

Auckland Light Rail Sponsors meeting 9 December 2021

1. Establishment Unit forward work programme

- 1.1. The attached paper produced by the Establishment Unit (Annex A) describes the work it will progress work up to April 2022. This is subject to decisions by Cabinet and will be refined once those decisions have been announced.

Recommendation

Sponsors are invited to:

agree that the Establishment Unit provides a further update to Sponsors at their next meeting in late February 2022 on progress being made to take forward the next phase of work, in line with Cabinet's decisions and announcements

2. Developing a Sponsors Agreement

An enduring partnership is needed between the Crown, Council & mana whenua

- 2.1. In October, the Minister of Transport met with members of the Auckland Council Planning Committee to provide an update on the project and consider Crown & Council roles in delivering ALR as part of an integrated programme of transport and urban development, and the importance of working together in partnership.
- 2.2. The delivery of the project and its outcomes will rely on continued commitment from the Crown, Auckland Council and mana whenua to work together to ensure the project is delivered in line with a shared aspiration of the Corridor and its communities. This respects the key areas of responsibility and decision-making that Auckland Council and the Crown will need to draw on to progress the project.
- 2.3. This will be an enduring partnership between the Crown, Auckland Council and mana whenua, acting as the foundation of the future governance arrangements to take the project forward.

Sponsors Agreement

- 2.4. Subject to Cabinet decisions, it is currently envisaged that project sponsors will include representatives from the Crown, Auckland Council and mana whenua. This relationship and how it governs the project will be formalised in a Sponsors Agreement.
- 2.5. Officials from the Ministry of Transport, the Treasury and the Ministry of Housing & Urban Development (MHUD) will work with Auckland Council and mana whenua to develop the Sponsors Agreement.
- 2.6. It is proposed that the following principles guide the development of the Sponsors Agreement. The sponsors agreement will:
 - Formalise the enduring partnership between the Crown, Auckland Council and mana whenua that forms the foundation of the project's governance arrangements.

- Recognise that, while governance responsibilities will change as the project moves from planning through to delivery, the partnership will endure
 - Respect the individual decision-making rights and accountabilities of each of the Sponsors but recognise that final investment decision-making on light rail will sit with ministers
 - Provide clarity on the role and responsibilities that each sponsor has that will need to be drawn on to see the project progress and succeed
 - set out a commitment to resource and working together in the interests of delivering ALR
 - enable the coordination of activities, including the various investment and policy tools available to the Crown and Auckland Council.
- 2.7. The Sponsors Agreement will also need to reflect the need for Crown and Council to work together on a funding package for the project (covering both capex and opex) including exploring a range of existing funding/financing tools on the Crown and Council side, as well as new possible value capture tools.
- 2.8. In working with mana whenua to prepare the Sponsors Agreement, there may be opportunities to align some of our engagement with the 15 iwi that have indicated their interest in the Corridor, and to coordinate it with the process for seeking mana whenua representation in the governance arrangements.
- 2.9. An outline Sponsors Agreement will be presented to this group in late February 2022, as well as an update on Official's engagement with mana whenua.

Recommendation

Sponsors are invited to:

- **agree** that officials report back in late February 2022 with an outline agreement and an update on engagement with mana whenua

3. Approach to announcements and the release of material (no officials)

Announcements and endorsement by Auckland Council

- 3.1. This agenda item offers an opportunity for Sponsors to confirm the timing and approach to announcements following Cabinet decisions. It is understood that Friday 17th of December has been proposed as the preferred date for an announcement.
- 3.2. The announcement is likely to focus on:
- the Government's route and mode preference
 - a summary of the next detailed planning stage including how the project will be taken forward as an integrated transport and urban development project.
 - intentions around funding and finance, value capture and delivery; and
 - and the governance arrangements for the next stage including the partnership approach with Auckland Council and Mana Whenua.

- 3.3. It is also understood that the Auckland Council Governing Body will meet on 16th December, providing an opportunity for the Mayor and Deputy Mayor to seek further endorsement for the next detailed planning stage and the partnership approach that is planned to be agreed in the Sponsors Agreement.
- 3.4. Sponsors may wish to discuss the approach that could be taken to this meeting, and how any decisions could be included in the announcement to endorse the next stage.

Value capture

- 3.5. In line with previous announcements, continuing to signal the use of value capture in any announcements (at a high level) may help dampen land price increases for land that may be necessary to purchase for the project. It will also help raise awareness of this approach for landowners in the Corridor as further work on value capture tools is undertaken in the next stage.

Proactive release of information

- 3.6. Officials from the Ministry of Transport, the Treasury and MHUD, as well as the Establishment Unit and Auckland Council, are working together to coordinate material for proactive release alongside announcements.
- 3.7. The proposed scope of material to be released will include advice from Establishment Unit (including the IBC itself) and reports from MoT and the Treasury.
- 3.8. Auckland Council also intends to publicly release material including papers and minutes from a Planning Committee meeting in September that have been withheld for release until Cabinet has made decisions on the next detailed planning stage.
- 3.9. These minutes include a resolution that the committee 'endorse a partnering approach to the delivery of ALR where Auckland council and Crown are Sponsors'.
- 3.10. Sponsors may wish to discuss the intended approach and timing of this proactive release, given the close timing of the Governing Body meeting and intended announcements. Officials are currently working to an assumed date of 17 December for the proactive release (i.e. concurrent or shortly after public announcements).

Recommendation

Sponsors are invited to:

discuss and align the approach to the following matters:

- The timing of the announcements, currently scheduled for 17 December, including whether this is a joint announcement
- The content of the announcements, including reference to value capture
- The endorsement being sought from the Auckland Council Governing Body on 16 December 2021
- The approach to the proactive release of information, and the timing of this

ALR Group workplan

7 December 2021

1. The Establishment Unit is building a plan for the next 6 month “sprint” to the end of April 2022. This is based on our understanding of the decisions that may be taken by Cabinet (and is, of course, subject to those decisions). It will be refined once those decisions have been made and announced.
2. The key objectives to April 2022 are:
 - Deliver quality advice to the sponsors on time
 - Further enhance the case so that continuing the project becomes inevitable
 - Provide an implementation ready plan for the development and delivery, that our sponsors and board can stand behind with confidence.
 - Maintain and enhance our collaborative working culture
 - Build greater Social Licence
 - Build capacity in the operating unit
3. We propose to retain the key workstream leads from this phase, all of whom of whom are seconded from home organisations: Auckland Transport, Auckland Council, Kāinga Ora and Waka Kotahi. It will be important to maintain continuity in order to achieve the momentum sought by sponsors.
4. The plan comprises about 20 work packages. They incorporate the recommendations from the Gateway Review (see appendix). The key ones are:
 - a. Stakeholder engagement and consultation strategy.¹
 - b. Further hui with iwi to develop on the foundational work undertaken in 2021.
 - c. Develop procurement strategy for detailed business case and associated work (intent is to go to market and end of Q1 2022 (calendar year), with contracts let by the end of Q2).
 - d. Urban – develop a methodology and brief for the masterplanning of the corridor to set the vision and guide future growth, urban development and investment decisions.

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- e. Business case² – determine the format of the next stage of the business case.

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- f. Further work on tunnelling at the northern end of the alignment and aligning with the team developing the Additional Waitemata Harbour Crossing.
- g. Develop consenting, route protection and property acquisition strategies.

5. The Establishment Unit had hoped to talk to the market prior to Christmas, but given the likely timing of decisions, this will not be possible. The intention is to go to market for advisers for the detailed planning phase in the first half of 2022, with a view to entering into contracts by July/ August 2022. To comply with rules of procurement and ensure a level playing field for suppliers participating in the procurement process, it will be necessary to stand down some advisers from about February 2022, which may mean a short term slow down in activities, but will not impact the overall programme for the detailed planning phase.

6. Dependencies include:

- a. Decision by Cabinet
- b. The need for certainty on the governance and operating entity for the detailed planning phase³
- c. The Sponsors' agreement, which will in turn inform the partnering strategy, which the Gateway Review recommended⁴
- d. The Transport Revenue Review (in particular the mega projects workstream) which will inform next steps on funding and financing.

7. We propose to report back to sponsors on the programme and milestones at the next sponsors meeting, proposed for February 2022.

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