

In Confidence

Office of the Minister of Finance

Office of the Minister of Transport

Office of the Minister of Housing

Cabinet Economic Development Committee (DEV)

Auckland Light Rail - reporting back on the detailed planning phase

Proposal

- 1 This paper seeks Ministers' endorsement of a detailed Heads of Terms for the Auckland Light Rail Sponsors Agreement. It seeks delegated authority for the Ministers of Transport, Finance and Housing to agree a final Sponsors' Agreement with Auckland Council and mana whenua representatives, who will work alongside the Crown to act as project Sponsors.
- 2 The paper also updates on progress being made in implementing the governance arrangements agreed by Cabinet in December 2021, the work to initiate the next stage of business case assessment, progress in aligning ALR with other investments in Auckland, and other policy and delivery workstreams.
- 3 Cabinet is invited to consider this paper alongside a paper from the Appointment and Honours Committee in relation to the creation of a new skills-based Board.

Relation to government priorities

- 4 In December 2021, Cabinet agreed to progress the ALR project through a detailed planning phase [CAB-21-MIN-0531 refers] reflecting the commitments that this Government has made to progressing ALR in the next decade as the first step towards a wider rapid transit network for Auckland [DEV-18-MIN-0059 refers]. This reflects the commitments the Government has made through the Auckland Transport Alignment Project (ATAP) and the 2020 Labour Party Election Manifesto.
- 5 The Climate Change Response (Zero Carbon) Amendment Act 2019 set a target to reach net zero emissions by 2050. The transport priorities in the Emissions Reduction Plan will emphasise the significance of public transport investments such as Auckland Light Rail in reducing carbon emissions by changing the way New Zealanders travel and supporting denser urban form which avoids significant emissions over the long-term.

Executive summary

- 6 Work is underway to implement the decisions that Cabinet made in December 2021 to take forward the next phase of the Auckland Light Rail (ALR) project.
- 7 In confirming the new governance arrangements, officials from the Crown and Auckland Council have been working together to prepare a Sponsors' Agreement, which will reflect the collective responsibility of Sponsors for a broad programme of work and the overall success of the detailed planning phase.
- 8 A Heads of Terms of this agreement is attached to this paper (Annex A). We are seeking the endorsement of the draft Heads of Terms as the basis for engaging with Auckland Council and mana whenua to finalise the complete Sponsors Agreement.

- 9 Mana whenua representation at the Sponsors level has not been confirmed, and this is necessary before mana whenua can be engaged on the Heads of Terms and the final agreement. Ministers are engaging with iwi with interest in the corridor to determine the nature of mana whenua representation at the Sponsors level.
- 10 Officials are working at pace to appoint members of the new competency-based board to achieve quorum by May, in addition to a number of actions in the confirmation of the new governance and organising model including the drafting of Terms of Reference for the Sponsors' Representatives Forum and the new board.
- 11 An integrated delivery and policy work programme is being developed between the Crown, Council, and the new ALR Unit. These will also be discussed with mana whenua in due course.
- 12 Officials are working to give the ALR Board and Unit clarity on the scope and parameters of the business case. Officials are engaging with Auckland Council and the ALR Unit regarding Sponsor expectations for the programme, and the assurance and monitoring framework that is to be established.
- 13 Work is underway to support the integration of ALR with the Additional Waitematā Harbour Connections and Kāinga Ora's Large Scale Projects. Cabinet will be presented with options on integrating future phases of ALR with AWHC when policy decisions are sought on the parameters of the delivery entity for ALR, expected in the second half of 2022

The Crown will work in partnership with Auckland Council and mana whenua as Sponsors to deliver the ALR project

- 14 In December 2021, Cabinet agreed to implement new governance and organising arrangements that will guide the project throughout the detailed planning phase. This includes a partnership between the Crown, Auckland Council and mana whenua, with representatives of these partners comprising the ALR Sponsors.
- 15 This partnership is critical to the success of the project and is to be formalised through the ALR Sponsors Agreement.
- 16 The agreement will reflect the important role that Sponsors have to work together throughout the detailed planning phase, reflecting their collective responsibility for a broad programme of work which spans:
 - 16.1 the ALR project itself, which comprises the delivery of a light rail transport network from the City Centre to Māngere and associated urban development activities (to the extent confirmed through the detailed planning phase)
 - 16.2 related investments and interventions required to realise the benefits of the ALR project, including achieving the level of urban intensification required to support the project
 - 16.3 the associated interactions between ALR and wider planning for growth and transport across Auckland including Kāinga Ora's Large Scale Projects (LSPs) and other rapid transit projects in Auckland such as the Additional Waitematā Harbour Connections (AWHC) and the City Rail Link (CRL).

IN CONFIDENCE

- 17 The Sponsors' Agreement will confirm the collective responsibility of Sponsors for:
- 17.1 the success of the detailed planning phase in the lead up to investment decisions and readying for the delivery and operation phases
 - 17.2 ensuring ALR outcomes align to Sponsors' vision and objectives
 - 17.3 enabling all Sponsors to exercise their decision-making rights (for example through Cabinet and Auckland Council Governing Body) with transparency and coordination that will benefit the project
 - 17.4 speaking as 'one sponsor' in providing direction to the ALR Board as it executes its responsibility for delivering the business case and associated workstreams in the detailed planning phase
 - 17.5 acting as "project champions" and providing political leadership for the ALR Programme at central and local government level and for mana whenua
 - 17.6 delivering ALR.
- 18 In entering into the Sponsors' Agreement, all partners recognise that the ALR Board is a Ministerial Advisory Committee, which is appointed by and accountable to the Crown. It is therefore the responsibility of the Crown to give direction to the ALR Board.
- 19 However, recognising the important role of Auckland Council and mana whenua in planning this project, the intent of the governance arrangements, reflected in the Sponsors Agreement, is that direction to the ALR Board has regard to the views of all Sponsors and is provided as a 'one sponsor' direction.
- 20 This Sponsors' Agreement will only cover the detailed planning phase of the programme. A revised Sponsors' Agreement will be developed for the delivery and operating phases which will be informed by policy positions decided in this phase (e.g. funding mechanisms and ownership of the transport asset).

s 9(2)(f)(iv)

s 9(2)(f)(iv)



The Heads of Terms of a Sponsors' Agreement is proposed for endorsement by Cabinet

- 27 Officials from the Sponsor agencies (the Ministry, the Treasury, MHUD and Auckland Council) have worked closely as a group to develop a draft Heads of Terms that contains the key terms of the Sponsors' Agreement. The draft Heads of Terms is attached as Annex A of this paper.

s 9(2)(j)



The Sponsors' Agreement will reflect the role of each Sponsor and the interests they represent in achieving the outcomes for the Programme

- 29 Each Sponsor brings a valuable perspective to the ALR Programme, and the Sponsors' Agreement will reflect their roles and commitments during the detailed planning phase.
- 30 The primary purpose of the detailed planning phase is to undertake the necessary project and policy work, including the development and agreement of a business case, to enable the Crown to make a final investment decision for the ALR Programme (including the ALR Project), and other Sponsors to take related decisions (for example other related investments and interventions) with respect to the corridor.
- 31 A core feature of the arrangements to be reflected in the Sponsors' Agreement is that each Sponsor retains their own legislative or institutional decision-making rights. The intent is for consensus to be reached on decisions, while acknowledging that it is likely there will be differences of opinions.
- 32 The Sponsors' Agreement will set out a process for how differences of opinion are resolved with respect to the policy and delivery workstreams, reflected in instructions to the ALR Board or in advice from officials to Sponsors, and where necessary, reflected in the business case.
- 33 The Sponsors' Agreement will be founded on the principles of fairness, impartiality, trustworthiness and responsibility, and will reflect the need for transparency between Sponsors on decision-making. Sponsors shall co-operate and collaborate to achieve the agreed objectives for the ALR Programme.
- 34 The Heads of Terms recognises that the Crown, Council and mana whenua have different but highly integrated roles that are critical to the detailed planning phase. In line with the partnership approach to this project, all of the policy and delivery workstreams that will underpin the programme will be taken forward collaboratively in recognition of different partners' roles in bringing the full programme to fruition.
- 35 The broad roles for each of the Sponsors will be set out in the Sponsors agreement. The areas that the Crown and Council will be leading include:
- 35.1 **Crown:** government policy functions such as determining the form and function of the delivery entity, parameters of the Crown's contribution to the funding and financing arrangements, legislative requirements, ensuring rail regulation standards are fit for purpose, and Cabinet's requirements and standards for business cases
- 35.2 **Council:** providing a vision for the corridor that clarifies the extent of urban transformation and masterplanning activities necessary to support the project's outcomes. This will involve developing an understanding of the urban development opportunities and associated infrastructure costs, and the Council's contribution to the funding and financing arrangements. The Council will also working with Auckland Transport to inform decision-making with respect to ownership and operations of the transport asset.

- 36 The ALR Board is being established by the Crown, and Crown will fund this Board and the work of the Unit. The Crown also has a significant role in implementing and providing ongoing support to the governance and organising arrangements for the project, and the monitoring and assurance of the ALR Board and outputs of the ALR Unit.
- 37 Given that mana whenua representation has not been identified at Sponsors level to date, the nature of mana whenua roles and commitments are only reflected at a high level in the draft Heads of Terms. These recognise the ongoing partnership between Crown and mana whenua seeks to ensure that the interests of Māori in relation to the corridor are appropriately represented and taken into account including with respect to strategic decision making, planning, governance, accountability and project delivery.
- 38 The identification of, and further engagement with, the mana whenua Sponsor representatives is necessary before these roles and commitments can be confirmed. It is important that Ministers consider the Heads of Terms within this context.

Auckland Council members held a workshop in April to confirm their level of comfort with the Heads of Terms

s 9(2)(f)(iv), s 9(2)(g)(i)

s 9(2)(g)(i)

41

s 9(2)(g)(i)

the Ministers of Transport, Finance and Housing have agreed for the CEO of Auckland Transport to join the Sponsors

Representatives Forum. The Forum's role is to provide a second stream of advice, to that of the ALR Board, to the Sponsors.

s 9(2)(g)(i)

A number of matters must be resolved prior to signing the Sponsors Agreement

- 44 Mana whenua have not been engaged on the content of the Heads of Terms, given that Sponsor representation for mana whenua has not been agreed.
- 45 We are proposing that the Heads of Terms are used as a basis for reaching agreement between the Crown, Auckland Council and mana whenua on the full Sponsors Agreement.
- 46 In addition to confirming the role and commitments from mana whenua, officials advise that the following areas require further discussion and agreement between Sponsor agencies, in consultation with the ALR Unit and other agencies and are being progressed with priority:
- 46.1 Finalising the workstreams and the development of an integrated work programme between sponsoring agencies and the Unit, including the confirmation of timeframes and key milestones for ALR
 - 46.2 Confirmation of sponsors and representatives, including the approach to mana whenua representation at the Sponsors level, and the support that these representatives may require to fulfil their function
 - 46.3 Confirmation and resourcing of monitoring and assurance of the ALR project and programme for the corridor.
- 47 Cabinet is asked to provide delegated authority to the Ministers of Transport, Finance and Housing to agree the final content of the Sponsors' Agreement in discussion with Auckland Council and mana whenua, and enter into the Sponsors Agreement on behalf of the Crown.
- 48 We anticipate that this could occur in June, recognising this is dependent on identifying mana whenua Sponsor representatives and the time they require to consider and provide feedback.

Other aspects of the governance and organising model are in the process of being confirmed

- 49 Beyond the Sponsors Agreement, Cabinet has authorised the Minister of Transport, Minister of Finance, and Minister of Housing to make decisions in relation to other aspects of the governance arrangements.

- 50 A separate paper that has been considered by the Appointment and Honours Committee is being presented to Cabinet concurrently to confirm the initial appointments to the ALR Board.
- 51 This includes joint Minister recommendations for the Chair role and a member who will provide a credible voice with mana whenua, and the continuation of the existing Board Chair, Mr Leigh Auton, as a member.
- 52 Together, these three core members will act as the quorum of the new skills-based board, which will replace the existing inclusive Establishment Unit Board.
- 53 A Terms of Reference for the ALR Board is being developed. The new chair will be consulted on these before they are approved by the Sponsoring Ministers. Officials are working with the ALR Unit to confirm the arrangements for the on-boarding of the new Board, in line with its Terms of Reference, financial delegations and the hosting arrangements with Waka Kotahi.
- 54 A Sponsors' Representatives Forum is also being established, consisting of representatives from the relevant agencies that support each of the Sponsors. This is expected to expand to include the necessary support for mana whenua, once representation has been confirmed. A Terms of Reference for this forum will be developed.

An integrated delivery and policy work programme is being developed

- 55 Alongside work to implement the governance and organising arrangements, the Ministry of Transport, the Treasury and MHUD are working with Auckland Council and the ALR Unit to refine the scope of each of the workstreams that underpin the detailed planning phase itself.
- 56 Partner agencies are also being engaged on specific workstreams, given the significant role that Auckland Transport, Waka Kotahi, Kāinga Ora and Eke Pānuku will play in the overall partnership approach.
- 57 To inform decision making by Sponsors, the detailed planning phase will be underpinned by both delivery and policy workstreams, involving a collective effort from central and local government agencies and mana whenua to deliver against ambitious timeframes.
- 58 Delivery workstreams include all aspects of the ALR Unit's work programme, including developing the business case, technical assessment and design, masterplanning, communications and engagement, and consenting.
- 59 As it initiates the next phase, the key focuses for the ALR Unit in the near term include:
- 59.1 Continued engagement and development of social licence with key stakeholders and the community
 - 59.2 Ongoing engagement and development of the partnership approach with mana whenua at the project level
 - 59.3 Confirming and implementing funding for the detailed planning phase

- 59.4 Preparing to induct and transition into the new competency-based board by May
 - 59.5 Preparing for the procurement of professional services
 - 59.6 Considering the approach to early land acquisitions and consenting, which will require Ministerial or Cabinet decisions
 - 59.7 Exploring opportunities for early development works
 - 59.8 Organisation and capability building, which will support implementation of the new delivery entity, subject to Cabinet's decisions on the form of this entity.
- 60 Policy workstreams will run alongside the work of the ALR Unit, with significant input from the ALR Unit, ALR Board and partner agencies to align policy decision making with priorities for delivery. Policy workstreams cover broader matters including:
- 60.1 The strategic vision for growth along the Corridor
 - 60.2 Delivery entity establishment
 - 60.3 Funding, financing & value capture
 - 60.4 Land acquisition strategy
 - 60.5 Rail systems
 - 60.6 Business disruption
 - 60.7 Ownership and operating model
 - 60.8 Legislative and implementation pathways.
- 61 All parties are currently working to confirm the scope of these workstreams, their interdependencies and timeframes. An integrated work programme of activity will be developed and a detailed list of these workstreams will be appended to the Sponsors' Agreement.

Officials are working with the ALR Unit to confirm the scope and parameters of the business case

- 62 Cabinet directed the Ministry of Transport, the Treasury and the Ministry of Housing and Urban Development to develop the assurance framework, the accountability mechanisms and the parameters of future business case work for the detailed planning phase of ALR.
- 63 To give effect to Cabinet's direction, officials have provided direction to the Unit to frame the expectations, requirements and parameters of the detailed planning phase including the clarification of the approach to investment management. Specific areas that are being progressed include:
- 63.1 Refreshing objectives through the Investment Logic Mapping process.
 - 63.2 Developing the benefits and economic appraisal framework for both the urban and transport interventions.

- 63.3 Confirming roles and responsibilities for the inputs, analysis and business case across partners.
- 63.4 The breadth of options to be explored during the business case, for instance staging, alignment and station locations.
- 63.5 Procurement of business case and associated consultancy support.
- 64 Given the significance of the decisions that will be made by Sponsors on the basis of the business case, it is critical that an appropriate assurance and monitoring framework is established to ensure the analysis is robust. There are a number of key areas being progressed in this respect, including:
- 64.1 Developing and agreeing an Assurance and Monitoring Strategy, identifying how assurance for each project/component of the wider programme will be managed.
- 64.2 The development of an Assurance Plan by the ALR Unit.
- 64.3 The consideration of additional Crown assurance that may be required as the programme progresses.
- 65 Sponsors will continue to provide direction to the ALR Board and Crown officials regarding the parameters of the business case over the course of the detailed planning phase.
- 66 An opportunity exists to leverage the work of the Unit to develop an integrated urban development and transport investment appraisal framework that becomes a comprehensive and enduring approach to option selection for both Auckland Light Rail and similar future schemes. Officials are providing input to the Unit to commission this work.

Integrating Auckland Light Rail with the Additional Waitematā Harbour Connections

- 67 In December 2021, Cabinet directed the Ministry of Transport to work with Waka Kotahi, Auckland Transport, the ALR Unit and the Treasury to align ALR with the Additional Waitematā Harbour Connections (AWHC) project. Waka Kotahi has led and funded significant planning work on the AWHC project to date, with the most recent output being the publication of a Programme Business Case in late 2020¹.
- 68 The AWHC project has a broad focus on identifying the transport and urban form responses required to facilitate growth and address resilience issues between central Auckland and the North Shore through improved freight movement and better connections to public transport, active modes, and rapid transit. The Indicative Business Case for AWHC was approved for National Land Transport Funding by the Waka Kotahi Board in 2020 and is expected to be completed by the end of 2023.
- 69 To ensure Sponsors' objectives for an integrated rapid transit network are fully considered and optimised, the ALR and AWHC project teams are aligning their methodologies and assumptions for key urban development and transport aspects of the business cases. To support this alignment, the Ministry of Transport and ALR

¹ <https://www.nzta.govt.nz/projects/awhc/technical-reports/>

Project Director have been invited to join the steering group for the AWHC project as observers.

- 70 It will also be important for ALR to integrate with other related projects, especially Northwest Rapid Transit, which will commence further planning and design work later this year.
- 71 Sponsors are uniquely placed to make investment decisions on ALR and AWHC as well as other investment activities relevant to rapid transit through the Heads of Terms of the Sponsors Agreement.
- 72 The investment objectives of both projects include transport access, integration with the wider Auckland rapid transit network and urban development. Sponsors may choose to set out how these common objectives can be achieved.
- 73 For example, the development of the Indicative Business Case for the AWHC is a Waka Kotahi project but sponsors will have a direct interest in the investment decisions for the AWHC, as well as other major components of the Auckland rapid transit network.
- 74 The Unit and the AWHC team at Waka Kotahi have been working together to align their approaches to procurement to ensure that risks such as tendering for professional services in parallel are mitigated.
- 75 Cabinet will also be presented with options on integrating future phases of ALR with AWHC when policy decisions are sought on the parameters of the delivery entity for ALR, expected in the second half of 2022.

Integrating Auckland Light Rail with Kāinga Ora's Large Scale projects

- 76 There are three neighbourhoods within the Roskill and Māngere Large Scale Projects (LSPs) that are along the ALR corridor. Given the clear linkages between the projects we are working with HUD officials to align decision-making and governance arrangements across the ALR and the LSPs where possible.
- 77 As the projects are at different stages, officials engaged on the ALR and Auckland LSPs, together with Kāinga Ora, as appropriate, are working together to consider the staging and level of urban intensification anticipated under each project.

Financial Implications

- 78 A budget bid seeking funding for the detailed planning phase through Vote Transport is currently being considered in the Budget 22 process.
- 79 Crown officials are working to develop the necessary safeguards, mechanisms and processes to manage the funding.

Legislative Implications

- 80 There are no legislative or regulatory implications from this paper.

Regulatory Impact Statement

- 81 A regulatory impact analysis is not required for this paper.

Climate Implications of Policy Assessment

- 82 The Climate Implications of Policy Assessment (CIPA) team at the Ministry for the Environment has been consulted and confirms that the CIPA requirements do not apply to this paper as there are no decisions that will have a direct emissions impact at this stage.
- 83 Cabinet will be informed of the estimated emissions impacts of options being progressed upon the conclusion of the detailed planning phase. Sponsor agencies intend to work closely with the Unit to progress a policy workstream aimed at investigating the reduction of embodied emissions as part of the detailed planning activities.

Consultation

- 84 The Ministry of Transport, the Treasury and the Ministry of Housing and Urban Development have worked closely on the development of this paper. The ALR Unit, Waka Kotahi, Kāinga Ora, the Ministry for the Environment, Land Information NZ, Kāinga Ora, Te Kawa Mataaho Public Service Commission, Te Arawhiti and Te Waihanga Infrastructure Commission were all consulted in advance of the finalisation of this paper.
- 85 The decisions in this paper have been informed by discussions with Auckland Council.

Communications

- 86 The ALR project continues to attract a high degree of public interest, and the announcements of Cabinet's decisions are likely to influence commercial decisions and activity in the infrastructure markets.
- 87 A communications approach will be agreed with the Office of the Prime Minister.

Proactive Release

- 88 It is our intention to proactively release this Cabinet paper subject to redactions as appropriate under the Official Information Act 1982.

PROACTIVELY RELEASED BY THE MINISTRY OF TRANSPORT
TE MANATU WAKAMINISTRY OF TRANSPORT

Recommendations

The Minister of Finance, Minister of Transport and Minister of Housing recommend that the Committee:

- 1 **agree** the draft Heads of Terms of the Sponsors Agreement (Detailed Planning Phase) as the basis for engaging with Auckland Council and mana whenua to finalise the complete Sponsors Agreement (Detailed Planning Phase).
- 2 **note** that mana whenua representation at the Sponsors level needs to be confirmed before mana whenua can be engaged on the Sponsors Agreement.
- 3 **note** that Ministers are engaging with iwi with interest in the corridor to determine mana whenua representation at the Sponsors level.
- 4 **authorise** the Ministers of Transport, Finance and Housing to agree the final content of the Sponsors Agreement in discussion with Auckland Council and mana whenua, and enter into the Sponsors Agreement on behalf of the Crown.
- 5 **note** that under the existing delegation the Minister of Transport, Minister of Finance and Minister of Housing, in consultation with Auckland Council and mana whenua Sponsors, are expected to take decisions as required to clarify, confirm and commission:
 - 5.0 the business case parameters and processes,
 - 5.1 the investment management system and assurance framework, and
 - 5.2 the new operating activities related to the monitoring, assurance and review of the business case and detailed planning activities of the Unit.
- 6 **note** the Crown, ALR Unit, Auckland Council, mana whenua, and partner agencies, are continuing to work together to develop an integrated delivery and policy work programme.
- 7 **note** the progress and continuing discussions to integrate ALR with the Kāinga Ora Large Scale Projects (LSPs) and the Additional Waitematā Harbour Connections (AWHC) at the governance level
- 8 **authorise** the Ministers of Finance, Transport and Housing, in consultation with Waka Kotahi, Auckland Council, Auckland Transport, and mana whenua, to agree and clarify the Crown's direction on integrating ALR and AWHC

Authorised for lodgement

Hon Grant Robertson

Minister of Finance

Hon Michael Wood

Minister of Transport

IN CONFIDENCE

Hon Dr Megan Woods

Minister of Housing

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT

IN CONFIDENCE

Annex A - Sponsors agreement Heads of Terms

Annex A is withheld in full under section 9(2)(j).

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT



Cabinet Background Information and Talking Points

Cabinet Committee: *Cabinet Economic Development Committee (DEV)*

Paper Title: Auckland Light Rail - reporting back on the detailed planning phase

Portfolio: Transport

Background

- The Labour Party Election Manifesto committed to building a light rail connection from the Auckland City Centre to Māngere and the airport as the first step towards achieving a wider rapid transit network for Auckland.
- In December 2021, Cabinet invited the Minister of Transport, the Minister of Finance and the Minister of Housing to report back to seek authorisation to enter into a Sponsors Agreement and provide updates on project progress.
- This Cabinet paper covers progress on the Sponsors' Agreement between the Crown, Auckland Council and mana whenua. As well as, an update on progress in selecting mana whenua Sponsor representatives and other updates on the programme.
- Alongside this paper, the Appointment and Honours Committee will be considering a paper to confirm the initial appointments to the ALR Board.

The proposed Heads of Terms of a Sponsors' Agreement

- Today, the Minister of Finance, Minister of Housing and Urban Development and I are seeking endorsement for a uniquely important and trail blazing approach to governance.
- Cabinet agreed in December that the Sponsors for ALR would be the Crown, Auckland Council and mana whenua. This recognises the important roles each of these partners has in the detailed planning phase. This partnership is critical to the success of the programme. The Sponsors Agreement formalises this partnership.
- The agreement will reflect the role Sponsors have to work together throughout the detailed planning phase, reflecting their collective responsibility for a broad programme of work. A revised agreement will be required for the delivery and operating phases of the programme to reflect policy positions decided in this phase.
- The agreement will facilitate an arena for Sponsors to come together to communicate and coordinate decisions and activities necessary to progress the programme. Importantly, while each Sponsor retains their own legislative or institutional decision-

IN CONFIDENCE

making rights. The intent is for consensus to be reached on decisions, while acknowledging that it is likely there will be differences of opinions.

- While the Crown is ultimately accountable and responsible for giving direction to the ALR Board, the intent of the agreement is that direction to the ALR Board will reflect the views of all Sponsors and be communicated as 'one sponsor' direction.

s 9(2)(f)(iv), s 9(2)(g)(i)

- Alongside my co-sponsors of ALR, the Minister of Finance and the Minister of Housing and Urban Development, today we are seeking endorsement of the Heads of Terms for the Sponsors Agreement. Also delegated authority to finalise the content of the Sponsors Agreement in consultation with Auckland Council and mana whenua, and to enter into the Sponsors Agreement on behalf of the Crown.

Selecting mana whenua Sponsor representatives

- We are making good progress in working through the process for selecting mana whenua Sponsor representatives. This is a critical priority

s 9(2)(f)(iv)

- We will need to engage with the mana whenua Sponsor representatives on the Sponsors Agreement before it can be finalised.
- The Heads of Terms also includes commitments to provide sufficient resources to ensure mana whenua representatives are able to carry out their Sponsor responsibilities and commitments to process. What this support looks like will be determined in discussion with the mana whenua Sponsor representatives once selected.

Update on the programme and integrations

- This paper also provides an update of progress on Auckland Light Rail more generally.
- As directed by Cabinet in December 2021, officials have been working to provide direction to the Auckland Light Rail Unit to frame the expectations, requirements and parameters of the business case including the clarification of the approach to investment management.
- An integrated work programme is being developed to provide oversight and coordination of the operational and policy work required to deliver detailed planning phase, as set out by Cabinet in December. This work programme will include

IN CONFIDENCE

IN CONFIDENCE

initiatives involving a number of agencies include the ALR Unit, the Ministry of Transport, the Treasury, the Ministry of Housing and Urban Development and, Auckland Council.

- Work is underway to support the integration of ALR with the Additional Waitematā Harbour Connections and Kāinga Ora's Large Scale Projects. To ensure Sponsors' objectives for an integrated rapid transit network are fully considered and optimised, the ALR and AWHC project teams are aligning their methodologies and assumptions for key urban development and transport aspects of the business cases.
- Cabinet will be presented with options on integrating future phases of ALR with AWHC. These can be expected in the second half of 2022.

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT

IN CONFIDENCE