

31 May 2021

OC210416

Hon Grant Robertson
Minister of Finance

Action required by: 14 June 2021

Hon Michael Wood
Minister of Transport

cc Hon Dr Megan Woods
 Minister of Housing

CITY CENTRE TO MĀNGERE LIGHT RAIL PROJECT - UPDATE ON GOVERNANCE AND DRAFT TERMS OF REFERENCE

Purpose

This briefing seeks your approval of a draft Terms of Reference for the governance arrangements for the City Centre to Māngere (CC2M) Light Rail project; and the composition and membership of the Establishment Unit Board, including representatives that have been put forward by Auckland Council.

Key points

- The governance arrangements for the CC2M Light Rail project are now largely in place. These are consistent with what was outlined in the Cabinet paper “Progressing the City Centre to Māngere Project through a public service delivery approach” [CBC-21-MIN-0036].
- There has been one addition to the membership of the Establishment Unit Board, an Auckland Council Councillor.
- Following your invitation to do so, Auckland Council has identified their Establishment Unit Board members – Chair of the Planning Committee, Councillor Darby and Deputy Chair of the Albert-Eden Local Board, Margi Watson. We propose that these appointments be confirmed through an Appointments and Honours Committee paper.
- The Establishment Unit Board has had its first meeting. The first Project Sponsors meeting will be held on 14 June 2021.
- Your approval is sought to the draft Terms of Reference for the governance arrangements for the CC2M Light Rail project (Annex A). These have been developed following extensive consultation. They provide clarity on the roles and responsibilities of the Project Sponsors and the Establishment Unit Board. They emphasise the rationale for and cater to the inclusive governance arrangements for the project.

Recommendations

We recommend you:

- 1 **Discuss** the recommendations in this report with the Minister of Housing
- 2 **Approve** the composition and membership of the Establishment Unit Board Yes / No
- 3 **Note** that a paper to the Cabinet Appointments and Honours Committee will be prepared to formalise the membership of the Establishment Unit Board Yes / No
- 4 **Provide** guidance to officials of the process you would like to run for Caucus and Ministerial consultation of the Cabinet Appointments and Honours Committee
- 5 **Approve** the attached Terms of Reference for the governance arrangements for the CC2M light rail project. Yes / No

 Siobhan Routledge
 Director, System Strategy and Investment

..... / /

 Hon Grant Robertson
 Minister of Finance

..... / /

 Hon Michael Wood
 Minister of Transport

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- Minister's office to complete:**
- Approved
 - Declined
 - Seen by Minister
 - Not seen by Minister
 - Overtaken by events

Comments

Contacts

| Name | Telephone | First contact |
|--|------------|---------------|
| Siobhan Routledge, Director, System Strategy and Investment, Ministry of Transport | ██████████ | ✓ |
| Erana Sitterlé, Senior Analyst, National Infrastructure Unit, The Treasury | ██████████ | |

Withheld to protect the privacy of Natural Persons

CITY CENTRE TO MĀNGERE LIGHT RAIL PROJECT - UPDATE ON GOVERNANCE AND DRAFT TERMS OF REFERENCE

The CC2M Light Rail Project's governance structure is now largely in place

- 1 The recent Cabinet paper "Progressing the City Centre to Māngere Project through a public service delivery approach" [CBC-21-MIN-0036] established a governance structure to oversee the next phase of the project.
- 2 This structure aims to provide a streamlined and highly inclusive approach to decision making. It involves representation of key stakeholders and agencies with an interest in the project, recognising the need to build a robust business case and social license for this complex project that will have very long-term city shaping impacts for our largest city.
- 3 In particular, the structure involves:
 - **Project Sponsors:** The Minister of Finance/Infrastructure, the Minister of Transport, the Mayor and Deputy Mayor of Auckland. The Minister of Housing is to be consulted on significant decisions.
 - **An Establishment Unit Board** that oversees the work of the Establishment Unit.
- 4 The composition of the Establishment Unit Board is as follows:
 - **Independent Chair:** Leigh Auton has been appointed to this role by the Ministers of Finance and Transport [CAB-21-MIN-0132]
 - **Agencies:** the Chief Executives of the Ministry of Transport (Peter Mersi); Auckland Council (Jim Stabback); Auckland Transport (Shane Ellison); Waka Kotahi (Nicole Rosie); and Deputy Chief Executive of Kāinga Ora (Katja Lietz).
 - **Elected members:** Chair Auckland Planning Committee (Councillor Chris Darby) and Deputy Chair Albert-Eden Local Board (Margi Watson)
 - **Treaty Partner:** discussions are ongoing
 - **Observers:** the Treasury (Leilani Frew, Deputy Secretary, Financial and Commercial) and the New Zealand Infrastructure Commission Te Waihanga (Dan Cameron, Principal Adviser).
- 5 Cabinet authorised the Ministers of Finance and Transport, in consultation with the Minister of Housing, to finalise the governance structure. This provides scope for Ministers to make some adjustments to the governance structure where required.
- 6 The composition of the Establishment Unit Board is as outlined in the Cabinet paper. However, since the Cabinet paper was considered, Ministers identified a need to include an additional member, namely an Auckland Council Councillor, to further ensure that there is an appropriate opportunity for elected representatives to contribute their perspectives. An invitation was issued to Council to run a process to

select a representative, with the Chair of the Planning Committee subsequently identified by the Council.

- 7 A similar process was run with the local boards, and the then Chair (now Deputy Chair) of the Albert-Eden Local Board was selected.
- 8 Letters are being sent to all the members listed above, confirming that they are invited to join the Establishment Unit Board. The letters to Councillor Darby and Deputy Chair Watson note that confirmation of their appointment is subject to an Appointments and Honours (APH) process.
- 9 We are currently drafting an APH paper for your consideration. As the composition of the governance structure and membership is consistent with Cabinet's expectations (with the addition of the Auckland Council Councillor), we are proposing that the APH paper outlines that decisions on appointments have been delegated to yourselves and the paper is informing APH of the final decisions made. The majority of Establishment Unit Board representatives were signalled in the relevant Cabinet paper, we expect you may want to only draw APH's attention to the specific Auckland Council and Treaty Partner representatives.
- 10 We understand that the selection of a Treaty partner representative to the Establishment Unit Board is imminent. Accordingly, we suggest that the APH paper is submitted once this has happened, formalising the full membership of the Establishment Unit Board.
- 11 Given the retrospective nature of the APH paper and its objective of providing closure to the process, we would appreciate your guidance on Caucus and Ministerial consultation processes. Would you like to seek support from your colleagues that the full Caucus and Ministerial consultation process for the paper are not required? This may be a reasonable way forward, recognising that the membership of the Establishment Unit Board was largely confirmed in the Cabinet paper.

Regular meetings are being set up

- 12 Sponsors will meet at least four times between June and November, with the first Sponsors meeting scheduled for 14 June 2021. The Establishment Unit will work with you to ensure the agendas for these meet your requirements.
- 13 In addition, the Minister of Transport is meeting fortnightly with the Independent Chair, Mr Auton, and the Mobilisation Lead, Tommy Parker. Mr Parker is currently the Australasia Consulting Partner at Arup, and is a Board member of Auckland Transport. He was previously a General Manager at Waka Kotahi.

To ensure project momentum, the Establishment Unit Board has met once, and will meet monthly

- 14 The Establishment Unit Board had its first meeting on Friday 14 May. This meeting was an opportunity for members to hear more about the project and their roles, provided background to the project and set out an indicative work programme for the next six months.

- 15 The Establishment Unit Board also had the opportunity to consider the draft Terms of Reference and to raise any questions. There was a rich discussion on the Terms of Reference, however, no significant changes were required. Accordingly, we now consider that the Terms of Reference are ready for your consideration and approval.

The draft Terms of Reference have been developed to provide clarity on roles and responsibilities, and to reflect the inclusive and consensus-based approach you are seeking

- 16 The draft Terms of Reference have been through an extensive process of consultation with the chair, partner agencies and Auckland local government agencies. This process was necessary, recognising that the Establishment Unit Board's composition of agency, stakeholders and elected member representatives means that an off-the-shelf approach may not have been fit-for-purpose in this case.
- 17 The Terms of Reference are designed to be read in conjunction with CBC-21-MIN-0036, which provides direction on key matters for Ministerial approval or decision making and Project Sponsor approval.

The Terms of Reference include the following features

- 18 **A principles based approach to working:** The Terms of Reference include a strong focus on frequent and transparent communications across all layers of governance, so that the work of the Establishment Unit is guided by Project Sponsors and the Establishment Unit Board, and that there are no surprises at all levels. In addition, all members should participate in a way that supports consensus where possible. This means bringing in their unique insights and experiences and working constructively to achieve the project's deliverables.
- 19 The principles of the Treaty of Waitangi are recognised, including the need to build and maintain collaborative and meaningful relationships with Māori, and that the mana whenua representative will be provided with the necessary support for them to properly fulfil their role.
- 20 **Clarity on the role of Project Sponsors.** These roles include:
- 20.1 Setting the strategic direction of the Establishment Unit Board, including the scope of the business case outputs and key decision criteria; and stakeholder and mana whenua and mataawaka engagement plans;
 - 20.2 An expectation that Project Sponsors will be regularly informed of progress, and provide direction as required;
 - 20.3 Maintaining political cooperation between central government and Auckland Council; and
 - 20.4 With the benefit of advice from the Establishment Unit Board chair, enable Ministers to take a paper to Cabinet that sets out the forward direction of the project. Accordingly, Cabinet is the ultimate decision-maker. Having the Mayor and Deputy Mayor of Auckland as Project Sponsors allows Cabinet to be fully informed of Auckland Council's views.

21 **Clarity on the role of the Establishment Unit Board, and sets out expectations for how it will operate, including:**

- 21.1 Oversee the development of a business case for the CC2M project, in accordance with the Treasury's Better Business Case framework, and undertaking a full options analysis;
- 21.2 Provide *advice* on the options to take the CC2M project forward, including route and mode. This reflects feedback from the Minister of Transport that it is appropriate for the Establishment Unit Board to give advice on the choices and trade offs, rather than attempting to arrive at a recommendation. This recognises that the key choices are ultimately ones for Ministers and Auckland local government;
- 21.3 Ensure that the Establishment Unit undertakes high-quality mana whenua and mataawaaka, stakeholder and community engagement. The terms of reference note that the Establishment Unit Board may provide direction to the Establishment Unit on approaches to engaging and may facilitate access to stakeholder groups as appropriate. This may be a particular strength of the local board and mana whenua members; and
- 21.4 Provide advice on funding and financing arrangements for the project, on the form and functions of the delivery entity, and on the pathway for taking the project forward.

22 **The Chair plays a key role in managing the relationship with Project Sponsors and establishing a consensus-based approach to Establishment Unit Board deliberations:**

- 22.1 The Terms of Reference propose that the Chair be responsible for appointing and managing the Establishment Unit's Project Director. The intent of this is to provide for a clear line of accountability between the Project Director and the Chair, to recognise that the wider Establishment Unit Board should focus on governance, not management. It is also designed to allow the appointment of this key role to take place in as timely a way as possible. The Chair would involve the Board in the appointment process so that members have an opportunity to contribute to decision-making.
- 22.2 The Chair will be responsible for the advice to Project Sponsors and will take a consensus approach to providing his advice. Recognising that there may be differences of view, the Chair will represent material differences of view in the advice provided to Project Sponsors.
- 22.3 The Chair and the Project Director will have the ability to engage with Ministers and the media. Consistent with a 'no surprises' approach, Project Sponsors would be advised before engaging with the media.

23 **Other points:**

- 23.1 The Treasury and Te Waihanga will act as observers to the Establishment Unit Board. In this role they have a key role in providing independent advice to the Minister of Finance and Infrastructure. They will, however, contribute to the

Establishment Unit Board's overall effectiveness by, for example, providing expert advice to assist the Establishment Unit Board.

23.2 The Terms of Reference provide clarity that membership of the Establishment Unit Board is not a proxy for engagement with communities and organisations represented on the Establishment Unit Board. The Establishment Unit will need to directly engage with those organisations and their Boards on matters relevant to those agencies' roles and interests.

23.3 The Terms of Reference notes the importance of Establishment Unit Board members to acknowledge and manage any conflicts of interest. Conflicts of interest will need to be carefully managed, with Establishment Unit Board members being asked to declare their interests to the Ministry of Transport as part of the appointments process, as well as to the Establishment Unit.

Risks and impacts

24 The following risks have been identified, alongside their impacts and mitigations.

| Risk | Impact | Mitigation |
|--|--|---|
| It may be difficult to get clear direction from such an inclusive board | Medium Given the complex nature of this project and the multiple interests and priorities | The Terms of Reference require everyone working on this project to do so in the spirit of collaboration and work towards consensus. While acknowledging material differences of view, the Chair holds the responsibility of providing advice to the Project Sponsors |
| Members of the Establishment Unit Board do not have the right mandate to fully participate in decision-making | Medium If members do not feel mandated, the process would slow down while they sought direction | The Terms of Reference require Chief Executive representatives to hold necessary delegations to participate The Terms of Reference note that representation on the Establishment Unit Board is not a proxy for engaging with member organisations. Such engagement will support members in their participation on the Establishment Unit Board |
| Ability to make timely and consensus decisions given that the Establishment Unit Board has a diverse membership and meets only monthly | Medium | Additional meetings can be scheduled as necessary There may be challenges in reaching consensus. The Terms of Reference signal that material differences of view should be reported to Project Sponsors |
| The large number of those in the governance structure increases the risk of | Low | The Terms of Reference state that only the Chair and Project Director can speak to the media about the project |

| | | |
|--|--|---|
| <p>confidentiality being compromised</p> | | <p>There are extensive stakeholder and mana whenua engagement plans under development. These aim to ensure a high level of transparency and to build social license. These plans should provide all members with assurance that high quality outreach and engagement will take place</p> <p>The Establishment Unit Board has endorsed the application of the public sector code of conduct for Crown entity board members, which requires the proper use of information</p> <p>Establishment Unit Board papers are shared via an authorised link and members are requested not to share the papers more broadly</p> |
|--|--|---|

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Annex 1

CITY CENTRE TO MĀNGERE LIGHT RAIL PROJECT

TERMS OF REFERENCE FOR THE GOVERNANCE ARRANGEMENTS

Background and Cabinet decisions

- 1 Auckland's population is set to grow by 730,000 to 2.4 million over the next 30 years, with much of this growth concentrated along the Auckland City Centre to Māngere corridor. Auckland's future growth must be enabled and supported by a transport system that improves access, reduces overall journey times, and supports a shift to sustainable and active travel. Rapid transit is an enabler of higher density and better quality urban development, leading to stronger communities, greater vitality, and attractive compact urban form.
- 2 The Auckland City Centre to Māngere (CC2M) light rail project has been prioritised through the Auckland Transport Alignment Project, as the first spine of a wider rapid transit network for Auckland. Cabinet has endorsed this prioritisation. To support progress of this project of both national and regional significance, Cabinet has agreed to set up an Establishment Unit, guided by an inclusive governance structure that will help build consensus and social licence for the project. There will be representatives of central and local government and mana whenua, led by an independent chairperson.
- 3 Cabinet is looking to put in place a new process for the CC2M project so that they can:
 - 3.1 make decisions with confidence on the appropriate form of light rail, and its route along the CC2M Corridor. This requires properly testing the options with an open mind and taking an evidence-based approach;
 - 3.2 involve the communities of Auckland in the process – recognising the long-term impacts this project will have in shaping the city over 50 plus years, as well as shaping the network of rapid transit across the city. This means working with local politicians, agencies, and with communities;
 - 3.3 recognising the roles of Treaty partners, build a strong Crown – Māori partnership that embeds practices which empower Māori.
- 4 The purpose of these terms of reference is to set out the roles, responsibilities and authority of those within the governance structure that have been tasked with delivering the business case for CC2M, including to clarify the relationships and set out the engagement required given the inclusive nature of the Establishment Unit Board.
- 5 The Cabinet Business Committee minute which provides the direction for this project is at annex A. These terms of reference have been written to be consistent with and read alongside the minute.

Role of Project Sponsors

- 6 The Cabinet Business Committee, having been authorised by Cabinet to have power to act, has agreed that the Ministers of Transport and Finance (the Ministers) be Project Sponsors for the Establishment Unit, alongside representation from Auckland local government [CBC-21-MIN-0036 at 4].
- 7 Reflecting the importance of this project both nationally and to the communities of Auckland, the Ministers have invited the Mayor and Deputy Mayor of Auckland (Project Sponsors) to work closely with the Ministers as joint sponsors of the project. The Mayor and Deputy Mayor of Auckland have accepted this role.
- 8 The role of the project sponsors is to:
 - 8.1 set the strategic direction of the Establishment Unit Board, including addressing in consultation with the Minister of Housing those matters delegated to the Ministers of Finance and Transport by Cabinet matters [CBC-21-MIN-0036 at 7 and 8] being:
 - (a) the scope of the business case outputs, including what key decision criteria will be included, such as mode, alignment, and funding and financing options;
 - (b) a stakeholder management plan and, mana whenua and mataawaka engagement plan, and specifically the scope and intent of mana whenua and mataawaka, stakeholder and community engagement;so that the Establishment Unit Board has appropriate guidance on the project sponsors' objectives and interests sufficient to allow the Establishment Unit to undertake its work;
 - 8.2 be regularly informed of progress with the Establishment Unit Board's work, and provide direction on key strategic, policy or systems matters as required;
 - 8.3 maintain political cooperation between central government and Auckland Council with regards to the project; and
 - 8.4 with the benefit of the advice from the Establishment Unit Board Chairperson, enable the Ministers to take back to Cabinet proposed decisions to inform the next stage.

Establishment Unit Board

Purpose

- 9 Through the Chairperson, the Establishment Unit Board is responsible for reporting to and seeking strategic guidance from the Project Sponsors. The role of the Establishment Unit Board is to provide governance to the outputs of the Establishment Unit. Specifically;
 - 9.1 oversee the development of a business case for the CC2M project. This needs to:

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- (i) align with the Treasury's Better Business Case framework;
 - (ii) include options analysis, giving regard to the full range of costs, benefits and risks associated with different choices;
 - (iii) include funding and financing options;
 - (iv) take account of the CC2M project's agreed outcomes, including value for money;
 - (v) take account of direction provided by the project sponsors on key strategic choices relating to the scope of the CC2M project;
 - (vi) ensure that sponsors are kept regularly informed of progress, and have appropriate opportunities to provide guidance, particularly on matters of policy, strategy or systems;
 - (vii) through the Chairperson, provide advice on the options to take the CC2M project forward including route and mode.
- 9.2 ensure that the Establishment Unit undertakes high quality mana whenua and mataawaka, stakeholder and community engagement. This may include providing direction to the Establishment Unit on approaches to engaging or facilitating access to stakeholder groups as appropriate.
- 9.3 oversee the preparation of advice, on options for the form, powers and governance arrangements of the delivery entity for the CC2M project, including, but not limited to, using the existing City Rail Link Limited or a joint venture arrangement between the Crown and Auckland local government.
- 9.4 oversee the preparation of advice on the pathway for taking the project forward, including decision gateways, and supporting and informing, as required, any parallel supporting policy work undertaken by policy and system agencies.
- 9.5 establish appropriate processes so that the Establishment Unit Board can be satisfied that the work of the Establishment Unit has appropriate project management practices in place and has been subject to appropriate project assurance. This may, in particular, include the Establishment Unit Board seeking external technical expertise to inform its processes and advice.
- 10 The Establishment Unit Board is responsible for:
- 10.1 sound decision-making and working to the strategic direction set by the Project Sponsors;
 - 10.2 seeking direction from the Project Sponsors at any point without delay in the project if significant challenges arise that would prevent the direction given by Project Sponsors from being met. This is with respect to challenges arising about project scope and strategic direction, the building of social licence, meeting the timeframes set out in this terms of reference, and/or project spend.
 - 10.3 ensuring that the Establishment Unit delivers on time, to scope, to a high standard and with prudent management of the budget

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Strategic direction

11 In overseeing the preparation of the business case, the Establishment Unit Board will give effect to the following project outcomes and such other strategic directions that the Sponsors Group might provide to the Establishment Unit Board:

11.1 the Outcomes Framework developed and agreed collaboratively by Auckland Transport Alignment Project agencies and central government. The agreed outcomes are:

- (i) **access and integration** - Improved access to opportunities through enhancing Auckland's Rapid Transit Network and integration with the current and future transport network;
- (ii) **environment** - Optimised environmental quality and embedded sustainable practice;
- (iii) **experience** - A high quality service that is attractive to users and highly patronised;
- (iv) **urban and community** - Enabling of quality integrated urban communities, especially around Māngere, Onehunga and Mt Roskill;

11.2 value for money.

Role of the Chairperson

12 In addition to guiding the Establishment Unit Board to achieve its responsibilities, the Chairperson is responsible for:

12.1 appointing and performance management of the Project Director of the Establishment Unit;

12.2 alongside the Project Director, representing the views and interests of the Establishment Unit Board to Government Ministers and to the media. Where appropriate, the Chairperson will advise the Project Director and the Project Sponsors in advance of engaging with the media;

12.3 determining meeting protocols and practices such as: meeting frequency, quorum, attendance requirements, management of conflicts of interest, and approach to managing resignations and board vacancies;

12.4 providing advice to the Project Sponsors on behalf of the Establishment Unit Board. While the Chairperson will hold the responsibility of providing advice, the purpose of inclusive membership on the Establishment Unit Board is to seek broad consensus. The Chairperson will work closely with Establishment Unit Board members to seek strong support for the Chairperson's advice wherever possible.

12.5 if there is a material difference of view between Establishment Unit Board members, the Chairperson will ensure that view is described in their report to the Project Sponsors.

Composition

- 13 The independent Chairperson of the Establishment Unit Board has been appointed by the Ministers.
- 14 The remaining eight members of the Establishment Unit Board have been appointed by the Ministers and comprise a single representative from the following: Auckland Council councillors, Auckland Council local boards, the Auckland Council organisation, Auckland Transport, Kāinga Ora, mana whenua, Ministry of Transport and Waka Kotahi. In the instance of officials, the expectation is representatives should be at the Chief Executive level.
- 15 The Establishment Unit Board acknowledges that Te Waihanga and The Treasury will act as observers. The observers have a right to attend the Establishment Unit Board meetings and to have access to information necessary for them to provide independent visibility of progress and advice to their respective Ministers. These are non-voting roles to ensure the observers' roles as independent advisors to Ministers is not compromised. The observers will provide their expert advice and make linkages across the public sector to provide expertise or exemplars to assist the Establishment Unit Board.
- 16 As appropriate, the Chairperson and Sponsors Group may review the membership composition to ensure the required expertise is represented on the Establishment Unit Board through the life of the CC2M project.

Authority

- 17 Membership on the Establishment Unit Board is not a proxy for engagement with the organisations and communities represented on the Establishment Unit Board.
- 18 Members of the Establishment Unit Board must act in good faith, honestly and without bias to represent the views of their organisations and communities.
- 19 Representatives from Auckland Transport, Waka Kotahi and Kāinga Ora must hold appropriate delegations on behalf of their organisation on matters to be considered by the Establishment Unit Board.

Deliverable

- 20 The Chairperson shall provide the Project Sponsors with the business case (that addresses the requirements in paragraphs 9.1) and the required advice on the delivery entity and project pathway to enable Ministers to report to Cabinet in November.

The Establishment Unit

- 21 The Establishment Unit must deliver on the expected outputs of the Establishment Unit Board, seeking and taking direction from the Establishment Unit Board. The Establishment Unit will be led by the Project Director.

Guiding principles of working

- 22 Frequent, clear, and transparent lines of communication across the governance arrangements are required. This may include Project Sponsors meeting with the Establishment Unit Board at key intervals during the Establishment Unit Board's work programme, and the Establishment Unit providing interim presentations or reports to the Project Sponsors if the Chairperson considers it helpful to do so.
- 23 It is expected that all members and their organisations will participate in a manner that will best support consensus where possible. Members must perform their functions in the spirit of the inclusive governance structure. Members will need to bring their unique insights and perspectives into the work, and work constructively to achieve the CC2M project's deliverables.
- 24 The Project Sponsors expect there will be a high level of transparency and co-operation on this project (in particular, between the Establishment Unit and the organisations represented on the Establishment Unit Board, including Observers). This is to support the twin objectives of building these organisations' confidence in the work of the Establishment Unit and enhancing their support for the final outputs of the Establishment Unit. The Project Sponsors also expect to have high visibility of the work of the Establishment Unit Board.
- 25 These guiding principles will be subject to whatever protocols the Chairperson may require to ensure orderly sequencing and flow of information, and protection of confidential/commercially sensitive information.

Te Tiriti o Waitangi / Treaty of Waitangi

- 26 This project will recognise the principles of Te Tiriti o Waitangi/Treaty of Waitangi. This includes:
 - 26.1 supporting mana whenua and mataawaka in resourced decision-making processes;
 - 26.2 recognising and the protection of rights and interests, cultural values and perspectives of mana whenua and mataawaka within Tāmaki Makaurau;
 - 26.3 building and maintaining collaborative and meaningful relationships with Māori;
 - 26.4 providing the opportunities for mana whenua and mataawaka to participate and share in the project's vision for Tāmaki Makaurau;
 - 26.5 providing the mana whenua representative member of the Establishment Unit Board with the necessary support for them to properly fulfil their role.

Community Engagement

- 27 Reflecting the significance of this project to the communities of Auckland Tāmaki Makaurau, a key element of the Establishment Unit's work will be to build community understanding of the project and its benefits, hear from the communities, reflect on that feedback in the preparation of the business case, and, by doing this, seek to develop a strong social licence for this significant project.

Policy engagement

- 28 As matters of the optimal approach for project delivery arise, it is likely that wider policy issues will need to be considered, including the implications of potential choices beyond the project. This includes the nature of possible legislative and regulatory changes that may be needed to enable the delivery of the CC2M project, including the permanent form of the project's delivery entity, which the Cabinet Business Committee has agreed will be led by the Ministry of Transport. The Project Sponsors expect that both the Establishment Unit and relevant policy agencies will work collaboratively with the Ministry of Transport to provide well-formed advice. It is important to acknowledge that the Establishment Unit may need to hand over some matters that have wider strategy or system implications to policy agencies.
- 29 Such matters will form a policy work programme that will be led by the Ministry of Transport. The Ministry of Transport will work with other policy agencies as well as the Establishment Unit Board in the development of any policy advice. It is expected that both the Establishment Unit and relevant policy agencies will work collaboratively to provide well-formed advice to the Project Sponsors

Resourcing and support

- 30 The Establishment Unit Board's work will be supported through the Establishment Unit, a joint endeavour of Auckland Transport, Waka Kotahi, and the Auckland regional and national key transport delivery agencies. The Chairperson, after consultation with the Establishment Unit Board members, will appoint a project director to oversee the Establishment Unit's work. Waka Kotahi will house the Establishment Unit. To ensure a highly collaborative approach to the work of the Establishment Unit, it is expected that partner agencies will actively look to second staff into the Establishment Unit or provide other equivalent resources, taking into account other resourcing needs for each organisation.
- 31 Funding for the work of the Establishment Unit will be provided for through the National Land Transport Fund (NLTF). The Waka Kotahi Board is responsible for the NLTF and will retain oversight of this spend. In all other respects the Waka Kotahi Board has the same responsibilities as other agencies in the project.

Conflicts of interest

- 32 Members of the Establishment Unit Board must avoid situations that might compromise their integrity or otherwise lead to conflicts of interest, other than as contemplated in clause 18 of these terms of reference. Proper observation of these principles will protect the Establishment Unit Board and its members and will ensure that it retains public confidence.
- 33 If, in respect of a member of the Establishment Unit Board, a conflict of interest arises during the CC2M project that is unable to be mitigated, that member may be removed at the Ministers' discretion.

Confidentiality

- 34 Information from the project should generally be treated as confidential and only shared beyond members of the governance structure when this is necessary to support members in undertaking their role. Sharing of information should be done so with respect to the integrity of the project. At the chairperson's discretion, further guidance on confidentiality can be provided.
- 35 CC2M project information must not be used for personal benefit or profit and must not be replicated or stored on unsecure devices.

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The roles and responsibilities set out in these terms of reference are summarised in the table below.

| Role | Responsibility |
|--|--|
| Cabinet | <p>Decision-maker</p> <ul style="list-style-type: none"> • Preferred way forward, based on the business case and Establishment Unit recommendations, including route, mode, funding and financing, and the form of the delivery entity. • On any key policy issues, including legislative and regulatory changes needed to take the implementation of the project forward. This may include agreeing to a policy work programme which sets out matters that require further detailed policy work. |
| Delegated Ministers | <p>Decision-maker</p> <ul style="list-style-type: none"> • Make decisions required to set up the Establishment Unit, including appointing the Independent Chair. • Report back to Cabinet with further advice based on the business case and recommendations on a preferred way forward. |
| Project Sponsors Delegated Ministers and Mayor and Deputy Mayor of Auckland | <p>Strategic guidance</p> <p>The delegated Ministers (Minister of Finance and Minister of Transport) will work closely with the Mayor and Deputy Mayor of Auckland as joint sponsors of the project.</p> <p>Delegated Ministers are required also to consult with the Minister of Housing on significant decisions.</p> <p>Key roles for the Sponsors group are to support the delegated Ministers to:</p> <ul style="list-style-type: none"> • Provide early and ongoing strategic direction to the Establishment Unit for the development of the business case. • Approve a Stakeholder Management Plan and a Mana Whenua Engagement Plan and specifically the scope and intent of iwi, stakeholder and community engagement. • Provide advice to Cabinet with further advice based on the business case and recommendations on a preferred way forward, including route, mode, funding and financing, and the form of the delivery entity and recommendations on detailed policy positions developed with respect to the project. |
| Establishment Unit Board Independent Chair | <p>The role of the Establishment Unit Board is to support the Independent Chair in the following areas:</p> <p>Advice to Sponsors Group</p> <p>The Establishment Unit Board reports and seeks guidance from the Project Sponsors, including providing the business case to the Project Sponsors.</p> <p>Governance</p> <ul style="list-style-type: none"> • Oversight of the Establishment Unit and its deliverables, including expenditure. • Appointment and performance management of the Project Director |

| Role | Responsibility |
|-------------------|---|
| Waka Kotahi Board | <p>Oversight of funding Funding for the Establishment Unit is provided from the National Land Transport Fund.</p> <p>Housing the establishment unit This includes providing office and back office support, as well as some shared functions such as procurement and human resources support.</p> |
| Project Director | <p>Delivery</p> <ul style="list-style-type: none"> • Leads and manages the Establishment Unit on a day-to-day basis reporting to the Establishment Unit Board. • Responsible for preparation of all project documentation and prepares reporting to support the role of the Establishment Unit, Minister(s) and Cabinet as required. • Resolves planning and implementation issues, manages progress and budget, structures project delivery and provides specialist resources and skills necessary to deliver the project to an agreed scope, quality, schedule, and budget. |

PROACTIVELY RELEASED BY
 TE MANATŪ WAKA MINISTRY OF TRANSPORT