



Auckland Light Rail Limited

Statement of Intent

For the period 6 October 2022 to 30 June 2024

Bringing us closer





Auckland Light Rail Limited Statement of Intent

For the period 6 October 2022 to 30 June 2024

This statement of intent (SOI) is submitted by the Board of Directors of Auckland Light Rail Ltd, pursuant to the Crown Entities Act 2004 and sets out the activities of Auckland Light Rail Limited For the period 6 October 2022 to 30 June 2024¹



Dame Fran Wilde

23 December 2022



Leo Foliaki

23 December 2022

¹Auckland Light Rail Limited (ALR Ltd) was granted an exemption, from the statutory requirement of section 139 of the Crown Entities Act 2004, which requires Statements of Intent to cover at least four financial years (Period). As the detailed planning phase for the Auckland Light Rail project is due for completion in 2024, ALR Ltd is exempt for the prescribed reporting Period, and alternatively is required to align reporting to the expected date of completion of the detailed planning phase.

Introduction

This Statement of Intent (SOI) is submitted by the Board of Directors of Auckland Light Rail Limited (ALR Ltd) pursuant to the Crown Entities Act 2004 and sets out ALR Ltd's strategic objectives and intentions from 6 October 2022 to 30 June 2024.

Establishment

From April 2021, a unit initially working through Waka Kotahi and subsequently the Ministry of Transport has advanced the Auckland Light Rail (or ALR) programme.

Cabinet agreed to establish ALR Ltd as a Crown entity company named under schedule 2 of the Crown Entities Act 2004 to drive the ALR programme forward, with ALR Ltd added to schedule 2 of the legislation on 6 October 2022.

The shareholders of ARL Ltd are the Minister of Transport, the Minister of Finance and the Minister of Housing.

Auckland Light Rail Limited



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Strategic Objectives of Auckland Light Rail

Auckland Light Rail will be New Zealand's largest and most complex infrastructure programme (defined in this section and referred to as the ALR Project). It is an integrated urban development programme along a major transport corridor and has the potential to transform Auckland's transport network and catalyse urban transformation, growth and intensification.

The initial corridor stretches from Auckland's City Centre (at Wynyard Quarter) to Māngere. Auckland Light Rail will deliver a light rail transport network along this corridor with associated urban development activities.

Light rail between the City Centre and Māngere is the first spine of a proposed wider rapid transport network for Auckland which has also been identified by the Crown and Auckland Council, as an enabler of higher density and better-quality urban development, leading to stronger communities, greater vitality and attractive compact urban form.

The City Centre to Māngere line will be a 24-kilometre long rail connection, comprising 18 stations. It will improve transport choices and make Tāmaki Makaurau a better place to live now and for future generations.

This will bring far-reaching benefits to the Auckland region, which include social and economic opportunities, as well as significantly increasing housing supply and employment opportunities.

ALR will help reshape neighbourhoods, connecting people to work and study, giving transport access to new, quality housing close to the city.

Future stations will form the heart of safer more attractive town centres with new high-quality housing, shops, businesses and community facilities. Revitalising communities means more people can afford housing in their existing neighbourhoods, reducing urban sprawl.

ALR will help meet the Government's climate change response targets by delivering public transport to generate sustainable travel choices to reduce carbon emissions. By supporting compact urban form, it will also encourage mode shift which will avoid significant emissions in the long-term.

Objectives and Purpose of ALR Ltd


ALR Ltd is responsible and accountable to its shareholders for advancing the ALR Project through the detailed planning phase. This phase involves detailed planning work, associated planning advice and activities required to develop a business case to enable the Crown to make a final investment decision in relation to ALR in mid-2024.

A Project Planning and Funding Agreement governs the ALR project during the detailed planning phase. This is an agreement between ALR Ltd, the Crown, and Auckland Council dated 7 October 2022. This agreement sets out:

- The roles and responsibilities of the Crown, Sponsors (defined in the Governance section below) and ALR Ltd in relation to ALR;
- Assurance and monitoring arrangements in relation to the ALR Project;
- The terms under which the Crown will provide funding to ALR Ltd; and
- The key objectives and other terms and conditions on which ALR Ltd is appointed to advance ALR through the detailed planning phase.

The work required as part of the detailed planning phase includes:

- Further business case work, technical assessments and reference design, master planning, and community and stakeholder engagement;
- Associated applications for consenting, including consideration of use of the Urban Development Act 2020 and protecting the transport corridor;
- Developing procurement and land acquisition strategies;
- Reflecting the policy decisions developed by Sponsors and related organisations in parallel with the work being undertaken by the ALR Ltd and related consultation and decision-making processes of each Sponsor;
- Undertaking work to prepare the programme for delivery, subject to approval by the Crown;
- Ensuring the ALR Project is planned as an integrated transport and urban development project;
- Considering and planning for possible early capital works, with any further decisions requiring capital expenditure subject to decisions by Sponsors of the ALR programme;

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- Establishing partnerships with Mana Whenua and Māori to build enduring relationships through authentic engagement; and
 - Building social licence for the ALR programme and ensuring communities, stakeholders and partner agencies are engaged, and their views and interests are taken into account when developing the business case and associated advice.

As ALR Ltd has been established to assist the Crown with its final investment decision in Auckland Light Rail, ALR Ltd is not expected to make a profit or provide a dividend during the detailed planning phase.

Governance

SPONSORS

The broader ALR programme, which encompasses the work of ALR Ltd, as well as the policy programme to support the delivery of ALR, is complex and spans the transport and urban development systems.

It is a partnership of the Crown, Auckland Council and Mana Whenua (collectively known as the Sponsors and defined as such in the Project Planning and Funding Agreement) to deliver the ALR Project, reflecting collective responsibility for a broad programme of work to achieve its overarching outcomes.

As a Crown entity company, ALR Ltd is accountable to shareholding Ministers. It has three shareholding Ministers, being the Minister of Transport, the Minister of Finance and the Minister of Housing.

Recognising the important role of Auckland Council and Mana Whenua in the delivery and success of ALR, the intent of the governance arrangements is to support and promote alignment between the Sponsors in relation to the project.

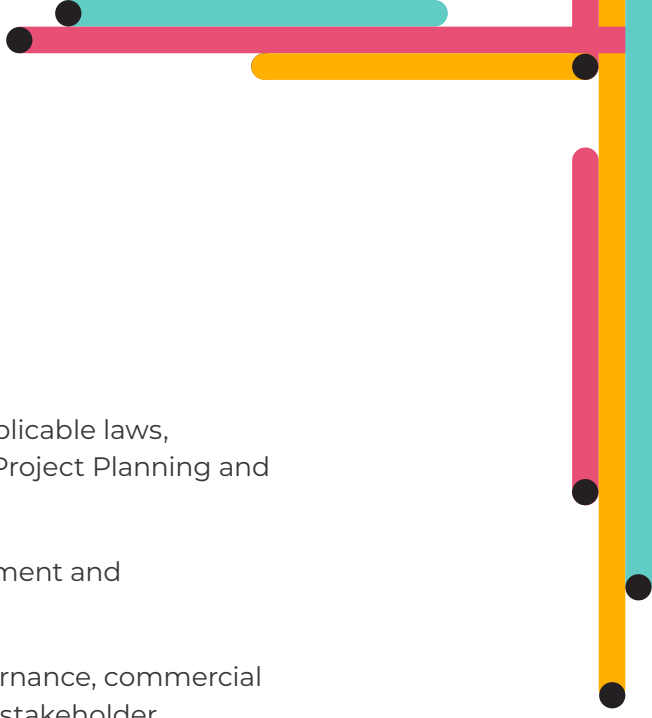
The Sponsors have overall responsibility for, including governance of, the ALR Programme with a view to achieving the ALR Programme outcomes.

BOARD

The Board is responsible for the governance, proper direction and control of the activities of ALR Ltd. The primary function of the Board is to act in a manner that Directors believe is in the best interests of the company in support of the ALR programme, while having appropriate regard to the interests of the Crown as shareholder, the Sponsors, employees and contractors of the ALR Project, and the greater Auckland community.

The Board is committed to a high standard of corporate governance and endorses the corporate governance principles embodied in the Financial Markets Authority – Corporate Governance in New Zealand Principles and Guidelines 2018.

In addition to the Crown Entities Act 2004, other key legislation governing ALR Ltd includes the Companies Act 1993 and the Public Finance Act 1989, and additional non-legislative requirements and ministerial expectations, implemented by the Crown as part of its oversight and monitoring function.



The Board is committed to operating in accordance with all applicable laws, regulations and guidance, the constitution of ALR Ltd and the Project Planning and Funding Agreement.

The Board will carry out its accounting, reporting, risk management and responsibilities in accordance with applicable legislation.

The Board is committed to maintaining high standards of governance, commercial behaviour and accountability in order to promote Sponsor and stakeholder confidence. The Board believes high standards of corporate governance are essential for the success of ALR Limited and the success of the ALR Project. Directors recognise the importance of an effective balance of relationships between an organisation's board and stakeholders and establishing the appropriate level of accountability and transparency to be observed.

The number of Directors on the Board at any one time is determined in accordance with the constitution, which currently is no fewer than two and no more than nine. At the date of this document, there are currently five Directors that have been appointed by the Crown as shareholder.

The Chairperson is also appointed by the Crown. The Chairperson of the Board will be an independent Director and will not be the same person as the Chief Executive.

Directors have approved a Board Charter.

The Chief Executive, who is accountable to the Board, has responsibility for the management, operation and administration of ALR Ltd. The company has in place a suite of policies that underpin its objectives and provide a link to day-to-day company operations.

TE TIRITI PARTNERSHIPS

ALR Ltd is committed to strong Te Tiriti partnerships.

STAKEHOLDERS AND PARTNERS

ALR Ltd is committed to maintaining effective working relationships with key stakeholders and partners, including Auckland Council, Auckland Transport, Waka Kotahi, Kāinga Ora, the Ministry of Transport, Treasury and the Ministry of Housing.



Organisational Health and Capability

From the outset, ALR Ltd will adopt a “zero harm” and thriving infrastructure approach that embeds a focus on caring for the wellbeing of people at every level, including governance and procurement.

ALR Ltd is committed to a culture that holds safety as a core part of the company’s identity. It will do this through:

- The Board and Management modelling behaviours that it expects from its employees, secondees and contractors;
- Establishing best practice health and safety approaches in the field and in the office environment, monitoring adherence to these practices and taking immediate corrective actions, if required; and
- Ensuring that the Company, and those who are working for the Company, meet all health, safety and environmental regulatory obligations.

Ensuring ALR Ltd is a good employer

To be successful, ALR Ltd must retain skilled staff, be a good employer and offer an attractive place to work.

ALR Ltd has adopted To Tātou Kaupapa, with a vision of connecting Tāmaki Makaurau to create a thriving and sustainable future. This will be achieved through three key values; Serving Tāmaki Makaurau, Strength in Collaboration and Pursuing Excellence.

Tō Tātou Kaupapa

Our vision

Connecting Tāmaki Makaurau to create a thriving, sustainable future.

Our purpose

We will be the catalyst for delivering light rail to bring us closer to home, work, study and play.



Serving Tāmaki Makaurau Ngakaunui ki Tāmaki

- **Inspired** by the spirit of **our communities** to always strive to do our best
- Honour our role as **guardians of a legacy** to deliver for future generations
- **Lead with authenticity** to build meaningful and trusted relationships



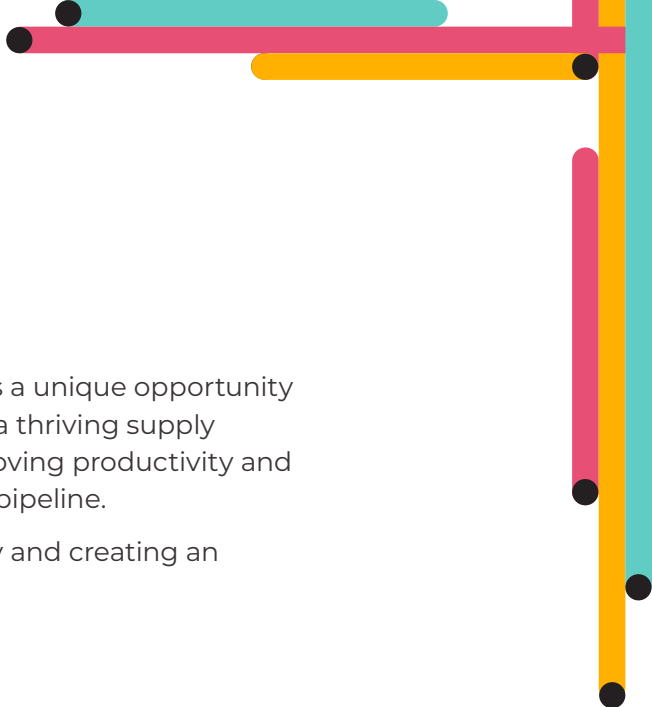
Strength in Collaboration Mahitahi

- **Synchronise our efforts** to come together as one team
- **Embrace diverse thinking** to generate the best solutions
- **Help others succeed** through our actions



Pursuing Excellence Whaia ki te taumata

- **Go bold in our ideas**, constantly innovate and improve
- **Focus on what matters most** to secure the right outcomes
- **Celebrate with heart** our people and our achievements



Given the scale, scope, and enduring timeframe of ALR, there is a unique opportunity to shape and drive broader programme outcomes by creating a thriving supply chain through improving sector diversity, care for people, improving productivity and delivering an enduring skills legacy and future focussed talent pipeline.

ALR Ltd is committed to building workforce capability, capacity and creating an enduring skills legacy.

ALR Ltd will support its people, based on creating:

- Diversity, equality and inclusion;
- Employment opportunities;
- Skills legacy;
- Employee wellbeing; and
- Supplier diversity.

Assessing Performance

ALR Ltd commenced operations as the current legal entity it is on 6 October 2022, and built on the foundational work of the Auckland Light Rail Unit.

ALR Ltd will report regularly on its performance, as required through its statutory and monitoring requirements, and as entrenched in the Project Planning and Funding Agreement.

The following performance targets for the period to 30 June 2024 relate to the planning phase of ALR as set out in clause 7.2 of the Project Planning and Funding Agreement (Roles and responsibilities of the ALR company):

ALR PROJECT-RELATED RESPONSIBILITIES

PROGRAMME

- The Corridor Business Case is developed to meet programme deadlines and Sponsors Requirements;
- The Corridor Strategic Framework is developed to meet programme deadlines and Sponsors expectations;
- Strategic land acquisition has been undertaken in accordance with the Early Property Programme; and
- A Treasury Gateway Review has been completed.

These will be measured by actual completion date against target completion date.

RELATIONSHIPS

- Building a culture that ensures authentic and enduring relationships with Mana Whenua through partnering opportunities as well as participation in processes and decision making;
- There is active participation from a broad range of diverse communities to help inform decision making;
- There is increasing understanding and public awareness of the ALR Project; and
- Stakeholder confidence that ALR Ltd is good to collaborate and partner with, whether that be Sponsors, local communities, employees and contractors, suppliers, or broader stakeholders.

These will be measured by stakeholder surveys and tracking media coverage, event and engagement activities and outputs.



ORGANISATIONAL HEALTH AND CAPABILITY

ALR Ltd will support its people to achieve the company's objectives and purpose by:

- Developing the team for their current roles, providing flexibility to move staff to other roles within the company and preparing staff for their next career steps;
- Regularly reviewing the capability of its people to align the available skills with the requirements of the project development lifecycles; and
- Providing a safe environment for employees,

These will be measured by the implementation of the culture and leadership plan.

FUNDING ENVELOPE

ALR Ltd will complete the detailed planning phase within the Total Available Funding (defined in the Project Planning and Funding Agreement), through fiscal and budgetary prudence and efficiency.

- This will be measured by:
- Project spend versus approved appropriation; and
- Timely financial and variance to budget reporting.



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