



GROUP

BOARD AGENDA

Meeting	10 August 2021, 9.30am – 1.30pm
Location	Level 10, 203 Queen St, Auckland
VC/dial in	Teams
Attendees	Leigh Auton (Independent Chair), Peter Mersi, Nicole Rosie, Shane Ellison, Katja Lietz, Jim Stabback, Cr. Darby, Margi Watson, Karen Wilson, Ngarimu Blair, Lellani Frew (observer), Dan Cameron (observer) Tommy Parker, Lucy Riddiford, Keelin Flynn*, Tui Gilling*, Cameron Law*, Claire Stewart*
Apologies	N.A
External attendees	N.A

* Present for part of the meeting

Karakia timatanga (to open the meeting)

Kia hora te marino

May peace be widespread

Kia whakapapa pounamu te moana

May the sea be like greenstone

Hei huarahi mā tatou i te rangi nei

A pathway for all this day

Aroha atu, aroha mai

Let us show respect for each other

Tātou i a tātou katoa

For one another

Hui e! Tāiki e!

Bind us all together

No.	Item	Sponsor	Attendees	Timing	Mins
Introduction					
1	Board only session	Chair		9:30am	20
2A	Apologies	Chair		9.50am	10
2B	Minutes				
2C	Actions				
2D	Interest Register				

No.	Item	Sponsor	Attendees	Timing	Mins
MORNING TEA				10:00am	15
3	Report back from Sponsors' meeting	Leigh Auton		10.15 am	30
4A 4B	Project Directors Report Monthly Board Report	Tommy Parker		10:45am	30
5	Update from Risk Review	Tommy Parker		11.15am	10
6	Mana whenua partnerships	Tommy Parker	Out of Scope	11.25 am	30
7	Communications and stakeholder engagement update	Tommy Parker	Out of Scope	11:55am	30
8	Business Case Update - Strategic Case	Tommy Parker	Out of Scope	12:25pm	30
9	Delivery Entity Workstream Update	Tommy Parker	Lucy Riddiford / Out of Scope	12:55pm	30
10	General Business	Chair		1:25pm	5
	MEETING CLOSE			1:30pm	

He Karakia Whakamutunga (to close the meeting)

Unuhia, unuhia

Draw on, draw on,

Unuhia ki te uru tapu nui

Draw on the power of the natural world

Kia wātea, kia māmā, te ngākau, te tinana, te wairua i te ara tāngata


To clear, to free the heart, the body and the spirit of mankind

Koia rā e rongu whakairia ake ki runga

Peace, suspended high above us

Kia tina! Tina! Hui e! Tāiki e!

Draw together! Affirm!

Auckland Light Rail Establishment Unit Board Meeting Minutes	
Date & time	10 August 2021, 9.30am to 1.30pm
Location	Auckland Light Rail Establishment Unit Office, lvl-10, 203 Queen Street, Auckland
Board members	Leigh Auton (Independent Chair) Peter Mersi (Ministry of Transport) Katja Lietz (Kāinga Ora) Shane Ellison (Auckland Transport) Nicole Rosie (Waka Kotahi) Jim Stabback* (Auckland Council) Megan Tyler* (Auckland Council) Councillor Darby (Auckland Council) Margie Watson (Local Board Representative) Ngarimu Blair (Mana whenua representative, observer until appointment complete) Erana Sitterlé (Treasury Alternate, observer) Dan Cameron (Te Waihanga, observer)
Staff in attendance	Tommy Parker (Project Director) Lucy Riddiford (Board secretary) Out of Scope 

* Present for part of the meeting

1. Board Only Session

There was no Board Only Session.

2. Apologies, minutes, actions and interests

Apologies

Karen Wilson, Lellahi Frew

Minutes

Resolution	The Board approved the minutes of the last meeting, subject to some minor amendments.
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Matters Arising



The Board discussed the matters arising.

Interests

Interests were noted.

3. Report back from sponsors' meeting

Mr Auton introduced the item. There was a general discussion, focused on the following points:

- *Recommendations:* The sponsors had agreed to all the recommendations in the sponsors' paper.
- *Delivery entity:*
 - o The sponsors signalled that they would like to see the entity established sooner rather than later, even if in name only, which would allow for some initial key appointments. Transition will be important.
 - o Initial preference for a partnership model, leveraging the skills and capabilities of different organisations.
 - o A discussion of the impact of COVID and labour and market constraints, which would support a partnership model.
 - o Importance of making the best use of expertise across agencies (including Treasury, Kāinga Ora, Te Waihangā) to enable advice to be provided on preferred entity form by November.
- *Urban form:* High ambition for intensification, not constrained by existing regulatory settings (unitary plan, NPS UD). Would like to see options to ensure challenges are well understood.
- *Business case:* The importance of affordability, cost will inform the assessment of options. The business case needs to present the best way of delivering all options (in terms of maximising value) and Cabinet will ultimately make the fiscal trade-offs against other Government investments. Business disruption was also discussed.
- *Value capture:* confirming that land acquisition is one of the tools being explored. It would be helpful to prepare a land acquisition strategy as part of the urban development workstream. In this context, care needs to be taken about talking about the specific route too early, as this would negatively impact value capture opportunities.
- *Media strategy:* The sponsors have requested the media strategy, expressing a desire to supplement the media approach.
- *Specific questions:* Sponsors want more information about travel time and also about a proposed Kingsland station.

Ms Tyler entered the room at 10am.

4. Project Director's report

Mr Parker introduced his report and the monthly board pack. There was a general discussion, focused on the following points:

- The team is working hard and we are focused on people's wellbeing. Board members were concerned to ensure that people in the unit were well supported by their home organisations,

including that demands on their time outside the unit were being minimised and addressed as necessary.

- The business case MCA (multi-criteria assessment of options) was undertaken last week and will be a topic for further discussion at the next board meeting.
- Urban modelling, which suggests that planning/ zoning is not the constraint on achieving urban outcomes, so further interventions will be required. This will not necessarily be the case at different locations along the corridor. The board noted that different skillsets would be needed to realise urban outcomes from core transport skills and capability. Strong desire to understand the development opportunities and how these can be realised, noting that it will be important to look at different locations along the alignment.
- Social licence, noting that there are events scheduled for every weekend between now and the end of September, with appetite for more. High level of engagement from individuals from across the unit's home organisations, which was great to see. It was noted that there has never been a better time for this conversation with climate response imperatives, so this is a national conversation.
- There were questions about the response rate for formal feedback.
- Costs of the unit.
- Costs of the various options, noting that these are necessary for the cost benefit analysis. Whilst it is understood that we need to narrow the options being assessed, board members wanted to understand the extent to which the options could be optimised in the next phase. Mr Parker explained that following a Cabinet decision, the route would be optimised, including as a result of public consultation, which would inform further choices, such as station locations. An example given was the possibility of a hospital station; whilst this has not been including in the modelling at the IBC stage, it could be developed at the detailed business case stage.

Resolution	The Board noted the contents of the Project Director's report and the monthly board report.
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5. Update from risk review

Mr Parker introduced the paper. There was a general discussion, focused on the following points:

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s 9(2)(i)

Resolution	The Board noted the updated risk review.
Actions	The board requested that capability/ capacity in the market be added to the risk register.

6. Mana whenua partnerships

Out of Scope entered the room at 11.07 am.

Out of Scope introduced the paper. There was a general discussion, focused on the following points:

- In this phase, we are introducing the project to communities, informing them about the project, issues and opportunities and the conversations that we need to have in the future.
- We have caught up with 9 iwi, with another 6 iwi meetings scheduled, focusing on the 15 mana whenua groups in the project area.
- There are some consistent themes in the conversations: care for the environment, what economic opportunities could arise (training, partnering on different aspects) and different interests in different parts of the corridor. Conversations in the next phase will need be more targeted.
- A desire for more information about what is coming out of the iwi discussions, noting that the unit will produce a Māori outcomes strategy, with a summary of all engagement, including with Mataawaka. This strategy will inform work in the next phase.
- A general discussion on partnership, what this means and what recommendations we should make about partnership in a governance sense. Various perspectives were offered:
 - o What partnership can look like at a project level, with some good examples from Waka Kotahi, Auckland Transport and Kāinga Ora.
 - o A strong recognition by all board members that Māori partnerships are extremely important and a desire to be bold in how we think about partnership.
 - o A recognition that different groups will have different interests, so the partnership thinking should reflect this.
 - o A suggestion that we should commission a history of the corridor by an independent historian, covering historic sites, burials etc, to help identify different the different interests of different Māori communities.



Out of Scope left the room at 11.39am.

Resolutions	The Board noted the mana whenua partnerships paper.
Actions	The Chair to arrange a further korero with a smaller group to assist with the development of the approach to Māori partnerships.

7. Communications and stakeholder engagement update

Out of Scope introduced the paper. There was a general discussion, focused on the following points:

- We have increased the number of events from 10 to 20 and we now have a light rail van.
- There is a lot of interest in access to jobs and education.
- There are currently barriers to getting around and people can see how light rail can help with that.
- At the recent event at the Onehunga market, there was interest in housing, public transport, interchange and the connection between Onehunga and Māngere Bridge.
- In Mt Roskill and the city centre there is greater concern about construction disruption and mitigation.
- The engagement programme is responsive to community requests, with 9 translations, engagement with local boards, community leaders and community groups.
- Desire expressed for more engagement with local boards outside the corridor.
- Feedback will be fed into the business case decision-making process.

Out of Scope left the room at 12.03 pm.

Resolution	The Board noted the Communications and stakeholder engagement update.
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8. Business case update

Mr Law entered the room at 12.03 pm. He introduced his paper. There was a general discussion, focused on the following points:

- The purpose of the strategic case is to explain why the investment should be made. It is still a draft and work is being done to make it more succinct and introduce some graphics.
- The key problems being addressed are the need for Auckland to grow sustainably, congestion, climate and equity.



- Climate modelling.
- There was a detailed discussion about the urban outcomes. At the previous meeting the Board requested that the second investment objective should be changed to “a transport and urban intervention”. Mr Law explained that this could undermine the business case process. The current proposal is for a transport intervention (light rail or light metro) and with the introduction of urban intervention into the objective, there is a risk that none of the short list options would meet the objectives. This does not undermine the desired outcomes for a change to urban form, which would be unlocked by and supported by the transport intervention. The particular problem is the word “intervention”.
- The scope of “urban” delivery is a critical question. At this stage land take/ urban development have not been costed. Can form part of the advice and could be part of the development of the detailed business case following a decision to proceed. Concern was raised about a potential narrowing of scope, with a recognition that the market will not necessarily deliver the broader urban outcomes, so other interventions will be required. Board members were also keen to ensure that decision-makers could understand likely additional costs to deliver the urban outcomes, to inform their decisions.
- Mr Law explained that as well as the business case, there will be an urban report and the extent to which the project is responsible for delivering urban outcomes will also inform the recommendations on the delivery entity. It will be important to highlight the fact that there needs to be other investment and action to deliver the broader urban outcomes.

Mr Law left the room at 12.53 pm.

Resolution	The Board noted the business case update.
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9. Delivery entity workstream update

Ms Riddiford introduced her paper. There was a general discussion, focused on the following points:

- Context for how the delivery entity, funding and value capture, financing and procurement work will feed into the management case, the financial case and the commercial case in the indicative business case.
- A reminder of the process for assessing the appropriate delivery entity, noting that we are re-assessing CRL with a re-purposed scope, rather than limiting it to its existing scope. This avoids the risk that the assessment under-estimates the challenges of setting up an entirely new entity, especially in a post-COVID world, where capacity and capability are constrained.
- The working hypothesis on scope is that:
 - o Auckland Transport will be the operator;
 - o While the unit is focused on CC2M, we will seek to ensure that no choices are made that would limit the scope of the delivery entity to future stages;



- In terms of urban delivery, it will focus on land required for construction and above station development, to ensure that choices are made during the construction phase that will support urban development. It will be important for the delivery entity also to ensure that infrastructure is in place to support urban development on the land it controls. The extent of the delivery entity’s scope in urban development will differ along the alignment (for example it does not make sense for the delivery entity to replicate Kāinga Ora’s functions). The next phase of the project will involve masterplanning along the alignment. The working hypothesis is that the scope of the Delivery Entity will include master planning along the corridor (in partnership with other agencies). Effective interface with partners and contractors will be key.
- Transition, noting what will be required in the next phase to ensure that the project continues with momentum and noting that sponsors have expressed a desire for the delivery entity to be stood up, even in shadow form, quite quickly. There was some discussion about the work the establishment unit can continue while a decision is being made and what mandate would be required.
- Provided an update on procurement, noting that the business case will include packaging and contracting options and will not be taken further until the next phase.

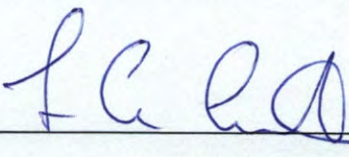
Resolution	The Board noted the contents of the paper.
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10. General business

- There was a general conversation about the papers, noting that this set of papers contained more detail. There was a request that if particular guidance was sought, this should be pulled out in the recommendations.
- A discussion of the assurance framework, in particular the two international advisers who will be supporting the Board.
- It was noted that policy agencies will provide independent advice in relation to the work of the establishment unit and there was a request to consider the process around that.
- Health and safety, with a desire for this project to be the exemplar. The Minister has requested that the unit meet with the Business Leaders Health and Safety Forum and this meeting has been set up.

The meeting concluded at 1.30 pm.

Minutes approved by the Independent Chair



Leigh Auton

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**Board Matters Arising
(as at 10 August 2021)**

Meeting / Item	Action	Owners	Due	Status
13 July 2021 3A. Project Directors Report	Management to provide additional reporting on engagement and partnering, including sentiment	Out of Scope	August 2021	Closed See paper in this month's pack
	Management to revert to the Board if more detail about mode and route is to be released to the public	Out of Scope	August 2021	Ongoing
	Management to provide additional information on risks	Out of Scope	August 2021	Closed See paper in this month's pack
13 July 2021 5. Business Case Update	Management to seek endorsement on the weighting of objectives from the sponsors	Tommy Parker / Out of Scope	August 2021	Closed See sponsor's paper
	Management to test with sponsors the appetite for removal of vehicles in parts of the alignment	Tommy Parker / Out of Scope	August 2021	Closed See sponsor's paper
	Tour of the proposed routes to be organised for board members	Out of Scope	August 2021	Closed Booked for 24 August
13 July 2021 6. Urban Workstream Update	Management to test with sponsors the appetite for the interventions required across all Agencies to realise the level of transformation	Out of Scope	August 2021	Closed See sponsor's paper
13 July 2021 7. Delivery Entity, Funding and Procurement Update	Peter Mersi and ^{Out of Scope} to work with the Chair on the best approach to integrating delivery entity, funding, financing and procurement with broader	Tommy Parker / Lucy Riddiford	August 2021	Closed

Board Matters Arising
(as at 10 August 2021)

Meeting / Item	Action	Owners	Due	Status
	policy advice to enable decisions to be taken to Cabinet at the end of the year			

Released under the Official Information Act 1982



PROJECT DIRECTOR'S REPORT

In the last month we have maintained good progress on all work streams. Against the master programme we have made up the deficit and are now slightly ahead on the critical path. August is scheduled to be the busiest month and I am very aware of the long hours that the team are putting in and how hard they are working. I have asked the leaders to emphasise the importance for staff to take breaks when they can and if working weekends to take time off in the week.

The positive team culture remains strong with staff motivated by the engagement opportunities and interacting directly with our customers. We have seen high levels of participation in all our events.

Business Case and Urban

The modelling results for both the Business Case and the Urban Work streams are coming in and we are undertaking the analysis. The Business case team has commenced the multi criteria analysis on the shortlisted options. At the next board meeting we will take the Board through the results of the MCA and have a deep dive into some of the supporting information including the results of the patronage modelling.

Collaboration

As the results are beginning to emerge, we are seeing greater interest and comment from home organisations. While we endeavour to keep open communications with our wider organisations it is important that we keep control of information into the team, stick to the process and avoid lobbying.

Social License

Excellent progress building a positive profile for the project across the community. In addition to the listening sessions and activations we have undertaken man one on one discussions with key stakeholders including Councillors, MPs and Business leaders.

Costs

We are seeing our forecast costs being to creep upwards. The PMO team are undertaking cost reviews with all the work stream leaders to ensure we are challenging our spending and focusing on what is critical for this phase of the project.



GROUP

Board paper

Meeting date:	10 August 2021
Subject:	Mana Whenua Leadership Hui Update
Author:	Out of Scope
Date:	4 August 2021
Pages:	2

1. Purpose

To provide you with an overview of the Mana Whenua Leadership conversations on Auckland Light Rail (ALR) to date.

2. Recommendations

It is recommended the Board:

- **Note** the contents of this paper.

3. Strategic Relevance

These hui are rangatira to rangatira (leader to leader) with the Chair of ALR and the leadership of each of the 15 tribes that have an interest where light rail is being proposed.

As outlined in the Mana Whenua Engagement Plan, the purpose of the hui is to establish a relationship with each tribe, to share information with them on the project and to hear their high level aspirations and any barriers or constraints in the ALR area according to their values.

4. Background

This approach was adopted because the Business Case, Delivery Entity and associated workstreams are being developed in a parallel process and detail is not available for more in depth discussion. This will occur after Cabinet decisions are being made and the next phase of detailed design begins.

5. Key Issues: Rangatira to Rangatira Discussions (A Snapshot)

To date, there have been seven hui held with Mana Whenua leadership in July from the following tribes: Ngai Tai ki Tāmaki, Ngāti Tamaoho, Te Ākitai Waiohua, Ngāti Tamaterā, Ngāti Paoa Trust Board, Ngaati Whaanaunga, Makaurau Marae (Te Ahiwaru).

A hui with leadership from Ngāti Te Āta will be held on 5 August and Ngāti Whātua Ō Ōrakei on 9 August. We are waiting to hear from the remainder of the Mana Whenua groups on whether they wish to be engaged, with any remaining hui to be completed prior to 31 August.

The kōrero received from Mana Whenua leadership is rich, with some of the key emerging themes across Mana Whenua as follows:

Te Taiao/Kaitiakitanga	Route & Mode impact on the Manukau Harbour for example, less/pylons in takutaimoana.
Partnership & Governance	Desire to be involved in decision making opportunities including Manukau Harbour.
Social Outcomes	Housing opportunities for Mana Whenua and Māori
Connectivity	Connecting whānau interregionally with ALR
Māori Economy	Enabling procurement to provide for Mana Whenua and Māori employment and job creation. Job creation at all levels.
Access	Cost for whānau can be a barrier to access
Engagement	Mana Whenua Values to be consistently applied across all aspects of ALR from the beginning. Key principles to ensure inclusiveness of Mana Whenua.

Individual feedback also includes commentary for example on:

- Role of KiwiRail and utilities such as Transpower and significant infrastructure in ALR;
- Impact of gentrification/intensification from ALR and relocation of people;
- Do not support a third Māngere bridge;
- Cultural heritage protection, buffer zones in significant areas, cultural narratives;
- Innovative engineering solutions, overhead/underground.

Some of the leadership have requested follow up hui for more detailed discussions and there are requests to be updated as the project develops. We are also considering whether we hold a wānanga with workstream leads and Mana Whenua leadership to provide them with further opportunity for feedback before the end of August.

Mataawaka Engagement

Targeted Mataawaka Engagement (those who do not whakapapa to Tāmaki Makaurau) is commencing in August with particular emphasis on Māngere. We are currently finalising targeted hui with trustees and leadership including Te Puea, Mataatua, Waatea and Papatūānuku Marae, Kura Kaupapa Māori, Te Wānanga o Aotearoa and Hauora health services. We are designing more targeted collateral for Māori communities and leveraging off the stakeholder messaging and meetings in the community.



GROUP

Board paper

Meeting date:	10 August 2021
Subject:	Communications and Engagement Update
Author:	Out of Scope
Date:	4 August 2021
Pages:	2

1. Purpose

To provide you with an update on the Communications and Engagement programme on the project.

2. Recommendations

It is recommended the Board:

- **Note** the contents of this paper.

3. Strategic Relevance

The overall objective of communications and engagement is to introduce light rail to local communities and wider Auckland. A focus for the next two months is to establish social licence for the project by engaging with stakeholders and communities.

4. Background

The engagement programme is now underway with the strategy to go to where people are and reach out to ensure they have the opportunity to give feedback face to face, in the communities that the project will impact and benefit. Community engagement has started in South Auckland and is progressing at 20 events, markets and drop-in sessions within the corridor area.

5. Key Issues

Priority stakeholder briefings are also continuing with electorate MPs (Epsom, Māungakiekie and Auckland Central), interest/sector organisations (Auckland Business Forum, Environmental Defense Society, Campaign for Better Transport, Sandringham Business Association) local boards (Māngere-Otahuhu; Otara-Papatoetoe) and ward

councillors. Interest remains high and a number of presentations and workshops are booked in for August.

A comprehensive print, radio, digital and outdoor campaign has been delivered in mainstream and ethnic channels and will run until September to further advertise the key messages.

Listening sessions have been completed in five corridor communities. Planning is underway for targeted workshops to take place in August to discuss specific issues that are front of mind (business, accessibility, ethnic, diversity and transport/urban interests).

Key themes and issues that are being received by area are outlined in the 'Engagement Snapshot' **attached**. Live feedback is shown in the event videos below:

Māngere Market: <https://www.lightrail.co.nz/events/mangere-market-17-july-2021/>

Otara Market: <https://www.lightrail.co.nz/events/otara-market-24-july-2021/>

AUT City Campus: <https://www.lightrail.co.nz/events/aut-city-campus-29-july-2021/>

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Engagement Snapshot

July 2021

Key Feedback Themes:

City Centre

- Construction disruption and mitigation
- Integration with existing network
- Benefits of both modes

Balmoral/Sandringham/ Mt Eden

- Retain Sandringham heritage housing
- Support for public transport
- Frequency of stops in community

Mt Roskill

- Construction disruption and mitigation
- Urban renewal challenges and opportunities
- Te Auaunga Awa and environment

Onehunga

- Opens up housing choices
- Support for public transport
- Desire for stop at Māngere Bridge

Māngere/ Airport

- Local procurement initiatives
- Gentrification concerns
- Desire for route to go to town centre

We are hearing:

81% of people will use light rail

86% say reliable and frequent journey times is important

43% of feedback is from people outside the corridor area



600+

feedback responses received



12

adverts and event tiles for sharing on partner social channels



62,000

brochures delivered



Print, radio, bus back/
bus shelters, digital



6,553

visitors to project website in first three weeks



translations in **7** languages



7 community events

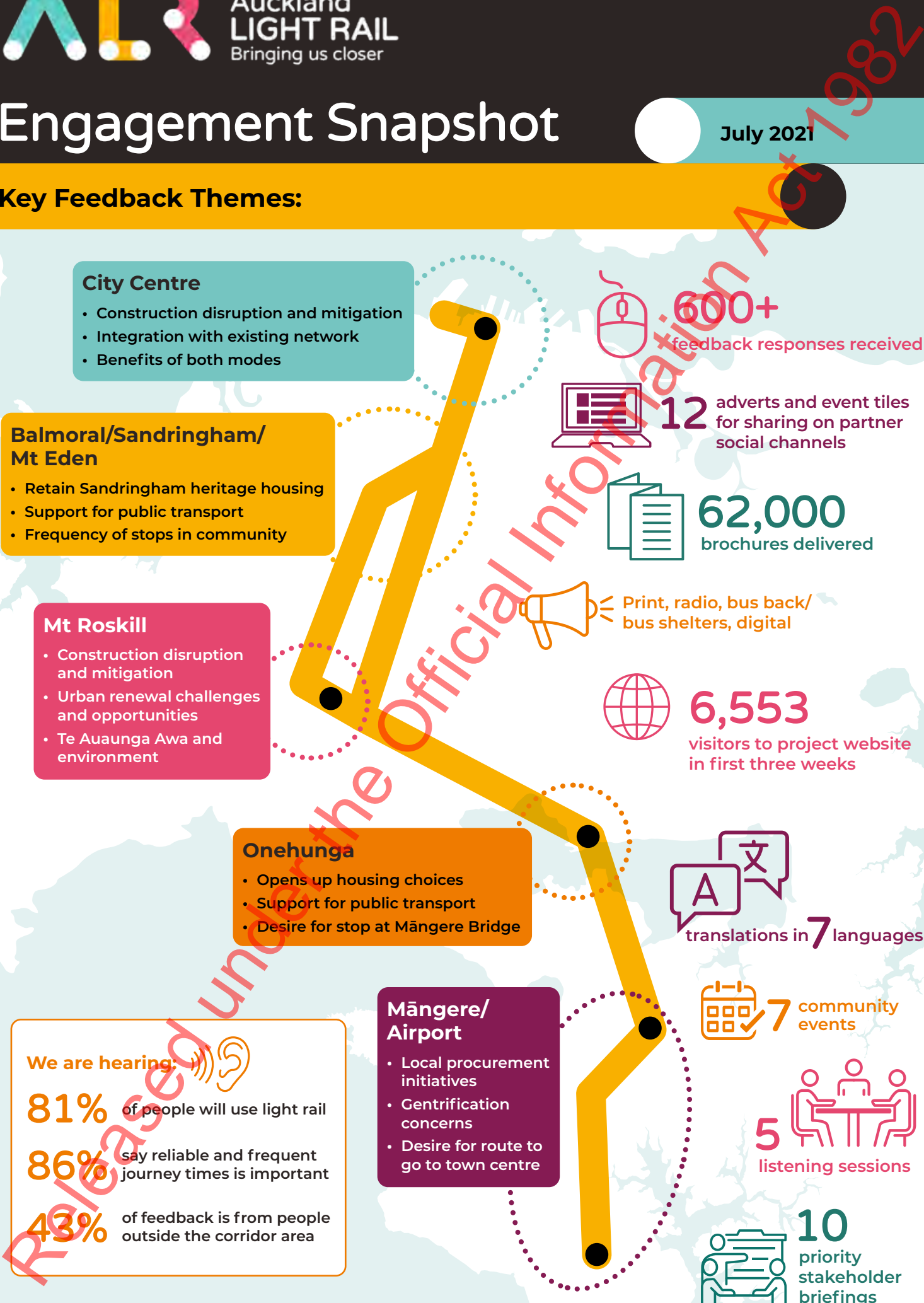


5 listening sessions



10

priority stakeholder briefings





GROUP

Board paper

Meeting date:	10 August 2021
Subject:	Delivery entity workstream update
Author:	Lucy Riddiford
Pages:	9 + 2 appendices

A. Purpose

1. This paper provides an update to the Board on the Delivery Entity workstream, which includes the delivery entity, funding and value capture, financing and procurement.

B. Recommendations

We recommend that the Board **note and discuss:**

- The scope and approach for the Delivery Entity workstream;
- The need for the project to progress quickly following a decision from Cabinet; and
- Critical factors to ensure the project can move forward.

We recommend that the Board **note:**

- The approach to funding and value capture;
- Financing; and
- Procurement.

C. Background

2. The delivery entity workstream will address the following questions in the Indicative Business Case (IBC):
 - The *management case*: How will the project organise for successful delivery? How should the project be taken forward? How do you transition from the Establishment Unit to the next phase of the project?
 - The *financial case*: Is the investment proposal affordable? How will we fund it? What Crown and Council mechanisms can be used? What are key value capture considerations?

- The *commercial case*: Is the proposed procurement commercially viable? Can the market deliver on this? Indicative consenting and property strategies.
3. This paper also provides an update on the Delivery Entity work, as well as funding and value capture, financing and procurement. Appendix A is a summary of the key supporting materials for these workstreams. Copies of these materials are available to the Board in the board pack, but it is not expected that you read them in detail. A pack of case studies is also provided to the board.
 4. We have had two conversations with the Board about the Delivery Entity. In the first conversation, we discussed scope considerations. At the Board's last meeting, we discussed the delivery entity assessment framework, the proposed scope, assessment criteria and initial transition considerations. We explained that it is difficult to determine the scope of the Delivery Entity as all the workstreams evolve in parallel. Determining the scope of the Delivery Entity without clarity around what we are building and what urban outcomes we are looking for is challenging. The Board noted, but did not endorse, the delivery entity scope and assessment criteria, recognising that it was difficult to do so without seeing the outcomes from other work on the business case.
 5. Our working hypothesis on scope, previously discussed with the Board, is:
 - The Delivery Entity, or its precursor, would be directly responsible for 'Planning' (Detailed Business Case (DBC), consenting, land acquisition etc).
 - The Delivery Entity would be directly responsible for 'Core transport delivery' (procure and deliver rail and stations).
 - The Delivery Entity would be responsible for some 'Transit Oriented Development (TOD) urban development'; further work is being done to understand the spectrum within this (e.g. above station/ station-adjacent at one end to full urban development at the other end). We will update the Board about the proposed TOD scope at the next meeting.
 - The Delivery Entity would not be responsible for 'Supporting infrastructure' (e.g. feeder buses, intersection upgrades etc) or wider 'beyond-TOD urban development'. These would remain the responsibility of partner organisations.
 - Flexibility should be retained in relation to whether the Delivery Entity would be responsible for operating the rail on the CC2M corridor. Our working hypothesis is that Auckland Transport is best placed to have a lead role in procuring, contracting and integrating operational services.
 - Flexibility should be retained for the Delivery Entity to fund and finance itself.
 - Flexibility should also be retained in relation to delivering future stages of Auckland Light Rail (North and Northwest) or rapid transit more broadly. These matters are not within the remit of the Establishment Unit, but we wish to ensure that decisions are not taken now that preclude future options and opportunities.

6. Following the last Board meeting, we had a workshop with a broad range of stakeholders, including partner entities and policy agencies. This paper reflects the discussion in that workshop and subsequent discussions. Our work has been undertaken in parallel with the development of a preferred route and mode, urban development potential, funding, financing and procurement. As such, it is iterative in nature and we will continue to refine it.

D. The Delivery Entity work will inform a future Delivery Entity decision and articulate a transition plan to allow the project to continue

7. Our general approach is that “form follows function” and, to this end, we are working with stakeholders to define several dimensions before entity design can be considered. The dimensions include: purpose, governance, partnerships, roles and accountabilities, and functions of all entities in the wider central and local government system, and how they will work with mana whenua and the private sector. Once these dimensions can be described, it is possible to consider which delivery entity options best achieve the desired outcomes and what the key trade-offs are with different entity choices. There might even be 2 or 3 alternative options for how the system could operate, which define the alternative entity design choices.
8. We are focusing on the following four areas, which are being further developed:
- **Institutional arrangements & Powers:** mapping of where powers sit in the current institutional framework, what powers the Delivery Entity might need and how easy it is to delegate, transfer or leverage these via partnerships.
 - **Governance and partnerships:** detail around roles and responsibilities of partners, how together they can achieve the CC2M outcomes and overriding principles needed for successful delivery.
 - **Transition:** identify key activities, risks and capability requirements at different stages, capability needed and structure and governance arrangements needed to take the project beyond the Establishment Unit pending the establishment of a Delivery Entity.
 - **Delivery Entity considerations:** considerations around repurposing existing entities vs creating a new entity to deliver CC2M. This will include the consideration of different existing agencies/entities, different entity forms and the evaluation of CRL and a JV, as requested by Cabinet.
9. To inform Cabinet’s decisions on how the project is delivered, central government agencies are working alongside the Establishment Unit to ensure that the powers sought of a new entity, and the form of that entity, are appropriate from a broader machinery of government perspective. This will inform Cabinet’s decision in relation to entity form and transitional arrangements.

E. We want to ensure that the project can progress with confidence

10. Work to date indicates that the establishment of a Delivery Entity, including a decision on its precise form, does not need to occur to allow work to proceed on the project. We consider that the focus of the business case and advice to Sponsors should reflect what is needed for successfully delivering CC2M and the objectives rather than focused on entity form. Several entity forms could be optimised to deliver the project; what is more important is the functions, scope and governance of the entity.
11. The history of this project is that there have been very intensive phases of work, with long pauses for critical decisions to be made to enable the next phase to commence. When this occurs, there is an inevitable delay to programme, critical resources are lost, there is a lag for teams to be re-established and resourced appropriately and costs increase. This can be avoided.
12. Our advice will focus on the critical features for the project to continue.
13. **Appendix B** is an indicative high-level programme for the project. Following a decision by Cabinet, the next steps (consistent with best practice planning for successful project delivery) will involve:
 - Preliminary design development
 - Master planning
 - Consent preparation
 - Major procurement planning
 - Development of the detailed business case
14. We would like to set up a programme to communicate to the industry now ahead of Cabinet's decision, to ensure that we can maintain momentum in the next phase.

F. Some things will be critical to ensure the project can move forward and some will be developed in the next phases of the project

15. Our final advice will be clear about what is critical for the next phase and what is needed for the transition phase. This paper outlines our early thinking on some of the factors that do need to be in place to ensure that the project can progress. It is yet to be tested with partner agencies. We would expect that some elements can be put in place in the transition phase to allow the project to move towards the delivery entity.
16. *A project governance structure*: Enhancing the current governance structure to strengthen our technical/ delivery governance oversight. The Cabinet paper¹ noted

¹ Paragraphs 68, 69

that a transition to a governance structure that is fit for purpose for overseeing the more technical phase of the project would be appropriate for the next phase.

17. *Role clarity for sponsors and governors.* Considerations include:
 - What is the role of sponsors?
 - Who should the sponsors be?
 - What is the interplay between sponsorship and funding (for example if the project were solely, or substantially, funded from central government sources, what decision-making role, if any, would be appropriate for local government)?
 - What are the critical skills for the governors in the next phase?
 - What is the role of mana whenua in the governance of this project?
18. *An appropriate assurance regime to give confidence to sponsors and governors.*
19. *Funding.* The project will need certainty of funding to complete the consenting and designation process. This will be important to provide certainty so that the project can attract the right people and also to make it attractive to the market.
20. *Scope clarity* especially for urban outcomes.
21. *A credible counterparty:* The project will need to enter into contracts, receive funding, pay invoices etc.
22. *Operational autonomy:* Recognising that sponsors/ funders need oversight of the project and its outcomes (and not just the entity), how can we ensure that there is sufficient operational autonomy for the project and its governors to ensure that project delivery is supported by its sponsors and not hampered in its ability to progress.
23. *Continuity.* This is important:
 - Feedback and experience demonstrates that a critical success factor for major projects is ensuring that people with the right skills and experience come on board at the outset, with proactive succession planning throughout the project lifecycle. This applies at both governance and management levels.
 - Partnership with mana whenua needs to be developed and nourished through this phase – changing the face and name of the project would be disruptive to the development of these critical relationships.
 - Community and stakeholder engagement are critical through the next phase – stakeholders need to know who they are engaging with and it would be disruptive to change part way through.
 - Market confidence risks being negatively impacted by a lack of continuity.

24. *Partnerships*: Subject to final determination on the scope of the delivery entity, it's likely that broader urban outcomes will be planned and implemented by multiple agencies across both local and central government (whole of government approach), within an agreed governance and delivery structure. This will ensure a broad-based, programme approach is taken to achieving quality urban and transport outcomes within the corridor. The precise terms of these partnerships will be developed in the next phase. We do need to do further work to ensure that expectations and incentives are clear and aligned. Partners need to be rewarded (incentivised) to continue to prioritise this project, in a context where funding is outside our control and for government agencies their statements of expectation etc change annually.

G. We have provided an update on the funding and value capture work to Sponsors, which is summarised here

25. In line with the IBC process, we have investigated a wide range of potential funding tools through consideration of a long list of funding options. This includes 23 project related funding sources and 12 system wide sources.
26. This list has been shortlisted through collaborative workshops across partner agencies and assessed against agreed criteria. The criteria cover: certainty of cash flow, implementation & deliverability, equitability, flexibility and wider considerations.
27. The short-listing exercise eliminated funding sources such as capital gains tax in the corridor, stamp duty in the corridor and tourist farebox due to a combination of the lack of cash flow certainty, inconsistency with current policy and the risk of perverse incentives outweighing potential benefits.
28. Short listed options remain broad and cover Crown, Council and commercial funding sources; existing and potential new tools; and value capture mechanisms. These range from more traditional funding sources (e.g. Crown appropriation, National Land Transport Fund (NLTF) and farebox) to targeted rates, betterment levies, commercial leasing, advertising, strategic purchase and sale of land and sale of development or air rights.
29. We are further developing this shortlist to include a summary of each of the shortlisted options, including their application, beneficiaries, enabling legislation, implementation & collection mechanisms, domestic and international precedent, trade-offs and order of magnitude estimates.
30. We will use this work to develop and provide three concurrent and related deliverables which will form the basis of the IBC and additional advice to Sponsors.
- **Financial Case**: will provide an overview of capital funding options and operating funding options. The long list to short list and short list reports will

be appended. It will consider the shortlisted funding options and how these can come together as a suite of funding sources and tools.

- **Detailed funding advice:** advice beyond the scope of the IBC that will provide detail on funding sources available to the relevant public entities (e.g. NLTF, DMO, Auckland Council etc). It will consider the range of potential 'levers' to fund the contributions, identify potential balance sheet implications and clearly note trade-offs of the options and alignment to policy settings. This advice will not seek to allocate funding to entities or options. Instead it is focused on providing an understanding of the funding options available and their realistic and practical implications to enable Sponsors to provide guidance on the funding sources to be investigated in more detail in the DBC stage.
- **Detailed value capture advice:** this advice will provide greater clarity on the tools that are currently available, as well as those that may be worth further consideration. It focuses on providing advice on practical implementation considerations and consequences specifically in relation to ALR. It will:
 - identify beneficiaries at varying degrees (node specific, corridor and wider catchment);
 - identify trade-offs and the potential intended and unintended consequences of using these tools (or not using them), including considerations around the interplay with urban development, equity and behavioural impacts;
 - provide order of magnitude estimates;
 - identify policy or wider tools that would be needed to enable these tools to be optimised (e.g. special housing zones); and
 - case studies to bring to life how these tools can be used for CC2M.

31. The shortlisted value capture tools being considered in more detail include the use of an IFF levy, targeted rate, targeted levy, betterment levy, tax increment financing (TIF)², business rate supplement, vacant land tax, workplace parking levy, farebox and premium farebox. We are also considering a range of more land related tools such as the sale of land, strategic purchase and sale of land, development partnering or developing. The application of these is being considered across a spectrum of beneficiary groups from a local to a national level.

32. Some of these tools are able to be used under current legislation (e.g. IFF levy and targeted rate), albeit require differing levels of complexity to justify and implement. Other tools (e.g. a betterment levy or TIF) would require legislative change to enable the Delivery Entity or Auckland Council to utilise them. This degree of complexity will be considered alongside the potential funding quantum, certainty of cash flows, equitability and any favourable or unfavourable associated behavioural impacts. The

² Tax increment financing, or TIF, subsidises companies by refunding or diverting a portion of their taxes to help finance development in an area or (less frequently) on a project site.

detailed funding advice provided will draw out these considerations, including requirements for legislative change.

33. While the work noted above will provide order of magnitude estimates, it will not provide detailed revenue estimates that can be relied on to make investment decisions.
34. Some early considerations evolving from the funding work include:
 - Further announcements on the project should consider including the nature of the funding sources that are likely to be applied. This would provide clear messaging to the community and market and reduces the risk of not capitalising on value capture.
 - Capturing value from landowners has implications on incentivising development. This needs to be considered in the context of Auckland-wide patterns of intensification. It also has implications on future patronage and mode-shift and associated environmental benefits.
 - The trade-off between specifically targeting beneficiaries (i.e. beneficiary pays principle) and promoting affordability (i.e. sharing the cost over a wider group) needs careful consideration. This will be particularly challenging when considering lower socio-economic areas (i.e. risk of driving gentrification through increasing the cost of living).

H. Financing

35. We have held one financing workshop, which discussed initial reactions to who should raise financing and discussed the proposed framework and evaluation criteria. These options will be further developed in the DBC phase of the project, including in the context of the short-listed funding options.
36. Options for financing include the Crown, the National Land Transport Fund, or the Delivery Entity. The approach will be heavily informed by Central Government/Treasury policy.
37. The working, Base Case, assumption is a Crown financed structure with finance raised by the Debt Management Office (DMO) and passed on to the Delivery Entity. We intend to work with Treasury to obtain support for that option prior to submission of the IBC. Financing of short-listed funding options to offset that Crown financed requirement will also be explored in the DBC phase.
38. A financing approach whereby the Delivery Entity raises finance is possible and may be preferred if we believe there is merit in pursuing that approach vs the Crown financing approach (with the relative value being assessed based on the agreed evaluation criteria e.g., value for money, risk transfer, flexibility etc). However, a Delivery Entity financing approach would likely need to incorporate Crown support or financing to be commercially viable and achieve a lower cost of capital.

I. Procurement

39. We have held two workshops on procurement, one to confirm the assessment methodology, which was reflective of market trends and insights and one to validate and confirm the long-list and determine short-lists of packaging and contracting options. There will be one further workshop to look at high level risks.

40. The procurement work at this stage will narrow down the options, while being cognisant of the interface with the Delivery Entity, funding and financing workstreams and the refinement of technical scope. Ultimately the procurement strategy will be detailed and confirmed at the detailed business case phase of the project.

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Appendix A – Schedule of supporting materials

Delivery Entity	Delivery Entity Scope considerations Delivery Entity Evaluations of Options
Funding and value capture	Funding and value capture framework Summary of key themes from the funding and value capture framework workshop Long list to short list report (doc and appendix 1)
Financing	Financing options
Procurement	Procurement methodology report Options assessment report
Case studies	Report

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Appendix B

Indicative High Level Programme



Note: The recommended time for establishment of the Delivery Entity is April 2023 to October 2023

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AUCKLAND LIGHT RAIL

Board Report #4

August 2021

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EXECUTIVE SUMMARY

Progress Highlights from July 2021

Again, it has been a very productive month for the Unit with significant progress in all areas, all set for Option Selection this month.

Successful public engagements have been held at Manger Town Centre, Mangere Bridge, Otara Markets, AUT, Auckland University among others. It was great to have attendance and support from Board members, MPs and local politicians. The engagement at these events has been very positive, highlights involving many comments around the desire to have a station right in the Mangere Town Centre, with genuine excitement around the ability to connect to other locations along the route and the city more easily. A nice surprise has been the desire people are expressing to get out of their cars.

The team is doing a fantastic job in delivering to programme, with particularly challenging workloads in all areas. Special mention must be made of the modelling work that is informing our Technical, Urban Development and Business Case streams.

The project has also established some strong assurance with the IAG, which has already provided leadership on key issues.

Project Status

	Scope		Resources
	Risk		Issues
	Budget		Schedule

Points of Focus for August 2021

Status

Option Selection and Multi-Criteria Assessment are on track to commence in the first week of August.

Continued public engagement.

Continued development of Project Systems and Processes in preparation for Gateway Reviews and stronger accountability in cost management.

All draft inputs to the final report are scheduled for the end of August, leaving a month of refinement and challenge.

Refinement and planning for the next stages of project development, ensuring that the project doesn't lose momentum.

Key – Red/Amber/Green Status

	Off track, immediate attention needed
	Risk of falling off track, attention needed
	Risk of falling off track, attention needed

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OVERALL WORKSTREAM SUMMARY

Workstream	High-level Progress Overview	Programme	Budget	Risk Status
Delivery Entity	Funding, finance & value capture and procurement workstreams are well-progressed, with final workshops scheduled for the early part of August to close out procurement shortlists for the commercial case. A funding workshop will cover off the shortlist of funding sources and key considerations for the business case, alongside additional advice. The delivery workstream is now focusing on powers, governance, partnerships and transition. Timeframes are tight and there is a significant amount of work to complete this month.			
Social Licence	The communications and engagement for the project went live on 1 July and is progressing well. Feedback is open with over 600 responses received in our online survey. Community engagement has focused on South Auckland with activations at markets and weekend events. Listening sessions have been completed in 5 corridor communities.			
Business Case and Consenting	The business case workstream recently held a comprehensive briefing of all the options for the Multi Criteria Analysis (MCA) assessors. The assessors are reviewing this material and will meet on 8th August to begin to compile the detailed scoring of each option. The review process has been developed for drafting the different parts of the business cases and is all on track, although is very compressed.			
Urban Development	Urban uplift and land use modelling outputs have been delivered by PwC and Arup. These outputs have provided information on the potential urban transformation within the corridor for the 5 options being considered in the business case. This includes a detailed analysis on development potential and urban form outcomes in the specific locations of Dominion Junction, Onehunga, Mt Roskill and Māngere. CBRE has delivered market analysis, focusing on the development market context for urban transformation along the corridor. Market Economics have delivered a preliminary report looking at the macro economic effects for Auckland as a consequence of investing in light rail in Auckland.			
Technical Support	The team have done a tremendous job in pulling together all the inputs necessary to inform the multi criteria analysis (MCA) on the 5th August, despite the number of short listed options (SLO) increasing to 5. The focus for August will shift to finalizing drawings, backfilling evidence for short listing process, producing technical notes and the concept of operations report.			
PMO & Culture	Baseline of project costs achieved, now set for stronger cost management. Programme health continues to improve, currently showing on time delivery and progress ahead of plan. Minor social activities planned to grow team culture, alongside high levels of participation across the team in the public consultations.			

PERFORMANCE MILESTONES

This is a high-level view of the key milestones for the Establishment Unit and the current status.

Workstream:	Milestone:	Status:	May	June	July	August	September	October
Governance	Board Meetings	N/A	◆	◆	◆	◆ ◆	◆ ◆	◆
	Sponsor's Meetings	N/A		◆		◆		◆
Establishment Unit	Business Case and Advice Ready	On Track						◆ 30/9
Social Licence	1. Stakeholder Management and Mana Whenua Engagement Plans Ready	Achieved (One week early)	◆ 28/5					
	2. 'Community Engagement - 'Go Live'	Achieved and Ongoing			◆ 3/7			
	3. Draft Strategies and Feedback reports ready	On Track					◆ 10/9	
Delivery Entity	4. Detailed Entity Advice and Transition Plan	On Track				◆ 23/8		
	5. Delivery Entity Summary Report	On Track					◆ 10/9	
Business Case	6. Project Objectives Defined	Achieved (On time)	◆ 26/5					
	7. Project Team Confirmation of Long List	Achieved (On time)		◆ 31/5				
	8. Project Team Confirmation of Short List	Achieved (On Time)			◆ 30/6			
	9. Readiness for Option Assessment	Achieved (On time)				◆		
	10. Draft Business Case Ready to Review	Delayed - By 3 Days					◆ 31/8	
Technical Support	11. Bronze Submission of Design	Achieved (2 Week Behind Schedule)				◆ 9/7		
	12. Technical Inputs Ready for Option Selection	Achieved (On time)				◆		
Urban Form	13. Urban Development Option Selection Inputs Ready for Review	Achieved (On time)				◆ 30/7		
	14. Urban Form Summary Report	Delayed - Not Critical					◆ 10/9	

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COMMERCIAL SUMMARY

Financial Status



	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Total
Forecast	\$ 55,040	\$ 1,705,035	\$ 2,912,349	\$ 3,430,416	\$ 3,856,889	\$ 2,370,441	\$ 14,330,170
Actual	\$ 9,594	\$ 122,948	\$ 2,641,999				\$ 2,804,541

Commercial Update for July 2021

- Over 45 Suppliers engaged = \$14.3 Million (Up to 30 Sept 2021)
- \$2.8 million of Invoices received to date
- Invoicing 1 month behind forecast
- 50% of Contracts fully executed
- Commercial Dashboard set-up, Commercials Reviews undertaken with Workstream leads.
- Invoicing process and procedures (including vetting) have been set-up and being implemented.
- Budgets re-aligned to support updated forecast baseline.
- Forecast increased due additional Delivery Entity and Social Licensing Costs being allowed for: I.e. Additional cost for MoT, Project Director and Board Director Extensions, Engagement Scope increases (see Workstream Dashboards for detail)

Planned Activities

- Monthly Commercial Reviews set-up between PMO team and Workstream leads to update their forecasts based on their increased knowledge of scope and intent.
- Implementation of internal commercial reporting to support contract management, value for money and improved budgetary controls.

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DELIVERY ENTITY

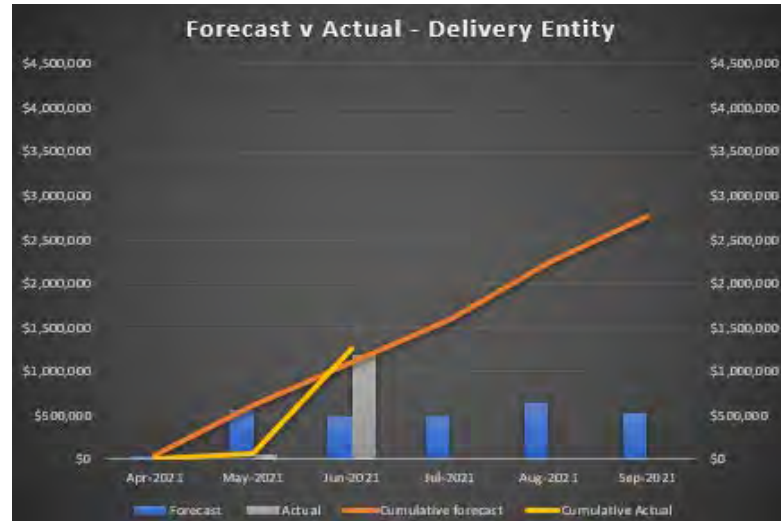
The purpose of the delivery entity workstream is to provide governance support to the Independent Chair and Establishment Unit Board, to lead the advice on the delivery entity and to be the interface with the policy programme of work being led by the Ministry of Transport

Workstream Update:

Progress: We have held further workshops to review shortlists for funding, value capture, finance and procurement. National and international case studies for reference projects now complete. Workshops on Delivery Entity evaluation scope and assessment with guidance to focus on powers and functions, rather than form. Focus moves to governance, powers and transition. Meeting held with Kāinga Ora, HUD, MoT and Treasury to discuss the UDA.

Plans: This month is critical to bring all the thinking together, with management, commercial and financial cases due at the end of the month. There is a workshop on 9 August on governance and the roles and responsibilities of partners for the delivery entity and the last workshop on procurement to identify key risks for the project (e.g. tunneling, Geotech, interface) and work through implications for procurement.

Commercial Summary



Commentary:

Re-baseline exercise identified work not scoped initially alongside costs the project didn't anticipate needing to absorb.

Cost increases related to Project Director extension, Board Director costs, MoT Policy Stream and Procurement.

Budget now fully scoped and aligned.

Key Milestones:

Key Milestones:	Date:	Status:	Comment:
4. Detailed Entity Advice and Transition Plan	23/8	On Track	On track with information being compiled.
5. Delivery Entity Summary Report	10/9	On Track	This report summarises the key findings and recommendations of this workstream.

Key Activities (this month):

Key Activities (this month):	Date:	Status:	Comment:
Preparation for Board	10/8	On Track	Presentation and preparation of Board Papers and updates.
Preparation for Sponsors meeting which was moved out a week by sponsors	9/8	On Track	This meeting covers urban workstream update, business case objective weightings and shortlist and an update on delivery entity, funding & finance and value capture.

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SOCIAL LICENCE

The overall objective of communications and engagement is to introduce light rail to local communities and wider Auckland. We will inform and position the project as a catalyst for improving communities as part of a growing Auckland.

A partnership will be established with Mana Whenua to incorporate cultural values and opportunities, to be carried into the next phases of the project.

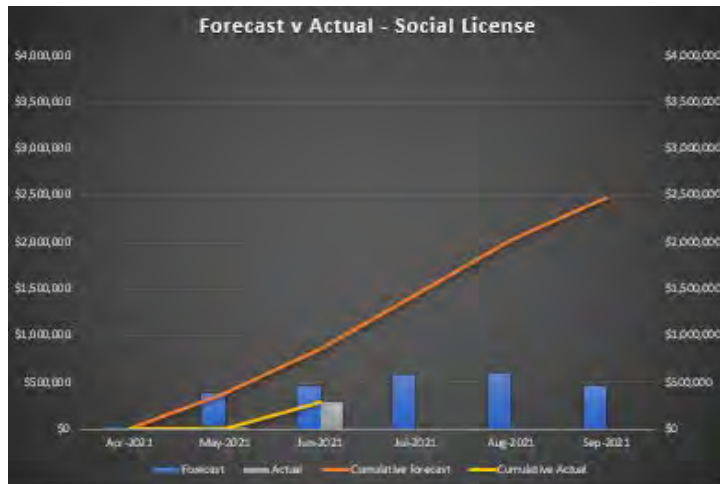
Workstream Update:

Progress: The communications and engagement for the project went live on 1 July and is progressing well. Feedback is open with over 600 responses received in our online survey. Community engagement has focused on South Auckland with activations at markets and weekend events. Listening sessions have been completed in 5 corridor communities. Multiple workshops have taken place with local boards, industry/sector organisations, ward councillors and electorate MPs. Engagement with Mana Whenua is also progressing and half of the scheduled hui with governance chairs have taken place.

Plans:

Print, radio, digital and outdoor campaign will continue to run until September.
Roadshow at 20 markets, events and drop in sessions is continuing in August.
Planning 4 targeted workshops in August to discuss specific issues that are front of mind.
Mataawaka groups engagement will start in August.

Commercial Summary:



Commentary:

Additional engagement costs have been added due to the increased scope of expectations for this workstream.

Now it has been re-baselined, this is expected to remain steady.

Key Milestones:

Key Milestones:	Date:	Status:	Comment:
1. 'Community Engagement 'go live'	1/7	Achieved (1 week early)	Launched successfully.
2. Draft Strategies and Engagement Reports ready	10/9		Social Outcomes Strategy, Maori Outcomes Strategy and Engagement Summary Report

Key Activities (this month):

Key Activities (this month):	Date:	Status:	Comment:
Preparing for community engagement events at various Corridor locations	7/8 to 29/8		Key activity in establishing social license.
Preparing for targeted workshops in August	Multiple dates		Opportunity to focus activities for best impact.

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BUSINESS CASE AND CONSENTING

The purpose of the Business Case workstream is to lead the business case and consenting for the independent Chair and Establishment Unit Board, to lead the development of the business case and be the interface of the programme work

Workstream Update:

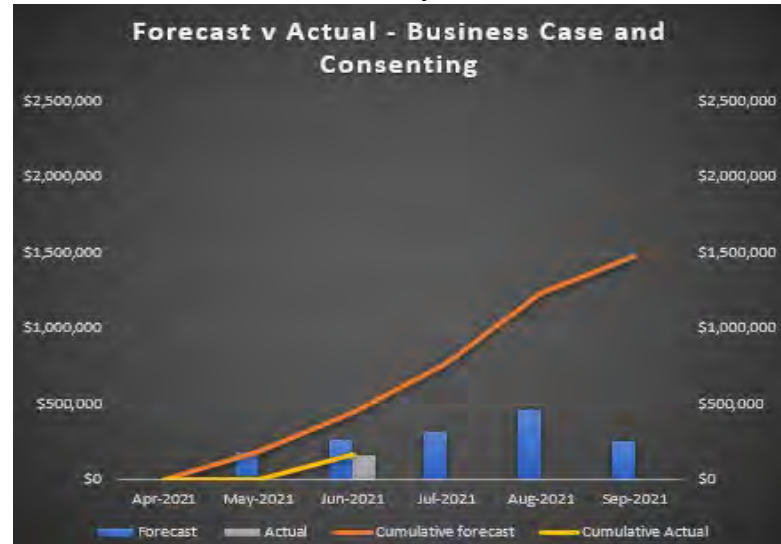
Progress: The next draft of the Strategic Case is nearly ready for circulation. The business case workstream recently held a comprehensive briefing of all the options for the Multi Criteria Analysis (MCA) assessors. The assessors are reviewing this material and will meet on 8th August to begin to compile the detailed scoring of each option.

Plans: The next few weeks are going to involve a very busy process of developing and reviewing all the components of the business case. The first component for review is the Strategic Case, which will be followed by the other four cases over the second half of August. The Economic Case includes the documentation of the MCA outcomes, and a CBA completed. Cohesive amalgamation of all cases will start in late August.

Key Milestones:	Date:	Status:	Comment:
8. Confirmation of Short List	30/6	Achieved (on time)	Hybrid option added
9. Readiness for Option Assessment	2/8	Achieved (on time)	Briefing to assessors
10. Business Case drafted	31/8		Drafting/reviews scheduled

Key Activities (this month)	Date:	Status:	Comment:
Multi Criteria Analysis workshop on option assessment	8/8		Key input into reports and trade off discussions
Drafting and collation of all components of business case	31/8		Tight timeframe to compile all components

Commercial Summary:



Commentary:

Small increase associated with independent BC writer and gap analysis reviewer.

Re-baselined forecast now aligned with budget.

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URBAN DEVELOPMENT

The purpose of the urban workstream is to lead the urban policy direction, infrastructure, growth and development capacity, urban economics, stations/walkable catchments and urban delivery strategy for the business case.

Workstream Update:

Progress: Urban uplift and land use modelling outputs have been delivered by PwC and Arup. These outputs have provided information on the potential urban transformation within the corridor for the 5 options being considered in the business case. This includes a detailed analysis on development potential and urban form outcomes in the specific locations of Dominion Junction, Onehunga, Mt Roskill and Māngere. CBRE has delivered market analysis, focusing on the development market context for urban transformation along the corridor. Market Economics have delivered a preliminary report looking at the macro economic effects for Auckland as a consequence of investing in light rail in Auckland.

Plans: Ensuring the urban story is well aligned and integrated with the business case, wider project and advice to cabinet. Providing the expert urban assessment for the MCA of the short list. Collating all results from PwC, Arup, CBRE, Market Economics to formulate the overall urban advice for the project, business case and cabinet.

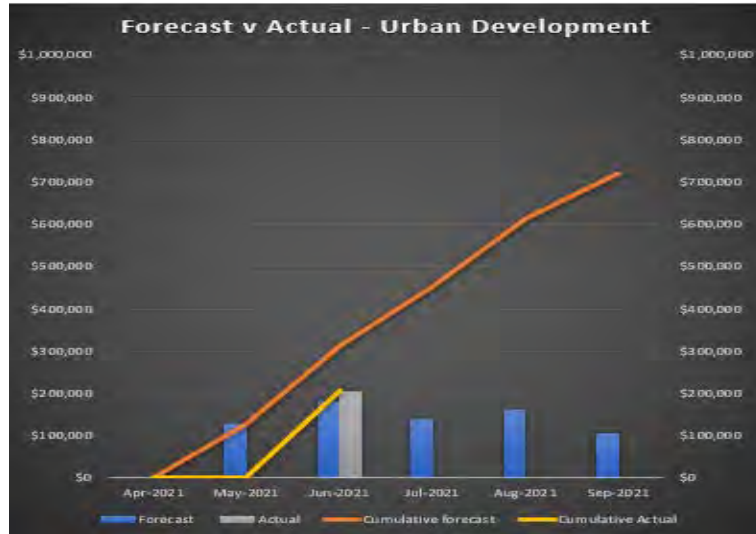
Key Milestones:

Key Milestones:	Date:	Status:	Comment:
Reviewing modelling results in preparation for MCA	4/8		Links to 'Readiness for Option Selection' on technical stream.
Urban Form Summary Report	10/9		This is the major deliverable for this workstream for the overall advice to cabinet

Key Activities (this month):

Key Activities (this month):	Date:	Status:	Comment:
Sponsors	9/8		Urban update for the Sponsors
Preparing for and providing the urban assessment for the MCA	5/8		Summarising and interpreting modelling results
Drafting urban form summary report	27/8		Developing the Urban Story and advice to the project

Commercial Summary



Commentary:

Increase in costs related to modelling scope across additional options.

Re-baselined and now endorsed by budget owners.

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TECHNICAL SUPPORT

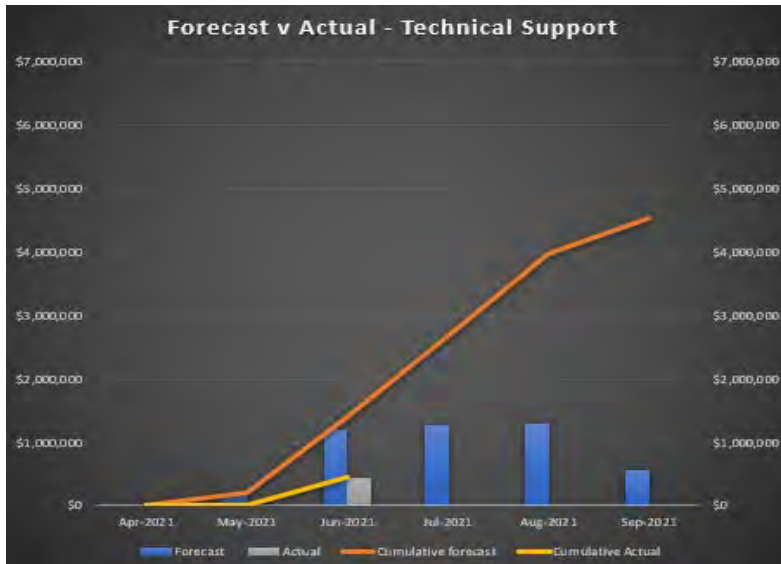
The purpose of the Technical Support workstream is to lead the technical support, transport strategy and programme for the business case.

Workstream Update:

Progress: The team have done a tremendous job in pulling together all the inputs necessary to inform the multi criteria analysis (MCA) on the 5th August, despite the number of short listed options (SLO) increasing to 5.

Plans: Finalise all drawings and complete any renders required for the business case or Cabinet Paper. Complete second iteration of SLO patronage modelling to include higher urban development uplift. Complete cost estimates for SLO. Engage with Auckland Rapid Transit Plan team to ensure consistency with emerging findings. Begin drafting of technical notes and Concept of Operations. Backfill evidence to support selection of SLO.

Commercial Summary:



Commentary:

Additional budget forecasted due to change in scope with additional options being assessed.

Budget now aligned with forecast through re-baseline exercise.

Key Milestones:	Date:	Status:	Comment:
11. Bronze submission of Design	9/7	Complete	Bronze issue completed and Silver issue on target for delivery 5 th August
12. Technical Inputs Ready for Option Selection	30/7	Complete	Inputs ready for MCA, some further evidence on long list will be required

Key Activities (this month):	Date:	Status:	Comment:
Bronze submission of Concept of Operations	30/08	On track	On track, Table of Contents submitted.
Silver & Gold issue of SLO drawings Silver (5/8), Gold (30/8)	5/8 30/8	On track	On track
Bronze submission of technical notes	30/08	On track	Scope of Technical Notes to be confirmed early August
Complete patronage sensitivity testing including extensions to N Shore and NW, impact of congestion pricing and heavy rail options	16/08	On track	On track
Develop costs of SLO.	30/8	At Risk	Compressed timeframes will put pressure on this activity

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PROJECT MANAGEMENT OFFICE

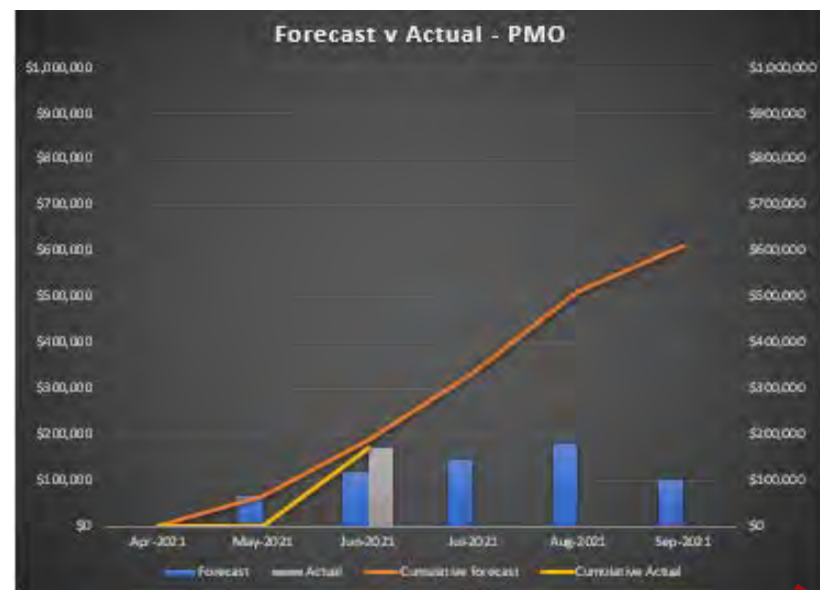
The purpose of the Project Management Office is to provide the workstreams with a standardised and consolidated approach to the overarching programme and cost management for the Establishment Unit.

Workstream Update:

Progress: The project's commercial position has been re-estimated, with detailed consultation with the Workstream leads. Programme reporting and management is in process with the team currently tracking 2 days ahead of schedule. All barriers to the implementation of the IT system are now removed.

Plans: The basis of strong commercial information now enables the establishment of cost awareness and culture in the project. The IT systems and database will be implemented during the period. The team is commencing an exercise to establish a forward programme for the subsequent stages of the project.

Commercial Summary



Commentary:

PMO budget remains in line with initial forecasts.

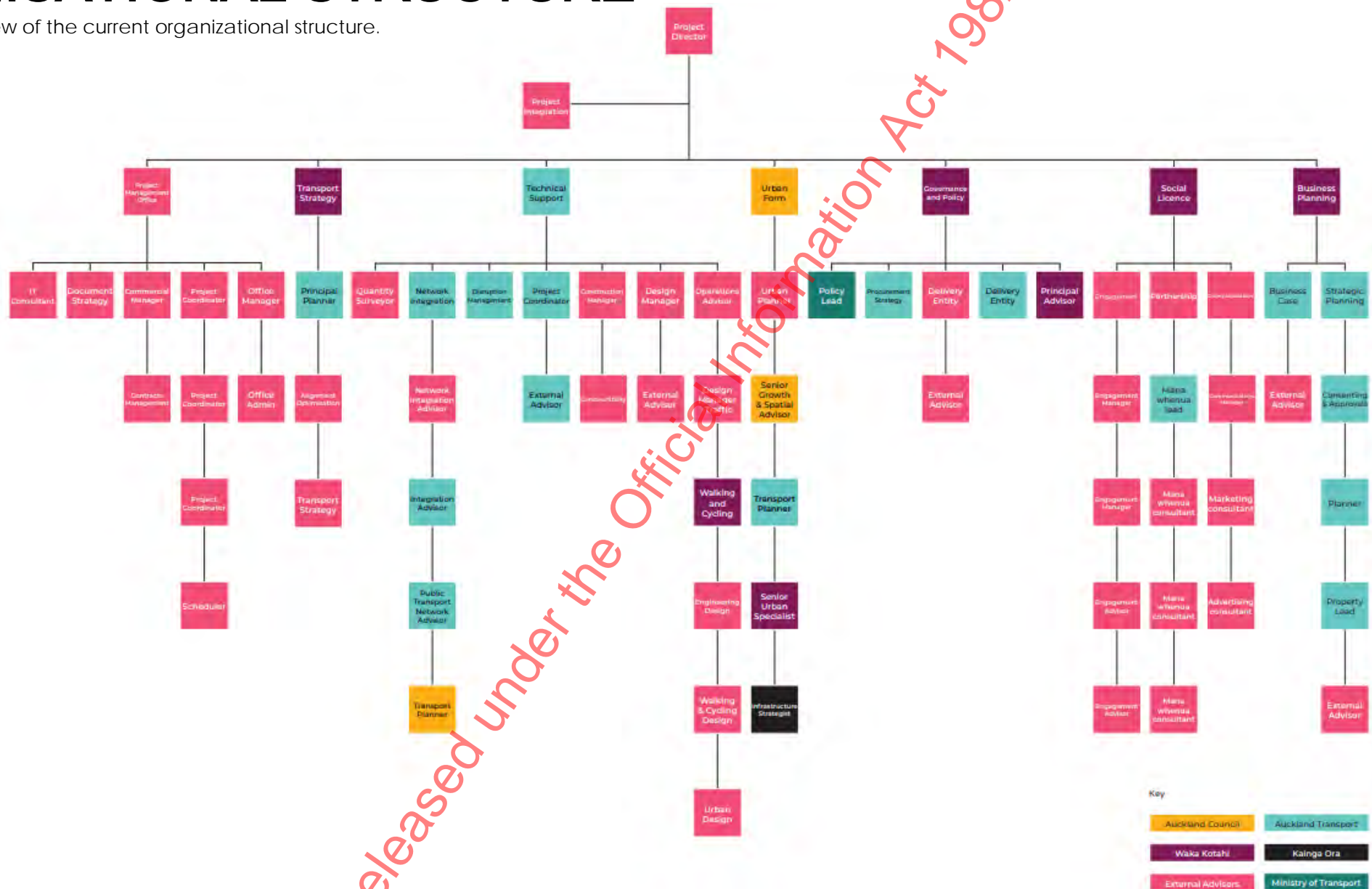
Key Milestones:	Date:	Status:	Comment:
N/A			
Key Activities (this month):	Date:	Status:	Comment:
Implementation of IT Domain	15/8	Red	Set to be implemented on the weekend 7/8 August
Establishment of Cost Review Meetings	15/8	Green	Structure for interrogation of costs.
Commence programming for future project stages	20/8	Yellow	Guidelines for next stage estimates
Finalise plans for Board route tour	10/8	Green	Inputs from teams gathered.

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ORGANISATIONAL STRUCTURE

This is a high-level view of the current organizational structure.



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Auckland Light Rail Group Board paper Strategic case - overview

10 August 2021

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Auckland is struggling to keep pace with growth in a sustainable way. Growth is reducing liveability and disproportionately impacting disadvantaged communities

Auckland needs to grow sustainably



By 2046 the Auckland population is expected to be 2.4m people – 700,000 more people than today



To support that growth Auckland will need 400,000 more dwellings – at least 240,000 from urban redevelopment

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The problems caused by that growth are

- Increasing congestion will further disrupt and lengthen travel times, threatening investment and quality of life
- A high reliance on private vehicles is adversely affecting the climate as well as increasing harm from injury and pollution
- Some communities have worse access to public transport connections creating inequity and reducing social cohesion

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Addressing the problems will:



Enable increased urban density and economic growth



Increase community well-being



Improve the environment

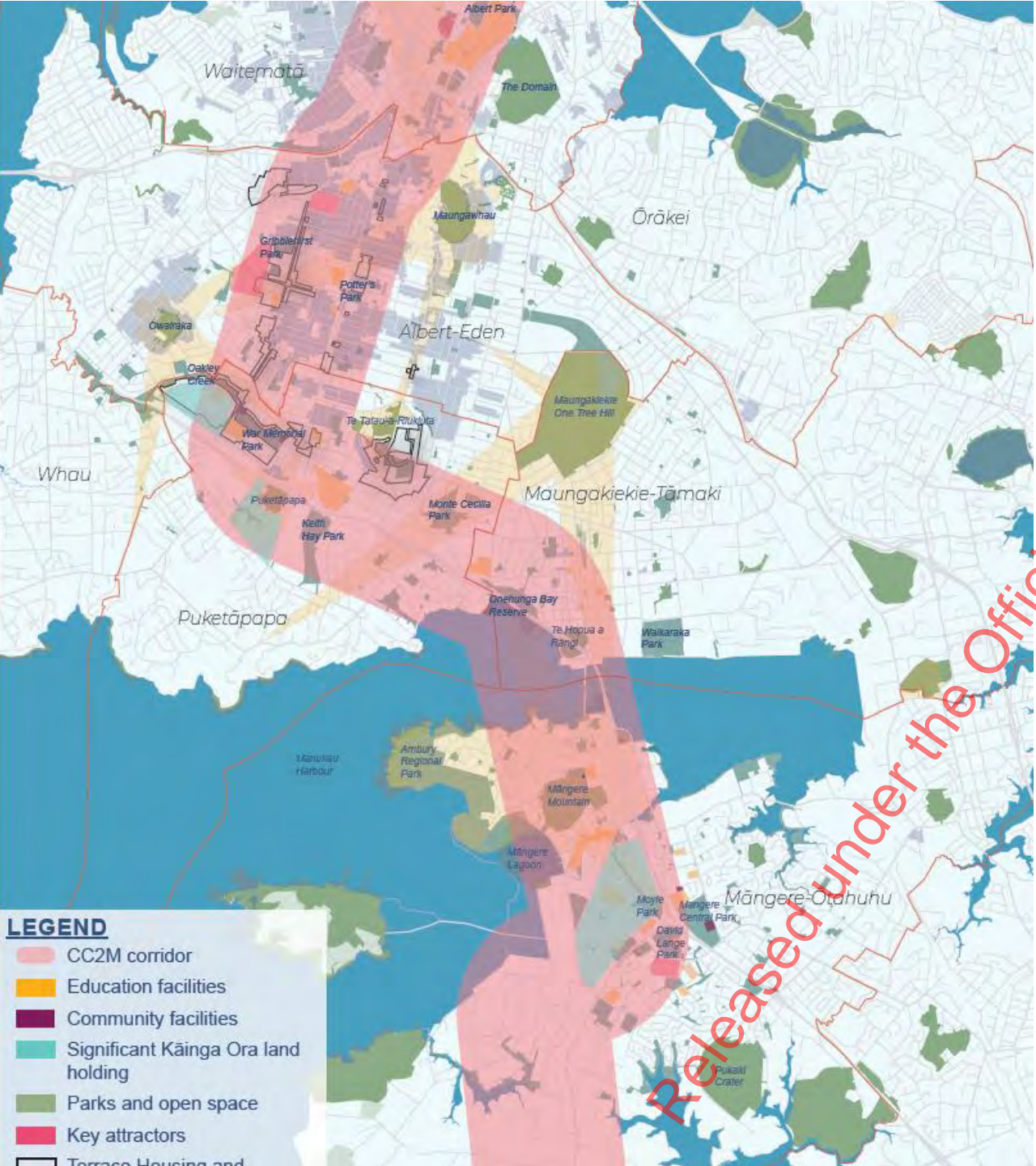


Improve public transport accessibility

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The objectives are to:

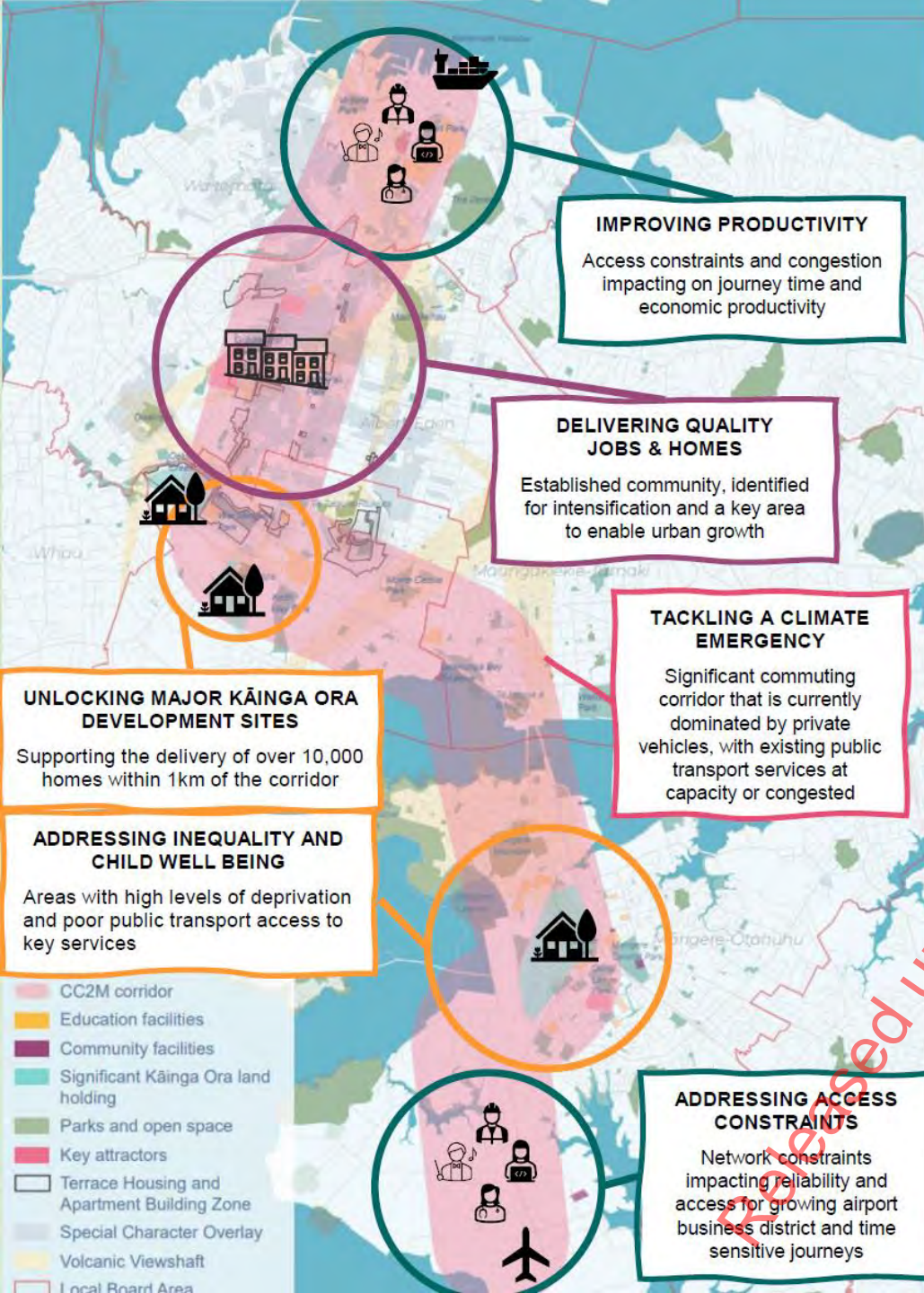
1. Implement a rapid transit service that:
 - Is attractive, reliable, frequent, safe and equitable
 - Is integrated with the current and future active and public transport network
 - Improves access to employment, education and other opportunities.
2. Create a transport intervention that embeds sustainable practice and that reduces Auckland's carbon footprint.
3. Unlock significant urban development potential, supporting a quality compact urban form and enabling integrated and healthy communities.



- LEGEND**
- CC2M corridor
 - Education facilities
 - Community facilities
 - Significant Kāinga Ora land holding
 - Parks and open space
 - Key attractors
 - Terrace Housing and

A key opportunity to unlock this growth is through high quality urban redevelopment along the City Centre to Māngere corridor (CC2M)

Supporting sustainable urban growth



- Major employment and education centres are located along the CC2M
- Intensifying housing along the CC2M will make it easier for people to access those jobs, education and social opportunities
- Urban growth has already started with Kāinga Ora's plans to build 31,000 homes along the CC2M
- There are pockets of deprivation along the CC2M. Improved transport would help address that inequity for all parts of those communities – from children to older people, workers and people with disabilities

Accommodating growth this way will

01

Provide better accessibility for more people to employment, economic and social opportunities than would be possible under alternative development patterns and will support a more productive city.

02

Avoid the need for some greenfield expansion or dispersed infill development, including the cost of the supporting infrastructure.

03

Reduce Auckland's carbon footprint

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This will contribute to New Zealand achieving its nationally significant outcomes



Delivering quality jobs and homes

Improved transport will unlock the potential for job and housing growth along the corridor



Tackling a climate emergency

Transport is the biggest source of emissions in Auckland. Urban redevelopment will reduce the distance people need to travel and the need to use your vehicle



Addressing inequality and child well being

Improved public transport will give all Aucklanders access to transport, especially those people who don't have access to vehicles

Challenges that will need to be managed



Managing construction disruption to businesses, households and road users



Encouraging developers to take advantage of the opportunities



Understanding the needs of potential transport users so the solution is fit for purpose

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Building partnerships with mana whenua

A key critical success factor will be working closely with mana whenua to achieve better outcomes

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AUCKLAND LIGHT RAIL Risk Management Update

Board Update – 10 August 2021

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RISK MANAGEMENT UPDATE

Purpose:

To inform the Board of the Risk Management Process and associated activities at the Auckland Light Rail Establishment Unit during June and July.

The purpose of this paper is to:

- Inform the Board on progress with development and documentation of current risk management activities
- To describe next actions that will be taken to further enhance the value of the process
- Provide a view of current key risks that may affect the project
- To outline some of the mitigation strategies the team is applying

Identification:

Prior to June, the team have been addressing risk as part of their weekly team meetings and reports to the Ministry of Transport. From the start of June, the Project Management Office has been resourced to support a more formal approach to Risk Management, starting with a Risk Workshop, held on June 23rd. The outputs of that workshop have now been collated and are being refined to form the basis of reporting and regular risk management activities. The risks focus on managing the activities of the Establishment Unit, but some risks outside of this brief were captured and discussed also.

Prioritisation and Action Plans:

In order to facilitate discussion with Workstream Leads that enable prioritisation of risk and development and documentation of mitigative strategies, four themes have been identified from the risks included in the register. The themes (discussed on next slide) are the basis of high level discussions and prioritisation with workstream leads to understand the impact on each workstream. An overall mitigation strategy will be developed for each theme and detailed treatment actions determined for risk owners based on these discussion.

Implementation and Management:

Currently a Risk Management Plan is being developed in line with Waka Kotahi Risk Management Standards for the Indicative Business Case phase. Risks will continue to be reported on weekly. Monthly meetings have been arranged with Leadership team to review and update Risk register and treatment status. Risks will be reviewed once a month with each Workstream team, then submitted for strategic assessment by the Leadership Team prior to the compiling of external reports. This process will continue through the life of the Establishment Unit, with decisions around software systems, formal processes and outputs reviewed once the next stage of the project is formed.

The team will also review the Quantified Risk Assessment submitted by the Technical Support team in support of Option Selection.

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