

**Auckland Light Rail – Governance Group
Meeting Agenda**

Chairperson	Peter Mersi, Ministry of Transport
Date/Time	Thursday 18 July 2019 from 12.00pm – 1.00pm
Location	By video conference from NZTA's offices
Attendees	<p>NZTA Office – Level 11 - HSBC 11.18 Kauri, Auckland Shane Ellison – Auckland Transport Stephen Town – Auckland Council Greg Miller – KiwiRail Bryn Gandy – Ministry of Transport Karen Lyons – Ministry of Transport</p> <p>Wellington NZTA Office – Level 5 CL 5.07 Mark Ratcliffe – New Zealand Transport Agency Brad Ward – Ministry of Housing and Urban Development Jo Gascoigne – Ministry for the Environment Matthew Gilbert – The Treasury Siobhan Routledge – Ministry of Transport</p>
Apologies	Lewis Holden – State Services Commission Jon Grayson – Treasury Vicky Robertson – Ministry for the Environment Andrew Crisp – Ministry of Housing and Urban Development

Agenda

1. Draft minutes of 21 June 2019 meeting
2. Objectives for Auckland Light Rail
3. Response Requirements Document (RRD)
4. Terms of Reference (TOR) for this Group

Attachments:

- a. 190621 Light Rail Governance Group minutes (item 1)
- b. 180719 Auckland Light Rail Governance Group cover report
- c. Draft CC2M Objectives Framework GG 16 July 2019 (item 2)
- d. Draft Response Requirements Document GG 16 July 2019 (item 3)
- e. ALR Governance Advisory Group TOR (tracked and clean) (item 4)

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To: Auckland Light Rail Governance Group	MEMORANDUM
From: Bryn Gandy, Deputy Chief Executive Strategy and Investment, Ministry of Transport	
Date: 17 July 2019	

Purpose of cover report

To highlight key matters contained in the following three agenda items:

1. Objectives framework
2. Response Requirements Document
3. Terms of Reference for Governance Group

Objectives framework (Item 1)

1. A draft objectives framework for the City Centre to Māngere (CC2M) light rail project has been developed in collaboration with ATAP partners. It builds on the expectations set out in ATAP 2018 and the NZTA-led draft business case developed in 2018.
2. This work was commissioned via the June Cabinet paper. Ministers recognised at the time, that further specificity of the Government's and partners' objectives was required to ensure that the proposals developed by NZTA and NZ Infra apply the same assumptions.
3. The framework contains four objectives:

1. Access and Integration	Provide improved access to opportunities through enhancing Auckland's Rapid Transit Network and integrating with the current and future transport network.
2. Environment	Optimise environmental outcomes and embed sustainable practices.
3. Urban and Community	Enable quality integrated urban communities, especially around Mangere, Onehunga and Mt Roskill.
4. Customer Experience	Provide a high quality, attractive and highly patronised service.

3. The strongest weighting is proposed for the Access and Integration objective (Objective 1) in recognition of the fact that this is first and foremost a transport project intended to significantly improve access to labour markets, education and social activities for communities and businesses located along the corridor.

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4. While there will be a number of trade-offs as we move through the proposal development process, a fundamental trade-off within the strategic objectives is travel time versus community catchment.
5. Most agencies represented on the Governance Group have been closely involved in developing the objectives framework, including advising on the criteria and measures. We are of the view that the proposed framework is generally supported.
6. Your consideration, and endorsement of this objectives framework is sought. Ministers will be asked to consider this framework when they meet on 25 July 2019.

Response Requirements Document (Item 2)

7. The Response Requirements Document sets out the minimum response requirements that the Ministry considers necessary to enable an evaluation of the approaches from NZTA and NZ Infra. The evaluation, along with policy advice, will inform the recommendations to Cabinet and assist them in their task of selecting a preferred delivery approach.
8. The Response Requirements Document is designed so that respondents are aware of policy considerations that will also be taken into account in the advice provided to Ministers. Key policy issues include:
 - The Government's views on the partnership approach that can be achieved with both respondents, and their confidence in how the different partners would perform in operating a key transport asset over the long term.
 - The Government's preferred approach to funding and financing large scale multi-generational transport projects, and understanding any necessary changes to the operation of the National Land Transport Fund and current legislation.
 - The nature and duration of any concessions from Government sought by the respondents, and understanding any potential flow-on consequences for an integrated transport system that meets Auckland's needs now and over the long term.
 - The nature of the risks of the two proposals, and the Government's assessment of both how these risks can be managed and any consequential risks for Government.
9. Submitted proposals will form the basis of the negotiations to follow, that is, respondents will be held to positions included in submitted proposals.
10. The objectives framework is reflected throughout the Response Requirements Document and informs the draft evaluation framework.
11. We are continuing to work on the draft Response Requirements Document, including content gaps and overall structure. We envisage that additional meetings may be required with some agencies to assist us to finalise the document, in particular Auckland Transport.
12. Agencies (Treasury (including the ITU), the Ministry for the Environment and the Ministry of Housing and Urban Development, Auckland Council and Auckland

Transport) have been provided with a draft and we are seeking feedback from them by close of play Thursday 18 July.

13. The document and the approach for engagement with NZTA and NZ Infra is based on a standard RFP (with for example, clarification processes and interactive engagement meetings). We do not expect you to consider the entirety of the document nor the detail under each heading.

14. However, we are seeking your feedback on:

- a. Are there any key components missing that are necessary for robust proposals to be developed?
- b. Are the draft weightings in the evaluation framework set at the right level (or in the right proportions) to allow for a robust comparison of the two proposals?

Terms of Reference for Governance Group (Item 3)

15. A revised Terms of Reference for the Governance Group is included in this agenda for your further discussion and finalisation. This version reflects further thinking on managing conflicts and the role of this group.

16. Given the interests and conflicts that sit with the group's members, role clarity of the Governance Group is one of the steps that will ensure conflicts can be identified clearly and managed well.

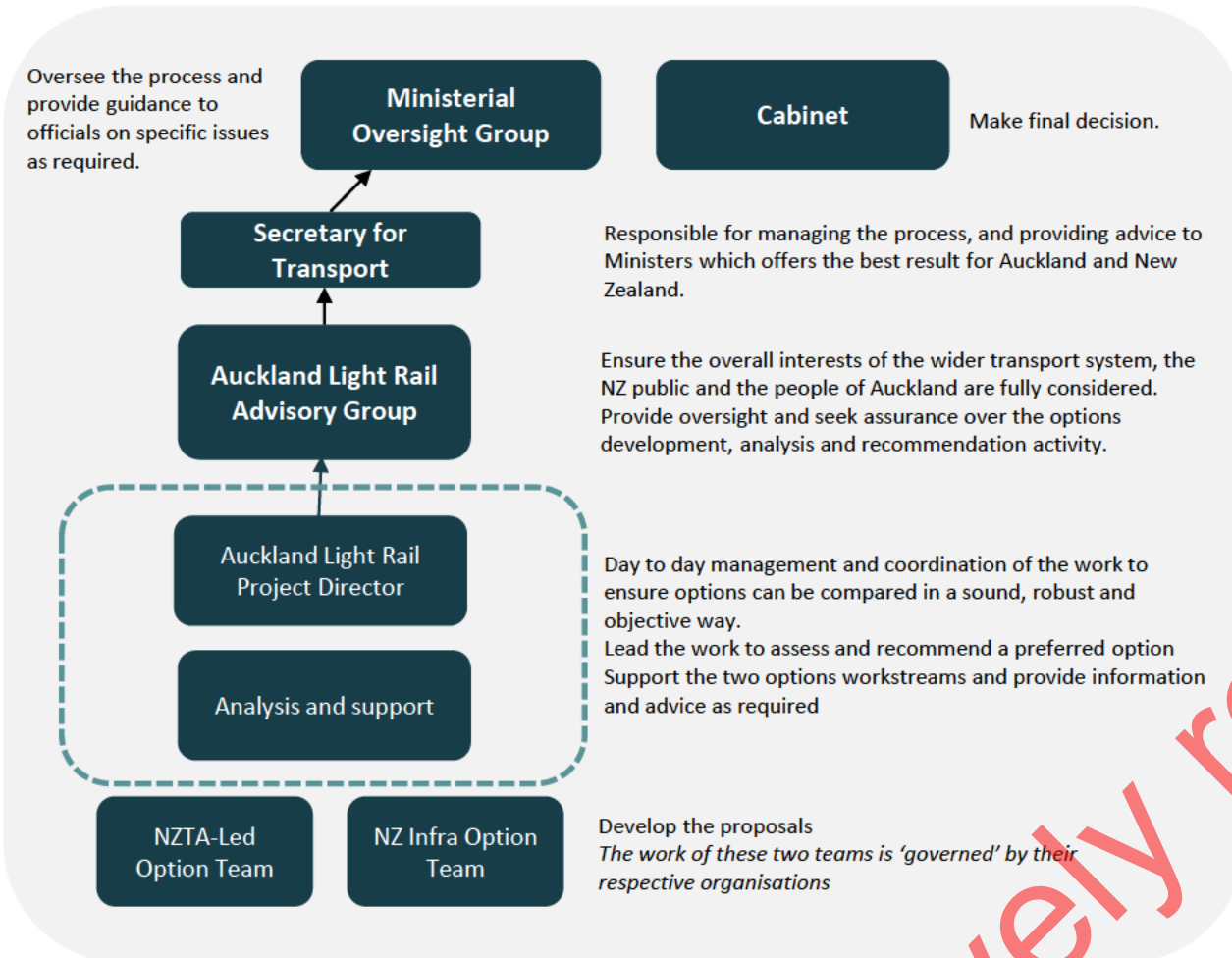
17. The amended TOR are clearer that the Group's focus is to take a strategic view so that the advice put to Government is cohesive and best meets the needs and interests of New Zealand and Auckland. The group will not be asked to itself work through the detailed proposals – but it will be key to establishing a good evaluation approach and process. These amendments reflect normal public sector practice.

18. We have also been clearer on the role played by the Secretary of Transport, which is to provide the final advice and recommendations to Cabinet. A key role of this group is to support him with weighing up the public policy considerations that arise from the process, which may have different implications for different parties.

19. We have also amended the title of the Group to reflect its advisory role.

20. We are having further discussions on how to best manage conflicts facing different organisations, and will be in a position to discuss where this is landing when we meet.

Auckland Light Rail Options Analysis Project Governance Board – DRAFT



PURPOSE

To provide strategic oversight for the Auckland Light Rail Project's next phase – options analysis. The Board's primary responsibility is to ensure the recommended option for Auckland Light Rail will **best meet the needs and interests of New Zealand and the people of Auckland.**

PRINCIPLES

The following principles have been applied in thinking about the appropriate model for governance of the next phase of the project:

1. The *most critical stakeholder interests* must be represented. This includes those organisations with the most significant interest in, or ability to impact on, the *outcomes* of the investment.
2. There needs to be **sufficient independence** to ensure both options are considered objectively and fairly, with both Auckland's and wider New Zealand's interests at heart.
3. Membership must have the **competence, influence and diversity** to ensure the oversight of the work and any advice to the NZ Government can be confidently relied on for an investment of this nature, complexity, scale and risk.
4. Programme governance is a **leadership, decision making** (on a preferred option and any wider considerations that should be taken account of) **and oversight** function, not a consultation forum. This means that:
 - stakeholder engagement should be undertaken through different mechanisms from the governance structure and approach, and
 - members must have **sufficient authority** to commit resources, agree policy and resolve critical risks or barriers to success.
5. Programme governance and oversight must **not be conflated with organisational governance** and oversight. Particularly for cross-sector investments, it is crucial that the individual interests of any one organisation do not overshadow the critical interests of the investment overall.
6. The **authorising environment** needs to be very clear and as simple to navigate as possible.

Withheld as the information is subject to an obligation of confidence

PROPOSED MEMBERSHIP

Role	Name	Organisation
Chair	Peter Mersi	CE, Ministry of Transport
Deputy Chair	Stephen Town	CE, Auckland Council
Member	Andrew Crisp	CE, Ministry of Housing and Urban Development
Member	Mark Ratcliffe	Interim CE, New Zealand Transport Agency
Member	Shane Ellison	CE, Auckland Transport
Member	Greg Miller	Group CE, KiwiRail
Member	Vicky Robertson	CE, Ministry for the Environment
Member	Lewis Holden	DC Auckland, State Services Commission
Member	Jon Grayson	NZ Treasury
Member	<tbc>	Iwi?
Advisor	<tbc>	Independent or Infrastructure Transactions Unit?