurement of general and commercial legal services for the ALR project will be through the existing All of Government external legal services panel.
- *Commercial advisers* – we have deferred the procurement of commercial advisers to support the business case. This is because we want to work with the Alliance to identify what skills they will be bringing and what we need to procure. This will be the next procurement.

D.3 Communications and engagement

7. There is continued business as usual communications and engagement, primarily focused on meeting with targeted key stakeholders, local community and business groups.
8. Planning is progressing for the next round of engagement which will begin in late October. This will now be an 'inform and educate' level of engagement to ensure continued understanding and visibility of the project ahead of consultation in early 2023, which will inform decision making on route and station locations. Illustrations will be used to start introducing transit-oriented development concepts which are central to Auckland Light Rail objectives.
9. The engagement will take place alongside activities being carried out at the same time by the Additional Waitematā Harbour Connections team to promote an understanding and narrative to demonstrate how the two projects will work together as part of Auckland's wider mass rapid transit network. Both teams will contribute to respective engagement activities. A supporting advertising and social media campaign will promote attendance at community events.
10. Other work underway includes updating the Auckland Light Rail website to be more user friendly and developing new ways to ensure continuous visibility in communities beyond the specific engagement phases. This includes a permanent presence at the Kāinga Ora community hub in Māngere, one of our key project locations. This will be operating in time for the October engagement phase.
11. Production is also underway on a mobile hub. The airstream caravan will be used at community and key events and work is underway for relevant permits for it to be positioned in the square at Britomart when not in the wider community. Inside it will include a projector to play video, an interactive tool to stimulate thinking and

conversations about urban hubs. Planning is also underway for the caravan to be used as a float at this year's Farmers Santa Parade.

12. Among the stakeholder meetings this month there has been a positive engagement with Auckland International Airport Limited. Support from AIAL will enhance the benefits of Auckland Light Rail in the Corridor Business Case. Planners from both teams will be working together on details for integrating the Auckland Light Rail route and stations into AIAL's precinct development.
13. A briefing has been provided for inclusion in induction materials being prepared by Auckland Council for the new Mayor and councillors, following the inauguration in October.

s 9(2)(f)(iv)

D.5 Master budget

17. The master budget is attached as Appendix A. It contains actuals and commitments to 31 August 2022.
18. The structure of the budget and categories is the same as the draft in our last sponsors' report.
19. The numbers have changed based on feedback from the Ministry and Treasury that we can use the full value of the appropriation (\$189.465m), which includes the \$9.902m that was cashflow in the prior financial year and the \$0.72m in the 24/25 financial year, which we previously excluded.

20. We have also corrected the contingency calculation to be based on % of the overall appropriation value, rather than percentage on top of the base costs, consistent with feedback from officials on the report.
21. The Board of the new company will need to approve the annual budget. The phasing and breakdown of this budget may change as a result of that approval process, but once approved it will be the budget used to report variances to budget.

D.6 Schedule

22. The two year and six month schedules are attached in Appendix B. The three key focuses for the team are setting up the company, procurement and getting ready for the alliance and communications and engagement with the community.

E. Key Risks

23. The Key risks and mitigations, including trend analysis are set out in Appendix C. The overall risk profile of the project remains consistent. More certainty as to the Delivery Entity and the near completion of the procurement processes for professional services are positive factors in terms of the overall risk.
24. Accelerated timeframes continue to pose challenges.

Policy Work Programme Update

23 September 2022

Purpose

- Provides Sponsors with key updates on the progress being made on the policy work programme, including milestones reached since Sponsors last met, current areas of focus, and key priorities for Sponsors going forward.

Recommendations

ALR Sponsors are invited to:

- **Note** the updates provided in this paper
- **Agree** to the scope of the policy workstreams outlined in Annex A
- **Agree** to receive an update at the next Sponsors meeting on the proposed approach to urban development to inform station location and route alignment decisions

Background

- 1 An overview of the policy work programme is shown in Annex A, showing the scope of individual workstreams and deliverables, upcoming milestones, and agency responsibilities.
- 2 This table is a refinement of the draft policy workstream scope table that was developed and agreed between the Crown and Auckland Council as part of the development of the Sponsors Agreement Heads of Terms earlier this year.

3

s 9(2)(f)(iv)

Progress made since last meeting

- 4 A significant focus from Crown agencies has been towards setting up the new ALR company, the associated contractual and procurement arrangements, and agreeing and implementing the governance arrangements. This has been undertaken alongside work to initiate other important workstreams associated with funding and finance and the final delivery arrangements.

5

s 9(2)(f)(iv)

Sponsors arrangements, including confirming mana whenua Sponsor representatives

- 6 A Letter of Commitment has been prepared in the absence of a finalised Sponsors Agreement, to be issued by Sponsoring Ministers to Auckland Council alongside the establishment of the ALR Company and the entering into of the Project Planning Agreement.

7

s 9(2)(f)(iv)

8

Standing up the ALR Company

- 9 Following agreement by Sponsors that both the Crown and Auckland Council would enter into the PPA with the ALR Company, officials have been working with the Council and the ALR Unit to develop a draft PPA.
- 10 This has also involved a range of work in a number of other areas, including:
- Preparing the ALR Company's constitution
 - Seeking the necessary decisions required to incorporate the Company
 - Preparing for upcoming Cabinet decisions required to add the new Company to Schedule 2 of the Crown Entities Act 2004
 - Preparing the Letter of Expectations from Ministers to the ALR Board
 - Taking forward the necessary approval pathways to ensure the Interim Project Alliance Agreement can be entered into once the preferred urban, engineering and planning alliance partner has been identified
- 11 The Ministry of Transport is also supporting Ministers in progressing further appointments to the ALR Board.

Ultimate delivery arrangements (construction phase), ownership and operating model

- 12 Following agreement by Sponsors for Auckland Transport to act as the proxy owner and operator, further discussions have been held with Auckland Transport in preparation for an upcoming workshop with relevant agencies. This will work through the various technical and operational matters that the future ownership and operating model will need to accommodate.
- 13 An initial options paper concerning ownership and operating arrangements will be considered by Sponsors in late 2022/early 2023.

Funding and Finance

- 14 Following a series of discussions between Sponsor Agencies and with the ALR Unit, a draft letter that sets out guidance in respect of funding and finance has been provided to the ALR Unit for feedback. Following a briefing to Ministers in late-September, this letter will be issued to support the new ALR Company in the development of its business case.
- 15 Advice on options for progressing value capture mechanisms to inform the broader funding and finance work programme has been provided to Sponsoring Ministers for

feedback. It is expected that direction from Sponsoring Ministers will be reflected in the final letter to be issued to the ALR Company.

Current areas of focus

- 16 There are a number of policy workstreams that are emerging in their prioritisation, which require particular focus in the immediate term.

Implementing the PPA

- 17 Agreeing the PPA and establishing the new ALR Company will represent a significant milestone for the project.

s 9(2)(f)(iv)

Legislative pathway and Resource Management reforms

- 20 Advice to Sponsoring Ministers is being prepared to confirm a pathway for any necessary legislative amendments or new legislation required for the delivery, funding, operation and regulation of light rail.
- 21 The timings and transitional arrangements associated with legislation that will replace the current Resource Management system are evolving and still to go through select committee. The desire to avoid this period of uncertainty and designate the corridor under the current system is a driving factor to many of the timeframes that underpin ALR Unit's work programme.
- 22 Discussions with agencies including the Ministry for the Environment (MfE) and Te Waihanga will clarify the extent to which the RM reforms could provide additional viable consenting pathways for further investigation. Any viable pathways will be set out in advice on a future legislative pathway.

s 9(2)(f)(iv)

s 9(2)(f)(iv)

Key priority - approach to urban development

s 9(2)(f)(iv)

- 31 The approach being taken must meet sponsor ambitions and expectations. Early oversight is also particularly important s 9(2)(f)(iv)
- 32 It is important that Sponsors set clear expectations on the approach being taken to the assessment of urban development opportunities within the Corridor, so that decisions on preferred station location and route alignment can be made having regard to the desired scale and level of intensification along the Corridor.
- 33 We recommend that Sponsors **agree** to receive an update at the next Sponsors meeting on the proposed approach to the urban development to inform station location and route alignment.
- 34 Sponsors may wish to dedicate some time in the next meeting to discussing this in greater detail.

Attachment for Item 5: Policy work programme for Auckland Light Rail – workstreams

	Ultimate deliverable	Next milestone (as at 22 September 2022)	Owner
Establishing the DPP governance and structures			
Sponsors Agreement	Sponsors Agreement finalised and agreed between all the Sponsors, i.e. Crown, Auckland Council and mana whenua.	s 9(2)(f)(iv)	MoT
Standing up ALR Ltd	<p>The establishment of the Company is expected on 6 October 2022. This requires the following:</p> <ul style="list-style-type: none"> PPA is signed by the Crown, council and the ALR Company the Company is incorporated, and Cabinet agrees the Order in Council to put it on Schedule 2 of the Crown Entities Act 2014 Ministers receive assurance from the ALR Board that the Company has the necessary processes, systems and policies in place to meet its responsibilities and obligations. <p>All of these matters must be in place before the transfer of responsibilities to the Company.</p>		MoT (with ALR Unit)
Board appointments	Appointment of a full ALR Board.		MoT
Integrated programme plan	A programme plan incorporating the policy work of the Crown and Auckland Council and the ALR Unit's work programme, showing key milestones, Sponsor decision points, and interdependencies, and that allows all-of-programme monitoring and risk management, including keeping Sponsors informed of any emerging risks and issues.		MoT (with ALR Unit)
Business case review and assurance	Ensure Crown requirements for the business case, assurance arrangements and the related Crown review processes are well developed and implemented.		MoT/TSY

Future state – transport			
Ownership of infrastructure	Determine and agree the ultimate ownership arrangements for Auckland Light Rail.	s 9(2)(f)(iv)	MoT
Operating model of infrastructure	Determine and agree the ultimate operating model for Auckland Light Rail.		MoT
Future state – urban and spatial			
Vision for the corridor	Determine and confirm the corridor definition and vision for the corridor, including urban development ambition (extent of the urban transformation, growth and intensification)		AC
Urban development	Identification of any additional interventions required to advance urban intensification in the ALR corridor including when these are required and who is responsible for implementation. This will be informed by work being undertaken by the ALR Alliance and Auckland Council.		MHUD
Future state – system			
Construction phase delivery arrangements	Determine and agree appropriate delivery arrangements for the long-term ALR programme, and determine an approach to transitioning to these.		MoT
Funding and financing			
Funding principles and tools – core transport	Policy parameters and guidance to enable the Unit to develop a funding and financing package for core transport in the DBC		MoT/TSY (with MHUD)
Funding and commercial opportunities – urban development	Policy parameters and guidance to enable the Unit to develop a funding approach, including identifying commercial opportunities, in the DBC		MoT/TSY (with MHUD)

		s 9(2)(f)(iv)	
Financing arrangements	Policy parameters to enable decisions on appropriate financing settings for the programme and deliver the necessary arrangements to facilitate these settings.		MoT/TSY (with MHUD)
Sponsor financial arrangements	Policy work to support Sponsor agreement on funding splits and use of revenue raising tools to fund the project.		MoT/TSY (with MHUD)
Financial delegations and controls	Support the establishment of clear and agreed processes around financial management and monitoring of the project and for scope or cost changes as they arise.		MoT/TSY (with MHUD)
Implementation and transition			
Legislative pathway	Understanding of the approach to delivering the ALR programme through legislative change, including any legislative bids if necessary.		MoT

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Other work in the programme

	Strategic purpose	Owner
Programme management and delivery		
All-programme management	Monitor and manage the wider ALR programme, including owning the integrated programme plan	MoT
Secretariat support	Ensure Sponsors meetings and other governance decision-making bodies receive robust advice and support to enable quality decision-making.	MoT
Monitoring the ALR company	Establish and implement a Monitoring and Assurance Framework for use by the Ministry of Transport in respect of the ALRL Company and the related requirements included in the draft PPA.	MoT
Alignment with other government infrastructure programmes	Monitor and ensure alignment with other key Government infrastructure projects and programmes, such as the Additional Waitematā Harbour Connections and Kāinga Ora Large-Scale Projects	MoT
Alignment with other government decision-making cycles and policies	Monitor and ensure alignment with decision-making at various levels of government in Aotearoa New Zealand, such as the Auckland Transport Alignment Project (ATAP); the Government Policy Statement (GPS) on Land Transport; the Auckland Regional Land Transport Plan	MoT
Future workstreams		
<i>Establishing governance for delivery model</i>	Dependent on 'Construction phase delivery arrangements' workstream outputs	
<i>Operational phase organising model</i>	Dependent on 'Construction phase delivery arrangements' workstream outputs	