

OC240109

22 February 2024

Irene

[fyi-request-25667-4e21428c@requests.fyi.org.nz](mailto:fyi-request-25667-4e21428c@requests.fyi.org.nz)

Tēnā koe Irene,

I refer to your email dated 8 February 2024, requesting the following under the Official Information Act 1982 (the Act):

- *“OC230984— Civil Aviation Authority Funding Review*
- *OC231025 — Meeting with Carrie Hurihanganui, Chief Executive of Auckland International Airport Limited*
- *OC231076 — New Zealand Transport Agency Board - Process for Appointing a New Chair*
- *OC231109 — History of Auckland Light Rail Project”*

Of the four briefings you requested:

- three are released with some information withheld
- one is withheld in full.

Certain information is withheld under the following sections of the Act:

9(2)(a)	to protect the privacy of natural persons
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 interest that such information should continue to be supplied
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

The document schedule at Annex 1 summarises the above information.

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman’s website [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz)

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'R. McShane', with a stylized flourish at the end.

Robert McShane  
**Acting Manager, Accountability and Correspondence**

## Annex 1 Document Schedule

Doc #	Reference	Document Title	Decision
1.	OC230984	Civil Aviation Authority Funding Review	Withheld under Section 9(2)(f)(iv).
2.	OC231025	Meeting with Carrie Hurihanganui, Chief Executive of Auckland International Airport Limited	Released with some information withheld under Sections 9(2)(a) and 9(2)(ba)(i).
3.	OC231034	New Zealand Transport Agency Board - Process for Appointing a New Chair <i>Note that the incorrect reference number was noted in your request.</i>	Released with some information withheld under Sections 9(2)(a) and 9(2)(f)(iv).
4.	OC231109	History of Auckland Light Rail Project	Released with some information withheld under Section 9(2)(a).

11 December 2023

OC231025

**Hon Simeon Brown**  
**Minister of Transport**

## MEETING WITH CARRIE HURIHANGANUI, CHIEF EXECUTIVE OF AUCKLAND INTERNATIONAL AIRPORT LIMITED

### Snapshot

You have an introductory meeting with the Chief Executive of Auckland International Airport Limited, Carrie Hurihanganui.

<b>Time and date</b>	3.30-4 pm, Wednesday 13 December
<b>Venue</b>	Virtual meeting
<b>Attendees</b>	Carrie Hurihanganui, Chief Executive of Auckland International Airport Limited
<b>Agenda</b>	The meeting will focus on arrivals and departures and queues issues

### Contacts

Name	Telephone	First contact
Bronwyn Turley, DCE Regulatory Group	s 9(2)(a)	✓
Natasha Rave, Manager Resilience and Security		

## Meeting with Carrie Hurihanganui, Chief Executive of Auckland International Airport Limited

### Key points

- Carrie Hurihanganui has requested a meeting with you to discuss:
  - Arrivals and departures at Auckland International Airport Limited (Auckland Airport), including issues with queues.
  - Auckland ground transport
  - Auckland Airport infrastructure
  - Jet fuel resilience
- This is your first engagement with Carrie Hurihanganui since becoming Minister of Transport. Below is a brief update on the topics raised by Auckland Airport.

### Arrivals and departures process

- 1 Auckland Airport has been working with airlines and their ground handlers, NZ Customs Service, Biosecurity New Zealand, and Aviation Security (AvSec) for several months to ensure international arrivals, as well as domestic and international departures, operate well over the summer peak and beyond.

#### *Auckland Airport-led sprints*

- 2 In preparation for the July School Holiday and FIFA Woman's World Cup, and in response to concerns from border agencies and the public about the operational performance of the airport, Carrie Hurihanganui initiated Auckland Airport performance sprints.
- 3 In April, Auckland Airport announced the establishment of an operational improvement project investigating the management of flights and travellers across the airport system at Auckland Airport. Through this they sought to identify a set of change initiatives to target meaningful improvements to customer experience for the majority of departing and arriving customers.
- 4 This work is occurring through 'agile sprints' which bring together a select group of subject matter experts from government agencies, airports, airlines and ground handling agents.
- 5 Audrey Sonerson is on the CE sponsors Group. The Ministry is not involved in the operational aspects of this work.
- 6 Auckland Airport has set up a 'Sprint 2 Framework' to develop further improvement over the next few months.
- 7 As part of this work, border agencies have been working with Auckland Airport since July on a Sprint project to improve the passenger experience during the upcoming summer peak. Initiatives introduced include:

- 7.1 introduction of a NZ/AU passport holder low biosecurity-risk lane,
  - 7.2 baggage hall and arrivals area reorganisation (ongoing),
  - 7.3 ensuring all parties are appropriately staffed, and
  - 7.4 more resources to assist with queue management.
- 8 However, border agencies are at the limit of what improvements can be made given physical space constraints.
- 9 You may want to ask if the airport is ready for the coming summer period and how they intend to manage capacity versus the construction programme.

*AvSec queuing issues at the airport*

- 10 The Civil Aviation Authority (CAA) has established a taskforce to address widely reported delays (queues) for aviation screening, particularly at Auckland Airport. We are engaged with this work.
- 11 The taskforce has now been operating since late June 2023. Feedback from industry indicates the taskforce has been successful in re-focusing the CAA's approach to operational matters, and improving the way it communicates with the sector. There has been a reduction in 'unacceptable' queues and an improvement in the way queues are managed by AvSec.
- 12 We understand you recently met with the CAA Chair and Director to discuss aviation security screening.

*Border Executive Board*

- 13 The Border Executive Board (BEB) is an interdepartmental executive board made up of the Chief Executives of the border agencies, including the Ministry of Transport (the Ministry). The BEB was established to deliver an integrated and effective border system.
- 14 The BEB has tasked officials from the border agencies (including AvSec) to engage with our six largest airports on their collective regulatory requirements and infrastructure needs at these airports. The Ministry co-leads this work with NZ Customs Service.
- 15 This work is in anticipation of the new Regulatory Airport Spatial Undertaking (RASU) regime coming into force in April 2025 through the Civil Aviation Act 2023.
- 16 The BEB has regular engagement with Auckland Airport, and directly with its Chief Executive. The BEB has raised concerns about the increased congestion for international passengers at the arrivals area of the airport. NZ Customs Service and Ministry for Primary Industries have been working on issues within their control to address congestion in preparation for the summer peak period.

## **Auckland ground transport**

- 17 Auckland Airport has signalled an interest in working with the Ministry to support the development of the Government Policy Statement on Land Transport (GPS). They have a particular interest in how the GPS will support transport connections between the airport and the city.
- 18 As you are aware, the Ministry will release a draft GPS for consultation early in the New Year.

## **Auckland Airport infrastructure investment**

- 19 Auckland Airport is currently undertaking significant infrastructure development. Auckland Airport's infrastructure plan includes the redevelopment of the airport's domestic terminal and its integration with the airport's international terminal by 2028. This is its biggest redevelopment since the airport opened in 1966. \$3.9 billion has been budgeted towards this programme, with \$2.2 billion allocated to a brand-new domestic terminal with full integration into the international terminal, and the remaining \$1.7 billion allocated to several supporting projects.
- 20 The programme is expected to deliver 12 new domestic aircraft gates (20 percent more than at the current domestic terminal). Each of these terminals will also support electric charging, which caters to the more sustainable and larger (passenger capacity) domestic jets that airlines are starting to invest in.
- 21 Border agencies have been working with Auckland Airport on the plans for the new terminal to ensure their regulatory requirements and delivery needs are accommodated. This work links to the BEB work discussed above.
- 22 Some airlines have raised concerns about the proposed infrastructure investment. The Board of Airline Representatives New Zealand (BARNZ; which represents most – but not all – airlines flying into New Zealand) has noted that the proposed \$3.9 billion investment cost will be passed on to airlines, which in turn will lead to increases in ticket prices. Legislative requirements mean that airports must consult before deciding to go ahead with capital expenditure. BARNZ considers that concerns raised by airlines have not been taken into consideration by the airport. Auckland Airport believe that any further delay in infrastructure investment would only increase costs in the long term.

## **Jet fuel resilience**

- 23 Auckland Airport has raised concern about New Zealand's ability to withstand disruption to its jet fuel supply. In September 2017, the pipeline that carries jet fuel from Marsden Point to Auckland ruptured with no alternative route for getting jet fuel to Auckland Airport. Airlines flying out of Auckland Airport had to limit their use of jet fuel to 30 percent of their usual usage, which caused significant disruption to flights to and from Auckland.
- 24 There were further disruptions to the jet fuel supply chain to Auckland Airport in December 2022 and Wellington Airport in April 2023. These were caused by imports of jet fuel that did not meet fuel quality standards when tested on arrival. A significant number of flights were affected during the Auckland Airport incidents in 2017 and

2022, while there were minimal disruptions to flight schedules during the 2023 Wellington Airport incident.

- 25 The Ministry of Business, Innovation and Employment (MBIE) is the lead agency for the fuel sector and led the development of the Fuel Industry (Improving Fuel Resilience) Amendment Act 2023 (the Act). From 1 January 2025, fuel importers will be required to hold enough jet fuel in New Zealand to provide 24 days of cover on average each month. For compliance with this obligation, they can only count jet fuel stock in bulk storage tanks in New Zealand or on a vessel in New Zealand's Exclusive Economic Zone scheduled for delivery to New Zealand.
- 26 The aviation sector is critical of this stockholding obligation as it will not prevent further disruptions and rationing of jet fuel should imports fail fuel quality tests once offloaded into New Zealand ports.
- 27 The Act provides for a regulation-making power to introduce different stockholding levels for different engine fuels at different locations or for different periods. Stockholding regulations specific to Auckland Airport may not be necessary if the industry invests in new jet fuel storage capacity at or near the airport.

- 28 MBIE is currently leading the refresh of the National Fuel Plan, which provides the framework for fuel emergency management and planning. The refresh will ensure the new Plan reflects the current liquid transport fuel resilience infrastructure and response activities. In particular, the new Plan is expected to provide clearer direction on the approach to managing aviation fuel supply disruptions.
- 29 Auckland Airport has advised MBIE that to create strong system resilience, there should be a requirement for a minimum 12 days of usable jet fuel to be stored at Wiri. They want to see this requirement implemented under the powers in the new Act.

### Biography

- 30 Carrie Hurihanganui has been Chief Executive of Auckland Airport since February 2022. She joined the airport from Air New Zealand where she worked for 21 years, most recently in the role of Chief Operating Officer with responsibility for pilots, cabin crew, airports, engineering and maintenance, properties and infrastructure, supply chain, resourcing, and airline operations teams.





19 December 2023

OC231034

**Hon Simeon Brown**  
**Minister of Transport**

**Action required by:**  
 Wednesday, 20 December 2023

## **NEW ZEALAND TRANSPORT AGENCY BOARD - PROCESS FOR APPOINTING A NEW CHAIR**

### **Purpose**

Confirm next steps for appointing a new Chair of the New Zealand Transport Agency (NZTA).

### **Key points**

- Dr Paul Reynolds and Patrick Reynolds resigned from the NZTA Board on 6 December 2023. You have sought advice following this decision on the process for appointing a new Chair by early March 2024.
- To achieve the Chair's appointment by this date, the Ministry recommends seeking nominations through public advertisement commencing this week, and targeted searches. The proposed approach involves contacting several experienced Chairs within the transport portfolio and approaching candidates to ascertain their interest.
- We will also be interested in receiving any nominations from yourself or your caucus and coalition colleagues.
- We recommend that appointment of a new board member be carried out separately, after the Chair appointment. This enables the new Chair to be involved in the selection of the new board member, a key factor in achieving the best mix of skills for the board as a whole. This approach will also enable a full appointments process to be undertaken for board members instead of the accelerated process for appointing the new Chair.

### **Recommendations**

We recommend you:

- |   |  |          |
|---|--|----------|
| 1 | <b>approve</b> the position description at <b>Appendix One</b> for the Chair, New Zealand Transport Agency   | Yes / No |
| 2 | <b>agree</b> to the Ministry conducting a call for nominations for the Chair's role through the Treasury candidate database, public service nominating agencies and LinkedIn | Yes / No |

- 3 **note** that the Ministry recommends deferring a full appointments process for a new member in order to focus on appointing the new Chair
- 4 **advise** officials of any further actions you would like the Ministry to take with respect to the Waka Kotahi Chair appointment process.



David Wood  
Deputy Chief Executive, Investment and Monitoring

Hon Simeon Brown  
Minister of Transport

..... / ..... / .....

- Minister's office to complete:**
- Approved
  - Declined
  - Seen by Minister
  - Not seen by Minister
  - Overtaken by events

**Comments**

**Contacts**

Name	Telephone	First contact
David Wood, Deputy Chief Executive, Investment and Monitoring	s 9(2)(a)	
Harriet Shelton, Manager, Crown Entity Monitoring		✓
Jono Reid, Principal Adviser, Crown Entity Monitoring		

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## NEW ZEALAND TRANSPORT AGENCY BOARD - PROCESS FOR APPOINTING A NEW CHAIR

- 1 Leading the NZTA Board is a challenging and time-consuming endeavour given the breadth of functions of the Agency, the trade-offs that the Board needs to make to give effect to those functions, and the Agency's impacts across New Zealand.
- 2 Successful leadership from the Chair requires:
  - 2.1 political nous
  - 2.2 an understanding of considerations that need to be made at a central and local Government level, and the ability to navigate those interests and influence decisions
  - 2.3 commercial acumen; and
  - 2.4 an ability to take responsibility for the actions of the Board and organisation, and provide considered responses to the range of opinions New Zealanders have about the use or utility of certain modes of land transport.
- 3 A position description is attached as **Appendix One** for your approval.
- 4 While there is a limited pool of suitable individuals who will be interested and available to chair the Board for the fee available (\$78,540 per annum), there are a range of skills and attributes that we can explore further to help determine who should be taken forward for consideration. We will look to discuss these further with you in the New Year as nominations are received and potential candidates are identified.

### **It is possible to appoint a new Chair by early March 2024, but it will require early agreement with coalition partners**

- 5 You have indicated to the Ministry that you would like the Chair appointed by early March 2024. Such a timeline is ambitious and achieving it requires early identification of candidates and efficient coalition consultation. Consultation timelines will also have to be very short.
- 6 A draft timeline for your consideration is outlined in Table One below. This timeline assumes a Cabinet meeting is possible in late February, and that you are comfortable deciding on a short list for consultation with coalition partners in the week beginning 22 January 2024.
- 7 A key dependency for achieving this timeline will be an early signal of comfort by your coalition partners.
- 8 We recommend deferring member vacancies until a new Chair is appointed, but you may wish to also make decisions on the reappointment of incumbent members.

9 s 9(2)(f)(iv)

<b>TABLE ONE: Timetable for Chair, NZTA appointment</b>	
<b>Working Week</b>	<b>Action</b>
18 – 22 December 2023	Calls for nominations issued. <b>As part of this, we will provide you with letters to send to caucus and coalition colleagues.</b>
<b>Christmas and New Year Holiday Period</b>	
8 – 12 January 2024	Nominations process underway.
15 – 19 January 2024	<b>Call for nominations to close 9am, 15 January 2024</b> Ministry of Transport to review nominations and submit briefing on short list.
23 – 26 January 2024 <b>Wellington Anniversary:</b> 22 January 2024	<b>Minister of Transport to consult with coalition partners on short list.</b>
29 Jan – 2 Feb 2024 <b>Auckland Anniversary:</b> 29 January 2024	<b>Minister to confirm short list.</b> Ministry to organise and conducts due diligence conversations.
5 – 9 February 2024 <b>Waitangi Day:</b> 6 February 2024	Ministry to provide decision paper following due diligence conversations. Background checks commissioned.
12 – 16 February 2024	<b>Ministerial decision on appointment.</b> Statutory consultation carried out. <b>Draft Cabinet paperwork provided to office for consultation</b>
19 – 23 February 2024	Caucus and cross-party consultation. <b>Lodgement on 22 February 2024.</b>
26 Feb – 1 March 2024	Cabinet's Appointment and Honours Committee considers appointments on 28 February 2024
4 – 8 March 2024	Cabinet confirms decision on 4 March 2024. <b>Minister to send appointment letter, and issue press release.</b> Appointment commences on 8 March 2024.

**Immediate Next Steps**

- 10 We will look to advertise the Chair's role this week, and will provide you with draft letters for your caucus and coalition partners notifying them of the vacancy and calling for nominations.

## Position Description | Chair, New Zealand Transport Agency

On behalf of the Minister of Transport, the Ministry of Transport is searching for a high-calibre candidate to Chair the Board of the New Zealand Transport Agency (NZTA).

NZTA is a Crown agent under the Crown Entities Act 2004, with responsibility for financial investments in, and the management and regulation of, the land transport system. It is governed by a Board of seven to nine members who are appointed by the Minister of Transport under the Land Transport Management Act 2003.

### Competencies sought

The Board requires a full range of competencies across members to be effective. To be considered, candidates must be an experienced Board Chair and possess competencies which complement those of existing Board members. They must bring an understanding of the complexity of operating within a modern transport system.

Section 30(2) of the Crown Entities Act 2004 sets out the criteria for disqualification from membership of a Crown entity board.

You will need to be able to demonstrate most, if not all, of the following qualities and competencies as Chair of the NZTA Board:

- **strategy and culture** – contribute to and drive strategy formulation, direction, implementation and communication and ensure development of organisational culture based on the vision and strategy
- **leadership** – can demonstrate experience in taking responsibility for the effective operation of a Board, ensuring that the Board sets a purpose or vision and articulates organisational values. You should also be able to demonstrate the ability to ask the right questions of management, distinguish between governance and management, and the levels of oversight and leadership required across NZTA's operations
- **experience in the inner workings of Government** – this includes the ability to work with the Minister to problem solve, and navigate issues between the political environment and agency's functions. You should also have an understanding of the political context and relationships within which central and/or local Government is required to operate. Understanding of and agreement to implement the Government's National Policy Statement for Land Transport.
- **able to navigate complex operating environments to deliver results** – this includes being able to manage competing and/or challenging priorities, as well as political and public policy factors
- **judgement and critical thinking** – demonstrated experience of exercising judgement

and critical thinking, preferably within a regulatory environment. In addition, you should be an active listener, open thinker, and be able to draw from your own personal experiences to contribute towards discussions at the Board table

- **able to work collaboratively to reach consensus** – demonstrated understanding of the individual and collective duties Boards possess (particularly within a Crown context), and an ability to reach a collective decision as a Board while respectfully and constructively evaluating each other's personal views on a matter. Accepts the need for collective responsibility for the final decision reached.

In addition, the Minister of Transport expects the Board as a whole to possess the following competencies. Candidates will be expected to demonstrate experience or understanding of one or more these competencies:

- **engineering, planning and delivery** – experience in overseeing and delivering major infrastructure projects particularly as a lead contractor or part of an alliance/public private partnership model. The successful candidate must be able to demonstrate knowledge of the lifecycles of large infrastructure assets, their resilience and security, and their ability to respond to population needs over time; as well as low-carbon construction methodologies. A qualification and experience in engineering or a related discipline is desirable
- **finance (investment and funding)** – deep understanding of funding mechanisms, investment funding models and debt management, including a strong understanding of how funding works. In addition, you must be able to demonstrate an awareness of how organisations should perform effectively and prudently within a given funding envelope
- **procurement** – experience of contract management of large-scale construction contracts on time and on budget
- **governance and strategy** – experience in governance, preferably in both the public and private sectors, with the ability to ask the right questions of management, distinguish between governance and management, and understand and perform governance functions. The successful candidate will be able to engage with a range of stakeholders, deliver on Government policy and direction and have a clear understanding of the role of a governor
- **regulation** – a strong understanding of regulatory functions and powers including senior experience in either a regulated industry or as a regulator. A deep understanding of the fundamentals of a modern regulator and the impacts of regulation is required
- **digitally competent (IT change programmes)** – knowledge of digital systems and experience in overseeing IT change management, assurance of change programmes.
- **health, safety and legal obligations** – an understanding of all the legislative requirements of directors and entities, in particular the Health and Safety at Work Act 2015 and ideally experience in embedding a health and safety culture within a complex organisation.

## Background to NZTA

NZTA's core functions (fully listed under section 95 of the Land Transport Management Act 2003) are:

- **planning the land transport networks:** influencing transport planning and partnering with approved organisations to invest in the transport system for desired results
- **investing in land transport:** partnering with approved organisations to invest in the land transport system for desired outcomes
- **managing the State highway network:** developing and managing the State highway network
- **regulation:** implementing the land transport regulatory framework to ensure safe

- access and the use of the land transport system
- **investigate and review accidents and incidents involving transport on land** in its capacity as the responsible safety authority, subject to any limitations set out in the Transport Accident Investigation Commission Act 1990
- **assist, advise, and co-operate with KiwiRail** in relation to KiwiRail's role in preparing each rail network investment programme.

The Land Transport Management Act 2003 further outlines NZTA's statutorily independent functions, which are to:

- develop and approve the National Land Transport Programme (NLTP) to give effect to the direction and priorities in the Government Policy Statement on Land Transport (GPS)
- approve activities as qualifying for payment from the National Land Transport Fund (NLTF)
- approve procurement procedures for land transport activities
- issue or suspend any land or rail transport document or authorisation
- enforce any provisions relating to its functions.

## Background to the role

The Board has the following responsibilities:

- setting the strategic direction for NZTA to ensure that it has the right capability to effectively deliver its core roles and functions
- appointing the Chief Executive and holding management to account for the delivery of Government priorities and the organisation's core functions
- providing oversight of NZTA's operational activities to support the efficient operation of the land transport system, including management and maintenance of the State highway network
- providing oversight and management of the land transport investment system, including providing stewardship and oversight of the NLTF
- developing the NLTP to give effect to the Government's transport priorities set through the GPS
- giving effect to the responsibilities as a regulator of the land transport system to ensure that NZTA operates as a modern, risk-based regulator that is effectively targeting risk across the land transport system, including regulation of commercial transport operators, rail, vehicle certification, driver licensing and speed management.
- appointing the Director of Land Transport
- ensuring NZTA has robust risk and assurance processes across the delivery of NZTA's core functions and activities, including delivery undertaken by its contractors, suppliers and approved organisations
- making significant planning, investment, and funding decisions
- influencing and contributing to the land transport sector, including supporting urban development, regeneration, and land use planning
- overseeing the development and delivery of major land transport infrastructure.

Board members are appointed for a term of up to three years. The Board meets monthly from February to December, and the three Board committees meet every two to three months. Board Chairs are expected to work approximately 30 days a year.

Board fees are set according to criteria in the Cabinet Fees Framework. NZTA is classified as a Group 3a Level 1 General Governance Board. Accordingly, the Chair is entitled to receive an annual fee of \$78,540.

## Expressions of Interest

Please note that should a candidate from within the Board be identified for appointment as Chair, the Ministry may approach you for consideration as a member.

To apply for the role, please apply through the Treasury database at <http://www.boardappointments.co.nz>, and include a copy of your full Curriculum Vitae by 9.00 am on 15 January 2024.

The Minister is interested in completing this process as soon as practicable. To achieve this, candidates may be asked to be available for interview between late January and early February 2024.

If you require further information, please email [boardappointments@transport.govt.nz](mailto:boardappointments@transport.govt.nz)

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20 December 2023

OC231109

Hon Simeon Brown

**Minister of Transport**

## HISTORY OF AUCKLAND LIGHT RAIL PROJECT

### Purpose

- 1 In response to your request this briefing provides information on the history of the Auckland Light Rail (ALR) project, including prior decisions made by the Crown and costs incurred.

### 2012 analysis of public transport investment in the corridor

- 2 In 2012, Auckland Transport commissioned Sinclair Knight Merz to assess future transport network deficiencies in Auckland. The resulting 2012 City Centre Future Access Study (CCFAS) highlighted city centre access issues from the central and southern isthmus not served by the heavy rail network.
- 3 Analysis of forecast demand on the public transport network, compared to the expected capacity, showed many bus routes in the inner city and central isthmus would exceed capacity by 2041. The analysis indicated that forecast demand would require additional public transport intervention to increase capacity, including for the Dominion Road/ Mt Eden Road corridor.

### 2015-2016: Auckland Transport

- 4 In 2015, Auckland Transport released its Regional Land Transport Plan (RLTP) 2015-2025<sup>1</sup> which stated that, following an assessment of options, a light rail network that served the central isthmus had been identified as the best option to overcome capacity challenges. The RLTP noted the development of a light rail network also opened up the potential for the long-term travel solutions to the airport, the North Shore, and other possibilities.
- 5 In October 2015, Auckland Transport, Auckland Council and the New Zealand Transport Agency (NZTA) jointly released the Auckland Central Access Plan (CAP) – Strategic Case<sup>2</sup>. This was prepared in response to the CCFAS, as well as earlier studies, which showed that it would not be effective or efficient to increase accessibility to the city centre by private transport. Their strategic case focussed on public transport and active modes backed by stronger urban intensification.

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<sup>1</sup> <https://at.govt.nz/media/1191335/Regional-Land-Transport-Plan-Adopted-Version-July-2015.pdf>

<sup>2</sup> <https://at.govt.nz/media/1913574/cas-strategic-case-report.pdf>

- 6 In March 2016, the Auckland Transport's supporting CAP Programme Business Case (PBC)<sup>3</sup> recommended a programme of work including:
- assessing and as appropriate including a possible second high-capacity line on Sandringham Road and / or a metro rail spur from the Western Line to Mt Roskill; and
  - refining /developing higher capacity rapid transit programme that can use Queen Street and Dominion Road while enhancing the urban amenity – expected to be light rail.
- 7 In June 2016, Auckland Transport released a draft indicative business case into the South-Western Multi-modal Airport Rapid Transit<sup>4</sup>. This report's purpose was to address problems of constrained access to the Auckland Airport and surrounding districts, as well as accessibility and transport choices for the Māngere-Ōtāhuhu area. The report recommended that that two shortlisted options should be taken forward for further detailed investigation, including a light rail option that extended the alignment for Dominion Road along SH20 and SH20A to the Airport via an interchange at Onehunga.

#### **2017-2019 – Central government commissions a light rail project**

- 8 In August 2017, then Labour leader, Jacinda Ardern, announced that, if elected, her government would build light rail from downtown Auckland to the airport within a decade.
- 9 In May 2018, Cabinet commissioned NZTA to develop a single stage business case. Its design was based on the street-integrated light rail solution that had been earlier developed by Auckland Transport.

#### *Parallel process*

- 10 In April 2018, NZ Infra (a joint venture between the New Zealand Superannuation Fund and Canadian institutional investors CDPQ Infra) approached the government with an unsolicited proposal for an alternative delivery and financing approach for light rail to the airport. Later in 2018, the Minister of Transport sought further advice on the NZ Infra approach.
- 11 In June 2019, Cabinet directed the Ministry to run a parallel process with NZTA and NZ Infra developing their own proposals over four months. The two proposals were evaluated against a common set of criteria to enable central government to choose a preferred delivery partner or decide an alternative course of action. After the proposals were presented, the Ministry gave advice to the Minister of Transport and cross-party consultation took place during May 2020.
- 12 However, the three government parties were unable to reach agreement on a preferred proposal. Cabinet also noted the current economic environment meant there were elements of both proposals fundamental to the commercial arrangements that were not acceptable to the Crown.

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<sup>3</sup> <https://at.govt.nz/media/1913570/cap-programme-business-case.pdf>

<sup>4</sup> <https://at.govt.nz/media/1927342/draft-smart-indicative-business-case.pdf>

- 13 As a result, in June 2020, Cabinet formally terminated the proposal process and asked the Ministry and the Treasury to provide options for public service delivery to the new government following the 2020 general election. The intellectual property created by NZ Infra as part of the parallel process remains the commercial property of NZ Infra and is not available to government officials.

### **2021-2023: Public service delivery model advanced**

- 14 In March 2021, the Minister of Transport announced the formation of a temporary Establishment Unit to progress an indicative business case to enable decisions to be made on mode and route, and to provide cost estimates as well as funding and financing options. The Establishment Unit was overseen by a board with representation from the Ministry, NZTA, Auckland Transport, Auckland Council and Kāinga Ora. Auckland Council and Crown representatives were joint Sponsors of the project.
- 15 In December 2021, Cabinet agreed a preferred option of Tunnelled Light Rail – a segregated option in the denser areas of the route and surface running along Bader Drive (in Māngere). Cabinet also agreed to progress the project to the detailed planning phase.

#### *Detailed planning phase and the establishment of Auckland Light Rail Limited*

- 16 The detailed planning phase was set up with a governance arrangement that had representatives from the Crown, Auckland Council, and mana whenua as Sponsors, making decisions together to progress the project.
- 17 In May 2022, the former government announced the Honourable Dame Fran Wilde would lead a board overseeing the design and construction of the project taking effect from 1 June 2022 following the conclusion of Establishment Unit Board on 31 May 2022. The latter's work included releasing a tender for detailed design out to market as well as work on funding and urban design components.
- 18 In October 2022, Auckland Light Rail Limited (ALRL) was established as a Crown Entity Company to deliver the final business case and undertake preparatory work to deliver the project. Dame Fran Wilde was appointed Chair of ALRL's Board.
- 19 To provide clear lines of accountability during the detailed planning phase, a Project Planning and Funding Agreement (PPFA) was agreed between ALRL, the Crown, and Auckland Council. Given the complexity of the project and the number of outcomes intended to be achieved by it, certain decisions that shaped the business case were reserved for Sponsors. This included decisions on the route and station locations and growth assumptions used. The Crown reserved decision making for the final investment decision and policy matters required to deliver the project
- 20 In addition to decision-making to establish ALRL, ALR Ministers (Ministers of Finance, Housing and Transport) made other decisions in the detailed planning phase to progress the project. These included:
- supporting ALRL in seeking requiring authority status so the company could have responsibility for protecting the corridor;
  - the approval of the acquisition of land following Cabinet's approval to release tagged contingency for land acquisition; and

- approving ALRL’s entry into a material contract with the alliance of Aurecon and Arup, to undertake work to develop the business case.

21 Over the course of detailed business planning, ALRL formed a view that a Tunnelled Metro option, fully segregated from road traffic, was the preferred option over Tunnelled Light Rail which travels on the surface from the airport to Mt Roskill, then goes underground for the section from Mt Roskill to the Wynyard Quarter.

22 On 31 May 2023, ALR Sponsors agreed the station locations, indicative station location zones, and route alignment for Tunnelled Metro to allow ALRL to proceed to further detailed assessment to inform applications for statutory approvals, specifically, notices of requirement to designate land for the project. These statutory approvals were to be considered by Sponsors at a subsequent meeting in August 2023. Sponsors also agreed that further work will be undertaken prior to the final investment decision to update work on Surface Light Rail (the lowest cost comparator and a different option to Tunnelled Light Rail) so that Tunnelled Metro can be adequately compared against it.

23 The August 2023 Sponsors’ meeting was postponed as ALRL decided that it was the wrong time to lodge a notice of requirement citing “significant contextual shifts in recent months including a change in our authorising environment, with a number of new sponsors.”

**Summary of Costs**

24 For the period October 2017 to April 2021, when NZTA undertook the 2018 Business Case and 2019 Parallel Process, the Agency incurred \$34.857 million of costs for business case development.

25 For period March 2021 to 30 October 2023, central government expenditure on ALR was \$193.807 million comprising:

- \$116.778 million for the operation of Auckland Light Rail Limited since its establishment in October 2022;
- \$25.630 million for operations during the Establishment Unit phase (March 2021 to October 2022);
- \$18.576 million for other Ministry of Transport costs
- \$32.823 million to purchase 317 New North Road, Kingsland.

25 We do not have to hand the costs incurred by Auckland Transport for the period 2012 to 2016.

**Contacts**

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