

## Auckland Light Rail update

<b>Reason for this briefing</b>	To seek your views on updating the draft Cabinet Paper for Auckland Light Rail and the extent that the Ministry should accelerate work on the project.  Note: this briefing includes commercially sensitive material.
<b>Action required</b>	Provide feedback on the recommendations
<b>Deadline</b>	None
<b>Reason for deadline</b>	

### Contact for telephone discussion (if required)

Name	Position	Telephone	First contact
Steph Ward	Manager	[REDACTED]	✓
Bryn Gandy	DCE, System Strategy & Investment	[REDACTED]	

### MINISTER'S COMMENTS:

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<b>Date:</b>	24 April 2020	<b>Briefing number:</b>	OC200329
<b>Attention:</b>	Hon Phil Twyford	<b>Security level:</b>	COMMERCIAL IN CONFIDENCE

### Minister of Transport's office actions

- Noted*
 *Seen*
 *Approved*
- Needs change*
 *Referred to*
- Withdrawn*
 *Not seen by Minister*
 *Overtaken by events*

## Purpose of report

1. The Cabinet Paper for Auckland Light Rail was drafted prior to COVID-19 Level 4 and needs to be updated to reflect the time that has passed and the new context. This briefing seeks your views on the key messages for the revised draft.

2.

[REDACTED]

## The Cabinet Paper should reflect the context of COVID-19

3. The overall objectives and benefits of Auckland Light Rail remain the same, but there are three new areas of context that are worth considering for the Cabinet Paper.
  - 3.1. The contribution of the project to New Zealand's economic recovery.
  - 3.2. The fiscal position of the Crown and the current pressures on the National Land Transport Fund (NLTF).
  - 3.3. The ability to mobilise the project under the various COVID-19 alert levels.
4. Overall, COVID-19 has created uncertainty for any project that Cabinet might currently consider and, the scale of this project represents a significant commitment for the Crown at any time. However, given the number of other commitments that are also seeking certainty (for example, projects that might be considered as part of any stimulus package), it is important that a choice on the project is made.

### Contribution to economic recovery

5. Auckland Light Rail aims to improve access to employment by connecting people to their places of work, such as the city centre and the airport business park. It is being designed as a fully integrated urban development and transport programme which means it will foster economic opportunities along the route, including residential and commercial developments. This contributes to the sustainability of the economy in the long-term while also delivering social and environmental outcomes.
6. In the more immediate future, the project will create opportunities for New Zealand businesses through:
  - 6.1. The detailed design phase (anticipated to start in 2020).
  - 6.2. The construction phase (anticipated to start 2022 or 2023).
  - 6.3. The associated urban development around the stations and route.
7. We do not classify the project as "shovel ready", however we do see it as an important medium-term element of the infrastructure pipeline to provide certainty to the construction industry. It would provide confidence for their forward planning, beyond any immediate work packages that emerge from any stimulus package. It is also an anchor project for housing and urban development in Auckland.
8. We have considered the value of the project through the Ministry's portfolio assessment framework, in the context of considering the draft GPS 2021. This suggests that at a cost of \$1.8bn over 10 years, the project presents good value for money relative to other potential

land transport investments. Auckland Council has also submitted light rail on its list of 'shovel ready' projects.

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9. [Redacted]

10. [Redacted]

11. [Redacted]

12. [Redacted]

13. [Redacted]

14. [Redacted]

Ability to move at pace

15. The Respondents have told us they believe the 2020 mobilisation activities will not be materially impacted by COVID-19 alert levels. They would be comfortable conducting negotiations remotely and the detailed design work could also happen remotely. The key areas that would be impacted are:

15.1. Engagement with iwi.

15.2. Engagement with local communities and businesses.

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15.3. Capacity of government and council agencies to collaborate on the detailed solution and progress the policy programme.

16.

[Redacted]

17.

[Redacted]

18.

[Redacted]

18.1.

[Redacted]

18.2.

[Redacted]

18.3.

[Redacted]

18.4.

[Redacted]

19.

[Redacted]

20.

[Redacted]

21.

[Redacted]

22.

[Redacted]

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23.

[Redacted]

24.

[Redacted]

25. [Redacted]

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**Option to make some early progress**

26. The Ministry is in regular contact with the two Respondents and both remain committed to ALR. NZ Infra has recently made the point that, while they understand the current limitations on government due to COVID-19, they would not want to see the ALR project lose momentum. [Redacted]

27. [Redacted]

27.1. [Redacted]

27.2. [Redacted]

28. [Redacted]

29. [Redacted]

30. [Redacted]

31. [Redacted]

31.1. [Redacted]

31.2. [Redacted]

31.3. [Redacted]

31.4. [Redacted]

32. [Redacted]

33. [Redacted]

Proactively released by the Ministry of Transport

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[Redacted]

**Next steps**

34.

[Redacted]

35.

[Redacted]

**Recommendations**

36. The recommendations are that you:

(a) **Agree** that the Ministry should update the draft ALR Cabinet Paper with the additional context detailed above. Yes/No

(b) [Redacted] Yes/No

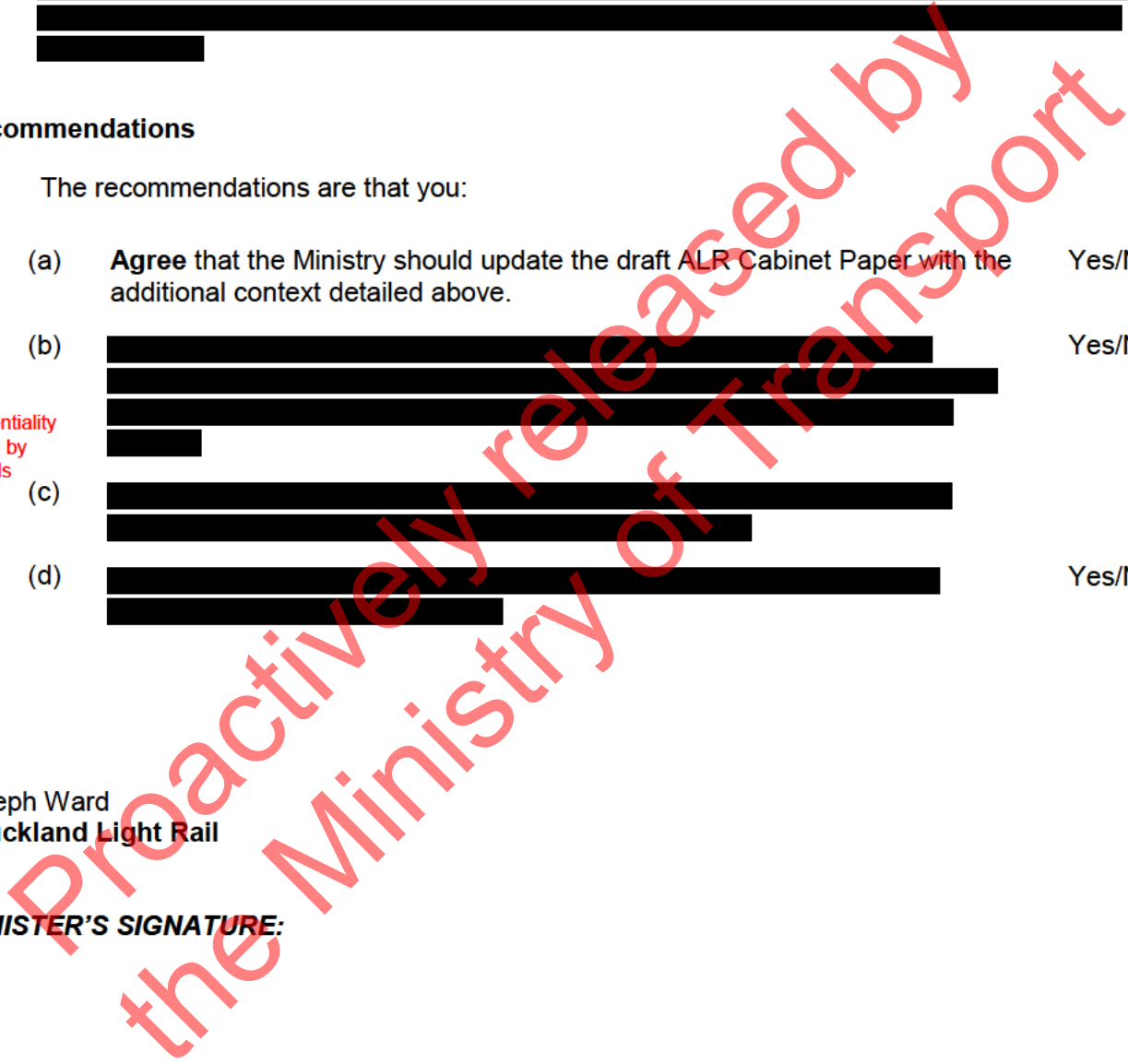
(c) [Redacted]

(d) [Redacted] Yes/No

Steph Ward  
Auckland Light Rail

**MINISTER'S SIGNATURE:**

**DATE:**



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