



MP for Te Atatu

Minister of Housing and Urban Development

Minister of Transport

09 NOV 2018

Nicholas Lee

fyi-request-8856-b58f4c0c@requests.fyi.org.nz

Dear Nicholas Lee

I refer to your request of 15 October 2018, pursuant to the Official Information Act 1982 (the OIA), seeking

"A copy of the Minister's letter setting out his expectations for the Auckland light rail project".

I have enclosed the following documents that fall within scope of your request:

- letter to Michael Stiasny, Chair of the New Zealand Transport Agency, dated 14 May 2018
- Cabinet Committee Minute for the Cabinet paper "Proposed Approach for Auckland's Rapid Transit Network Programme" referred to in the letter to Mr Stiasny.

Please note that there is an incorrect reference in the letter. In paragraph one on page two, 'Section 96(1)(j)' should read 'Section 95(1)(j) of the Land Transport Management Act 2003'.

Yours sincerely

A handwritten signature in blue ink, consisting of the letters 'Ph' followed by a long horizontal line and a vertical stroke at the end.

Hon Phil Twyford
Minister of Transport



14 May 2018

Mr Michael Stiassny
Chair
New Zealand Transport Agency

Dear Michael

Auckland City-to-Māngere Light Rail Link

Thank you for your letter dated 24 April 2018 outlining your proposed approach to the New Zealand Transport Agency (NZTA) leading delivery of the Auckland City-to-Māngere Light Rail Link.

On 7 May 2018 Cabinet considered my Cabinet paper *Proposed Approach for Auckland's Rapid Transit Network Programme*. I enclose Cabinet's Minute.

Particularly, Cabinet agreed that the:

- 1 New Zealand Transport Agency (NZTA) will lead the development of the city-to-Māngere and North-West light rail lines (Auckland Light Rail Project).
- 2 city-to-Māngere light rail transit be prioritised and delivered on an accelerated schedule (referred to as the "city-to-Māngere link");
- 3 NZTA will lead the preparation of a single stage business case (including economic, financial and commercial aspects) for the the city-to-Māngere link and all subsequent projects within the RTN programme, for consideration by the Government;
- 4 NZTA, in conjunction with the Ministry of Transport and the Treasury, jointly establish a process that can be used to assess all potential proposals, and report back to the Minister of Finance and Minister of Transport; and
- 5 NZTA, in conjunction with the Ministry of Transport and the Treasury, jointly establish and report back to the Minister of Finance and Minister of Transport on:
 - a process to engage with a range of prospective partners; and
 - potential procurement options, including how partnership opportunities can be considered.

NZTA is to lead this process. I expect NZTA to work closely with the Ministry of Transport and the Treasury as it progresses this work, and in partnership with key agencies. I expect the Ministry to work with you on the report back to the Cabinet Economic Development Committee seeking approval of funding and governance arrangements.

I expect NZTA to continue their work on the Auckland Light Rail Project concurrently with the above process.

I intend for NZTA to lead projects in the rapid transit activity class of the draft Government Policy Statement on Land Transport, including the Auckland Light Rail Project. To that end, I make the following direction pursuant to Section 112 of the Crown Entities Act 2004 as permitted by Section 96(1)(j) of the Land Transport Management Act 2003:

Effective immediately, the New Zealand Transport Agency has the following function:

“to plan, fund, design, supervise, construct and maintain rapid transit networks and/or projects, including light rail”

These functions are intended to be enabling and do not prescribe which functions would be appropriate for any particular project. As this, and other rapid transit work, progresses it may be necessary to add an additional function(s) to the NZTA to enable it to participate fully in the development of light rail in Auckland or elsewhere.

In relation to the urban development associated with the light rail proposals, I expect NZTA to lead on developments that are within its functions as set out in the Land Transport Management Act, and the direction I have given you in this letter, and take a coordinating role with other agencies, including those with statutory powers relating to urban development and resource management. I expect the business case process will assist in identifying responsibilities for different aspects.

The Ministry of Transport is responsible for preparing advice on legislative proposals needed to deliver the light rail proposals on an accelerated basis. The Ministry will continue to work with you and other agencies on its advice.

Yours sincerely



Hon Phil Twyford
Minister of Transport

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Auckland's Rapid Transit Network Programme: Proposed Approach

Portfolio Transport

On 2 May 2018, the Cabinet Economic Development Committee:

Background

- 1 **noted** that rapid transit can play a central role in supporting a number of the government's transport and urban development objectives, including improving access, reducing congestion and emissions, and helping to create a more resilient transport network;
- 2 **noted** that:
 - 2.1 on 24 April 2018, Cabinet agreed to a revised Auckland Transport Alignment Project (ATAP) indicative package [CAB-18-MIN-0169];
 - 2.2 the ATAP indicative package sets out how Auckland's Rapid Transit Network (RTN) may develop over the next decade (including heavy rail, light rail and buses), with the light rail priorities being the city-to-airport route and the northwestern route;

Proposed approach

- 3 **agreed** that, in support of the revised ATAP indicative package findings, the city-to-airport light rail transit be prioritised and delivered on an accelerated schedule (referred to as the "city-to-airport link");
- 4 **agreed** that the New Zealand Transport Agency (NZTA) will lead the preparation of a single stage business case (including economic, financial and commercial aspects) for the city-to-airport link and all subsequent projects within the RTN programme, for consideration by the government;
- 5 **noted** that the majority of an airport to Puhinui bus priority route may be operational by 2021 to provide travellers with a reliable and prioritised public transport connection between the airport and city, with a single transfer of service at Puhinui station;
- 6 **noted** that the draft Government Policy Statement on Land Transport 2018 (draft GPS 2018) creates an activity class funding range of between \$1.9 billion and \$4.7 billion that can be used for rapid transit developments in Auckland, Wellington, Christchurch and other city centres;

- 7 **noted** that a portion of the funding in the draft GPS 2018 provides a sufficient level of funding to start on the city-to-airport link, and will also support further RTN developments if appropriate funding and financing arrangements can be established;
- 8 **noted** that the government has received an unsolicited proposal from the New Zealand Super Fund for the exclusive review of the Auckland Light Rail Project, including both the city-to-airport and northwestern line, which would involve responsibility for the planning, financing, procurement, construction and operating phases of parts of the network;
- 9 **agreed** that the NZTA, in conjunction with the Ministry of Transport and the Treasury, jointly establish a process that can be used to assess all potential proposals, and report back to the Minister of Finance and Minister of Transport;
- 10 **agreed** that the NZTA, in conjunction with the Ministry of Transport and the Treasury, jointly establish and report back to the Minister of Finance and Minister of Transport on:
- 10.1 a process to engage with a range of prospective partners;
- 10.2 potential procurement options, including how partnership opportunities can be considered;
- 11 **invited** the Minister of Finance and Minister of Transport, in consultation with the Minister for Economic Development and Minister for Regional Economic Development, to ensure that the procurement process gives due consideration to the economic development benefits for New Zealand;
- 12 **noted** that a market sounding exercise, which could be included within a process described in paragraph 10 above, will signal the government's commitment to the project and intention to consider partnership opportunities;
- 13 **noted** that important decisions still need to be worked through regarding delivery, governance, ownership and operation of the RTN network once it is built;
- 14 **noted** that the RTN governance arrangements are expected to reflect the standards and practices that have been developed for similar, significant projects in government and elsewhere, including clear decision rights and responsibilities, and independent governors who can work alongside decision-makers and bring a whole-of-project perspective;
- 15 **noted** that a partnership approach with key organisations is envisaged for the delivery of the programme;
- 16 **noted** that the Minister of Transport will also consult with interested Ministers on specific RTN matters, including governance arrangements, funding and financing, and other additional measures that can help accelerate the city-to-airport link;
- 17 **noted** that the Minister of Transport expects to report back to the Cabinet Economic Development Committee seeking approval of funding and governance arrangements, following advice from officials and Ministerial consultation;

Legislative implications

- 18 **noted** that officials are considering options within existing legislative frameworks, and also potential legislative changes, to help deliver the city-to-airport link within the expected timeframe;

- 19 **noted** that in the coming weeks, the Minister of Transport will consult with interested Ministers, including the Minister for the Environment and the Minister for Land Information, on the assessment of options described in paragraph 17 above;
- 20 **noted** that the Auckland Rapid Transit Network Legislation Bill (the Bill) has a category 5 priority on the 2018 Legislation Programme (to be referred to a select committee in 2018);
- 21 **noted** that the Minister of Transport will report back to the Cabinet Economic Development Committee on proposed legislative changes to be included in the Bill.

Janine Harvey
Committee Secretary

Present:

Rt Hon Winston Peters (part of item)
Hon Kelvin Davis
Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon Dr Megan Woods
Hon David Parker
Hon Nanaia Mahuta (part of item)
Hon Stuart Nash
Hon Iain Lees-Galloway
Hon Jenny Salesa (part of item)
Hon Damien O'Connor
Hon Clare Curran
Hon Shane Jones
Hon Kris Faafoi
Hon James Shaw
Hon Eugenie Sage

Hard-copy distribution:

Minister of Transport

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

RELEASED UNDER THE
OFFICIAL INFORMATION ACT