



GROUP

BOARD AGENDA

Meeting	14 September 2021, 9.30am – 1.20pm
Location	VC
VC/dial in	Teams
Attendees	Leigh Auton (Independent Chair), Peter Mersi, Nicole Rosie, Shane Ellison, Kata Lietz, Jim Stabback, Cr. Darby, Margi Watson, Karen Wilson, Ngarimu Blair, Leilani Frew (observer), Dan Cameron (observer) Tommy Parker, Lucy Riddiford, Out of Scope
Apologies	

* 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	Chair		9:30am	15
2A	Apologies	Chair		9:45am	15
2B	Minutes				
2C	Interests				
2D	Actions Register				
3	Project Director's Report	Tommy Parker		10.00am	15
4	Monthly Board Report	Tommy Parker		10.15am	15

No.	Item	Sponsor	Attendees	Timing	Mins
Break				10.30am	10
5	Preferred option selection workshop	Tommy Parker	Out of Scope [Redacted]	10.40am	90
6	Delivery Entity & Transition	Tommy Parker	Lucy Riddiford Out of Scope [Redacted]	12.10pm	60
7	General Business	Chair		1.10pm	10
	MEETING CLOSE			1.20pm	

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 rongō whakairia ake ki
runga

Peace, suspended high above us

Kia tina! Tina! Hui e! Tāiki e!

Draw together! Affirm!

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**Board Matters Arising
(as at 14 September 2021)**

Meeting / Item	Action	Owners	Due	Status
10 August 2021 5. Update from Risk Review	Market capability and capacity be added to the risk register	Out of Scope	September 2021	Closed
10 August 2021 6. Mana Whenua Partnerships	Additional korero to be arranged to assist with the development of the approach to Maori partnerships	Chair Out of Scope	September 2021	Closed

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Project Director's report

8 September 2021

Lockdown continues

I want to acknowledge that while it is looking positive for most of the country, our Auckland team (who've been through a lot already) are still dealing with the disruptions to work, home and family arrangements which higher Alert Levels bring. I am extremely proud of the team's resilience through this time, and the continued commitment they have shown to the project.

While still working from home the team continues to make good progress towards our deadlines. We have no cases of Covid within the project and all teams are working well and are in good heart.

We have now conducted all the final workshops, concluded the analysis. We are well through our reviews and now focusing on the preparation of our final reports.

Business Case/Costs

The Economic analysis has been undertaken. We have worked through this as a leadership team and there was good consensus among the team on the interpretation of these results.

We will take the Board through this work in the Preferred Option Selection Workshop in the Board meeting. It is good to emphasise that three options meet the project objectives.

Clearly the project will deliver huge benefits and we now need to look at the relative affordability of these options. We have included a summary of the cost analysis in the Business case paper, there is a lot more detail on the breakdown of these costs which we are happy to make available to board members on request. We can also offer a separate session with our estimation team for those board members who want more detail on how these costs are derived. It goes without saying that these costs are highly confidential and they have not yet been shared with our Sponsors.

Stakeholder Engagement

The formal stakeholder engagement process has closed to allow the team to compile their report that will input into the business case. A high level summary of the Engagement process is attached.

We will continue to meet with key stakeholders and receive feedback, although this will not formally be part of the IBC. We have had very positive interactions with government departments and the property council, who are keen to work with ALR going forward. The team also undertook a Webinar with InfrastructureNZ presenting to over 400 industry members.

Planning Committee

We achieved a significant goal when the team presented to the Auckland Council planning committee and received a positive endorsement for the project. Our thanks to Councillor Darby for his support and excellent chairing of that Committee. I attach the paper that went to the Planning Committee. This was a confidential session and the paper and recommendations will remain confidential until after Cabinet's decision has been announced. The Committee made some additional helpful recommendations, which I will ask Councillor Darby to report on in the Board meeting.

Plan for September

We have an ambitious programme to ensure that we can submit our work to decision makers at the end of the month. The Chair has already shared the plan with the Board and I set it out here, with the addition of what is proposed for discussion at the Sponsor's meeting on 20 September, following requests from Sponsors.

Meeting	Date	Papers due	Meeting content
Board	14 Sept	8 Sept	This meeting
Sponsors	20 Sept	15 Sept	<ol style="list-style-type: none">1. A list of the expected recommendations that we will be putting forward from the business case and associated work – this should cover:<ol style="list-style-type: none">a. decisions for Cabinet consideration in Novemberb. decision pathway post November that will be needed to progress the project (to ensure this is signposted to Cabinet, and the appropriate Ministerial delegations can be put in place)2. an indication of the Board's position on some of the key issues including on scope of the project, route and mode choices, and delivery entity recommendations3. any feedback from the assurance panel on the key matters for decisions, and/or should be highlighted to Sponsors4. any other issues the EU think Sponsors should provide guidance on to deliver the project. Given we are getting to the 'pointy end' of the project, we would encourage the EU to think about the strategic guidance needed from sponsors, and ensure that the papers' recommendations are sufficiently specific to provide this guidance.
Board	21 Sept	N/A	1 hour – assurance panel. We have asked Anna and Frank to look at: <ul style="list-style-type: none">- The strategic case- The longlist report- The delivery entity report

Meeting	Date	Papers due	Meeting content
			Please let us know if there is any other material that you'd them to see. They will be having a session with key members of the team prior to the session with the board.
Board	28 Sept	22 Sept	Bringing it all together
Sponsors	4 Oct	29 Oct	Bringing it all together

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**Auckland
LIGHT RAIL**
Bringing us closer

Engagement Snapshot

Update 16 August 2021

Key Feedback Themes:

City Centre

- Construction disruption and mitigation
- Integration with existing network
- Benefits of both modes
- Pedestrian focus for Queen Street
- Wynyard Quarter connection
- Connect to University and AUT

Balmoral/Sandringham/Mt Eden

- Retain Sandringham heritage housing
- Support for public transport
- Frequency of stops in community
- Street level space constraints
- Urban form and heritage protection

Mt Roskill

- Construction disruption and mitigation
- Urban renewal challenges and opportunities
- Te Auaunga Awa and environment
- Necessary to support housing intensification underway

Onehunga

- Opens up housing choices
- Support for public transport
- Desire for stop at Māngere Bridge
- Project necessary to support growing population
- Calls for greater frequency than heavy rail

Māngere/Airport


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

Māngere Bridge

- Highway stop with accessible and safe connection to the village
- Protection for village centre trees


Māngere Town Centre

- Improve environment with more trees and plantings

 **1100+**
feedback responses received

 **12,292**
clicks on social media posts and digital adverts

 **62,000**
brochures delivered

 Print, radio, bus back, bus shelter and digital ads

 **8488**
Visitors to project website

 **9** community workshops

1086 
subscribers

 translations in **10** languages

 **13**
community events delivered

 **39**
priority stakeholder briefings

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CONFIDENTIAL: Auckland Light Rail update

File No.: CP2021/12532

**Matatapu
Confidentiality**

Reason:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Interests:	s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest. In particular, The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Grounds:	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

**Te take mō te pūrongo
Purpose of the report**

1. To seek direction on key matters to inform the development of the Auckland Light Rail Indicative Business Case (IBC) including, route, mode, urban development, delivery entity and financing.

**Whakarāpopototanga matua
Executive summary**

1. In March 2021, the Minister of Transport announced the creation of the Auckland Light Rail Establishment Unit (Establishment Unit) to advance a six-month investigation programme of the City Centre to Māngere corridor.
2. Government tasked the Establishment Unit to progress the following:
 - Partnerships with Māori
 - Engagement with stakeholders and communities
 - Complete business case work to inform future advice to Cabinet.
 - Advice on the form and governance arrangements for the delivery entity of the project
 - Advice on the options to take the project forward, including mode, alignment and decision gateways.
3. The Establishment Unit is a collaboration between central and local government, drawing expertise from Auckland Transport, Auckland Council, Waka Kotahi NZ Transport Agency, the Ministry of Transport and Kāinga Ora.
4. The Auckland Light Rail project sponsors consist of the Minister of Finance, Minister of Transport, the Auckland Mayor and Auckland Deputy Mayor.
5. Alongside the development of the IBC, stakeholder and community engagement has been in progress since June including community focused 'listening sessions', community-based events and feedback sought via multiple channels. Community feedback and insights will be included in the IBC.
6. The Establishment Unit is actively engaging with 15 mana whenua groups to define a partnership framework to ensure the incorporation of cultural values and opportunities as the project progresses.
7. Key indicative business case workstreams in development are related to the preferred mode and route, urban form, delivery entity and funding.

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8. The team is assessing a variety of transport mode and corridor options to meet the investment objectives and outcomes sought from the project. These outcomes include access and integration, environment, urban and community, experience and value for money).
9. The Establishment Unit will provide a set of recommendations to Sponsors in September 2021 to inform Government's decision to proceed with the project. Decisions are expected to be taken to Cabinet by the end of the year.
10. Should the project proceed, Government will determine how to take the project forward, including delivery entity and decision gateways. At this point, detailed business case and design would commence to confirm route, mode, community outcomes and location of stations/stops.

Ngā tūhunga Recommendation/s

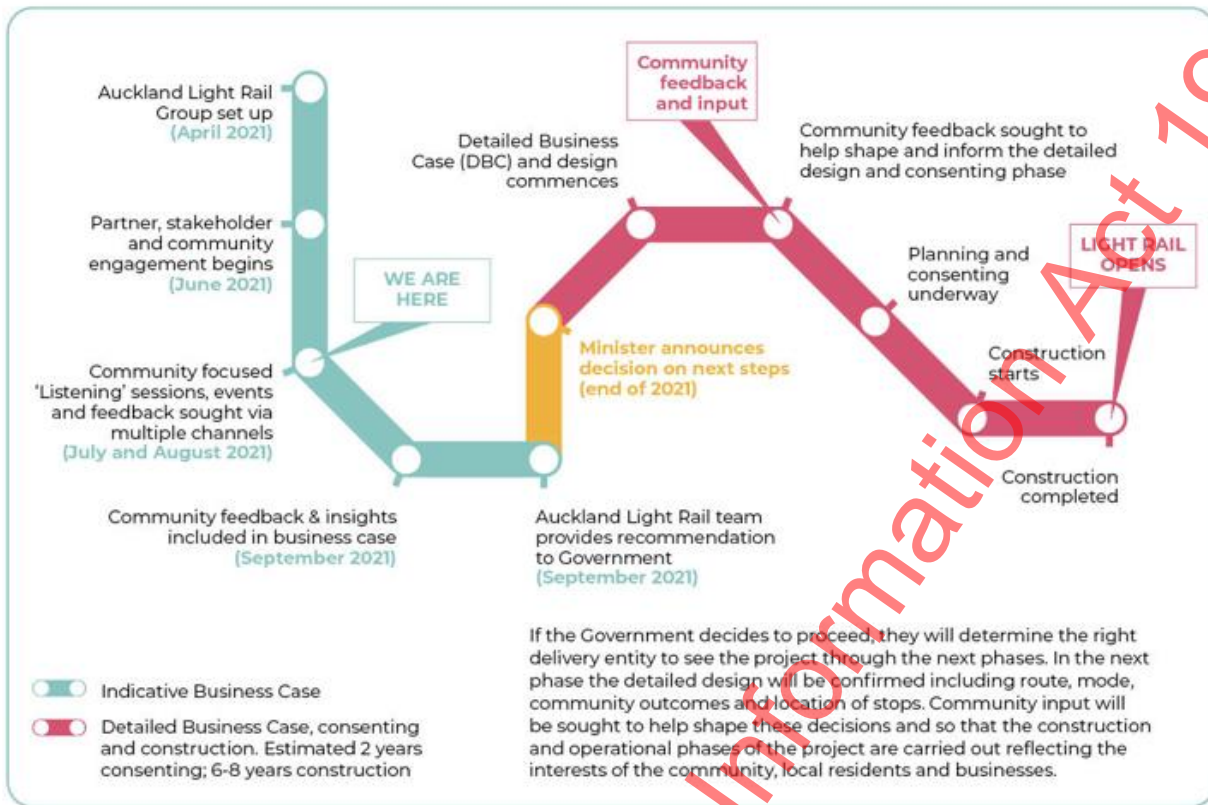
That the Planning Committee:

- a) Provide direction to the Establishment Unit on mode and route trade offs.
- b) acknowledge the likely development along some parts of the City Centre to Mangere corridor will be of a scale and intensity that is greater than currently envisaged under the Auckland Unitary Plan.
- c) Agree, in principle, to the further investigation of the range of urban interventions available, including the application of a more prescriptive planning approach to achieve greater levels of intensification.
- d) Endorse a partnering approach to the delivery of Auckland Light Rail where Auckland Council is a sponsor and partner.
- e) Recognises that there are a number of ways to fund Auckland Light Rail including contributions from the Crown, the National Land Transport Fund, farebox and local government tools (to capture local/ regional community benefit), private funding sources (to capture commercial/ private business benefit) and new value capture mechanisms.
- f) Restatement: that the report and recommendations be released into open when Cabinet has publicly released its decision on the Indicative Business Case, including route, mode and delivery entity.

Horopaki Context

11. In March 2021, the Minister of Transport announced the creation of the Auckland Light Rail Establishment Unit (Establishment Unit) to advance a six-month investigation programme of the City Centre to Māngere corridor.
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 - Partnerships with Māori
 - Engagement with stakeholders and communities
 - Complete business case work to inform future advice to Cabinet.
 - Advice on the form and governance arrangements for the delivery entity of the project
 - Advice on the options to take the project forward, including mode, alignment and decision gateways.
12. The Establishment Unit is a collaboration between central and local government, drawing expertise from Auckland Transport, Auckland Council, Waka Kotahi NZ Transport Agency, the Ministry of Transport and Kāinga Ora.
13. The Auckland Light Rail project sponsors consist of the Minister of Finance, Minister of Transport, the Auckland Mayor and Auckland Deputy Mayor.

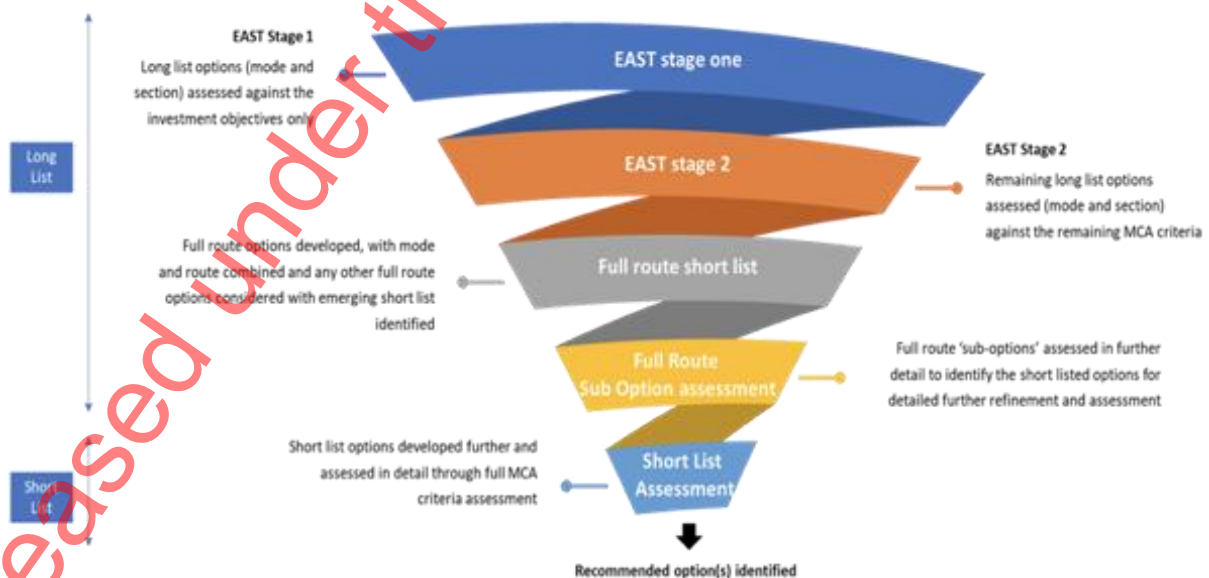
14. Alongside the development of the IBC, stakeholder and community engagement has been in progress since June including community focused 'listening sessions', community-based events and feedback sought via multiple channels. Community feedback and insights will be included in the IBC.
15. Implementation of City Centre to Māngere light rail supports the vision for Auckland to be a vibrant, connected city that is easier, cleaner and safer to get around. The corridor will serve as a backbone that eventually links with the North and North-west as outlined in the Auckland Transport Alignment Project (ATAP).
16. By 2046, the Auckland population is expected to grow to 2.4 million, 700,000 more than today. To support this growth, Auckland will need 400,000 more dwellings, at least 240,000 from urban redevelopment.
17. The potential challenges caused by this growth as defined in the Establishment Unit's investment logic map include:
- increased congestion, with implications for people's quality of life
 - greater reliance on private vehicles, and rising emissions from the transport sector
 - inequity of public transport provision in certain communities.
18. Auckland Light Rail has the ability to address these challenges by:
- enabling increased urban density and economic growth
 - increasing community well-being
 - improving the environment
 - improving accessibility by public transport.
19. The Establishment Unit's objectives are:
- Implementing 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.
 - Creates a transport intervention that embeds sustainable practice and that reduces Auckland's carbon footprint.
 - Unlocks significant urban development potential, supporting a quality compact urban form and enabling integrated and healthy communities.
20. The following diagram outlines current and future process milestones:



Tātaritanga me ngā tohutohu Analysis and advice

Mode/Route

21. The project team is assessing mode and route options against the Establishment Unit's objectives outlined in para 19.
22. A long list of mode and route options have been identified and the Early Assessment Sifting Tool (EAST) approach used to arrive at a short list of recommended options.



23. Mode assessment was undertaken first, concluding that a form of rail was needed that addressed capacity issues; followed by consideration of a long list of route options. Over

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50 different options were considered, as well as alternative modes, such as trackless trams. Options that did not deliver well against investment objectives (para 19) were not assessed further.

24. The full assessment criteria and process is currently being completed and aims to identify a preferred mode and corridor, along with an understanding of key trade-offs.

25. Integration of light rail across a diverse corridor requires weighing up a number of considerations to achieve best outcomes at different points along the route, including:

- the type of light rail to build (modern tram or light metro)
- which corridor it takes
- how it fits within Auckland's current and future urban form

26. Key mode/route trade-offs include:



Mode/Route trade-offs

City Centre:

- Connection with Wynyard Quarter
- Connecting with the Learning Precinct
- Modern tram at grade or underground light metro

Central Isthmus/ Mt Roskill:

- Modern tram running along Dominion Road or Sandringham Road
- Light metro along Dominion Road or Sandringham, which can be underground, elevated or at street level.

Onehunga:

- Connection into village to heavy rail / bus interchange

Māngere:

- Connection from State Highway 20 through into Māngere Town Centre
- Stop or station along State Highway 20 (instead of Town Centre connection)

Urban form and development

27. For the indicative business case phase of the Auckland Light Rail project, the Urban Workstream are tasked with understanding the:

- potential urban development opportunity in the corridor with investment in light rail
- desired scale of growth to support light rail investment and to deliver quality urban-transport outcomes in the corridor
- challenges to urban delivery and possible ways of overcoming them

28. The Establishment Unit is seeking direction from the Committee on its aspiration on the scale and intensity of development in the corridor and using various urban interventions to achieve greater levels of intensification.

29. The diagram below shows a broad relationship between the scale of urban development and the type of transit system required to support it. Light rail and light metro systems operate in cities such as Melbourne and Vancouver and have the capacity to be able to support their level of density. Higher capacity systems such as Singapore's metro system have the ability to support even higher densities. Auckland's current densities are able to support frequent or rapid bus systems, however moving to light rail or light metro would necessitate greater densities to support this level of investment. In terms of the potential

opportunity for the City Centre to Mangere corridor, a realistic comparison of transit systems and associated scale of urban development are the cities of Melbourne and Vancouver.



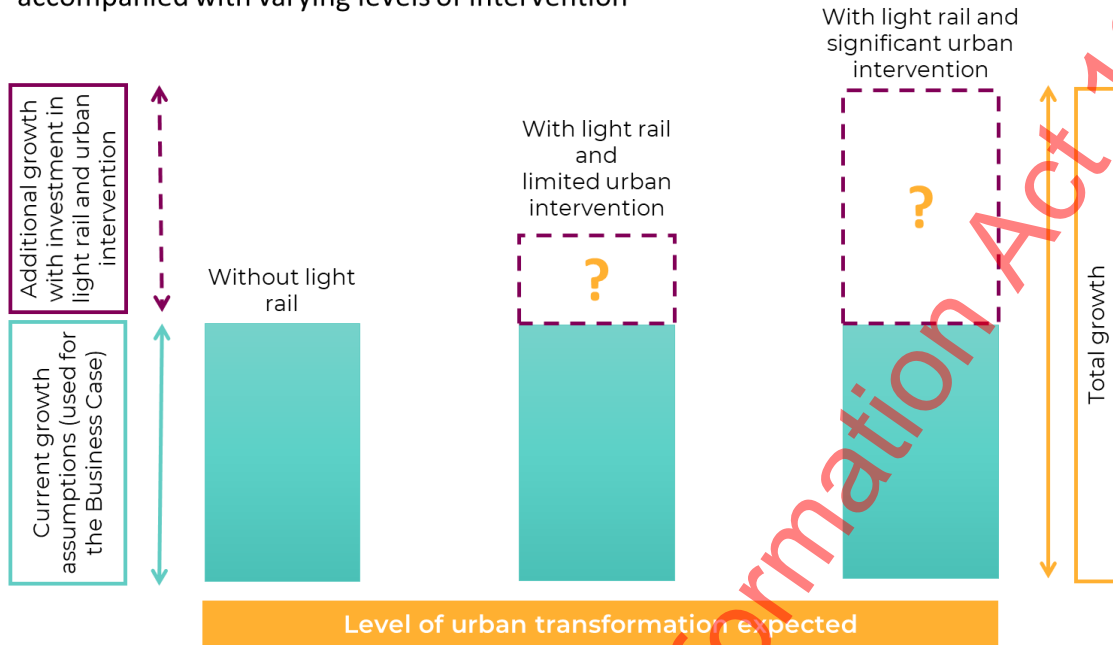
30. Investment in light rail in this corridor brings significant opportunity to increase housing supply and employment opportunities, particularly for Mt Roskill, Onehunga and Mangere. There are also additional urban opportunities along the Dominion Road and Sandringham Road corridors, including significant opportunities for transit-oriented development at Dominion Junction.

31. The scale and potential intensification of urban development in the corridor could bring substantial benefits to the Auckland economy including:

- strong and early effects around centres, increasing their size and diversity, especially where centres are integrated with stops or stations
- intensification that has the potential to drive the consumer market by delivering greater variety as well as quantum of retail and service industries which could catalyse more growth
- increased employment opportunities due to increased accessibility to places.

32. Initial findings by the urban workstream suggest that, if the desired scale of growth is significant, interventions will be needed to increase and realise the full benefit of Auckland Light Rail. This is illustrated in the following diagram:

Urban transformation expected with no light rail compared to light rail accompanied with varying levels of intervention



33. To deliver quality urban-transport outcomes in the corridor, many challenges will need to be addressed. Improvements to accessibility by investing in light rail will deliver some growth to the corridor. However, this investment alone will not be enough to deliver the urban-transport outcomes required to support such an investment. Some of these challenges include:

- the market's ability to deliver higher density development, particularly the delivery of commercial development outside the city centre
- changing the Auckland Unitary Plan in key locations to ensure the planning framework enables the delivery of optimal urban-transport outcomes
- the provision of supporting infrastructure
- understanding where additional growth in the corridor will come (e.g., from other parts of Auckland or New Zealand).

34. To drive urban intensification, numerous interventions will be required to realise the desired scale of growth. These interventions could include:

- the application of prescriptive planning measures, such as minimum densities, inclusionary zoning and design requirements
- significant placemaking and investment in non-transport infrastructure
- partnering (with the private sector) to explore opportunities to catalyse the market and to address land fragmentation.

35. The emerging key messages from the Urban Workstream include the need to have a clear vision in order to understand the desired outcomes for the corridor and for Auckland. Urban change is critical to achieving both urban and transport outcomes and this will require a long-term commitment, using a whole of government approach, to realise the desired urban and transport outcomes.

Delivery entity - partnership and governance model

36. Consistent with guidance from sponsors and subject to endorsement by the Auckland Light Rail Group Board, the Establishment Unit will likely recommend that the Delivery Entity adopt a partnering principles approach. The advantages with this arrangement are that partnering:

- as appropriate, leverages rather than replicates capability and capacity that already exists in a number of entities / agencies.

- has particular relevance given scale and complexity of the City Centre to Māngere corridor, and the potential requirements needed to deliver on urban outcomes (both individually complex and large)
- supports differing timeline of outcomes realisation: urban outcomes are likely to take significantly longer to realise than transport infrastructure delivery outcomes.

37. The governance framework will incorporate mana whenua, sponsors and partners.

38. A sponsors forum will be established will have the following functions:

- clearly define City Centre to Māngere vision
- provide clarity on requirements and hold Delivery Entity board accountable
- monitor and oversee Delivery Entity performance and obligations
- ensure appropriate protections in place to safeguard investment
- provide strategic direction and funding to their respective agencies
- monitor performance and hold respective partner agencies to account
- utilise influence with central and local government to support achieving City Centre to Māngere outcomes

39. It is anticipated that Auckland Council will play a role in the sponsors forum, which will:

- provide a single point of oversight and be the channel of communication between the Sponsors and the Delivery Entity
- be available to support partnership arrangements, including potentially having oversight of other initiatives and investments required to support broader urban outcomes
- be the primary forum to deliver and respond to communications with the Delivery Entity and monitoring performance against Sponsor requirements
- be responsible for making decisions and providing guidance to the Delivery Entity.

40. Representatives at the Sponsors Forum will:

- need authority from Crown/Council to perform their roles
- be well connected in their home organisation and/or the community in order to help resolve issues in a timely manner
- meet at predetermined intervals for the duration of the City Centre to Māngere project.

41. The Council will also have an important role as a **partner**. Its role in developing long-term strategic and spatial planning for the corridor (including place-based masterplanning) will be important, urban development support, community engagement, potentially land acquisition, collection agent, potential funding and urban development master planning and consenting (with Panuku).

42. The partner reference group will be the forum for Partners and the Delivery Entity to come together and provide timely advice and guidance to the Delivery Entity. It will provide an opportunity for Partners to influence the shaping of the Delivery Entity actions and decisions, being kept updated of progress and identifying and rectifying issues early.

Representatives will be senior executives at their respective organisation's who:

- have a birds-eye-view into their operations and priorities
- the authority and autonomy to reflect these views and ensure that progress and decisions can be made in a timely and efficient manner
- are empowered to make decisions on their organisation's behalf
- are well connected in their home organisation and/or the community in order to help resolve issues in a timely manner.

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Funding

43. The Indicative Business Case will include a report detailing the funding tools available for the project. This report will also provide additional detail on the short-listed funding tools, including:
- which beneficiaries they target, and which stages of the project they can be applied to
 - the process required to implement each tool, including policy and legislative considerations
 - key considerations and trade-offs of using these tools (e.g. potential behavioural impacts, impact on development and other outcomes, affordability, etc.); and
 - order of magnitude (high level indicative estimates).
44. The Establishment Unit's report will not recommend a funding solution to take forward. It identifies the potential trade-offs of different options, which should be considered in greater detail once the technical solution, costing, procurement, Delivery Entity and governance arrangements are further developed, following a decision by Cabinet.
45. The Unit will also provide detailed funding advice and value capture advice to help inform decisions by Cabinet. It is possible that Cabinet will ask officials to explore new value capture tools, which would require legislation.

Tauākī whakaaweawe āhuarangi Climate impact statement

46. The New Zealand Government ratified the Paris Agreement in 2016, committing to limit global warming to well below 2 degrees Celsius, preferably 1.5 degrees Celsius, compared to pre-industrial levels. The enactment of the Climate Change Response (Zero Carbon) Amendment Act in 2019 requires national GHG emissions to be net zero by 2050. Recent draft advice released by the Climate Change Commission sets New Zealand on a pathway towards this goal.
47. At the regional level, the Auckland Light Rail project recognises Auckland Council's endorsement of Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan in 2020 establishing a goal to halve Auckland's GHG emissions by 2030. The decarbonisation pathway targets detailed in the plan have been endorsed by C40 as compliant with the 1.5 degree Celsius ambition of Paris Agreement.
48. The work of the project (particularly its recommendations) will inform future transport and land use decisions which will have climate impacts. The implications of these future decisions could include:
- **The construction of the network:** The general construction process contributes to greenhouse gas emissions through the production and transport of materials and the site work and construction process itself. Given the scale of rapid transit infrastructure its construction (in any form) is likely to generate significant emissions. Still, process and technology advances are ongoing and the embodied carbon of some large-scale projects, such as the current construction of Sydney's light rail, are reducing. Construction methodology, including processes and technology, will be considered at a later stage of the project.
 - **Transport emissions:** Once constructed, any piece of transport infrastructure is likely to have an impact on the level of transport emissions. A rapid transit connection will result in fewer transport emissions than a similar level of investment in road infrastructure. However, specific emission modelling for the project, or for the future rapid transit network, has not yet been done. A definitive statement about emission levels can therefore not be made at this stage. It is however noted that a rapid transit

network by itself does not necessarily reduce emissions without complementary measures to encourage mode shift.

- **Growth and land use change:** Changes to growth and land use patterns as a response to transport investment (whether purposefully as a change to land use zoning and/or by the market reacting to particular investment), are likely to impact on levels of emissions. Rapid transit investment, including this project, is likely to support a more compact urban form focused around stations and centres, which in turn is likely to generate fewer emissions (as increased numbers of people make better use of the easily accessible public transport or travel less by walking and cycling in more connected, attractive neighbourhoods and conducting business at their local centre).

49. The Auckland Light Rail project is a key component of the development of Auckland's rapid transit network. Both are essential to achieving mode shift to public transport, which will help reduce emissions that contribute to climate change. However, to achieve the council's objectives it will need to be supported with other forms of transport investment, land use change and measures which discourage driving. This is consistent with Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan which recognises that: "Integrating land-use and transport planning is vital to reduce the need for private vehicle travel and to ensure housing and employment growth areas are connected to efficient, low carbon transport systems".
50. The project is considering climate change and emissions as a key part of their work. A more detailed assessment of the climate impact of the project will be undertaken as the project progresses.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera Council group impacts and views

51. The Auckland Light Rail project is a partnership between local and central government, including Auckland Council and Auckland Transport.
52. Given the high level and technical nature of the work, the involvement of Auckland Council staff predominantly includes representatives the Auckland Plan, Strategy and Research department. Representatives from Auckland Transport include representatives from numerous departments including technical support, consenting and planning integration.
53. If the project progresses to the next phase, it is envisaged that a broader range of representatives, across the whole Council group, will be involved in various aspects of the project, as appropriate.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe Local impacts and local board views

54. Local Board views and collaboration are paramount to the ongoing success of the project. As part of the creation of the Establishment Unit governance board, a Local Board representative has been appointed to provide insights and contribute to decision making.
55. The project team has developed a dedicated workstream to inform and engage Local Boards. This includes workshops with Local Boards along the proposed corridor, as well as Auckland-wide.
56. Auckland Light Rail engagement has also prioritised outreach activities to optimise reach to residents along the proposed corridor to understand local impact and community vision.
57. Should the project progress, this Local Board and community engagement will increase through to the detailed business case development.

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Tauākī whakaaweawe Māori

Māori impact statement

58. The overall benefits of opening up access to public transport and enabling people to move more freely will greatly improve access to jobs and education for the Māngere and South Auckland communities.
59. In addition to better housing opportunities for Māori, the procurement of light rail will enable employment opportunities for Māori creating jobs at all levels, stimulating the local Māori economy especially in Māngere, Onehunga and Mt Roskill.
60. Current issues and constraints to be considered include the cost of the public transport system which can be a barrier for whānau to access.
61. The broader impact of gentrification, intensification and relocation of people across all suburbs has also been raised.
62. The Auckland Light Rail Establishment Unit is tasked with proactively engaging with Māori to increase visibility and awareness of the project during this IBC phase.
63. The project team recognises and respects Te Tiriti o Waitangi as Te Tūāpapa (foundation) from which the team will work with and alongside Māori. The project has an important role to play in finding opportunities to better respond to Mana Whenua aspirations while delivering rapid transit and urban outcomes. The project team is committed to working with Mana Whenua and supporting them in achieving their aspirations.
64. This includes an inclusive governance structure with Māori representation underpinning a Treaty partnership approach, as well as identifying Māori outcomes in a way that meets Māori-Crown partnership responsibilities and accountabilities.
65. The Mana Whenua engagement approach in the IBC phase is to engage with 15 Mana Whenua groups at a governance level, who have identified with customary interests across the project area. The purpose of the hui is to share information with iwi leaders and to hear aspirations and any barriers or constraints in the project area according to their values.
66. Targeted Mataawaka engagement (those who do not have whakapapa to Tāmaki Makaurau) has started with a particular emphasis on Māngere. Several hui are taking place with specific Mataawaka groups including Te Puea, Mataatua and Nga Whare Waatea marae.
67. A Māori Outcomes Strategy is being drafted to reflect the feedback from discussions and to summarise key insights and themes which will create holistic benefits for whanau, hapu and iwi. This will be carried into the detailed design and delivery phases of the project and further inform impact.

Ngā ritenga ā-pūtea

Financial implications

68. Cabinet has indicated that a significant Crown contribution should be expected to fund this project, reflecting that it is the largest and most complex infrastructure project undertaken in New Zealand. Costs are driven by the need to retrofit a very large transport project in our largest city, along existing urban corridors. It has identified that a project of this scale, with objectives spanning transport and urban development, is likely to require new approaches to funding and financing.
69. Overall, it is expected that there will be a combined approach across Crown, NLTF, farebox, local government tools (to capture local/ regional community benefit), private funding sources (to capture commercial/ private business benefit) and new value capture mechanisms. The business case will identify the best mix of these for the project.

DRAFT

70. Council has not made any provision for any financial contribution to the transport intervention.

Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

71. The risk of not receiving direction from the Committee will be mitigated through ongoing conversations with the:

- Committee,
- council members on the Auckland Light Rail Board and
- Mayor and Deputy Mayor as members of the Sponsors Group.

Ngā koringa ā-muri Next steps

72. Insights and direction gained by the Committee will be acknowledged in the ongoing development of the IBC. As the project progresses, the Auckland Light Rail group will continue to request direction and insights.

Ngā tāpirihanga Attachments

There are no attachments for this report.

Ngā kaihaina Signatories

Authors	Tommy Parker – Project Director, Auckland Light Rail Group Leigh Auton – Chairperson, Auckland Light Rail Board
Authorisers	Megan Tyler - Chief of Strategy

AUCKLAND LIGHT RAIL Board Report #5

September 2021

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EXECUTIVE SUMMARY

Progress Highlights from August 2021

It has been another very productive month for the Unit with significant progress in all areas.

Late in the month with the on set of another lockdown in Auckland, the Social Licence team shifted the engagement programme from face to face to online and digital channels. Increased online and social media activity enabled high numbers of feedback to be received. This replaced the missed engagement events that were planned.

The MCR and other Option Selection activities were all undertaken successfully and a select group has been reviewing the cost and programme estimates to ensure proper alignment with the Business Case. There has also been some planning commenced to ensure there is appropriate guidance to the next stage of the project, the Transition Workstream will cover this off.

Overall, the Unit is in a strong position to embark on this month of review and refinement, ensuring a high standard of recommendations and evidence. It will be a challenging month.

Project Status

	Scope		Resources
	Risk		Issues
	Budget		Schedule

Points of Focus for September 2021

Status

The writing of the various cases is almost complete, leading to a series of reviews and alignment sessions.	
Continued engagement with the Sponsors and Board to ensure alignment and full understanding of the recommendations and evidence.	
Continued development of Project Systems and Processes in preparation for the scheduled Gateway Review and Financial Audit.	
Collation of appendix's and reports summarising findings in each area.	
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	In the last month, we have completed the procurement options report and the funding shortlist report. On track to deliver the further funding, finance and value capture report. We have discussed the proposed delivery entity governance and partnering approach with the Board and we are bringing the delivery entity report and transition recommendations through the Board at this meeting. We met with sponsors on 9 August. Ongoing and close dialogue with MoT and Treasury on these workstreams.			
Social Licence	The communications and engagement for the project is progressing well after 2 months of activity. Several face to face community events have been cancelled due to lockdown. However the engagement programme has shifted to online and digital channels. High numbers of feedback were received due to increased visits to the project website. The engagement period was completed and closed off on 31 August.			
Business Case and Consenting	The planned review cycle is currently underway, with the Strategic, Economic, Commercial and Financial Cases all completing Quality Review 1, Walkthrough Reviews and aiming to complete Quality Review 2 by the 10 th of September. Next steps for these cases is integration into the overall IBC and drafting of an Executive Summary. The Management Case is following the same process, slightly behind, and will be the final case integrated into the IBC.			
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 delivered a presentation and drawings of the short listed options (SLO) to inform the multi criteria analysis (MCA) on the 5th August. The draft technical notes and reports to support the business case have been reviewed and the final versions of these and the drawings will be delivered early September. The draft costs, programmes and risks have been completed as has the final iteration of SLO patronage modelling to include higher urban development uplift.			
PMO & Culture	IT set up successfully implemented, with a big push to get teams investing in Document Control. The programme is well set for the challenging month ahead, with cost controls revealing both increases and decreases in expected costs. Detailed preparations for the Gateway Review and Financial Audit are underway to ensure the Unit is operating within an optimal systems environment. Forward programme planning has also commenced.			

PERFORMANCE MILESTONES

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

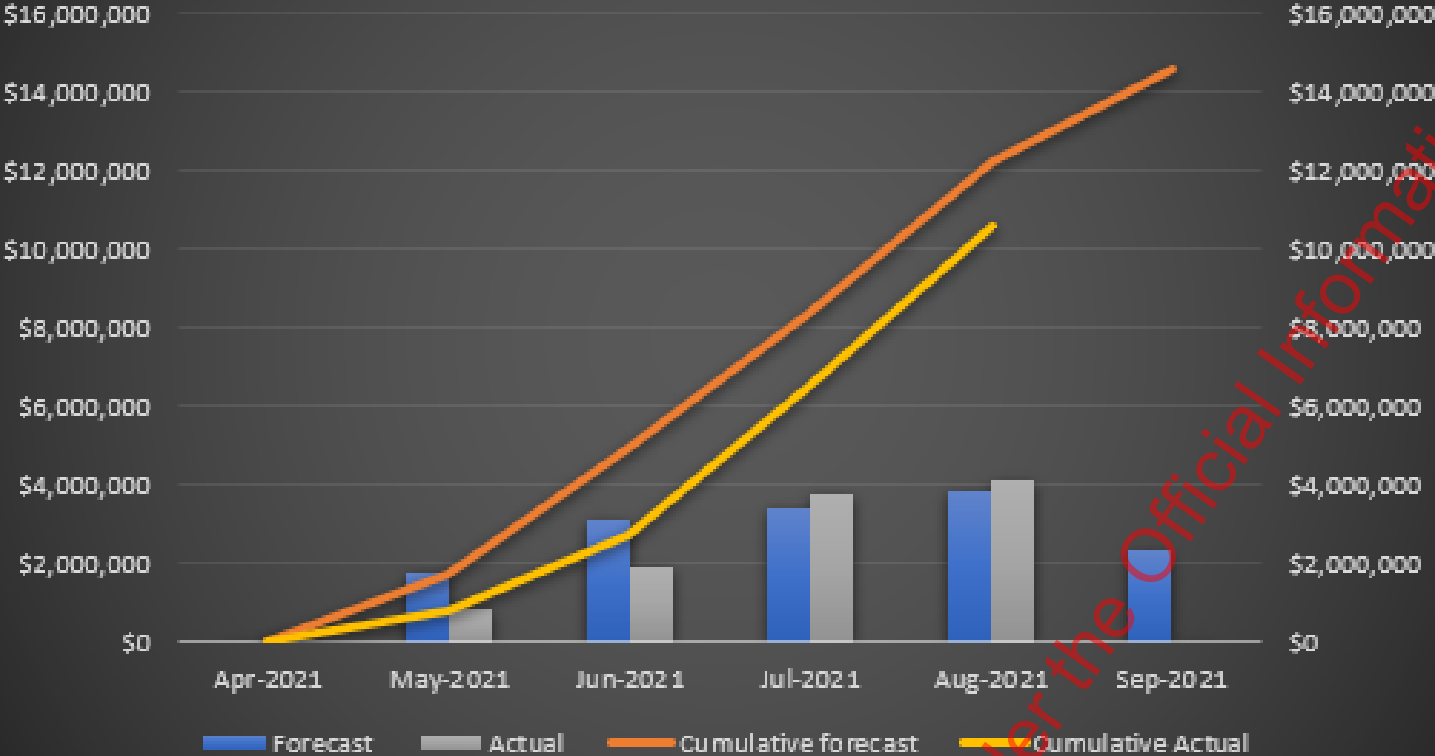
Workstream:	Milestone:	Status:	May	June	July	August	September	October
Governance	Board Meetings	N/A	◆	◆	◆	◆ ◆	◆ ◆	◆
	Sponsor's Meetings	N/A		◆			◆	◆
Establishment Unit	Business Case and Advice Ready	On Track						◆ 30/9
Social Licence	1. Stakeholder Management and Mana Whenua Engagement Plans Ready	Achieved (One week early)	◆ 28/5					
	2. 'Community Engagement - 'Go Live'	Achieved			◆ 3/7			
	3. Draft Strategies and Feedback reports ready	On Track					◆ 10/9	
Delivery Entity	4. Detailed Entity Advice and Transition Plan	Achieved				◆ 13/8		
	5. Delivery Entity Summary Report	On Track					◆ 3/9	
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	On Track*						◆ 20/09
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	On Track						◆ 17/9

Notes:

- 1 * Process Updated. Original Deadline 30/08
- 2 Programme Re-Baselined 14/08

COMMERCIAL SUMMARY

Forecast v Actual - Summary



Commercial Update for August 2021

- Over 45 Suppliers engaged = \$14.6 Million (Up to 30 Sept 2021)
- \$10.6m Cost to Date (includes actuals and anticipated invoices to be received this month).
- Commercial Dashboard set-up, Commercials Reviews undertaken with Workstream leads.
- Invoicing process and procedures (including vetting) have been reviewed, improved and are being implemented.
- Budgets re-aligned to support updated forecast baseline.
- Additional costs incurred due to increased number of options under consideration and increases in scope expectations for Social Licence. Urban modelling considerations also required further work.

Planned Activities

- Contract reviews to ensure ceasing of works where material gathered is sufficient.
- Contract close out where works are complete to ensure no invoices are received due to a lack of instruction to cease works.

	May-21	Jun-21	Jul-21	Aug-21	Sept-21	Total
Forecast	\$1,760,075	\$3,151,562	\$3,430,416	\$3,856,889	\$2,370,441	\$14,569,383
Actuals	\$817,122	\$1,943,518	\$3,759,123	\$4,093,457		\$10,613,220

RISK SUMMARY

s 9(2)(g)(i)

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RISK SUMMARY (Continued)

s 9(2)(g)(i)

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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: In the last month, we have completed the procurement options report and the funding shortlist report. On track to deliver the further funding, finance and value capture report. We have discussed the proposed delivery entity governance and partnering approach with the Board and we are bringing the delivery entity report and transition recommendations through the Board at this meeting. We met with sponsors on 9 August.

Plans: Focus is on completing the management case, the commercial case and the financial case for the business case and drawing together the report of the Independent Chair.

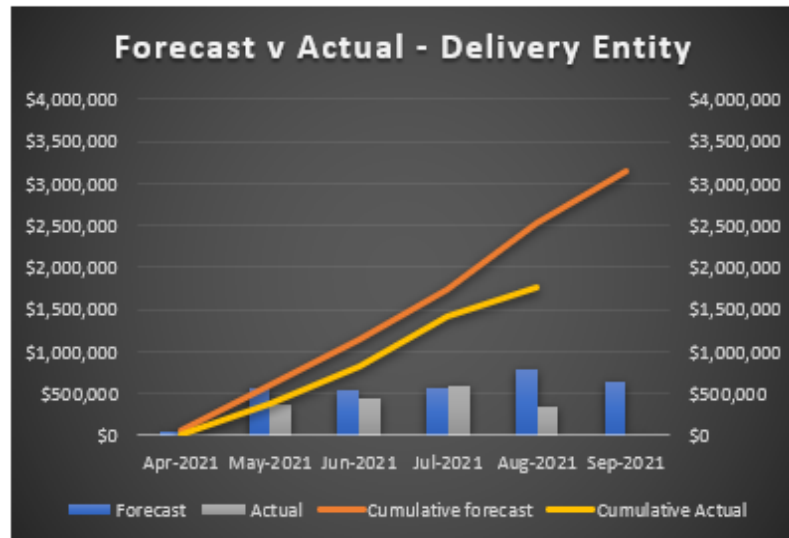
Key Milestones:

Key Milestones:	Date:	Status:	Comment:
4. Detailed Entity Advice and Transition Plan	23/8	Achieved (On Time)	Complete
5. Delivery Entity Summary Report	10/9		This report summarises the key findings and recommendations of this workstream.

Key Activities (this month):

Key Activities (this month):	Date:	Status:	Comment:
Planning and preparation for 3 board meetings in September	14, 21 and 28 Sept		Plan is to ensure that by the final Board meeting on 28 September, the Board will be across all the key elements and we can do the "big reveal at this meeting.
Planning for sponsors meetings	20 Sept and 4 Oct.		

Commercial Summary



Commentary:

Delivery Entity Budget increased due to additional scope

Current Actuals less than revised forecast.

With the exception of writing tasks, scope largely complete.

s 9(2)(g)(i)

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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.

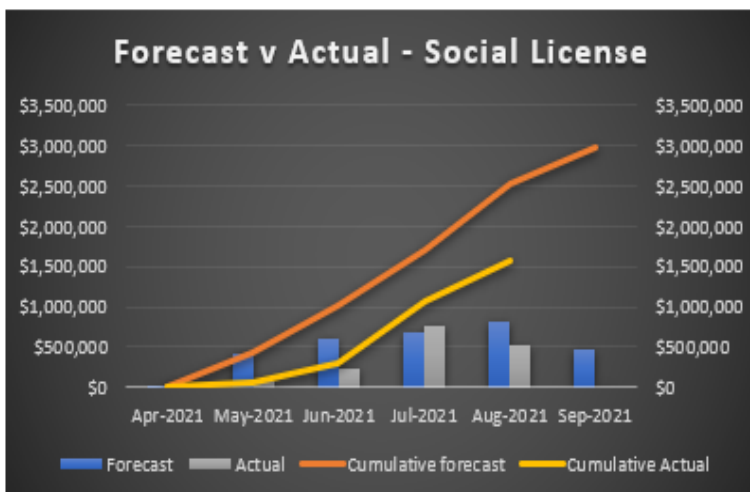
A partnership will be established with Mana Whenua to incorporate cultural values and opportunities, to be carried into the next phases of the project.

Workstream Update:

Progress: The communications and engagement for the project is progressing well after 2 months of activity. Several face to face community events have been cancelled due to lockdown. However the engagement programme has shifted to online and digital channels. High numbers of feedback were received due to increased visits to the project website. The engagement period was completed and closed off on 31 August. Engagement with Mana Whenua has progressed and three quarters of the scheduled hui with governance chairs have taken place. Engagement with Mataawaka groups has also shifted online.

Plans: Some ongoing engagement is continuing in September with Auckland Council Planning Committee. Liaising with Infrastructure NZ and Property Council of NZ to plan online presentations for their members. Several positive media articles were published in August and we are preparing proactive media releases for September. Market research is also underway.

Commercial Summary:



Commentary:

Engagement has ramped up over the last 2 months. Additional Variations had been approved since last month.

A number of contracts still awaiting to be finalised, relating to increased ambition of this workstream.

Key Milestones:

Key Milestones:	Date:	Status:	Comment:
1. Community Engagement completed.	31/8	Achieved	Online and community engagement has now closed.
2. Draft Strategies and Engagement Reports ready.	13/9		Social Outcomes Strategy, Maori Outcomes Strategy and Engagement Summary Report.

Key Activities (this month):

Key Activities (this month):	Date:	Status:	Comment:
Preparing for online industry briefings and final Planning Committee meetings.	2/9		Some ongoing activities to continue this month.
Collating data and preparing engagement summary.	13/9		On schedule to be included as an appendix.

s 9(2)(g)(i)

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:

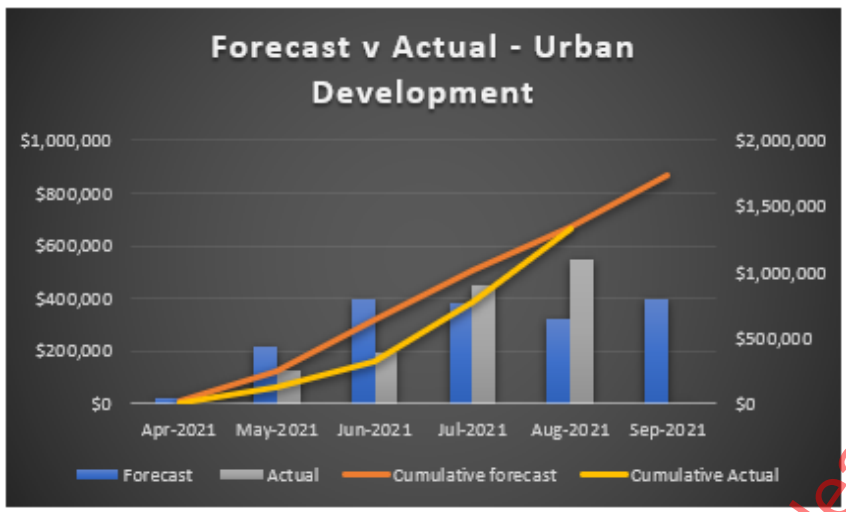
Progress: Urban uplift and land use modelling outputs have been delivered by PwC and Arup. These outputs have provided information on the potential urban transformation within the corridor for the 5 options being considered in the business case. This includes a detailed analysis on development potential 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 the Board and Sponsors. The workstream have and will continue to provide reviews of the various parts of the Business Case. Collating All results from PwC, Arup, CBRE and Market Economics will be finalised to help form the overall urban advice for the project and business case.

Key Milestones:	Date:	Status:	Comment:
Integrate urban issues/advice in business case	4/8	Achieved (On time)	This is a major deliverable for this workstream in contributing to the overall advice for the project.
Urban Form Summary Report	10/9		This is a major deliverable for this workstream in contributing to the overall advice for the project.

Key Activities (this month):	Status	Comment:
Planning Committee reporting		Provide the urban update component for reporting to the Planning Committee
Planning urban issues/advice within business case		Summarise and interpret remaining modelling results and overall urban advice for integration into the Business Case
Drafting urban summary report		Developing the Urban story and advice to the project based on latest information received.

Commercial Summary



Commentary:

Increase in modelling scope and cost

A number of variations currently being assessed.



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BUSINESS CASE AND CONSENTING

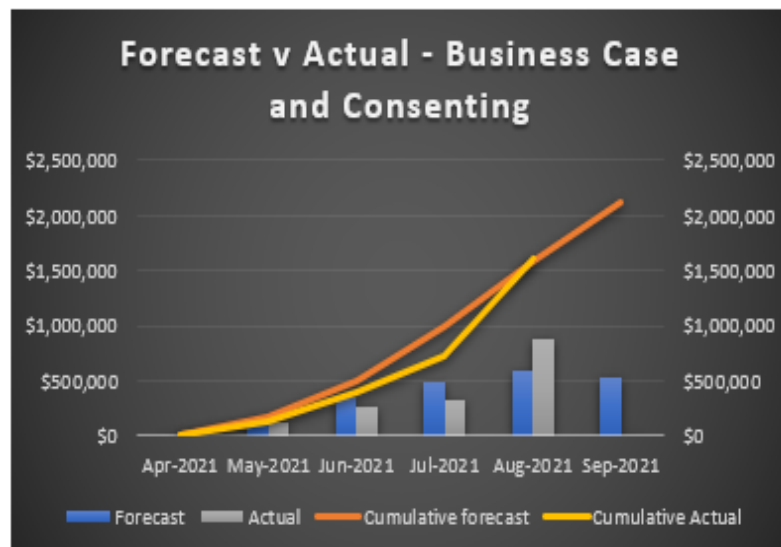
The purpose of the Business Case workstream is to lead the business case and consenting for the independent Chair and Establishment Unit Board, to lead the development of the business case and be the interface of the programme work

Workstream Update:

Progress: The Strategic Case is currently in the final review cycle, next steps to integrate it to the IBC. The Financial, Economic and Commercial Cases have completed or planned to complete the Walkthrough reviews between 30 August and 08 September, next review cycle will be Quality a second quality review. The Management case walkthrough review is booked for mid September.

Plans: We are currently in the middle of the review process, a very busy process of developing and reviewing all the components of the business case. The Economic Case includes the documentation of the MCA outcomes, and a CBA completed. Cohesive amalgamation of all cases started in late August. And will continue until mid September.

Commercial Summary:



Commentary:

Independent Business Case Writer and Gap Analysis reviewer added to the budget forecast which was not previously accounted for.

Additional works have increased as the business case is being refined.

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	Achieved on time	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

s 9(2)(g)(i)

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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:

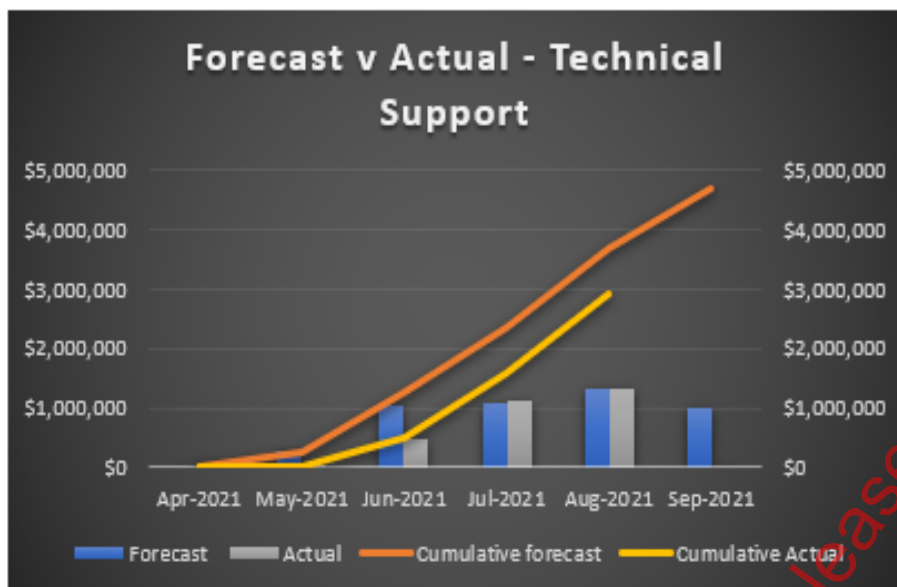
Progress: The multi criteria analysis (MCA) was completed on the 5th August. Silver review of drawings has been undertaken, drafts of all technical notes and reports to support the business case have been completed. The draft costs, programmes and risks have been completed. Completed second iteration of SLO patronage modelling to include higher urban development uplift.

Plans: Finalise all drawings, technical notes and reports and complete any renders required for the business case or Cabinet Paper. Complete patronage modelling for heavy rail long list option. Complete cost estimates for SLO. Engage with Auckland Rapid Transit Plan team to ensure consistency with emerging findings. Closing out other technical reports long list mode options.

Key Milestones:	Date:	Status:	Comment:
11. Bronze submission of Design	9/7	Complete	Bronze and Silver issues completed
12. Technical Inputs Ready for Option Selection	30/7	Complete	MCA completed

Key Activities (this month):	Date:	Status:	Comment:
Final submission of Concept of Operations	5/09	On track	On track
Gold issue of SLO drawings	2/09	On track	On track
Final submission of technical notes	2/09	On track	On track
Complete patronage modelling for heavy rail option	17/09	On track	On track
Final submission of SLO costs and peer review completed	14/09	At Risk	Compressed timeframe will put pressure on this activity

Commercial Summary:



Commentary:

Additional variations being assessed due additional options being assessed

Budget now aligned with forecast through re-baseline exercise.

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s 9(2)(g)(i)

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.

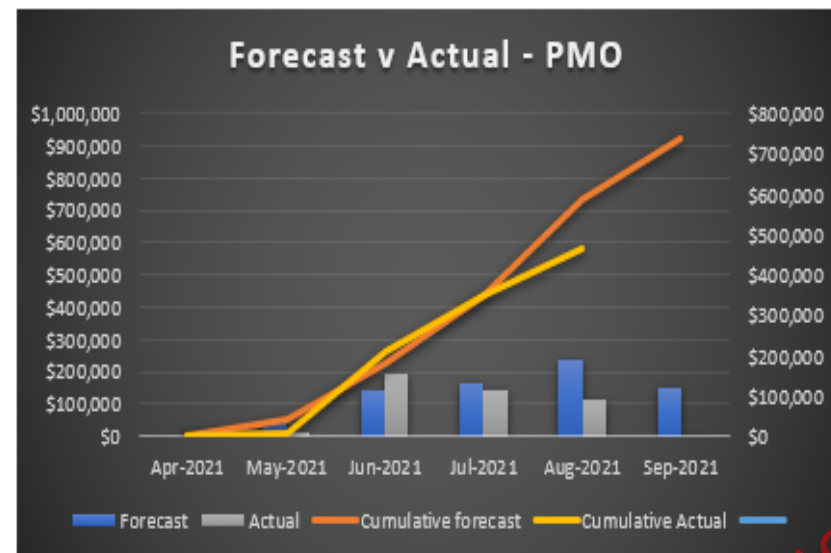
Workstream Update:

Progress: IT set up established, transition to new environment has been hampered due to lockdown. PMO team are Document Control Champions to support the balance of ALR when moving to new environment. Programme indicators continue to show that work is running ahead of schedule.

Key risks are coming to fruition as the alignment and compilation of the Establishment Unit recommendations reaches its conclusion.

Plans: Preparations for Gateway Review and Financial Audit are underway. Team are reviewing areas of Risk and implementing mitigation plans if necessary. Project processes are being streamlined to ensure smooth operation.

Commercial Summary



Commentary:

PMO Budget up to end September currently unchanged

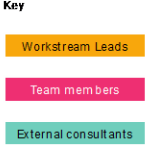
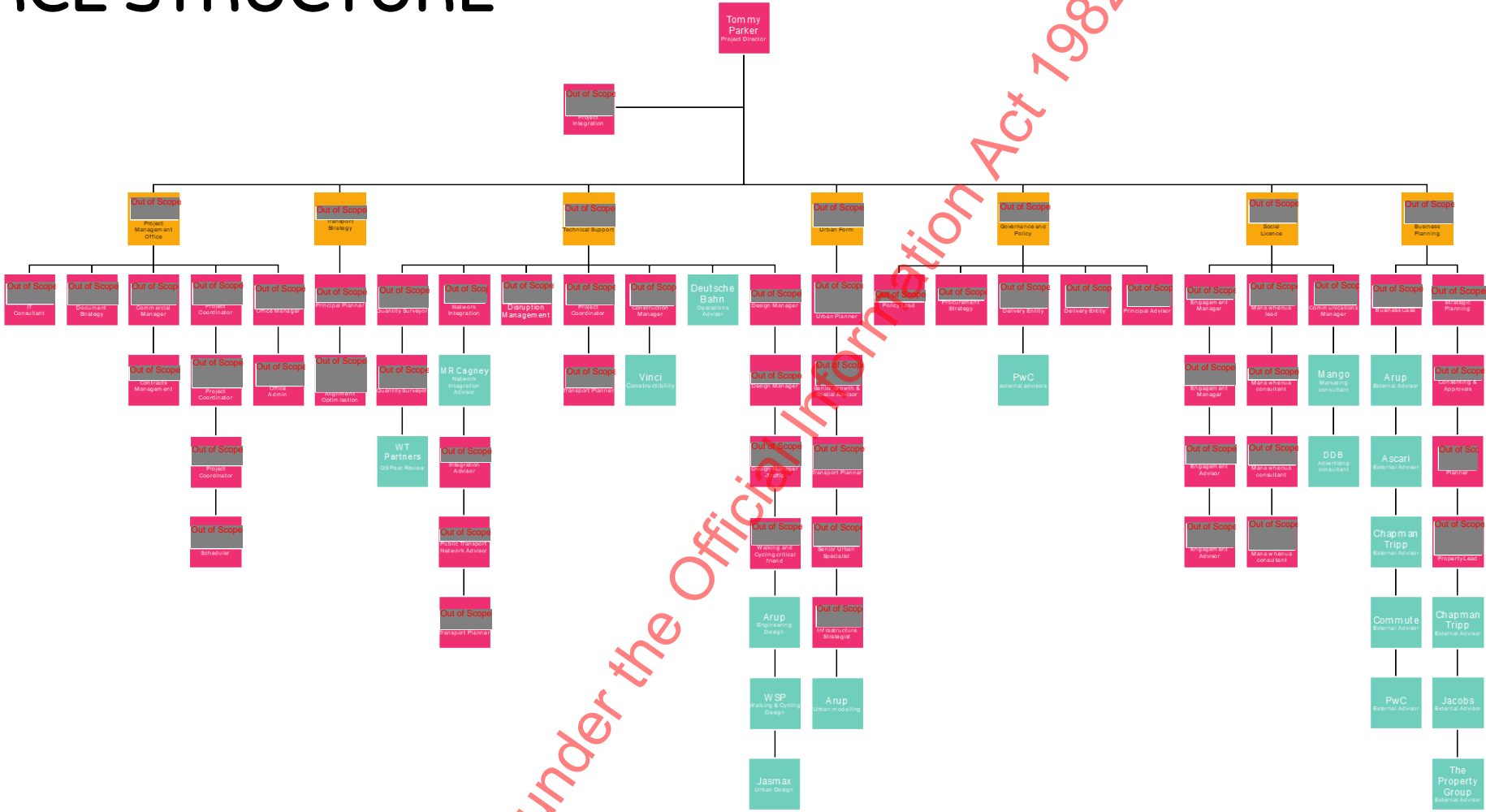
Key Milestones:	Date:	Status:	Comment:
N/A			

Key Activities (this month):	Date:	Status:	Comment:
Second Tier Contract Reviews	10/9	Yellow	Savings to be identified and tracked.
Review of Invoicing Process	5/9	Yellow	Foundation process for proficient operation.
Production of key plans for Gateway Review and Audit.	10/9	Green	Opportunity for the project to put its best foot forward.

s 9(2)(g)(i)

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RESOURCE STRUCTURE



Preferred Option Selection Workshop

14th September 2021

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Purpose

- To update on latest assessment material
- To identify an emerging preferred option
- Seek endorsement on this approach
- Updated information in last few weeks
 - Costs for options developed
 - Increased aspirational landuse modelling complete
 - Economics first draft undertaken



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The Options

- Early assessments from Long to Short List has left three options:
 - **Option 1B** – Dominion Road Light Rail
 - **Option 2A** – Sandringham Road Light Metro
 - **Option 3** – Light Rail, segregated from Wynyard to Mt Roskill

Option	Option 1A	Option 1B	Option 2A	Option 2B	Option 3
Alignment					
Cross Section	Street running		Tunnel through urban areas, fully segregated in other areas		2A cross section from north of Mt Roskill and Light Rail cross section south
Service Pattern	15tph Driver operated		20 tph Driverless operation		20 tph Driver operated
Capacity	Assumed 12,600 Maximum 16,800		Assumed 23,200 Maximum 46,400		Assumed 16,800 Maximum 33,600
Stations	23 Stations	22 Stations	17 Stations	16 Stations	18 Stations
Travel time (Airport to Wynyard)	58min	57min	36min	34min	44min
Indicative Cost					

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Investment objectives

- The Unit has assessed each of the options – light rail, light metro and the hybrid - against the investment objectives.
- **All 3 options deliver the investment objectives sought.**
- That means the Unit can – while still identifying a preference – offer Sponsors alternative options differentiated by the desired levels of affordability and city shaping aspiration.

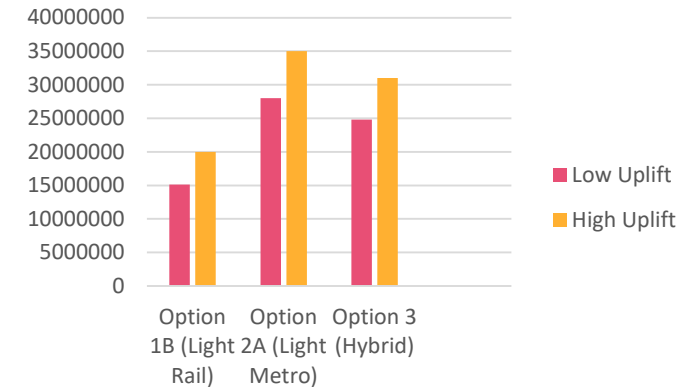
INVESTMENT OBJECTIVES	
Objective 1	Implement a rapid transit service that: <ul style="list-style-type: none">• Is attractive, reliable, frequent, safe, and equitable• Is integrated with the current and future active and public transport network• Improves access to employment, education, and other opportunities.
Objective 2	Devise a transport intervention that embeds sustainable practice and reduces Auckland's carbon footprint
Objective 3	Unlocking significant urban development potential, supporting a quality compact urban form, and enabling integrated and healthy communities.

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Investment objectives

- Investment Objective 1 – Transport Access
 - Light Metro performs the best (accessibility and patronage), followed closely by Hybrid and Light Rail a bit back
- Investment Objective 2 – Carbon
 - Light Metro performs the best followed closely by Hybrid and Light Rail a bit back
- Investment Objective 3 – Urban
 - Hybrid performs the best (as gets benefit of greater segregation near central city and community integration in the south) followed closely by Light Metro and then Light Rail
- Overall the Light Metro option performs best against the investment objectives, followed closely by Hybrid and Light Rail a bit back

	Option 1B		Option 2A		Option 3	
	Dwellings	Jobs	Dwellings	Jobs	Dwellings	Jobs
Lower uplift	4,100	3,700	5,100	5,300	5,000	5,100
Higher uplift	20,000	12,000	35,000	16,000	35,000	16,000






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You get what you pay for

- Light Metro option performs best against the outcomes sought and has the lowest overall level of impact of the three options.
- However the Light Metro option is the most expensive at in the order of s 9(2)(g)(i)
- The Light Rail option delivers less benefits (than the Light Metro) but is approximately half the cost of the Light Metro option s 9(2)(g)(i)
- The Hybrid option delivers most of the Light Metro benefits for a cost of s 9(2)(g)(i)
- The preliminary option analysis indicates that all of the options perform similarly, with BCR's of approximately 1

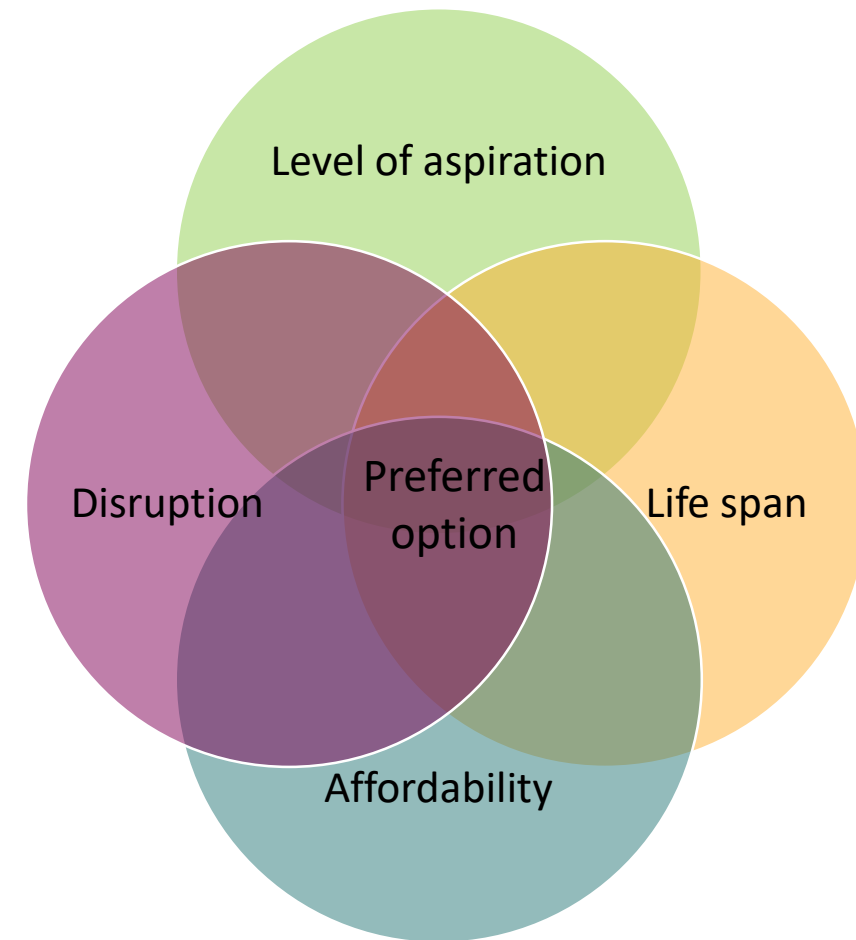
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Description	  			
	22,300,000	34,950,000	31,200,000	
Total boardings (annually in 2051)	22,300,000	34,950,000	31,200,000	
Capacity Reached	2070-2080	2085-2120+	2080-	
Number of Stations	22	17	18	
Urban Development	Urban Uplift Potential			
	Households	20,000	30,000	30,000
	Jobs	12,000	16,000	16,000
	Accessibility (jobs within 45 mins)			
	Mangere	247,000	452,800	346,200
Onehunga	405,500	463,900	437,600	
Mt Roskill	414,700	423,000	403,300	
Jobs within 45 mins of Central City and Airport	475,600	569,600	515,900	
Travel Time	Travel Time			
	To Airport Business:			
	Mangere	7	5	7
	Onehunga	18	12	18
	Mt Roskill	27	20	30
	To City Centre (mid town):			
	Mangere	37	27	32
Onehunga	35	20	21	
Mt Roskill	17	12	12	
Impacts	Carbon (tonnes saved)	350,000	700,000	550,000
	Surface Properties Affected	489	168	167
Economic	Cost	s 9(2)(g)(i)		
	BCR	1.2	1.1	1.0
Challenge	Key Risks	Disruption Consentability Life of investment	Affordability Market Capability	Affordability Market Capability

The key trade-offs differentiators

- **Level of aspiration for the corridor**
 - 20,000 additional homes for light rail
 - 35,000 additional home for Light Metro and Hybrid
- **Disruption (3-5yrs in a location)**
 - Entire length for Light Rail
 - Stations and tunnel portals generally for Light Metro
 - Bit of both for Hybrid, closer to Light Metro
- **Affordability** - s 9(2)(g)(i)
- **Life Span**
 - Light Rail capacity possibly reached as early as 40 years
 - Hybrid has capacity for 60+ years
 - Light Metro has capacity for 80+ years



Carbon Reduction

- The Light Metro option achieves the greatest levels of mode shift and therefore the greatest level of carbon emissions reduction.
- However, Light Metro will also have the greatest levels of embedded carbon in construction (from steel and concrete).
- Over a 50 year term the emissions reductions from all options will exceed the embedded carbon – with light metro taking longer to get to that point but then continuing to achieve stronger emissions reductions.
- Active mode provision (in the form of improved footpaths and cycleways along the route), and more compact urban form will support emissions reduction regardless of option. Vehicle movement suppression could also be considered.

Carbon Reduction (2)

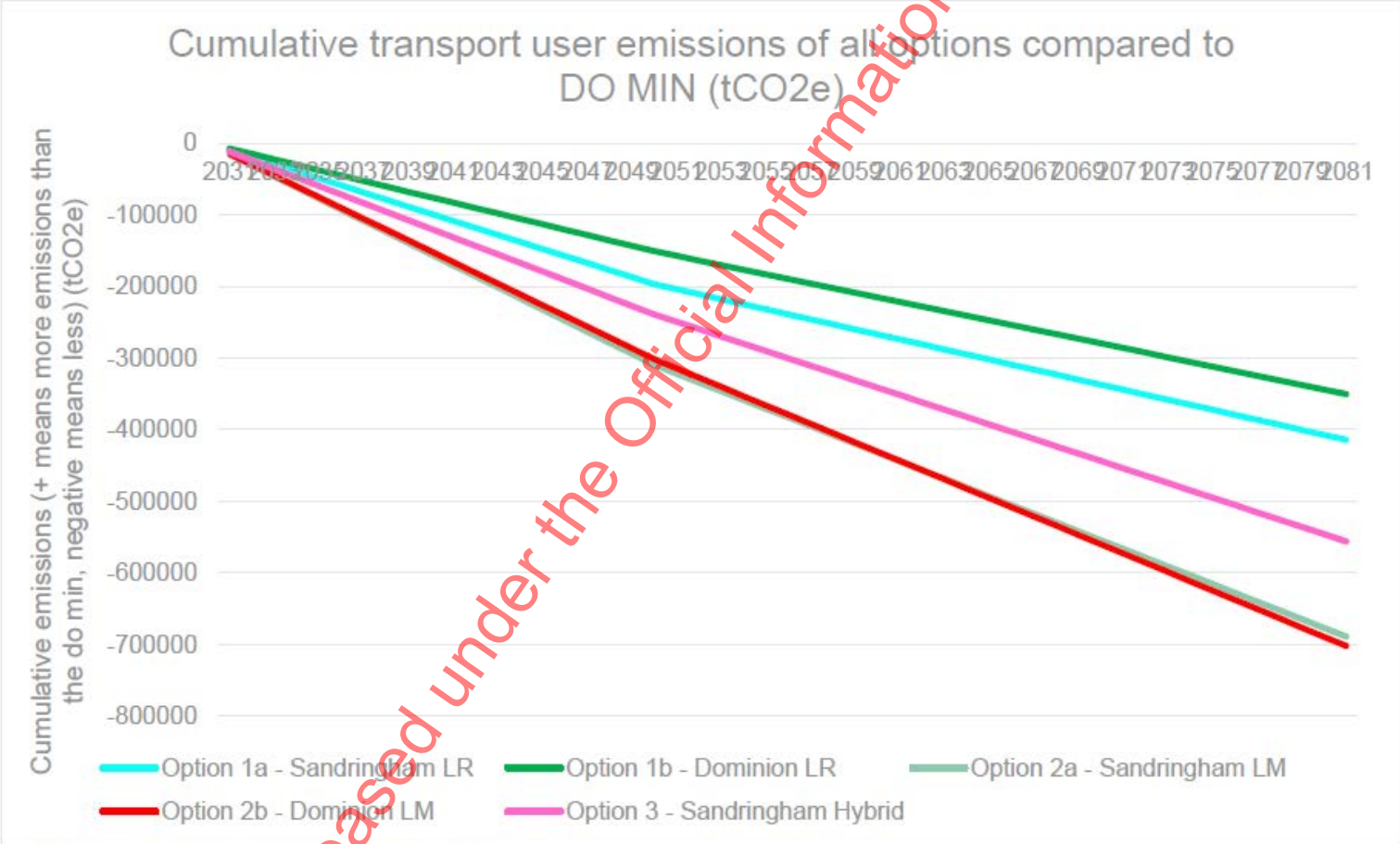


Figure 1: Total transport emissions for each option

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Future proofing and RTN Integration

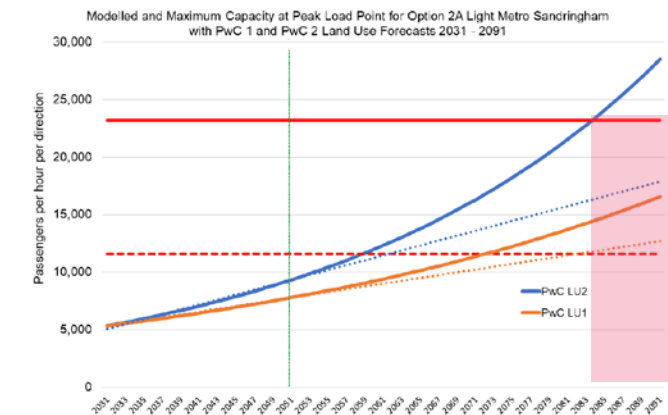
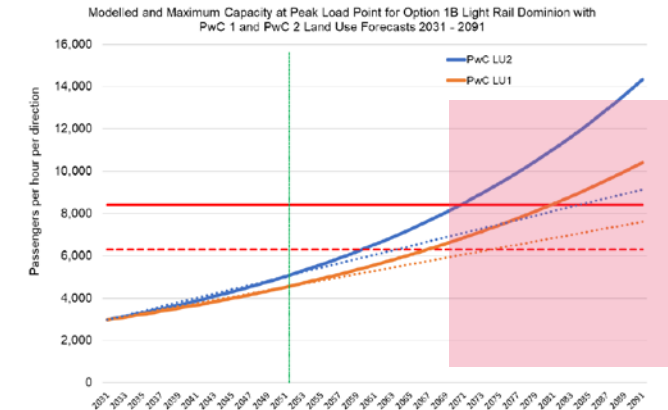
- If Light Rail, interface with RTN network is a transfer and capacity will be challenged in the corridor
- Metro/Hybrid options (tunnel in city) would allow for direct connection to North Shore services and there would be sufficient capacity to allow this
- There is an opportunity for the Metro and Hybrid options to provide the tunnel



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Future proofing and RTN Integration (2)

- Light Rail option could be at capacity as early as 2070
- Light Metro could be 2080, likely to be 2100
- Metro is in between the two options
- This is becoming an important differentiator between the options



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An Option 3B?

- At the moment the Hybrid option is tunneled from Wynyard through to Mt Roskill.
- As explained above the future network capacity challenge for surface light rail – assuming North Shore and North-west lines - is through the central city.
- If surface light rail were preferred for affordability or other reasons (potentially urban form or accessibility) a potential solution to the network capacity constraints may be to tunnel just the central city section.
- The Unit considers there is merit in assessing (at a high level given timing constraints) an Option 3B hybrid running in a tunnel through the central city and as surface light rail down Dominion Road.

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Costs

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Conclusions

- Each of the options – light rail, light metro and the hybrid option – deliver the investment objectives. While there are a number of trade-offs to consider the decision for the Board and in turn the Sponsors is essentially one of affordability v aspiration.
- We consider light metro is the best performing option, delivering the greatest aspiration for the corridor, manifesting in higher patronage, accessibility and carbon reductions. Light metro provides capacity for future network expansion to the North Shore and North West. This option also has the smallest impact (of the short-listed options). **However, light metro does come at a cost of up to** s 9(2)(g)(i).

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Conclusions (2)

- On balance – and recognising the significant costs - we recommend the Hybrid option which delivers the majority of the benefits of the Light Metro option while costing s 9(2)(g)(i). This option allows the highest level of aspiration for the corridor to be delivered as cost effectively as possible while retaining flexibility for integration with the future RTN of Auckland.
- We also recommend consideration is given to an Option 3B hybrid with tunneling only through the city centre – as that is the part of the corridor forcing consideration of the future network capacity.
- The Light Rail option is still a viable and aspiration option if affordability is a focus. The future proofing with this option could be provided with further investment in the corridor at a later time.

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Board paper

Meeting date:	14 September 2021
Subject:	Delivery entity and transition
Author:	Lucy Riddiford and Out of Scope
Date:	8 September 2021
Pages:	13 + 1 appendix and 3 attachments

1. Purpose

1. To outline the different Delivery Entity options to the Board and present the preferred form of the Delivery Entity for CC2M. We also discuss phasing/transition considerations in the context of the CC2M work programme.

2. Recommendations

2. It is recommended the Board:
 - a. **Note** the options considered and assessment approach adopted to selecting a preferred Delivery Entity form.
 - b. **Confirm** that the preferred option for a Delivery Entity is a new purpose-designed Schedule 4A company, but that flexibility should be maintained around the final form and scope of the Delivery Entity.
 - c. **Note** the imperative of maintaining project momentum and need for phasing/transition arrangements to progress CC2M pending establishment of the final Delivery Entity.
 - d. **Confirm** that a Shadow or Operating Unit should be established based on the existing Establishment Unit, and that it should continue to be housed within Waka Kotahi (either as a unit or subsidiary).
 - e. **Note** that partnering with mana whenua and Māori is critically important and we will continue to work closely with Mana Whenua and Mataawaka to develop partnerships in the next phase.

3. Background

3. This is the fifth paper presented to the Board on the Delivery Entity workstream. In this paper, we cover:
 - A brief outline of the Delivery Entity options considered include CRL and a JV, as well as other existing and new entity forms.
 - An overview of the relative considerations and trade-offs of the different Delivery Entity options.
 - The final assessment and recommendations on delivery entity form, which will be incorporated into the Business Case.
 - Considerations around phasing/transition arrangements required to support the move from the Establishment Unit to the final form of the Delivery Entity.
4. We have provided the following supporting materials:
 - a. Delivery Entity Report
 - b. CRL Summary Report
 - c. Transitional arrangements paper.
5. Appendix A is a summary of the key deliverables in the Delivery Entity Workstream, including the dates that drafts of these materials have been provided to the Board.

4. Delivery Entity – The Preferred Option

a. Schedule 4A Company

6. CC2M is large, complex and the first of its kind project in New Zealand. It has a broad set of outcomes and high expectations of what it will deliver and how it will work with others. Deciding on the right structure for planning and delivering the Project is important to ensure the project is successfully delivered within the target timetable.
7. The assessment finds that CC2M could be delivered by either an existing or a new entity. Each of the options considered has benefits and limitations, but there will be significant challenges to capability and capacity under any of the options considered, particularly as the CC2M develops.

8. An existing entity is more efficient to establish as systems, processes, and some existing capability, can be leveraged. It would, however, require significant changes to render an existing entity fit-for-purpose to deliver CC2M. Risk would remain around the ability of these entities to manage and govern CC2M alongside existing activities.
9. A new entity does require time and cost to establish, however, it can be created to suit CC2M's exact needs, functions and to provide the balance of operational autonomy and Ministerial / Sponsor oversight needed. It can be flexible to adapt as required.
10. On balance, based on the options considered, our preferred option is for a new purpose-designed Schedule 4A company (S4A). As compared to other options, the S4A:
- enables a greater focus on CC2M's outcomes with other entity options currently limited by existing remits or legislative constraints;
 - enables clear accountability given its focused remit on delivering CC2M without the distraction of other projects, or broader remits beyond delivery of specific transport projects. It provides dedicated focus and lower risk for any single Board to manage. This is critically important given the scale, complexity and importance of CC2M;
 - allows for operationally independent decision-making as a stand-alone entity without constraints of parent company oversight restrictions;
 - allows for flexibility to adapt to different funding, financing, procurement and partnership options and to evolve over time as the project does. Given long term nature and mix of transport and urban outcomes, flexibility is important; and
 - while there is a process for establishing a S4A, there is also complexity in retrofitting other existing entities, and therefore this option is considered no less deliverable.
11. The table below provides a summary of the S4A option alongside the CRL and JV options. The CRL option summarised in the table below assumes that the CC2M and CRL projects are undertaken as side-by-side projects with separate management teams but under one Board and shared corporate functions.
12. The preferred option is for a new S4A company, but we recommend that flexibility is maintained around the final form and scope of the Delivery Entity. The detailed business case (DBC) stage will provide further clarity on route and mode, urban development opportunities, and the role of the Delivery Entity and its partners.
13. This will provide Sponsors with the opportunity to reassess the form of the Delivery Entity to ensure the right entity is used to deliver CC2M. In addition, uncertainty around the exact decision-making and funding pathway, makes it difficult to provide a firm recommendation on the Delivery Entity. Arguably, at this stage there is no one 'right answer'.

b. Delivery Entity – Options Assessment Summary

	CRL	JV* (incorporated JV)	New S4A
Clear accountability	Existing Crown / Council structure. Complexity and risk to managing and governing 'dual' projects. Risk to CRL delivery.	Designed to provide clarity of roles & responsibilities. Potential complexity and ambiguity in accountability given parental legislative requirements.	Purpose-designed governing documentation and framework to ensure clear roles & responsibilities.
Independent and autonomous decision- making	Operationally independent Board with clear Ministerial / Sponsor oversight.	Unlikely to be able to be fully operationally independent given parental oversight requirements.	Operationally independent Board with clear Ministerial / Sponsor oversight.
Outcomes led approach	Changes required to broaden remit beyond pure transport outcomes.	May be limited by parental 'functions'. Require greater reliance on partners to deliver outcomes.	"Blank sheet of paper" to create a fit-for-purpose entity with a focus on CC2M outcomes.
Effective partnerships	Changes needed to clarify roles of partners for CC2M and how these differ for CRL.	May require additional reliance on partners to deliver urban outcomes.	Purpose-designed to ensure clear roles & responsibilities.
Adaptable / flexible	Changes required to current scope and functions. Complexity of balancing different scope for different projects.	Limited by parental legislative framework.	Commercial and flexible entity. Can adapt to different commercial modes, scopes and over time.
Appropriately resourced	Ability to leverage existing Board, management team and corporate services. Additional resource needed to manage both projects.	Independence / flexibility limitations may impact ability to attract capability.	Commercial / independent nature may assist with attracting capability As a new entity it would need to find capability at all levels across the organisation.
Deliverability	Entity already established, with existing capability, systems and processes resulting in efficiencies. Complexity in unravelling and amending governing documentation (to address the two different projects). Complexity in 'merging' CRL Board and teams with shadow Delivery Entity Board and teams. Compromised CRL social licence.	Could be relatively straightforward to establish.	Establishment time and cost. Order in council but no legislative change required.

*The table above includes consideration of an incorporated JV. An unincorporated JV was also considered and discussed below.

5. Delivery Entity – Approach to Assessment

14. Our general approach is that 'form follows function' and, to this end, we have worked with stakeholders, to define several dimensions before the delivery entity design has been 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.
15. We have had five workshops on the Delivery Entity with partner entities and policy agencies, where we discussed the assessment framework, existing institutional arrangements and powers, the proposed project scope, governance and partnerships, and initial transition considerations.
16. In order to consider each option, assessment criteria were developed to reflect key desirable features for a Delivery Entity. The criteria were developed through consideration of the CC2M outcomes, the scope of the Delivery Entity, Cabinet guidance and domestic and international lessons learned.
17. At the last Board meeting, we presented a review of the required legal powers in the context of the existing institutional arrangements and analysed the ability/risks to transfer/obtain powers outside of existing arrangements.
18. The analysis on the existing institutional arrangements suggests that CC2M could be planned and delivered within the existing legislative framework through statutory agencies, partnerships and commercial arrangements. There is no requirement for significant legislative change.
19. We also discussed some considerations around scope and partnering at the last Board meeting. The working hypothesis assumes that the delivery entity will have some involvement in delivering urban outcomes – to be validated in the next phase. The proposed governance arrangements anticipate a broader view, including sponsors from across central and local government. The detailed scope of delivery of urban outcomes will be validated in the next phase, as we do the master planning. This approach is supported by the legal powers review and the views expressed by partner agencies in various forums organised by the Establishment Unit.
20. The working hypothesis is that the Delivery Entity would have accountability for delivering TOD (above station and station adjacent), partnering with other entities for urban development outcomes. Partnering will be critical for delivery of broader outcomes.
21. There are two related reasons to consider in relation to the functions: the scale and complexity of the project is of an order of magnitude higher than any other infrastructure project tackled in New Zealand, and there are risks in the Delivery Entity having a dual focus on two very complex functions. In addition, one of reasons for the establishment of Kāinga Ora was to develop and provide capability and resources to undertake large urban regeneration projects.

6. Delivery Entity – Options Considered

a. Schedule 4A Company

22. In this section, we set out in detail why a Schedule 4A company is our preferred option for delivery, noting that our recommendation is that flexibility should be maintained around the final scope and form of the Delivery Entity.

Schedule 4A as the Delivery Entity

23. A S4A is a limited liability company that is typically used when results are needed in a particular area, normally with a mixture of commercial and social objectives. It is subject to the provisions of the Crown Entities Act 2004 (CEA), Companies Act 1993 (CA) as well as the Public Finance Audit Act 2001, Official Information Act 1982 and the Ombudsman Act 1975.

24. A S4A allows for commercial operations, board governance with a degree of autonomy while providing comfort and oversight from the governing legislation and framework in which it operates. The company has a constitution and reporting requirements that include a Statement of Intent (SoI), Statement of Performance Expectations (SPE) and annual reports, which provide mechanisms for monitoring of performance and outcomes.

25. International best practice has shown the benefit of discrete standalone entities, separate from shareholders and Sponsors to deliver mega-projects. Please refer the International Case Studies Report paper.

26. The entity structure also enables flexibility for multiple shareholders and the entity can be wholly or majority owned by the Crown.

Why a Schedule 4A?

27. Key benefits for a new S4A to deliver CC2M are:

- It allows for a purpose-designed entity with a focus on CC2M outcomes, not limited by existing BAU or legislative constraints. A dedicated focus on this complex and high-profile project.
- It would have a focused remit on delivering CC2M without the distraction of other projects, or broader remits beyond delivery of specific transport projects. It provides dedicated focus and lower risk for any single Board to manage. This is critically important given the scale, complexity and importance of this project.
- This would support delivery of the core transport and any TOD urban development.
- A S4A could have an independent board with sufficient autonomy to make operational decisions for the organisation, as it would not be constrained to

existing “parent” legislative restrictions. Clear accountability would be built into the new entity governance structure.

- A S4A is a commercial entity which would provide more opportunity for additional funding and financing options and any TOD urban development activity, if required.
- The commercial nature would also likely assist in attracting high calibre talent.
- Establishing a S4A requires an Order in Council but no specific legislative change is required. Deliverability is therefore relatively straightforward.
- Flexibility in shareholding and governance arrangements to shape appropriate roles and responsibilities around ownership, funding and decision making.
- A S4A is a flexible entity and agile enough to adapt to new project phases as they progress and could accommodate changes to scope or role. If required, it could also be organised to allow for delivery of future stages / and or other projects.

28. It is envisaged that lessons learned from CRL (and other S4A companies) would be applied, leveraging key areas of success (commercial nature, skills-based Board) with further work to shape up partnership, governance and funding arrangements to suit the specific nature and objectives of the CC2M project.

In conclusion, a S4A company is the preferred entity form if a new entity is to be established for CC2M delivery. It would provide a balance of commercial flexibility / operational autonomy and a framework for robust Ministerial and Sponsor oversight commensurate with the scale, complexity and importance of the project.

b. City Rail Link Ltd (CRL)

29. CRL, a Schedule 4A company, was established as a special purpose company to deliver City Rail Link (CRL), a major infrastructure project for local and central government in Auckland. Its remit is limited to the delivery of the CRL project. CRL was established in 2017 following the project set-up phase which commenced in 2011).
30. The Establishment Unit has prepared a report on CRL following interviews with 30 individuals currently or historically involved in the project. Key points in relation to CRL’s current suitability to deliver CC2M are summarised below.

CRL as the CC2M Delivery Entity

31. There are benefits to using CRL to deliver CC2M:

- It is an existing entity that has a skills based independent board that is able to make decisions in line with the Sponsors Agreement.
- It has a transport outcomes focused structure with a transparent way of operating.

- There are efficiencies of using the same overriding management team, systems / back-office and compliance costs (Board, monitoring etc).

32. However, there are limitations to using CRL.

- CRL is entering a critical stage in its delivery programme. Adding CC2M into CRL creates a risk of distracting management and the Board from successfully delivering and commissioning the CRL project on time and on budget.
- While it has some relevant capability, given CC2M is a more complex project and a new mode, additional expertise would be required in addition to existing CRL capability, particularly to ensure existing focus on CRL is not impacted.
- The risk of complex and unclear accountability when governing two projects, each with different Sponsors, Partners, governance, and funding arrangements would need to be carefully managed.
- Social licence for CRL has been compromised by the long-standing effects of construction in the city centre which could adversely impact perception of CC2M, noting the recent decision to establish a \$12m business disruption fund

What would need to change to make CRL work?

33. The following changes would be required to support CRL to deliver CC2M:

- Change to the S4A documentation including sponsors agreement, constitution, letter of expectation, statement of performance expectations and statement of intent.
- Change to the Project Delivery Agreement and Partner Agreements without putting at risk CRL's obligation to deliver the CRL project on time and budget.
- Significant additional resourcing, and bolster management to cope with managing two large complex projects at once.
- How the CRL brand and 'ALR Group' brand are positioned.

In conclusion, a number of changes could be made to optimise CRL to deliver CC2M, however there are several major risks associated with using CRL:

- The underlying risk to the successful delivery of two large and complex competing projects under one Board.
- The complexity and distraction from project progress of unravelling, adapting and implementing fit-for-purpose dual governing documents, shareholding and funding arrangements.

c. Joint Venture (JV)

34. A JV can exist in multiple forms, either through a stand-alone entity (an incorporated JV) or a contractual (unincorporated) relationship.

Contractual JV (Unincorporated JV)

35. The underlying premise of the unincorporated JV is that it is a relationship between the participants that is governed by contract (as opposed to being shareholders).
36. The key characteristics of an unincorporated JV are a contractual relationship to undertake specific objectives, each party with clearly defined obligations, benefits, and rights. Typically, an "Operator" (i.e. the Delivery Entity) is appointed by the JV participants to undertake operations on behalf of the JV.
37. The benefit of a JV arrangement is that it provides flexibility in relation to how decision-making and funding can be provided. It allows a range of participants to have clearly defined roles and responsibilities and can have several Operators delivering clearly defined scope areas.
38. However, each JV participant would continue to operate within its own decision-making / governance and accountability framework in exercising its decision-making rights. In addition, the obligations and liabilities associated lie with the JV participants which pushes back a lot of the risk upwards and away from the Delivery Entity.

Incorporated JV

39. An incorporated JV is an entity that has joint Crown and Council shareholding. This can take a number of forms and different shareholding mixes. Statutory limitations of this construct would pose restrictions on the functions of the JV, independence and autonomous decision-making.
40. This model could work for the early stages of the CC2M project, but is unlikely to be suitable for later stages where the risk profile of the activities increases and greater Board autonomy and flexibility and adaptability is desired.

In conclusion, a contractual JV is not an entity structure as such, but rather an alternative governance structure. It provides flexibility but, it drives decision-making and accountability upwards to Sponsors, rather than down to the Delivery Entity. Given the scale and complexity of the project, there is merit in driving more operational autonomy to a Delivery Entity.

An incorporated JV, in its purest form, is unlikely to provide sufficient flexibility, adaptability and operational autonomy to the Delivery Entity Board to undertake the delivery of CC2M.

d. Delivery Entity – Other options considered

41. A range of other options were considered:

- Continuing to progress and deliver CC2M under the Waka Kotahi umbrella would result in a smooth transition and continued momentum. However, consideration needs to be given to the ability of the Delivery Entity Board to operate independently and ability of the Waka Kotahi board to govern a project of this scale, complexity and risk profile, alongside its many other BAU activities.
- Generally, Crown Entity subsidiaries and Council Controlled Organisations may be limited by the powers of their 'parent' entities and have limited true independence and autonomy as they would remain subject to oversight from shareholding entities. Delivery by Auckland Transport is unlikely to provide the Crown with the degree of oversight required for the scale of the investment. Delivery of the Project by Kāinga Ora was not considered, but they will have a key partnership role.
- A Statutory Entity would provide for a bespoke flexible entity focused on CC2M outcomes. Due to establishment complexity, and anticipated required changes to existing legislation frameworks, a Statutory Entity would likely to be best suited where the Delivery Entity is expected to deliver other rapid transit projects in New Zealand) or its scope increased to greater responsibility for urban development.

In conclusion, alternative new entity forms noted above were not considered preferable options when compared to a S4A company, if a new entity is to be established for CC2M.

7. Transition Considerations

42. Transition is the process of changing from the Establishment Unit to the Delivery Entity. The transition period effectively ends when the final Delivery Entity is stood-up and fully operational. Transition will likely occur in a phased manner with announcements, triggers or achievement of milestones to support progression to the next phase.
43. The history of this project is that there have been intensive periods 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 if the right transition arrangements are put in place.
44. We are working closely with the Ministry of Transport and Treasury on the critical decisions that will need to be taken by Cabinet at the end of the year to enable the project to move forward, as well as signposting future decisions and where those should sit.

e. Interim Delivery Entity

45. The imperative of maintaining project momentum and the recognition that final decisions around the form and scope of the Delivery Entity are not finalised, mean that we propose that a Shadow Delivery Unit be established based on the existing Establishment Unit, and that it should continue to be housed within Waka Kotahi (either as a unit or subsidiary).
46. During the transition period the Shadow Delivery Entity should be responsible for the following activities:
- Governance
 - Org Design - People/Systems and Processes
 - Urban Form – Commercial Development Strategy
 - Master planning
 - Design/technical tenders to the market (also to support urban form and master planning above)
 - Partnering
 - Mana Whenua
47. The Shadow Delivery Entity governance structure will be determined by Ministers, have an operationally independent project Board and a forum for partner involvement. Resourcing will be drawn primarily from the existing Establishment Unit supplemented by specialist external advisors. Funding and back-office services will continue to be provided by Waka Kotahi.
48. The recommendation to establish the Shadow Delivery Entity within Waka Kotahi is based on their existing role in the CC2M project, as well as their responsibilities as the national transport agency. In addition, Waka Kotahi has significant experience delivering large, multi-stakeholder capital transport projects in New Zealand, and comprehensive relationships with agencies and the community that can be leveraged.

Project Board

49. Alongside the establishment of the Interim Delivery Unit, we recommend that a skills-based Project Board is established. The Project Board would appoint directors with experience of major public works and infrastructure projects, ideally with international experience. Some community skills/ experience will also be important. Board composition will evolve over time and eventually transition to the final Delivery Unit.
50. The key accountability mechanism for Shadow Delivery Entity would be through the Sponsors Forum.

Sponsors Forum

51. Alongside the establishment of the Interim Delivery Unit, we recommend that the existing Sponsors Forum continues, but is enhanced with the addition of the Minister of Housing. The Sponsor Forum will continue provide a single point of oversight and be the channel of communication between the Sponsors and the Delivery Entity and also be available to support partnership arrangements.

Partner Reference Group

52. Alongside the establishment of the Interim Delivery Unit, we recommend that a Partner Reference Group is established, drawing on the existing Establishment Unit board. The Partner Reference Group will be forum for Partners and the Delivery Entity to come together and provide timely advice and guidance. It will provide an opportunity for Partners to provide guidance in shaping Delivery Unit actions and decisions, being kept updated of progress and identifying and rectifying issues for resolution. The Partner Reference Group will not have any governance oversight of the Delivery Entity.

Mana whenua

53. The role of mana whenua as partners and where they should sit in the governance structure is something that we will need to work through in the next phase, as we continue our engagement with them. A Māori outcomes strategy will form part of the business case.

f. Transition to Final Delivery Entity

54. The transition to the final Delivery Entity will likely occur at a point in time when there is sufficient certainty around the Project, roles and responsibilities, governance required for key decisions and potential contracts to be entered into. At this stage there is no absolute target date for the Delivery Entity to be established.

55. For the next phase, decision-makers will need to decide:

- **A future work programme** for the next phase of the project, the key activities involved, the associated decisions needed during this programme
- The optimal **governance and partnership arrangements**, recognising that many decisions in the next phase will sit with appropriately reflect the Crown's interests in the next phase, which may evolve over time as the project transition from detailed planning, through funding decisions to delivery and construction
- The **mandate** that is given to the operational unit that is responsible for taking forward a programme of work in the immediate next phase

- The **funding** that is needed to deliver this next phase, and the source of that funding (note this will not include funding decisions for the delivery of the project, which will come at a future stage)
- The best **form** for the operational unit to take in the next phase.

56. Governance of the Operating Unit Board will be led by the Crown, as will any legal agreements of which the Crown/Sponsors are partners. The Ministry of Transport will lead the legal establishment of the Delivery Entity. The table below is a working draft of the decisions that will likely need to be made in the next 18 months, assuming a decision by Cabinet in November, and the respective roles of different entities.

Post October 2021 - Central Government/Sponsor Transition (assume 18 months) Decisions							
Activity	Date (indicative)	Cabinet	Sponsors*	Crown	Council	Delivery Entity*	Notes
1 Provide feedback from IBC process and direction on next steps	Nov-21	X					GO/NO GO Decision Point. Subject to Crown Budget Bid Process, seek funding through to the Investment Decision - April 2024 (see Decisions 18 months to 4yr sheet). Includes request to fund ongoing design, any early works, early (strategic) land purchases, consent processing, various technical/design and legal advisors. Confirmation of funding up to investment decision
2 Set a clear vision and specific requirements for the transition entity	By 31 Jan 2022		X				
3 Approve Transition scope	By 31 Jan 2022			X			
4 Agree structure to progress project through transition	By 31 Jan 2022			X			May be part of November Cabinet Paper - 1 above
5 Develop independent assurance and monitoring plan	By 31 Jan 2022		Approve			Develop / Recommend	
6 Board - Agree Board Strategy, skills matrix	By 31 March 2022			X			Query Council input
7 Appoint Chair	By 31 March 2022			X			Query Council input
8 Agree DE form	?? By 30 June 2022	X	Approve			Develop / Recommend	
9 Appoint Board	By 30 June 2022			X			Query Council input. DE Established ? Note: Flexibility of Sch 4, can help drive the clear mandate
10 Option refinement - Appoint PD, Agree preferred scheme, confirm asset owner, operator, partner involvement in UD	?? By 30 June 2022 and later?			X		Recommend	Separate out these activities out but query timing...
11 Approve Sponsors Agreement and relevant legal documentation	By 30 Sep 2022		X			Recommend if DE is a partner	Legal Dox somewhat dependent on DE form
12 Approve Partnering Agreements	By 30 Sep 2022		X			Recommend	Need to set a date for completion of these
13 Agree UD ambition (incl. up zoning / land use / minimum density requirements)	By 31 December 2021			X	X		Could cover in Sponsor's Agmt or by 9 above DE Established ? Note: Procurement Strategy finalised late 2022 early 2023. MW1 Procurement Plan finalised end 2023. Will require Board involvement
14	31-Mar-23						
*Delivery Entity (includes any precursor entity)							
Note: Council could be removed from above table (as covered by Sponsors) if no independent actions/decisions required							
Assumptions:							
Assume current NLTF funding exhausted 30 June 2022							
Indicative timing assumes no decisions delayed							

Appendix A

Overview of deliverables in the Delivery Entity Workstream

Workstream	Deliverable	Status [Date draft* shared with board]	Business case	Detailed advice
Procurement	Market trends & insights reference pack	Complete	Appendix to Commercial Case	N/a
	Delivering on broader outcomes reference pack	Complete	Appendix to Commercial Case	N/a
	Procurement methodology report	Complete [10 August]	Overview of material in the body. Report appended to Commercial Case	N/a
	Packaging contracting options long list	Complete	Included in the high level options assessment report (not a stand alone deliverable)	N/a
	High level options assessment report	Complete [10 August]	Overview of material in the body. Report appended to Commercial Case	N/a
	Risk allocation principles & considerations reference pack	Complete [24 August]	Overview of material in the body. Included in options assessment report appended to Commercial Case	N/a
	High level payment mechanism reference pack	Agreed as being out of scope	N/a	N/a

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	High level accounting principles & considerations reference pack	Complete	Appendix to Commercial Case	N/a
	Commercial case	Near complete (been through QR1, QR2 and walkthrough)	N/a	N/a
Funding & Financing	Funding options long list	Complete	Appendix to Financial case	N/a
	Long List to Short List Report	Complete	Overview of material in the body Report appended to Financial Case	N/a
	Short List Report	Complete [24 August]	Overview of material in the body Report appended to Financial Case	Material leveraged for funding advice and value capture advice
	Funding and value capture framework	Complete	Content used for workshop and informs later material and summarised in long list to short list report which is appended to Financial Case	n/a
	Summary of key themes from the funding and value capture framework workshop	Complete [10 August]	n/a Provided for information only	n/a
	Financing Discussion Document	[In progress] (awaiting final comments from Tsy)	Report appended to Financial Case	N/a
	Financial Case	In progress	Financial Case	N/a

		(been through QR1 prior to costings coming in)		
	Detailed Funding advice	Underway and on track (due mid September)	N/a	Detailed Funding advice
	Detailed value capture advice	Underway and on track (due mid September)	N/a	Detailed Funding advice
Delivery Entity	Powers & institutional framework summary	Complete [Summarised in 24 August Board paper]	Summary included in Management Case table appended	
	Case study reference pack	Complete [10 August]	N/a	N/a
	Assessment framework paper	Complete [Summarised in 13 July Board paper]	N/a Elements used in final Delivery Entity assessment advice	N/a
	Scope considerations summary	Complete [24 August]	Consolidating old pack with updated thinking sent for 9 August hui. Narrative in body of the business case and delivery entity report. Append this consolidated pack to the Management Case	N/a

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	CRLI summary report	Complete	N/a	TBC. Will possibly be provided as separate advice.
	Option development & evaluation	Complete [10 August 2021]	N/a Elements used in final Delivery Entity assessment advice	N/a
	Recommended delivery entity (governance)	Complete [24 August]	Overview of material in the body. Paper appended to Management Case	Can be provided as stand-alone advice also
	Transition plan	Complete [14 September]	Overview of material in the body. Paper appended to Management Case	N/a
	Delivery Entity Report	Complete [14 September]	Overview of material in the body. Paper appended to Management Case	Stand alone report can be used for wider advice
	Management Case	In progress	N/a	N/a

* Final reports have been tidied up, but no substantive changes from what has been shared with the Board



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GROUP

ATTACHMENTS CONTENTS

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Auckland Light Rail Establishment Unit Board Meeting Minutes	
Date & time	14 September 2021, 9.30am to 1.30pm
Location	Teams meeting
Board members	Leigh Auton (Independent Chair) Peter Mersi* (Ministry of Transport) Bryn Gandy* (Ministry of Transport, alternate) Katja Lietz (Kāinga Ora) Shane Ellison (Auckland Transport) Nicole Rosie (Waka Kotahi) Jim Stabback (Auckland Council) Councillor Darby (Auckland Council) Margie Watson (Local Board Representative) Ngarimu Blair (Mana whenua representative, observer until appointment complete) Leilani Frew (Treasury, observer) Dan Cameron (Te Waihanga, observer)
Staff in attendance	Tommy Parker (Project Director) Lucy Riddiford (Board secretary) Out of Scope [Redacted] [Redacted] [Redacted]

* Present for part of the meeting

1. Board Only Session

There was a Board Only Session.

2. Apologies, minutes, interests and matters arising

Apologies

Karen Wilson

Minutes

Resolution	The Board approved the minutes of the last meeting.
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Interests

There was no discussion on the interests register.

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Matters arising

Mr Blair requested that the actions register be updated to reflect his request at the previous Board meeting for an independent historian to be commissioned to undertake a view of the history of the corridor to identify and clarify the key sites of significance in terms of Māori heritage to be avoided and mitigated, highlighted and celebrated. This would identify the key tribes in the corridor and would help inform partnership and engagement conversations.

This work should be initiated now, but will take some time, so will not inform this phase of the work. The Board requested that the scope of work be brought to the Board prior to any engagement.

<p>Actions</p>	<ul style="list-style-type: none"> - An independent historian will be commissioned to undertake a view of the history of the corridor, from a mana whenua perspective - The scope of work for the independent historian will be brought to the Board prior to any engagement.
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3. Project Director’s report

Mr Parker introduced his paper discussed the following:

- The team in Auckland remains in good health in alert level 4 COVID lockdown
- The lockdown has had some impact on engagement, meaning that we were unable to proceed with some of the activations
- The key September milestones for Board and sponsors
- Stakeholder engagement – early results: over 3,000 pieces of feedback, plus meetings. 66% in favour; 20% opposed; 14% neutral.
- Substantive item for this meeting is the route/ mode selection.



<p>Resolution</p>	<p>The Board noted the Project Director’s report.</p>
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4. Monthly Board report

Mr Parker introduced the monthly board report. He provided an update on progress. There was a general discussion, including whether it would be possible to get to a recommendation and the budget for this phase of the project.

Board members were offered the opportunity to have a session with the cost estimation team. A more detailed session will be arranged for Treasury and the Ministry of Transport, who would also like to see the detailed costs report and other source information.

Action	Establishment Unit to organise a session for the cost estimation team for those Board Members who wanted more detail.
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The Board also discussed how/ when the debate should occur about spending money on this project versus another transport project; is this the best project to invest in, given there may be other transport projects with a better BCR? Whilst recognising that it is the job of this Board to make recommendations for the CC2M corridor under the Terms of Reference, consideration should be given in our advice to the broader network and the implications if the Government decides to invest in this corridor.

Resolution	The Board noted the Monthly Report.
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5. Preferred option selection workshop

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Resolution	The Board noted the options and noted further discussions to be held with the Board and with sponsors.
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Action	Provide more information to Treasury about the approach and basis for assumptions for the urban work.
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Mr Law, Mr Innes and Mr Ellis left the meeting at 12.10 pm and Ms Stewart joined the meeting.

6. Delivery Entity and transition

Ms Riddiford introduced the paper, noting:

- Previous discussions at the Board
- Scope assumptions, partnering approach and proposed sponsors.
- Recognising until the final scope is agreed, the Crown will want to retain significant decisions, which we are working through with Treasury and the Ministry of Transport.

Ms Rosie noted:

- A narrow transport scope favours delivery by Waka Kotahi, acknowledging that further urban scope could result in an alternative.
- Raised concerns about advice on the schedule 4A not taking sufficient account of the duplication of resources in an already constrained market. With this approach could have multiple new companies for different projects.
- Referenced the New South Wales model and noted that Waka Kotahi would progress the project with Auckland Transport and other partners.

A general discussion followed including:

- Need for local representation and the need for mana whenua representation.

- Mana whenua need to be represented at the sponsors level and this needs to be reflected in our recommendation, noting that an option could be that the representation be through the kaitiaki forum co-Chairs, who are represented on the ALR Board.
- Need to maintain momentum.
- The Ministry of Transport wants to consider governance further, if the project is to be taken forward by Waka Kotahi, including the role of the Waka Kotahi Board. Questions about ensuring sufficient focus and sufficient Ministerial oversight.
- The fact that if needed, a separate company could subsequently be set up, but challenging to unwind if this is done too early.
- Key concerns are ensuring governance arrangements are appropriate and there is clarity on decision-making. There will need to be dynamic interaction with sponsors and wish to ensure that there are not too many “layers” between the sponsors and the project. Need clear line of sight for Sponsors.
- Some board members favoured a subsidiary of Waka Kotahi.
- Some board members favoured “leaning in” on the favoured option now, rather than leaving it too open.
- Concerns were raised about CRL and the model, as it is very “project focused”, losing sight of broader transport outcomes. This favours a partnering model.
- Other board members did favour the schedule 4A approach.
- Overall, there was a desire not to complicate the system, so there would need to be a strong rationale for something new.
- The Board requested further work to compare Waka Kotahi (permanent) or a new schedule 4A, factoring in governance, decision-making and clear line of sight between sponsors and the project.
- Iwi representation is a given in either scenario, noting that this will ultimately be a Ministerial decision.

Resolution	The Board noted the contents of the paper.
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Action	The Board requested further work to compare Waka Kotahi (permanent) or a new schedule 4A, factoring in governance, decision-making and clear line of sight between sponsors and the project.
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The meeting concluded at 1.30 pm.





Minutes approved by the Independent Chair

Leigh Auton

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