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From: Brigid Wills [REDACTED]

Sent: Wednesday, 19 June 2019 4:56 PM

To: 'Stephen Town' [REDACTED]; Andrew Crisp

[REDACTED]; 'Shane Ellison'

[REDACTED]; 'Greg Miller' [REDACTED]; 'Vicky

Robertson' [REDACTED]; 'Lewis Holden' [REDACTED]; 'Jon

Grayson [TSY]' [REDACTED]; [REDACTED]; Bryn Gandy

[REDACTED]; Siobhan Routledge [REDACTED];

[REDACTED]

Cc: [REDACTED]; 'Denise Sheehan' [REDACTED]

[REDACTED]; 'Narelle Cooper (AT)' [REDACTED];

[REDACTED] Carol McIntosh [SSC]

[REDACTED]; 'Alison Havill [TSY]' [REDACTED]; Brigid Wills

[REDACTED]; Karen Lyons [REDACTED] Anne-Marie Horsburgh

[REDACTED]

**Subject:** Agenda and papers for the Auckland Light Rail Governance Group meeting on Friday at 3.00pm

Good afternoon all

Please see attached the agenda and papers for this Friday's Auckland Light Rail Governance Group meeting being held by VC at both Auckland and Wellington NZTA offices from 3.00pm – 4.00pm.

Many thanks to all for making yourselves available for this meeting.

Happy to discuss

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**Brigid Wills**

Executive Assistant to the Chief Executive

**Ministry of Transport – Te Manatū Waka**

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*The Ministry of Transport is on the move - from 1 April, our new address is: Ground Floor, 3 Queens Wharf, Wellington 6011. All other contact details remain the same.*

<b>To:</b> Light Rail Governance Board	MEMORANDUM
<b>From:</b> Karen Lyons, Director Auckland, Ministry of Transport [REDACTED], Auckland Strategic Adviser, Ministry of Transport	
<b>Date:</b> 21 June 2019	

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## Auckland Light Rail Proposed Outcomes

### Purpose of report

To endorse proposed outcomes for the City Centre to Māngere (CC2M) project which will provide direction for the next phase of the project.

### Background

1. Cabinet has agreed the next steps to identify the optimal way to fund, finance and construct the City Centre to Māngere light rail in Auckland. This involves NZTA continuing to develop its proposal and NZ Infra being invited to develop a proposal for the light rail corridor.
2. The Ministry is currently preparing a document to specify requirements and the criteria for analysis of the proposals. This will include a clear statement of outcomes the project should deliver.

### Expectations for CC2M

3. ATAP 2018 described the expectations of the CC2M in terms of alleviating bus capacity constraints in the city centre, improving access to employment, unlocking growth potential along the corridor, and providing a reliable 'one seat journey' between the city centre and airport. However, these expectations were not prioritised or potential trade-offs worked through.

4. [REDACTED]

Withheld as the information is commercially confidential and to protect the confidentiality of advice tendered by Ministers or officials

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5. [REDACTED]

### Proposed outcomes for CC2M

6. Drawing on ATAP and other thinking, an outcomes framework has been developed (attached) to provide direction for the next stage, giving clarity to NZTA and NZ Infra at the outset on how their proposals will be analysed.
7. The framework contains five objectives broadly focused on:
  - (i) contribution to and integration with Auckland's current and future transport network
  - (ii) access to opportunities
  - (iii) optimisation of the environment
  - (iv) quality and integrated urban communities
  - (v) quality and highly patronised service.
8. Criteria are proposed for each objective and will be critical components of the options analysis phase. Further refinement of criteria and how these are measured is required. An important consideration is how the criteria and measures will help to distinguish the two proposals in the analysis.
9. The outcomes form one part of the options analysis only. They will be complemented by other criteria relating to, for example, funding and deliverability. All criteria will be specified at the commencement of the proposal development phase.

### Engagement

10. The Ministry has led the development of the proposed outcomes framework, working with ATAP partners throughout the process. This has included seeking guidance from the Auckland Light Rail Steering Group, holding a number of one-to-one discussions with subject matter experts from the various agencies<sup>1</sup>, and holding a workshop with the Steering Group and key technical staff. The Steering Group has not been asked to formally endorse the proposed outcomes framework.

### Next steps

11. Endorsement of the proposed outcomes framework will be sought from the core Ministers group<sup>2</sup> by the end of June 2019. This group has been established to provide direction to officials during this next phase of work.

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<sup>1</sup> Auckland Council, Auckland Transport, NZTA, HLC, MHUD, Treasury.

<sup>2</sup> Minister of Finance, Minister of Transport, Minister of Housing and Urban Development, Minister for Infrastructure, Minister for the Environment, Associate Minister of Transport.

## Recommendations

1. Endorse the proposed City Centre to Māngere Light Rail outcomes framework for recommendation to the core Ministers group.
2. Note that further work will be carried out to finalise the evaluation criteria and measures to support the options analysis phase.

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**Auckland Light Rail – Chief Executives Group  
Meeting Agenda**

<b>Chairperson</b>	Peter Mersi, Ministry of Transport
<b>Date/Time</b>	Friday 21 June, 3:00 – 4:00pm
<b>Location</b>	By video conference:  Auckland NZTA Office – Level 11 - HSBC 11.18 Kauri Wellington NZTA Office – Level 5 CL 5.07
<b>Attendees</b>	Mark Ratcliffe – New Zealand Transport Agency Shane Ellison – Auckland Transport Greg Miller – KiwiRail Vicky Robertson – Ministry for the Environment [by video conference] Lewis Holden – State Services Commission Jon Grayson – Treasury Megan Tyler – Auckland Council Brad Ward – Ministry of Housing and Urban Development  Bryn Gandy, Karen Lyons, Siobhan Routledge – Ministry of Transport
<b>Apologies</b>	Stephen Town, Auckland Council Andrew Crisp, Ministry of Housing and Urban Development

**Agenda**

- 1) Update on the Government's agreed approach and key next steps
- 2) Governance and working arrangements for the Auckland Light Rail project
  - a. Review TOR and conflict of interest policy for the Governance Group [attachments]
  - b. Note and provide any feedback on a draft TOR for the Ministers Group [attachment]
  - c. Initial discussion on working arrangements at working level, including what may be required from agencies to support the process [attachment]
- 3) Provide feedback on draft outcomes for the light rail project [attachment]
- 4) Discuss initial appointments to the lead team, discuss possible skill requirements for the duration of the project.

## ALR Governance Group Conflict of Interests Policy [DRAFT ONLY]

### Overview

In their capacity as members of the Auckland Light Rail (ALR) Governance Group (the Group), every member must act at all times in the **best interests of the New Zealand public *and* the people of Auckland**.

It is critical that the recommendations made to Cabinet by the Group, and the decisions, direction and oversight provided by the Group, can withstand public scrutiny and any potential legal challenge. This includes the appropriate management of any Conflict of Interests.

The purpose of this policy is to provide guidance to the Group on what constitutes a conflict of interests and to assist the Group in identifying, disclosing and managing actual, potential and perceived conflicts.

### Members responsibilities

Group members have a responsibility to subordinate organisational, personal, individual business, third-party, and other interests to the best interests of the NZ public *and* the people of Auckland with regards to the Auckland Light Rail project.

Members must identify and declare any real, potential or perceived conflict of interests for the organisation they represent, or for themselves personally.

A conflict is not necessarily bad or harmful. However, full disclosure and a determination by the disinterested Group members on the appropriate action is required.

### Identifying a conflict

A conflict of interests may exist when a reasonably informed objective observer would infer from the circumstances that the member's judgement is likely to be influenced to the detriment of the best interests of the New Zealand public *and* the people of Auckland.

An **actual conflict** is where circumstances are or could be perceived to influence the member's judgement to the detriment of the best interests of the New Zealand public *and* the people of Auckland.

A **potential conflict** occurs where it is reasonably probable that in future, an actual conflict will come into play.

A **perceived conflict** is where even though no actual or potential conflict is present, there is a high chance that public scrutiny will result in the perception that there is a conflict.

Key questions members can ask themselves in identifying a conflict:

- What would a reasonable person think?
- What would this look like as headline news?
- Would you be willing to stake your own, or your organisation's reputation on the impartiality and good faith of your decision?

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## Declaration of conflict of interests

Members must submit declarations prior to the first meeting of the Group. A declaration form is set out below. This form includes a requirement for the Group member to include a plan for how the conflict might best be managed.

The Group is then collectively accountable for the management of the declared conflicts.

Any new conflicts that arise (or change) following the first group meeting should be declared at the beginning of the next available meeting.

Where it may be significant, the Group Chair should be informed a new conflict (or a change) has arisen as soon as possible.

## Managing a conflict of interests

There are a range of ways the Group may choose to manage conflicts. These include:

- Determining there is no (significant) conflict
- Noting the conflict and proceeding as normal
- The member contributing to a discussion but abstaining from a decision
- The member withdrawing from a discussion and abstaining from a decision

When a conflict of interests may need to be managed within a member's organisation, they could:

- Utilise NDAs and/or confidentiality agreements for employees or contractors involved in the work
- Ensure work practices create a clear and actual separation of responsibilities, access to information and lines of oversight
- Initiate mechanisms to assure the group that the conflict is being managed effectively

## The record

The secretariat function will ensure the record of declarations and group decisions about all conflict of interests is properly maintained.

## Conflict of interests declaration

The table below sets out the information a member should provide in a declaration of a conflict of interests.

Date of disclosure	
Name & organisation	
Type of conflict	<Personal or Organisational>
Briefly describe the conflict	
Proposed management	
Any additional comments	

## ALR Governance Group Terms of Reference [DRAFT ONLY]

### 1. Constitution

The ALR Governance Group is a temporary group that has been constituted to provide strategic oversight for the Auckland Light Rail (ALR) project's next phase – options analysis.

The need for the group will be reviewed at the end of this phase to determine the governance structure that would best serve the next phase of the project.

### 2. Role and responsibilities

The primary purpose of the ALR Governance Group for this phase is to ensure the preferred option for Auckland Light Rail put to the government will **best meet the needs and interests of New Zealand and the people of Auckland.**

Responsibilities include:

- Provide the strategic context and oversight, including advising on the required outcomes of the investment and overseeing this phase of work.
- Ensure the strategic alignment of the investment with the wider Auckland Transport Alignment Project and NZ's broader transport needs.
- Ensure there is an even-handed and open-minded approach to developing and assessing the options.
- Ensure the necessary resources are committed to ensure the development and analysis of the two options is robust, comprehensive and able to deliver a successful outcome for NZ.
- Provide the leadership to ensure there is cohesive and coherent advice and dialogue between Ministers, Cabinet and the Auckland Council.
- Hold the Senior Responsible Owner (SRO) accountable for ensuring the work is done to the necessary standard to make a sound decision, stakeholders are engaged appropriately, risk is managed and timeframes are met.

### 3. Authority and decision-making

The decision to proceed with an Auckland Light Rail project was made by Cabinet in May 2018 ref DEV-18-MIN-0059.

The decision to undertake an assessment of two specific options (one led by NZTA and one proposed by NZ Infra) was taken in May 2019 ref DEV-19-MIN-0141.

The ALR Governance Group's mandate is underpinned by these decisions. The group's decision-making authority is provided through each member's substantive role, delegations and accountabilities.

#### 4. Board membership

The ALR Governance Group membership is set out in the table below:

Name	Role	
Peter Mersi	Chair	Chief Executive, Ministry of Transport
Stephen Town	Deputy Chair	Chief Executive, Auckland Council
Andrew Crisp	Member	Chief Executive, Ministry of Housing and Urban Development
Mark Ratcliffe	Member	Interim Chief Executive, New Zealand Transport Agency
Shane Ellison	Member	Chief Executive, Auckland Transport
Greg Miller	Member	Group Chief Executive, KiwiRail
Vicky Robertson	Member	Chief Executive, Ministry for the Environment
Lewis Holden	Member	Deputy Commissioner Auckland, State Services Commission
Jon Grayson	Member	Deputy Secretary Finance and Commercial, NZ Treasury
TBC	Advisor	Chief Executive, Infrastructure Commission
Bryn Gandy	Attendee as Programme SRO	Deputy Chief Executive Strategy and Investment, Ministry of Transport

Membership sits with the role, rather than the named person.

#### 5. Governance Group Chair role

CE of the Ministry of Transport is responsible to the Minister of Transport for the ALR options analysis programme. For this reason, he is Chair of the ALR Board.

His role is to:

- Provide overall leadership to ensure the group functions effectively and that all interests and perspectives are being properly considered
- Be assured that the Chairs of other relevant governance boards and the Auckland Council elected members are being kept fully informed and that any issues are being appropriately raised and resolved
- Coordinate the management of the political environment
- Chair the ALR Governance Group meetings, including finalising the calendar and agendas.

If the Chair is unable to attend and it is critical for a meeting to proceed, the Deputy Chair will be Stephen Town, Chief Executive Auckland Council.

## 6. The role of members

Members have responsibility to:

- Work collaboratively to ensure the best overall option for the NZ public and the people of Auckland is identified in a robust and objective manner
- Support the provision of appropriate resources and work together to ensure any major barriers to a successful options development and analysis are removed
- Ensure their own organisation's governors and/or Ministers are kept appropriately informed
- Provide the leadership necessary to achieve the development of a coherent and cohesive recommendation to government that has broad support from all the critical stakeholders represented at the governance group

## 7. Meetings

Meetings will be held monthly, and where possible either immediately before or after regular ATAP meetings.

Additional meetings may be required, at the discretion of the Chair, to enable major decisions to be made in a timely way or if more support is needed by the programme. These could be achieved via digital channels if necessary.

Members may delegate attendance to a substitute acting in the member's substantive role, with the approval of the Chair. Such approval should be sought as soon as practical.

## 8. Quorum

The ALR Governance Group quorum is four members (the quorum does not include advisors) and this must include the Chair or Deputy Chair.

## 9. Expert advisers

The Governance Group may seek expert advice to support them in their responsibilities. It is the responsibility of the Chair to ensure the appropriate advisors are invited as required. This may include commercial, legal or any other necessary advice.

## 10. Support

The SRO is responsible for ensuring that effective secretariat services and support are provided to the Chair and the Governance Group.

## Auckland light rail – proposed high level working arrangements DRAFT ONLY

### Discussion and development of proposals

#### Key activities:

- Work to enable key partners are appropriately involved across the two processes
- Manage information requests and information flows between parties
- [Redacted]
- [Redacted]

#### Other key activities to support a robust process:

- Ensure governance group are informed and overseeing processes as required
- Ensure Ministers group are informed as appropriate, feedback sought as required
- Maintain comms and engagement with stakeholders

### Draft principles

- Our processes are transparent and are able to withstand scrutiny
- Our processes are understood by stakeholders
- There is role clarity for all parties involved, including NZTA and its Board, NZ Infra, and partner agencies in Auckland and other central government agencies
- There is fair access to 'core information' necessary to develop the proposals
- Both processes can access the specialist advice and expertise they need to develop robust proposals, recognising that there is limited capacity and capability in NZ
- We act in good faith to both parties involved in developing proposals
- Individuals involved in providing information or expertise to either or both processes do not feel, nor are perceived to be, conflicted.

### Key issues to be addressed

- We have established and transparent systems to manage the flows of information so that the best proposals can be developed. These are underpinned by:
  - Robust information sharing protocols
  - Robust confidentiality protocols
  - Principles for engagement for public sector staff whose expertise is necessary for the development of both or either proposal

### Proposed working arrangements

#### MOT will establish:

- An Auckland based project manager to oversee the discussions and development phase of the work
- Protocols and principles as outlined
- An information management system as required.

#### MOT also proposes to establish the following working arrangements:

- MOT will manage information requests and will either act as a repository for information or will facilitate access to that information as required.
- MOT will work with key public sector agencies (local and central government) to identify specialist staff housed within those agencies. Where it is agreed that these staff are likely to hold information or expertise relevant to both proposals, MOT will manage a process where those staff can be made available on an even-handed manner to both processes.
  - In effect, this may be to develop a 'secondment' type arrangement into MOT for the purposes of this project.
  - This 'secondment' type approach would be limited to the project – recognising that key staff will have other responsibilities

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# City Centre to Mangere (CC2M) Light Rail Objectives

DRAFT

## ATAP Expectations for the Airport-City Corridor

- Alleviate current and forecast bus capacity constraints in the city centre. A substantial increase in public transport capacity and efficiency is required.
- Improve access to growing employment areas, particularly at and around Auckland Airport.
- Unlock significant growth potential along the corridor, especially around Mangere, Onehunga and Mt Roskill.
- Provide an attractive and reliable “one seat journey” between the city centre and airport for travellers.

## ATAP Future Rapid Transport Network



## Objectives and assessment framework



Objectives: Provide a Light Rail solution for CC2M that ...

Objective 1 'Network'	Objective 2 'Economic'	Objective 3 'Environmental'	Objective 4 'Urban & Community'	Objective 5 'Experience'
Enhances Auckland's Rapid Transport Network, and integrates with the current and future transport network	Provides improved access to labour markets, employment and education opportunities	Optimises environmental outcomes and sustainability	Enables quality integrated urban communities	Provides a high quality, attractive and highly patronised service

Assessed base on the extent that the option ...

Integrates with the current and future network	Provides additional capacity and efficiency	Improves access to labour market / employment areas	Improves access to education	Reduces greenhouse gases	Improves air quality	Reduces water pollution	Embeds sustainable practices	Improves access to social and recreation opportunities	Enables growth through intensification	Adds to public realm quality	Provides a high quality service that is reliable, frequent, accessible and resilient	Improves safety of travel in Auckland
Passenger demand (Patronage in the PT network)	Corridor demand (Patronage in the corridor)	Increased access to jobs from CAUs along corridor (jobs within 45 min PT journey, morning peak)	PT mode share for students along the corridor	CO2 emissions (during construction and operating)	Harmful air pollutants (eg PM 2.5, NOX)	Volume and quality of system run off	Relationship to Maunga	Number of social and recreation facilities within 10 min walk or cycle of stations (work, school, recreation, healthcare)	Additional enabled capacity (over and above existing enabled capacity)	Contribution to local character and visual impact	PT mode share along the corridor	Number of deaths / injuries from all transportation modes along the corridor
Number and ease of passenger transfers / interchanges in the PT network	Corridor capacity utilisation	Increased access to jobs from CAUs along corridor (jobs within 30 min vehicle journey, morning peak)	Number of student positions within 45 min PT journey, morning peak				View shafts and sight lines	Development in market unfeasible areas	Investment in streetscape	Investment in streetscape	Passenger demand (Patronage in the corridor)	Feeling of safety (in station, in vehicle, station access)
Integration with active modes (walking & cycling)	Travel time in congested conditions in the morning peak (city centre)	Population within 500m of stops along the corridor					New open spaces	Redevelopment of major public landholdings along the corridor	Town centre revitalisation	Town centre revitalisation	Travel time reliability	
Responsiveness and flexibility to PT network changes	Number of buses removed from city centre in the morning peak	Access to growing employment areas at and around city centre and airport					Restored ecosystems				Service frequency	
PT mode share in the network		Number of jobs accessible from high deprivation areas within 45 mins (PT journey, morning peak)									End to end travel time along the Light Rail corridor from City centre to Airport	
											Point to point travel time along Light Rail corridor (eg housing area to centre of employment)	
											Provides an attractive one seat journey	

Proposed by the Ministry of Transport

## Ministerial Oversight Committee for Auckland Light Rail – DRAFT ONLY

In June 2019, Cabinet agreed to a process to progress its decision making on a preferred approach for delivering light rail in Auckland. This process will involve parallel development of proposals led by NZTA (building on and enhancing its current business case), and by NZ Infra (a joint venture between the New Zealand Super Fund and CDPQ Infra, a Canadian institutional investor).

Advice will be prepared for Cabinet by February 2020 so decisions can be taken on a preferred delivery partner. It is important that this is the result of a thorough and robust process. Ministers have signalled their intention to take decisions on the preferred approach for light rail in February 2020.

The Ministry of Transport is leading the process, working with other officials, to advance both proposals to a stage that enables a formal evaluation to be undertaken. The Ministry of Transport will provide guidance to both NZTA and NZ Infra on the information that will be required to support the evaluation of their proposals. This is to enable, to the extent possible, the development of comparable proposals.

NZTA will work with officials in developing its proposal, and will be overseen by its Board. NZ Infra will have access to expertise and information from officials, and engagement will be fronted by a 'lead team' appointed by the Secretary of Transport.

[Redacted text block]

Governance and oversight of the project consists of:

- **A Ministerial Oversight Committee** which will receive regular updates and provide direction to officials on the government's expectations and key outcomes for light rail.
- **A Governance Group**, representing central government and local government interests (including Auckland Council and Auckland Transport). The governance group is focused on ensuring that the process yields the best result for both Auckland and New Zealand, as stewards of the funding system and transport system integrators both nationally and in Auckland. This group will provide its advice to Ministers as part of the report back.

The tiered nature and transparency of these arrangements is intended to foster market confidence in the process, and ensure that the key agencies remain informed as they participate in the process. It also balances the need to engage with Ministers in the outcomes sought and the key public policy questions, with the need to preserve their independence and impartiality.

## Terms of reference

The Ministerial Oversight Committee will receive regular updates from officials on the progress of the two different proposals (NZTA and NZ Infra) and provide advice and direction as required. Specifically it will:

- Confirm the government's key outcomes for light rail in Auckland
- Provide guidance on the Government's requirements for proposals, and acceptable (or potentially acceptable) public policy trade-offs
- Provide an early point of engagement, prior to Cabinet in early 2020, for discussing the potential further process beyond February 2020

In addition, to enable the discussions with NZ Infra to take place in a robust and independent manner, the Ministerial Oversight Committee will:

- As required, provide guidance to the lead team on any emerging matters.
- Direct all communications with NZ Infra through the lead team, so as to not compromise the Government's independent decision making.

## Members

Minister of Finance

Minister of Transport, Housing and Urban Development (convenor)

Minister for the Environment

Minister for Infrastructure

Associate Minister of Transport

The Committee will meet on an 'as required' basis as the parallel proposals are being developed.