

CITY CENTRE TO MĀNGERE PROJECT

TERMS OF REFERENCE FOR THE GOVERNANCE ARRANGEMENTS

Background and Cabinet decisions

- 1 Auckland's population is set to grow by 730,000 to 2.4 million over the next 30 years, with much of this growth concentrated along the Auckland City Centre to Māngere corridor. Auckland's future growth must be enabled and supported by a transport system that improves access, reduces overall journey times and supports a shift to sustainable and active travel. Rapid transit is an enabler of higher density and better quality urban development, leading to stronger communities, greater vitality and attractive compact urban form.
- 2 The Auckland City Centre to Māngere (CC2M) project has been prioritised through the Auckland Transport Alignment Project, as the first spine of a wider rapid transit network for Auckland. Cabinet has endorsed this prioritisation. To support progress of this project of both national and regional significance Cabinet has agreed to set up an Establishment Unit, guided by an inclusive governance structure that will help build consensus and social licence for the project. There will be representatives of central and local government and mana whenua and with an independent chairperson.
- 3 Cabinet is looking to put in place a new process for the CC2M project so that Cabinet can:
 - 3.1 make decisions with confidence on the appropriate form of rapid transit, and its route along the CC2M corridor. This requires properly testing the options with an open mind and taking an evidence-based approach;
 - 3.2 involve the communities of Auckland in the process – recognising the long term impacts this project will have in terms of shaping the city over 50 plus years, and in terms of shaping the network of rapid transit across the city. This means working with local politicians, agencies, and with communities;
 - 3.3 recognising the roles of Treaty partners, build a strong Crown – Māori partnership that embeds practices which empower Māori.
- 4 The purpose of these terms of reference is to set out the roles, responsibilities and authority of those within the governance structure that have been tasked with delivering the business case for CC2M, including to clarify the relationships and set out the engagement required given the inclusive nature of the Establishment Unit Board.
- 5 The Cabinet Business Committee minute providing the direction for this project is at annex A. These terms of reference have been written to be consistent with and read alongside the minute.

Role of Project Sponsors

- 6 The Cabinet Business Committee, having been authorised by Cabinet to have power to act, has agreed that the Ministers of Transport and Finance (the Ministers) be Project Sponsors for the Establishment Unit, alongside representation from Auckland local government [CBC-21-MIN-0036 at 4].
- 7 Reflecting the importance of this project both nationally and to the communities of Auckland, the Ministers have invited the Mayor and Deputy Mayor of Auckland (Project Sponsors) to work closely with the Ministers as joint sponsors of the project. The Mayor and Deputy Mayor of Auckland have accepted this role.
- 8 The role of the project sponsors is to:
 - 8.1 set the strategic direction of the Establishment Unit Board, including addressing in consultation with the Minister of Housing those matters delegated to the Ministers of Finance and Transport by Cabinet matters [CBC-21-MIN-0036 at 7 and 8] being:
 - (a) the scope of the business case outputs, including what key decision criteria will be included, such as mode, alignment, and funding and financing options;
 - (b) a stakeholder management plan and, mana whenua and mataawaka engagement plan, and specifically the scope and intent of mana whenua and mataawaka, stakeholder and community engagement;so that the Establishment Unit Board has appropriate guidance on the project sponsors' objectives and interests sufficient to allow the Establishment Unit to undertake its work;
 - 8.2 be regularly informed of progress with the Establishment Unit Board's work, and provide direction on key strategic, policy or systems matters as required;
 - 8.3 maintain political cooperation between central government and Auckland Council with regards to the project; and
 - 8.4 with the benefit of the advice from the Establishment Unit Board Chairperson, enable the Ministers to take back to Cabinet proposed decisions to inform the next stage.

Establishment Unit Board

Purpose

- 9 Through the Chairperson, the Establishment Unit Board is responsible for reporting to and seeking strategic guidance from the Project Sponsors. The role of the Establishment Unit Board is to provide governance to the outputs of the Establishment Unit. Specifically:
 - 9.1 oversee the development of a business case for the CC2M project. This needs to:

- (i) align with the Treasury's Better Business Case framework;
- (ii) include options analysis, giving regard to the full range of costs, benefits and risks associated with different choices;
- (iii) include funding and financing options;
- (iv) take account of the CC2M project's agreed outcomes, including value for money;
- (v) take account of direction provided by the project sponsors on key strategic choices relating to the scope of the CC2M project;
- (vi) take account of expert advice on housing and urban development, given the critical importance of this outcome to the CC2M project;
- (vii) ensure that sponsors are kept regularly informed of progress, and have appropriate opportunities to provide guidance, particularly on matters of policy, strategy or systems;
- (viii) through the Chairperson, provide advice on the options to take the CC2M project forward including route and mode.
- 9.2 ensure that the Establishment Unit undertakes high quality mana whenua and mataawaka, stakeholder and community engagement. This may include providing direction to the Establishment Unit on approaches to engaging, or facilitating access to stakeholder groups as appropriate;
- 9.3 oversee the preparation of advice, on options for the form, powers and governance arrangements of the delivery entity for the CC2M project, including but not limited to using the existing City Rail Link Limited or a joint venture arrangement between the Crown and Auckland local government;
- 9.4 oversee the preparation of advice on the pathway for taking the project forward, including decision gateways, and supporting and informing, as required, any parallel supporting policy work undertaken by policy and system agencies;
- 9.5 establish appropriate processes so that the Establishment Unit Board can be satisfied that the work of the Establishment Unit has appropriate project management practices in place and has been subject to appropriate project assurance. This may, in particular, include the Establishment Unit Board seeking external technical expertise to inform its processes and advice.
- 10 The Establishment Unit Board is responsible for:
- 10.1 sound decision-making and working to the strategic direction set by the Project Sponsors;
- 10.2 seeking direction from the Project Sponsors at any point without delay in the project if significant challenges arise that would prevent the direction given by Project Sponsors from being met. This is with respect to challenges arising about project scope and strategic direction, the building of social licence, meeting the timeframes set out in this terms of reference and/or project spend.

- 10.3 ensuring that the Establishment Unit delivers on time, to scope, to a high standard and with prudent management of the budget

Strategic direction

- 11 In overseeing the preparation of the business case the Establishment Unit Board will give effect to the following project outcomes and such other strategic directions that the Sponsors Group might provide to the Establishment Unit Board:
- 11.1 the Outcomes Framework developed and agreed collaboratively by Auckland Transport Alignment Project partners. The agreed outcomes are:
- (i) **Access and Integration** - Improved access to opportunities through enhancing Auckland's Rapid Transit Network and integration with the current and future transport network;
 - (ii) **Environment** - Optimised environmental quality and embedded sustainable practice;
 - (iii) **Experience** - A high quality service that is attractive to users and highly patronised;
 - (iv) **Urban and Community** - Enabling of quality integrated urban communities, especially around Māngere, Onehunga and Mt Roskill;
- 11.2 value for money.

Role of the Chairperson

- 12 In addition to guiding the Establishment Unit Board to achieve its responsibilities, the Chairperson is responsible for:
- 12.1 appointing and performance management of the Project Director of the Establishment Unit;
- 12.2 alongside the Project Director, representing the views and interests of the Establishment Unit Board to government Ministers and to the media. Where appropriate, the Chairperson will advise the Project Director and the Project Sponsors in advance of engaging with the media;
- 12.3 determining meeting protocols and practices such as meeting frequency, quorum, attendance requirements, management of conflicts of interest, and approach to managing resignations and board vacancies;
- 12.4 providing advice to the Project Sponsors on behalf of the Establishment Unit Board. While the Chairperson will hold the responsibility of providing advice, the purpose of inclusive membership on the Establishment Unit Board is to seek broad consensus. The Chairperson will work closely with Establishment Unit Board members to seek strong support for the Chairperson's advice wherever possible;

- 12.5 If there is a material difference of view between Establishment Unit Board members, the Chairperson will ensure that view is described in their report to the Project Sponsors.

Composition

- 13 The independent Chairperson of the Establishment Unit Board has been appointed by the Ministers.
- 14 The remaining eight members of the Establishment Unit Board have been appointed by the Ministers and comprise a single representative from the following: Auckland Council councillors, Auckland Council local boards, the Auckland Council organisation, Auckland Transport, Kāinga Ora, mana whenua, Ministry of Transport and Waka Kotahi. In the instance of officials, the expectation is representatives should be at the Chief Executive level.
- 15 The Establishment Unit Board acknowledges that Te Waihanga and The Treasury will act as observers. The observers have a right to attend the Establishment Unit Board meetings and to have access to information necessary for them to provide independent visibility of progress and advice to their respective Ministers. These are non-voting roles to ensure the observers' roles as independent advisors to Ministers is not compromised. The observers will provide their expert advice and make linkages across the public sector to provide expertise or exemplars to assist the Establishment Unit Board.
- 16 As appropriate, the Chairperson and Project Sponsors may review the membership composition to ensure the required expertise is represented on the Establishment Unit Board through the life of the CC2M project.

Authority

- 17 Membership on the Establishment Unit Board is not a proxy for engagement with the organisations and communities represented on the Establishment Unit Board.
- 18 Members of the Establishment Unit Board must act in good faith, honestly and without bias to represent the views of their organisations and communities.
- 19 Representatives from Auckland Transport, Waka Kotahi and Kāinga Ora must hold appropriate delegations on behalf of their organisation on matters to be considered by the Establishment Unit Board.

Deliverable

- 20 The Chairperson shall provide the Project Sponsors with the business case (that addresses the requirements in paragraphs 9.1) and the required advice on the delivery entity and project pathway to enable Ministers to report to Cabinet in November.

The Establishment Unit

- 21 The Establishment Unit must deliver on the expected outputs of the Establishment Unit Board, seeking and taking direction from the Establishment Unit Board. The Establishment Unit will be led by the Project Director.

Guiding principles of working

- 22 Frequent, clear and transparent lines of communication across the governance arrangements are required. This may include Project Sponsors meeting with the Establishment Unit Board at key intervals during the Establishment Unit Board's work programme, and the Establishment Unit providing interim presentations or reports to the Project Sponsors if the Chairperson considers it helpful to do so.
- 23 It is expected that all members and their organisations will participate in a manner that will best support consensus where possible. Members must perform their functions in the spirit of the inclusive governance structure. Members will need to bring their unique insights and perspectives into the work, and work constructively to achieve the CC2M project's deliverables.
- 24 The Project Sponsors expect there will be a high level of transparency and co-operation on this project. In particular between the Establishment Unit and the organisations represented on the Establishment Unit Board, including observers. This is to support the twin objectives of building these organisations' confidence in the work of the Establishment Unit and enhancing their support for the final outputs of the Establishment Unit. The Project Sponsors also expect to have high visibility of the work of the Establishment Unit Board.
- 25 These guiding principles will be subject to whatever protocols the Chairperson may require to ensure orderly sequencing and flow of information, and protection of confidential/commercially sensitive information.

Te Tiriti o Waitangi / Treaty of Waitangi

- 26 This project will recognise the principles of Te Tiriti o Waitangi/Treaty of Waitangi. This includes:
- 26.1 supporting mana whenua and mataawaka in resourced decision-making processes;
 - 26.2 recognising and the protection of rights and interests, cultural values and perspectives of mana whenua and mataawaka within Tāmaki Makaurau;
 - 26.3 building and maintaining collaborative and meaningful relationships with Māori;
 - 26.4 providing the opportunities for mana whenua and mataawaka to participate and share in the project's vision for Tāmaki Makaurau;
 - 26.5 providing the mana whenua representative member of the Establishment Unit Board with the necessary support for them to properly fulfil their role.

Community Engagement

- 27 Reflecting the significance of this project to the communities of Auckland Tāmaki Makaurau a key element of the Establishment Unit's work will be to build community understanding of the project and its benefits, hear from the communities and stakeholders including on options and trade-offs, reflect on that feedback in the preparation of the business case, and by doing this seek to develop a strong social licence for this significant project.

Policy engagement

- 28 As matters of the optimal approach for project delivery arise, it is likely that wider policy issues will need to be considered, including the implications of potential choices beyond the project. This includes the nature of possible legislative and regulatory changes that may be needed to enable the delivery of the CC2M project, including the permanent form of the project's delivery entity, which the Cabinet Business Committee has agreed will be led by the Ministry of Transport. The Project Sponsors expect that both the Establishment Unit and relevant policy agencies will work collaboratively with the Ministry of Transport so as to provide well-formed advice. It is important to acknowledge that the Establishment Unit may need to handover some matters that have wider strategy or system implications to policy agencies.
- 29 Such matters will form a policy work programme that will be led by the Ministry of Transport. The Ministry of Transport will work with other policy agencies as well as the Establishment Unit Board in the development of any policy advice. It is expected that both the Establishment Unit and relevant policy agencies will work collaboratively so as to provide well-formed advice to the Project Sponsors.

Resourcing and support

- 30 The Establishment Unit Board's work will be supported through the Establishment Unit, a joint endeavour of Auckland Transport and Waka Kotahi, the Auckland regional and national key transport delivery agencies. The Chairperson, after consultation with the Establishment Unit Board members, will appoint a project director to oversee the Establishment Unit's work. Waka Kotahi will house the Establishment Unit. To ensure a highly collaborative approach to the work of the Establishment Unit, it is expected that partner agencies will actively look to second staff into the Establishment Unit or provide other equivalent resources, taking into account other resourcing needs for each organisation.
- 31 Funding for the work of the Establishment Unit will be provided for through the National Land Transport Fund (NLTF). The Waka Kotahi Board is responsible for the NLTF and will retain oversight of this spend. In all other respects the Waka Kotahi Board has the same responsibilities as other agencies in the project.

Conflicts of interest

- 32 Members of the Establishment Unit Board must avoid situations that might compromise their integrity or otherwise lead to conflicts of interest, other than as contemplated in clause 18 of these terms of reference. Proper observation of these

principles will protect the Establishment Unit Board and its members and will ensure that it retains public confidence.

- 33 If, in respect of a member of the Establishment Unit Board, a conflict of interest arises during the CC2M project that is unable to be mitigated, that member may be removed at the Ministers' discretion.

Confidentiality

- 34 Information from the project should generally be treated as confidential and only shared beyond members of the governance structure when this is necessary to support members in undertaking their role. Sharing of information should be done so with respect to the integrity of the project. At the chairperson's discretion, further guidance on confidentiality can be provided.
- 35 CC2M project information must not be used for personal benefit or profit, and must not be replicated or stored on unsecure devices.

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT

The roles and responsibilities set out in these terms of reference are summarised in the table below.

Role	Responsibility
Cabinet	<p>Decision-maker</p> <ul style="list-style-type: none"> • Preferred way forward, based on the business case and Establishment Unit recommendations, including route, mode, funding and financing, and the form of the delivery entity. • On any key policy issues, including legislative and regulatory changes needed to take the implementation of the project forward. This may include agreeing to a policy work programme which sets out matters that require further detailed policy work.
Delegated Ministers	<p>Decision-maker</p> <ul style="list-style-type: none"> • Make decisions required to set up the Establishment Unit, including appointing the Independent Chair. • Report back to Cabinet with further advice based on the business case and recommendations on a preferred way forward.
<p>Project Sponsors Delegated Ministers and Mayor and Deputy Mayor of Auckland</p>	<p>Strategic guidance The delegated Ministers (Minister of Finance and Minister of Transport) will work closely with the Mayor and Deputy Mayor of Auckland as joint sponsors of the project. Delegated Ministers are required also to consult with the Minister of Housing on significant decisions. Key roles for the Sponsors group are to support the delegated Ministers to:</p> <ul style="list-style-type: none"> • Provide early and ongoing strategic direction to the Establishment Unit for the development of the business case • Approve a Stakeholder Management Plan and a Mana Whenua Engagement Plan and specifically the scope and intent of iwi, stakeholder and community engagement • Provide advice to Cabinet with further advice based on the business case and recommendations on a preferred way forward, including route, mode, funding and financing, and the form of the delivery entity and recommendations on detailed policy positions developed with respect to the project.
<p>Establishment Unit Board Independent Chair</p>	<p>The role of the Establishment Unit Board is to support the Independent Chair in the following areas:</p> <p>Advice to Sponsors Group The Establishment Unit Board reports and seeks guidance from the Project Sponsors, including providing the business case to the Project Sponsors.</p> <p>Governance</p> <ul style="list-style-type: none"> • Oversight of the Establishment Unit and its deliverables, including expenditure. • Appointment and performance management of the Project Director.

Role	Responsibility
Waka Kotahi Board	<p>Oversight of funding Funding for the Establishment Unit is provided from the National Land Transport Fund.</p> <p>Housing the Establishment Unit This includes providing office and back office support, as well as some shared functions such as procurement and human resources support.</p>
Project Director	<p>Delivery</p> <ul style="list-style-type: none"> • Leads and manages the Establishment Unit on a day-to-day basis reporting to the Establishment Unit Board. • Responsible for preparation of all project documentation and prepares reporting to support the role of the Establishment Unit, Minister(s) and Cabinet as required. • Resolves planning and implementation issues, manages progress and budget, structures project delivery and provides specialist resources and skills necessary to deliver the project to an agreed scope, quality, schedule and budget.

PROACTIVELY RELEASED BY
 TE MANATŪ WAKA MINISTRY OF TRANSPORT



Cabinet Business 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.

Progressing the City Centre to Māngere Project Through a Public Service Delivery Approach

Portfolio Transport

On 29 March 2021, the Cabinet Business Committee, having been authorised by Cabinet to have Power to Act [CAB-21-MIN-0094]:

Background

- 1 **noted** that in June 2020, Cabinet noted that the City Centre to Māngere light rail project (the CC2M project) is a key part of the Auckland Transport Alignment Project, and agreed that the CC2M project be taken forward through a public service delivery approach [CAB-20-MIN-0300];

Establishment Unit

- 2 **agreed** that an Establishment Unit be set up and tasked with progressing the following work over a six-month period:
- 2.1 completing business case work to inform future advice to Cabinet;
 - 2.2 undertaking initial iwi, stakeholder and community engagement;
 - 2.3 preparing advice on the form and governance arrangements for the delivery entity for the CC2M project;
 - 2.4 preparing advice on the options to take the project forward, including mode, alignment, and decision gateways;
 - 2.5 supporting and informing, as required, policy work undertaken by policy agencies;
- 3 **agreed** to the proposed Establishment Unit governance of project sponsors and an Establishment Unit Board, as outlined in the paper under CBC-21-SUB-0036;
- 4 **agreed** that the Minister of Finance and the Minister of Transport be the project sponsors, alongside representation from Auckland local government;
- 5 **noted** that the roles, responsibilities, and composition of the governance bodies will be finalised in discussion with relevant agencies (including Auckland Council and Auckland Transport);

- 6 **authorised** the Minister of Finance and the Minister of Transport, in consultation with the Minister of Housing, to finalise the governance structure that will oversee the CC2M project;
- 7 **authorised** the Minister of Finance and the Minister of Transport, in consultation with the Minister of Housing and Auckland local government, to take decisions on the following matters:
- 7.1 the questions of strategic direction that will need to be confirmed in order to commence with the business case;
- 7.2 the scope of the business case outputs, including what key decision criteria will be included, such as mode, alignment, and funding and financing options;
- 7.3 a Stakeholder Management Plan and a Mana Whenua Engagement Plan, and specifically the scope and intent of iwi, stakeholder and community engagement;
- 8 **authorised** the Minister of Finance and the Minister of Transport, in consultation with Auckland local government representatives on the Sponsors Group, to provide direction to the Establishment Unit to confirm the parameters of the business case and investment objectives;
- 9 **noted** that the Sponsors Group and Establishment Unit Board will provide ongoing direction to the Establishment Unit in the development of the business case;
- 10 **noted** that the Establishment Unit will be housed within Waka Kotahi New Zealand Transport Agency (Waka Kotahi);
- 11 **noted** that further work is underway to confirm whether the Establishment Unit can be set up as a joint endeavour arrangement between Waka Kotahi and Auckland Transport;
- 12 **directed** the Ministry of Transport to work with Waka Kotahi, Auckland Council and Auckland Transport to set up the Establishment Unit;
- 13 **authorised** the Minister of Finance and the Minister of Transport to take decisions as required to support the set-up of the Establishment Unit, including appointing the members of the Establishment Unit Board and approving the Board's Terms of Reference;
- 14 **authorised** the Establishment Unit Board to appoint key members of the Establishment Unit, including the Project Director;
- 15 **agreed** that the Ministry of Transport progress a policy work programme, encompassing legislative and regulatory changes that may be needed to enable the delivery of the project, including the permanent form of the project's delivery entity;
- 16 **directed** officials to commence work on value capture mechanisms and funding tools for the project;

Financial Implications

- 17 **noted** the proposed funding arrangements and budget for undertaking the work of the Establishment Unit, as outlined in the paper under CBC-21-SUB-0036;
- 18 **noted** that the funding of the Establishment Unit is intended to be from the National Land Transport Fund, and that this is a matter for the Waka Kotahi Board to approve pursuant to the Land Transport Management Act 2003;

- 19 **noted** that in May 2018, the Cabinet Economic Development Committee (DEV) agreed that Waka Kotahi be the government's lead agency for the Auckland light rail project [DEV-19-MIN-0141];
- 20 **rescinded** the above decision on the role of Waka Kotahi to deliver light rail, to provide clarity to the Waka Kotahi Board in relation to the funding of the Establishment Unit;
- 21 **noted** that additional funding may be required to resource the policy work programme, and that the Ministry of Transport is working through a set of options and will provide further advice;

Next Steps

- 22 **invited** the Minister of Transport, in consultation with relevant portfolio Ministers, to report back to DEV in November 2021 with:
- 22.1 further advice based on the business case and recommendations on a preferred way forward, including route, mode, funding and financing, and the form of the delivery entity;
- 22.2 recommendations based on the detailed policy positions developed with respect to the project, including legislative and regulatory changes that are needed to take implementation of the project forward;
- 23 **noted** that the Establishment Unit will manage the development of the project until the delivery entity is appointed and mobilised, and that the proposed governance framework will be in place until this time (expected in the 6 – 9 month timeframe).

Rachel Clarke
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni
Hon Andrew Little
Hon David Parker
Hon Stuart Nash
Hon Kris Faafoi
Hon Michael Wood

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet