



17 December 2021

OC211006

Hon Michael Wood
Minister of Transport

Action required by:
Tuesday, 11 January 2022

Hon Grant Robertson
Minister of Finance

cc. Hon Megan Woods
Minister of Housing

UPDATE ON IMPLEMENTING AUCKLAND LIGHT RAIL CABINET DECISIONS

Purpose

- 1 Update you on the priority workstreams that are underway to implement the Auckland Light Rail (ALR) Cabinet decisions, with a particular focus on the approach to appointing the ALR Board.
- 2 Seek your initial views on the required skills for the ALR Board and position descriptions for the board roles.
- 3 Provide draft letters that have been prepared for the Minister of Transport to send to the chair and members of the Establishment Unit Board to confirm his expectations prior to the new ALR Unit and ALR Board being in place.

Background

- 4 The December 2021 ALR Cabinet paper (CAB-21-MIN-0531) provided direction to take forward the detailed planning phase of the ALR project. This set out the expectation that the governance arrangements for the detailed planning phase of ALR will be in place by April 2022.
- 5 The Cabinet paper agreed that the Minister of Transport, Minister of Finance and Minister of Housing:
 - 5.1 act as the project sponsors alongside representation from Auckland Council and mana whenua
 - 5.2 will take decisions on the setting up of the governance arrangements in consultation with Auckland Council and mana whenua.

Priority workstreams that have been initiated to implement the December 2021 ALR Cabinet decisions

- 6 Officials at the Ministry of Transport, the Treasury, and the Ministry of Housing and Urban Development are working with Auckland Council, Waka Kotahi NZ Transport Agency (Waka Kotahi), mana whenua and others to put in place the new governance arrangements and operating model, as well as defining in detail the parameters of the next phase. This includes:
 - 6.1 preparing a Sponsors' Agreement between the Crown, Auckland Council and mana whenua
 - 6.2 establishing a Sponsors' Forum that will give effect to the Sponsors' Agreement and ensure joined-up advice to Sponsors on critical decisions
 - 6.3 appointing members of the ALR Board that will be accountable to sponsoring Ministers and will replace the existing Establishment Unit Board
 - 6.4 confirming the funding and operating model for the next phase, including working with Waka Kotahi in respect of its function as the 'host' of the next operating unit
 - 6.5 scoping and initiating a policy work programme, including work in relation to the delivery entity, ultimate ownership of the asset, funding and finance including value capture, consenting and land acquisition
 - 6.6 working with the existing Establishment Unit Board to maintain momentum, providing clarity on its role during the transition period and developing a clear scope for the detailed planning phase, in line with Cabinet's decisions.
- 7 Officials have drafted letters on your behalf to the chair of the existing Establishment Unit Board and all other members and observers (**Appendix One** and **Appendix Two**). The intent of the letters is to give the board clarity and a clear mandate of its role in this transition period. The letters also acknowledge and thank them for their considerable efforts to date.
- 8 A decision to send these letters is sought in this briefing. Officials acknowledge the briefing is copied to, but not directly sent to, the Minister of Housing. This is on the basis that the Minister of Housing is now not receiving briefings until the end of January 2022. Officials suggest these letters should be sent next week to give the existing board clarity.
- 9 Please note that the letter to the Chair contains one highlighted sentence, where your decision is sought on whether to share the contents of the Cabinet paper (with the necessary redactions) with the Chair in advance of the public announcement. This is your decision to make and officials consider that this may be beneficial given the immediate actions required to deliver the next phase of the project.
- 10 Should you wish to share only certain aspects of the Cabinet paper, officials suggest that paragraphs 94-100 and 104-114 of the Cabinet paper would be most valuable in articulating the priorities for the next phase of work.

Implementing the governance arrangements, in particular standing up the new ALR Board, is the key priority

- 11 Appointing the ALR Board, particularly the Chair, is vital for establishing the new governance arrangements. The ALR Board has a critical role in directing the detailed planning phase. Having the Chair in place to guide the establishment of the next phase ensures their expertise and knowledge guides this important period of work as well as gains their buy-in to the way forward.
- 12 Officials have developed a draft set of skills that will be necessary on the ALR Board, alongside a position description for the chair and other board members (**Appendix Three**). These have been prepared having regard to the particular focus of the next phase, including detailed planning, progressing towards lodging consents, aligning ALR more closely with the Additional Waitematā Harbour Crossing work, and taking an integrated approach to transport and urban development.
- 13 Ministry of Transport officials have consulted on the ALR Board skills and position description with colleagues from other ALR sponsor agencies (the Treasury, the Ministry of Housing and Urban Development and Auckland Council) and the Establishment Unit. There has been strong support for the skills proposed and all feedback received has been taken into account in the attached documents.
- 14 Reflecting the intent of the Cabinet paper, we are progressing the set up of the ALR Board as competency/skills-based board, rather than a representative board. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Withheld as information is under active consideration
- 15 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- 16 While recognising that the ALR Board is being set-up as an enduring structure with continuity of membership across the project, we also acknowledge that the mix of skills needed across the different phases of the project will change to some degree. For example, as the project moves into construction there will be greater need for technical experts and less need for expertise on consenting.
- 17 This can easily be managed by having fixed terms for board members. This is consistent with best practice for ensuring boards maintain fresh approaches and thinking. [REDACTED]
[REDACTED]
Withheld as information is under active consideration

Approach to appointing the ALR Board

- 18 To progress the ALR Board appointments, officials will provide a briefing to the Ministers of Transport, Housing and Finance (the ALR Sponsor Ministers) by 20 January 2022. This briefing will seek decisions on the:

- 18.1 responsibilities and objectives of the ALR Board
- 18.2 required skills for the ALR Board and the position description to be publicly advertised
- 18.3 number of members to be appointed to the ALR Board
- 18.4 fees for the ALR Board members. The Cabinet paper noted the expectation that an exception to the Cabinet Fees Framework was likely to be sought for ALR Board members given the scale and complexity of the project. Agreement from the Minister for the Public Service is required for this exception and must be sought through a letter to him. Officials will prepare a letter on behalf of the ALR Sponsor Ministers to the Minister for the Public Service and include it in the January briefing
- 18.5 continuity of any members from the existing Establishment Unit Board.
- 19 We will continue to engage with Treasury, MHUD and Auckland Council, including at executive level, to ensure the advice we provide in January reflects the views of sponsor agencies.
- 20 Whilst officials are working hard to meet the timeframes ministers have set for the ALR Board appointments, two key constraints are presented at this stage. These relate to the Christmas break with both staff and ministers away, and the delayed announcement of Cabinet's decision, both of which add pressure to an already ambitious timeframe.
- 21 We are unable to publicly advertise for ALR Board candidates until announcements are made, expected at the end of January. To ensure we continue to progress this critical workstream, our intent is to work confidentially through a recruitment consultant to support the identification of candidates over the month of January. We will initiate that engagement next week.
- 22 Officials will also undertake engagements with key stakeholders such as Te Waihanga Infrastructure Commission and the Treasury to identify possible candidates for the ALR Board roles.
- 23 Following decisions sought from ALR Sponsor Ministers and the public announcement of Cabinet decisions in late January, the key steps of the ALR Board appointments process will be:
- 23.1 public advertisement of ALR Board roles
- 23.2 short-listing and interviews
- 23.3 decisions on candidates made
- 23.4 Decisions formalised through APH and Cabinet, appointments commence.

Recommendations

We recommend you:

- agree** for the Minister of Transport to send the attached letters in **Appendix One** and **Two** to the existing ALR Board Chair and members providing clarity on their role and mandate as the new governance arrangements are established

Yes / No

Minister of Finance

Yes / No

Minister of Transport

- provide** views to officials on the proposed skills required on the ALR Board and the position descriptions for the board roles (at **Appendix Three**)
- consider** meeting with officials before the Christmas break if you have considerations you would like taken into account in the ALR Board appointments process.
- confirm** you are comfortable to share in confidence the contents of the Cabinet paper with the Chair of the Establishment Unit Board in advance of the Government's announcement

Yes / No

Minister of Finance

Withheld to protect the privacy of Natural Persons

Yes / No

Minister of Transport



Gareth Fairweather
Acting Director, System Strategy & Investment
 17 / 12 / 2021
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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
Gareth Fairweather, Acting Director System Strategy & Investment	[Redacted]	
Chris Gulik, Auckland Strategic Adviser	[Redacted]	✓
Jono Reid, Principal Adviser, Governance	[Redacted]	

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