

Proactive Release

This document is proactively released by Te Manatū Waka the Ministry of Transport. This document has been proactively released by the Ministry of Transport alongside other appendices that are listed in the Auckland Light Rail Business case. It should be noted that the Auckland Light Rail project was cancelled and will not be progressing in any form. This cancellation occurred before the completion of the appendices of the Detailed Business Case (of which this document forms a part). This document does not, therefore, represent government policy. This document must not be relied on in any way or treated as a finished product. A complete peer review process has not been undertaken of this document, and any analysis or conclusions contained in this document may contain errors and omissions. The Ministry accepts no responsibility for the consequences of this document being relied upon by any other party, or being used for any other purpose, or containing any error or omission.

Some information has been withheld on the basis that it would not, if requested under the Official Information Act 1982 (OIA), be released. Where that is the case, the relevant section of the OIA has been noted and no public interest has been identified that would outweigh the reasons for withholding it.

Listed below are the most commonly used grounds from the OIA.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by <ul style="list-style-type: none">(i) the Government of any other country or any agency of such a Government; or(ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	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 prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	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 otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Policy Delegations



Purpose

The governance of Auckland Light Rail Limited (ALR) resides with the ALR Board, which has statutory responsibility for managing all aspects of the operation of the company.

To allow ALR to function effectively and efficiently on a day-to-day basis, the Board has delegated to the Chief Executive the authority to spend money and to carry out certain other tasks and functions within prescribed limits.

This policy defines the terms on which:

- The Board delegates authority to the Chief Executive to manage the company.
- The Board authorises the Chief Executive to sub-delegate this authority to senior managers and other ALR employees.
- Defines the authority limits for the Board of Directors and managers.
- Explains the process for employees to get the necessary approvals to commit ALR to contractual, financial or other obligations.

Scope

This policy and the guidelines which support its application, applies to the ALR Board and to all workers engaged by ALR, whether as employees, secondees from other organisations, contractors, consultants and third parties.

Specifically, this policy applies to all employees and Board members who hold delegation authority.

This policy needs to be read together with the Procurement Policy.

Governance structure and responsibilities

The Board formally delegates authority and responsibility to the Chief Executive.

In turn, the Chief Executive formally delegates certain authorities to their direct reports and has established a process for their direct reports to sub-delegate certain authorities.

This does not affect or prevent the Board from performing any function or exercising any power which it has delegated to the Chief Executive.

The governance structure:

- Allows ALR people to make decisions on operational and project activities within a delegations framework that is clear, auditable and efficient, covering both financial and non-financial decisions.
- Makes sure that decisions made are controlled and accountable.
- Aims for balance between control and independence to achieve required outcomes.
- Explains the process for employees to get the necessary approvals to commit ALR to contractual, financial or other obligations.



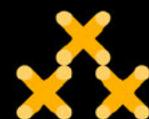
**Serving Tāmaki Makaurau
Ngakaunui ki Tāmaki**

- Inspired by our communities
- Guardians of a legacy
- Lead with authenticity



**Strength in Collaboration
Mahitahi**

- Synchronise our efforts
- Embrace diverse thinking
- Help others succeed



**Pursuing Excellence
Whaia ki te taumata**

- Go bold in our ideas
- Focus on what matters most
- Celebrate with heart

Board of Directors

The overall and final body of responsibility for all decision-making and implementation within ALR.

Retains full responsibility for governance, statutory and financial powers, duties and responsibilities and contract specifications.

Chief Executive

The Board formally delegates authority and responsibility to the Chief Executive to conduct the day-to-day management of ALR, and to recommend to the Board changes to the business, performance goals and policy. See Appendix 1 – Instrument of Delegation.

The Board places restrictions on the Chief Executive's powers to engage, discharge or vary contracts, expenditure and sub-delegation, guarantees and securities, financial exposures, capital changes and litigation. See Schedule 1 – Delegations Schedule.

This delegation does not prevent the Chief Executive from referring, for any reason, any matter to the Board or a committee of the Board, for a decision.

Chief Executive's Direct Reports & Managers

The Chief Executive in turn, formally delegates certain financial authorities to their direct reports, relating to project operating and capital expenditure and sub-delegation, property transactions and contractual commitments. See Appendix 1 – Instrument of Delegation.

GM Corporate & Policy

Manages the company's compliance with Board policy and relevant legislation.

Delegated authority principles

Delegation means assigning a duty or power of action to another, together with the authority to carry out that duty or complete the action assigned, with responsibility for the outcome.

All employees and other individuals holding roles with delegations must act responsibly and with integrity.

In exercising delegations, the delegation holder must always follow the principles set out below:

- All delegated authorities are exercised on the Board's behalf and must be exercised in line with relevant policies and procedures.
- The authority given in the Delegations Schedule (see Schedule 1) is the highest level of approval a delegation holder can exercise.
- The delegation authority sits with the position and not with the individual.
- Delegation holders are not authorised to commit to or make payments unless they are included in the budget.
- In exercising a delegated authority, delegation holders should also refer to relevant legislation, other internal policies and procedures and any other factors that may impact upon their decision-making.
- With the delegation of authority there is a delegation of accountability, and a requirement to act in a responsible manner. This means the delegations holder must also have responsibility to carry out the task effectively.
- A delegation holder is not obliged to exercise a delegation. The delegation holder should consider any significant risks to ALR in exercising the delegation and may choose to refer the matter to a more senior level for consideration or approval.

Roles & responsibilities

As an employee, you must:

- Read, understand and agree to abide by our policy. Seek clarification if there is any section of the policy you do not understand, ask your team lead or the Corporate & Policy team.
- Operate within the delegations limit set out in this policy.
- Consult with your team lead if there is any possible conflict with the policy or conflict of interest.
- Escalate identified breaches of the policy to the GM Corporate & Policy immediately on becoming aware of the breach.

Additionally, all team leads are responsible for:

- Demonstrating behaviour that is consistent with our policy and promoting the expected standards of behaviour and integrity set out in the policy and in other policies and procedures.
- Responding in a timely manner to the legitimate concerns and questions about our policy and the behaviours it promotes, and any possible breach of our policy.
- Ensuring employees understand the policy and its procedures, providing employees with education on these when needed.

The GM Corporate & Policy is responsible for:

- Providing advice to employees and team leads about how to respond to and manage concerns of unacceptable behaviour.
- Advising employees and team leads on course of action to be taken for any issue or complaint.
- Reporting any serious breaches of policy to the Chief Executive.

The Chief Executive is responsible for:

- Reporting identified breaches of policy to the Board.
- Ensures actions and approvals are:
 - consistent with all applicable statutes, regulations and Ministerial directions
 - prudent and meet expectations of public service ethics and the State Sector Standards of Integrity and Conduct.

Procedures

Delegations



Purpose

These procedures set out the:

- People at ALR who has the delegated authority to make decisions.
- Principles to consider when making decisions.
- Controls that must be followed when making a decision.

The Board is ultimately responsible for all decisions made by ALR employees.

The delegation principles, tools and controls aim to support good decision-making and give the Board confidence that its responsibility is being appropriately discharged by those people delegated to make decisions.

When carrying out a Delegated Authority, you should also refer to relevant legislation, other ALR policies and procedures and any other factors that may impact your decision making.

Delegations to the Chief Executive

The general delegation to the Chief Executive is to:

- Conduct ALR's activities under the Board's Statement of Intent, Statement of Performance Expectations, Business Plan, policies, specific Board approvals and in line with legislation and contracts.
- Commit the resources set out in the Business Plan to deliver the approved budgeted results and initiatives.
- Get Board approval for any decision which exceed delegation limits set out in Schedule 1.

Delegation holders

The following people may be approved as delegation holders:

- ALR employees
- Seconded employees from other organisations who are considered employees of ALR in substance
- Contractors and consultants may not hold or have delegated financial authority unless approved by the Chief Executive.

The Chief Executive may, by developing a further sub-delegation policy, sub-delegate their statutory functions and powers to an employee. Any sub-delegation policy must not conflict with any other delegations in this policy. A delegation holder must agree to follow any set delegation limits.

If a delegation holder is unavailable and there is no temporary sub-delegation, the approval authority goes up a level, to the delegation holder's team lead.

Financial and non-financial delegation limits

Financial and non-financial delegation limits that apply to the Board, Chief Executive and employees of ALR are set out in the Schedule 1 - Delegation Schedule.

As a delegation holder, you must operate within the limit of your annual budget and you must also be prepared to account for and explain any expenditure incurred.

Delegations are exercised at the time a decision is made to commit ALR to spending or action. The commitment value is the financial obligation resulting from the provision of goods or services for the entire scope or term of the agreement. As a delegation holder, you must have sufficient delegated authority to enter into the entire financial commitment.

The set limits in Schedule 1 apply to a single transaction.

Transactions and projects must not be split into smaller value transactions as a way to stay below the delegation limits in the Delegations Schedule.

The entire transaction must be authorised by a person with the appropriate authority even if the transaction falls into more than one financial year.

Any items not listed in Schedule 1 will need Board Chair approval, who will consult with the Chief Executive.

Certain decisions will need the approval of Sponsors (in line with the Project Planning Agreement) and/ or Ministers (because of their value or significance). The Board must first endorse the decision before seeking approval from the Sponsor or Minister.

Annual budget and business plan

A budget is prepared for each financial year (1 July to 30 June) as part of the company's annual Business Plan.

You are not authorised to commit to or make payments unless they are included in the budget.

Even with the delegations set out in this policy, you are not allowed to exceed your own budget without the Chief Executive's authority.

The Chief Executive cannot exceed ALR's budget without authority and approval from the Board.

You may only carry out financial delegations for cost centres with budgets for which you have responsibility.

Expenditure

Expenditure commitment is the point where you will incur a liability for ALR, for example, the issue of a purchase order to a vendor or entering into a contract.

You have authority to incur all necessary expenditure for achieving business goals as long as:

- you have pre-approval (refer to Schedule 1 - Delegations Schedule),
- you have considered the budget, and
- it is within the delegation limits set out in Schedule 1.

Refer to Procurement Policy for methods of purchase.

The value of a contract

In assessing a contract and the financial delegation required to approve it, the entire value of the contract must be considered. All related costs must also be included, for example sub-contracts and multiple payments relating to one overall transaction.

The value of a multi-year contract should be based on its potential duration. These contracts may allow an earlier termination subject to notice but does not affect calculating the value for approval purposes.

Variation of contracts

If an existing contract is varied, the total value of the amended contract, not just the increase in value alone, should be used to decide the right level of person to approve the contract.

Where an existing contract expires and a new contract is entered into, the value of the new contract is based on its full duration.

Consult with others

Even if it seems you have authority to make a decision, it is recommended you consult with your team lead to make sure the best decision is made.

As a delegated authority holder, you are responsible for all your decisions made, even if the decision was authorised or agreed to by others.

Conflict or personal benefit

You must not approve any expenditure, sign any contract or generate any benefit that is to your personal gain, either directly or indirectly.

You must consider whether you have a conflict of interest or potential conflict of interest in any matter before exercising a delegation.

In either situation, you must refer the decision to your team lead, the Chief Executive or the GM Corporate & Policy and in the case of the Chief Executive, to the Board.

Coverage during leave

The Chief Executive must make arrangements to temporarily sub-delegate their authority during any absence from work, and the arrangements must be approved by the Board Chair.

The Chief Executive will appoint an acting Chief Executive during an extended absence or period of leave. The acting Chief Executive may exercise and perform any of the responsibilities, duties and powers of the Chief Executive.

If you are expected to be absent from work, you should consider if a temporary sub-delegation is needed to cover your absence period.

- Any temporary sub-delegation must be:
- be to a higher or equal level,
- approved by the delegation holder's team lead,
- put in place before the absence.

Sub-delegation may only be given to cover an absence (leave, business travel) and not to transfer accountability or responsibility.

Practical application

We expect a practical application of the delegations. If you are uncertain how to interpretate a delegation, speak to the Chief Executive and GM Corporate & Policy so they can make a joint decision on the practical intention of the relevant delegation.

Breaches of our policy

ALR takes all reports of breaches of our Delegations Policy seriously.

If you become aware that you have breached your delegated authority, then you must notify your team lead, GM Corporate & Policy or Chief Executive immediately.

Some examples of breach of policy include (but are not limited to):

- Entering into a commitment which breaches the delegated authority rules
- Entering into a commitment which exceeds your delegated authority limit
- Manipulating a commitment such that it appears to be within your delegated authority limit, for example, splitting a transaction which essentially is a single commitment
- Exposing ALR to a risk which exceeds your delegated authority limit

Policy breaches will be investigated and will result in an appropriate consequence being applied.

Depending on the circumstances and the seriousness of the breach, this may include disciplinary action, ranging from a warning through to the termination of employment or engagement for serious breaches.

As well as disciplinary action, we may:

- Seek reimbursement of costs directly from the employee
- Revoke the employee's delegated authorities

Related policies and guidelines

The following policies and guidelines should be read together with this policy.

- Code of Conduct
- Procurement Policy
- Responsible Expenditure Policy
- Conflicts of Interest Policy

Policy review process

We will regularly review and update this policy and its procedures as needed to meet any changes in law or regulation, or changes in our business or the business environment, or for clarification.

Any substantive amendment to our policies will be approved through our policy review process, as set out in our Framework for Reviewing and Updating Our Policies.

When reviewing, we may interpret, modify or rescind some of all of the policy provisions, as well as related policies and standards.

When appropriate, we will consult with employees before making any changes.

We will tell employees about the changes before they take effect.

Owner	Approved by	Date Approved	Next Review Date
GM Corporate & Policy	ALRL Board	11 Oct 2022	April 2023



Review Details

Date	Changed by	Authorised by	Action / Changes

Appendix 1 – Instrument of Delegation

Auckland Light Rail Limited **Instrument of Board Delegation**

The Board of Auckland Light Rail Limited:

- (1) delegates the duties, functions and powers listed in Schedule 1 to the office holder(s) or committee specified, subject to conditions in this instrument and the Delegations Policy; and
- (2) authorises the Chief Executive to subdelegate the functions and powers, with conditions considered appropriate (if any.)

Functions and powers of Auckland Light Rail Limited not reserved by the Board or specifically delegated under this instrument are delegated to the Chief Executive, and the Board authorises the Chief Executive (and their subdelegates) to sub-delegate any such functions and powers, with conditions considered appropriate (if any.)

This instrument takes effect on 11 October 2022.

s 9(2)(a)

Resolved at Auckland

By the Board of Auckland Light Rail Limited

Dame Fran Wilde
Board Chair

11.10.22

Date



Auckland Light Rail Limited

Instrument of Sub-Delegation | Chief Executive to Staff

The Chief Executive of Auckland Light Limited sub-delegates the duties, functions and powers specified in Schedule 1 of this instrument to the holders of the offices specified in Schedule 1 subject to the conditions specified in this instrument and Delegations Policy.

This instrument takes effect on 11 October 2022.

s 9(2)(a)

Signed at Auckland

By the Chief Executive
Auckland Light Rail Limited

Tommy Parker
Chief Executive

11 October 2022

Date

Schedule 1 – Delegations Schedule

ALR Corporate Delegations	Shareholding Ministers	Board	Chief Executive	GM Corporate & Policy	Other CEO Direct Reports
Contracts & Procurement					
Entering into contracts for goods or services	Material transactions	>\$5,000,000	≤\$5,000,000	\$250,000	\$150,000
Extensions or variations to advisor/consultant contract terms	Material transactions	>\$5,000,000	up to \$5,000,000	up to \$250,000	up to \$150,000
Approve template ALR contract (goods and/or services) & related material variations (including amendments to standard terms)				Yes	
Approve non-standard contracts (goods and/or services) & related material variations				Yes	
Approval of procurement plans – must comply with procurement policy		>\$5,000,000	≤\$5,000,000	\$250,000	
Release a tender or RFP to the market		>\$5,000,000	≤\$5,000,000	\$250,000	
Approve a preferred tenderer following a competitive tender process		>\$5,000,000	≤\$5,000,000	\$250,000	
Sign a contract on behalf of ALR		>\$5,000,000	≤\$5,000,000	\$250,000	

ALR Corporate Delegations	Board	Chief Executive	GM Corporate & Policy	Other CE Direct Reports	Other Manager(s)
General					
Annual Budget approval	Yes				
Operating expenditure including purchase orders (excluding items detailed below)		Unlimited within annual budget	\$200,000	\$20,000	
Office leases, operating leases or multi-year commitments		>\$1 million (total commitment)	\$1 million (total commitment)	\$50,000	
Settling disputes and/or making discretionary or mitigation payments e.g., business interruption and/or hardship. NB Regardless of amount, where the matter is likely to attract media and/or stakeholder attention, the Board is to be consulted.	>\$100,000	≤\$100,000			
Employment of salary staff (initial total remuneration package)	>\$300,000	≤\$300,000			
Salary increases	Board reserved if outside budget	Unlimited within annual budget			
Staff relocation authorisation		≤\$15,000 domestic	≤\$5,000 domestic		
		≤\$30,000 international	≤\$10,000 international		
Ex gratia payments e.g., employment. Regardless of amount, where the matter is likely to attract stakeholder and/or media attention, the Board is to be consulted.	>\$100,000	≤\$100,000			
Training, conferences, courses and subscriptions (includes domestic travel, accommodation & related expenses).		Unlimited with annual budget. Includes SLT semi-annual offsite expenses up to \$15k.	2 or 3-day, single attendance in NZ ≤\$5,000.	2-day, single attendance in NZ ≤\$3,000.	
<i>NOTE: No employee can authorise their own. CEO's learning & development to be approved by the Board Chair or Director. Papers to be published or given at a conference must be approved by the CEO.</i>					

ALR Corporate Delegations	Board	Chief Executive	GM Corporate & Policy	Other CE Direct Reports	Other Manager(s)
Domestic travel (including Australia). No employee to organise their own travel. Board Chair or Director to approve CE domestic travel monthly (in advance or arrears)		Unlimited within annual budget except own	Unlimited within annual budget except own	<=\$600 return	
Overseas travel (excluding Australia). NB a quarterly report to be tabled with the board on travel undertaken.	Board Chair or Director to approve CEO travel	Yes, for all staff			
Employee expenses (per Expenditure Guidelines). No employee can authorise own.	Chair or Director to approve CEO expenses	Unlimited within annual budget except own	≤\$5,000	<\$2,000	Other Managers per Datacom, <\$500
Credit Card Expenses (per Credit Card Policy)	Chair or Director for CEO expenses	Yes, except own			
Corporate Relations and Communications					
Communications, marketing or promotional material	>\$500,000	≤\$500,000		GM Communications ≤\$20,000	
Advertising (must comply with Guidelines for Government Advertising)	>\$500,000	≤\$500,000		GM Communications ≤\$20,000	
Koha payments	>\$10,000 per event	≤\$10,000 per event		GM Communications ≤\$1,000 per event	
Hospitality, events & functions	>\$500,000	≤\$500,000		GM Communications ≤\$20,000	
Sponsorship	Yes				
Comment to media on Governance/Board/Sponsor issues	Yes				
Comment to media on operational issues See Communicating Externally Policy	Yes	Yes		GM Communications	

ALR Corporate Delegations	Board	Chief Executive	GM Corporate & Policy	Other CE Direct Reports	Other Manager(s)
People and Capability					
Approve appointment, employment terms, remuneration (including annual rem) termination of CEO and direct reports to CEO (other than administrative staff)	Yes				
Approve creation of new positions, replacing existing positions and restructuring existing positions that are direct reports to CEO (other than administrative staff)	Yes				
Approve creation of new positions and replacing existing positions below direct reports to CEO, and other CEO staff		Yes			
Restructuring existing positions below direct reports to CEO, and other CEO staff	Board to be consulted	Yes			
Approve remuneration and retention frameworks and policies	Yes				
Approve template employment contracts and material variations to them	Yes				
Approve non-material variations to employment contracts	Yes for CEO	Direct reports	Yes		
Approve termination/dismissal/suspension of employee other than CEO or direct report to CEO		Yes			
Technology					
Computer hardware, IT system acquisition, IT software licences and term plans (eg, mobile phone plans) up to three years	>\$500,000	\$500,000	\$150,000		
Mobile devices (approval per device)	N/A	\$3,000 per device	\$2,000 per device		
Acquisition and disposal of assets	>\$1,000,000	\$1,000,000	\$100,000		

Corporate Delegations	Board	Chief Executive	GM Corporate & Policy	Other Manager(s)
Approved NZ\$ deposits with approved financial institutions and government securities (per Treasury Policy)	>\$10m	≤\$10m	≤\$5m	≤\$5m for CFO & Financial Controller
Approve opening, operation and two signatures of bank accounts that meet requirements of s158 Crown Entities Act.	Yes			
Approval to transact foreign exchange (spot & forwards), opening of foreign currency bank accounts and giving of guarantees and indemnities.	Board reserved following Ministers' approval	≤NZ\$5m for an individual FX contract		≤\$5m for an individual FX contract CFO & Financial Controller
Approval of Board member expense claims (NB Board members cannot approve their own expense claims).	Board Chair approves other Director expenses Director approves Board Chair expenses			
Commencement of, or defence of, legal action where a significant policy issue is involved and/or significant media and/or Sponsor interest is likely	Yes			
Commencement of, or defence of, legal action where urgent circumstances mean it is not possible to seek board approval.		Yes, endeavour to consult with Chair and decision must be taken together with GM Corporate & Policy and reported to the Board.		
Audit NZ engagement and fee arrangements and annual external audit plan	Yes			
Appointment of outsourced internal audit firm, fee and audit programme	Yes			
Appointment of Annual corporate insurance policies (including D&O) to be approved by the Board regardless of cost.	Yes	Yes, if premium <\$300k and/or minor changes		

Corporate Delegations	Board	Chief Executive	GM Corporate & Policy	Other Manager(s)
Approval of ALR Corporate and ALR Project (if paid by ALR) annual insurance programme	Yes			
Approve monthly/quarterly reporting to Sponsors		Yes		
Approve annual financial statements and Annual Report	Yes			
Approve Statement of Performance Expectations and Statement of Intent	Yes			
Approve Governance policies and amendments	Yes			
Approve non-material Governance policies and amendments - but reported to the Board		Yes		
Non-material changes to corporate policies		Yes	Yes	
Request spend of Sponsors 10% Contingency from appropriation	Yes			
Request spend of Board's 10% Contingency from appropriation		Yes		
Approve spend of Board's 10% Contingency from appropriation	Yes			