

The Treasury

Auckland Light Rail Project Information Release

March 2022

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Reference: T2021/1504 SH-8-4-1-4

Date: 10 June 2021

To: Minister of Finance (Hon Grant Robertson)

Deadline: By 2:30pm, Monday 14 June 2021

Aide Memoire: City Centre to Māngere Project Sponsors meeting 14 June 2021

Purpose: To provide you with background information and advice to support your discussion at the City Centre to Māngere rapid transit Project Sponsors meeting, scheduled for Monday 14 June, 2:30-3:15pm, via Zoom.

Attendees for the meeting:

Hon Grant Robertson, Minister of Finance
Hon Michael Wood, Minister of Transport
Phil Goff, Mayor of Auckland
Bill Cashmore, Deputy Mayor of Auckland

Leigh Auton, Chair of the CC2M Establishment Unit Board and Tommy Parker, Mobilisation Lead for Establishment Unit will attend to speak to the agenda items. Officials from Ministry of Transport, Waka Kotahi and the Treasury, as well as Auckland Council officers, will also be attending.

Background and purpose of the project sponsors

The Cabinet Business Committee, 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 refers].

The role of the project sponsors is to:

- Set the strategic direction of the Establishment Unit Board
- Provide direction on other key strategic, policy or systems matters as required
- Maintain political cooperation between central government and Auckland council with regards to the project
- With the benefit of advice from the Establishment Unit Board, enable Ministers to take back to Cabinet proposed decisions to inform the next stage.

Agenda for 14 June meeting

This will be the first meeting of the CC2M project sponsors. While the Establishment Unit has not provided an agenda, your office has suggested the following items for discussion:

- Agenda item 1: Decisions that will be sought through the November 2021 Cabinet report back
- Agenda item 2: Guidance on strategic questions from the Cabinet paper

The Establishment Unit is also seeking endorsement of the stakeholder engagement plan and mana whenua engagement plan (Agenda item 3).

Set out below is Treasury commentary on the papers provided by the Establishment Unit. Suggested talking points are also included for your reference. We have discussed these matters with the Infrastructure Commission Te Waihanga and there is agreement that these are the key focus areas at this point.

Commentary

Agenda item 1: The Establishment Unit has set out a clear scope for the indicative business case, but does not indicate whether this is on track to be delivered

The Sponsors papers provide a good outline of what the indicative business case will cover (section D of the paper entitled 'Auckland Light Rail Sponsors paper) and is in line with what Cabinet invited Ministers to report back on in November 2021. This should form a good foundation for decisions to be taken to progress the project to the next stage. However, the Establishment Unit has not provided an update on whether it is on track to deliver the business case and associated advice. The Treasury is yet to see a programme plan and with clear milestones to track progress against, making it hard to get a sense of whether the work is progressing to schedule. We are also keen to ensure the Establishment Unit is capitalising on previous business case material and analytical methodologies so unnecessary rework is not undertaken.

We expect the other Sponsors will also be keen to ensure the business case scope is clear and will be delivered to schedule.

Agenda item 2: Land use policies will be key as CC2M progresses; it is crucial that we leverage the project to support housing outcomes

Section E of the 'Auckland Light Rail Sponsors paper' provided, sets out key considerations and trade-offs related to the strategic questions outlined in the Cabinet paper which set up the Establishment Unit (the strategic questions are also set out in section E of this paper). While these sections set out the considerations well, it does not refer to what is already well evidenced about the relationship between transport investment and land use policies – which is that, to achieve optimal results from projects such as CC2M, land use policies should change in line with the transport investment. Doing so can help to address housing supply and housing affordability

issues: the improved accessibility from the rapid transit line will increase local housing demand, so land use policies need to enable more homes to be built along the corridor. The extent to which intensification is enabled will influence the mode (*i.e.*, the higher the density, the higher capacity mode required). In addition, enabling more homes to be built along rapid transit corridors (providing viable alternatives to private vehicle use) will support the goal of reducing carbon emissions.

Our view is that land use policies and planning will be a key part of the project as it progresses, and the Establishment Unit would benefit from this strategic direction. If you agree, you may wish to raise this with the Establishment Unit at the meeting.

On Thursday 3 June, the Auckland Council Planning Committee discussed the CC2M project and endorsed a guidance memo to be provided to the Establishment Unit.¹ This notes that the Establishment Unit will assess how different mode and land use options might shape Auckland's future growth patterns, including assessing options over and above currently enabled growth, to maximise the investment. We support this approach, and you may wish to note that there is consensus on the need to analyse different land use scenarios as part of the business case work.

The guidance memo also notes that given there is a finite amount of growth anticipated across Auckland, additional growth in this corridor will result in less growth in other parts of the city (*i.e.*, Auckland Council may look to reduce supply in other parts of the city as a result of this project). We note that if you increase housing supply along the CC2M corridor, thereby creating more competitive housing opportunities in Auckland, it may well induce growth. It is therefore possible that this project could result in changes in the rate of growth in Auckland. We have recommended to the Establishment Unit that this possibility is also considered in the business case work. We have advised that we do not support the reduction in supply in other parts of the city as a result of this project (as this will not support improved housing affordability).

Agenda item 3: Stakeholder engagement should be aligned with wider central government and Auckland Council engagement, and inform the business case outputs as developed

In the stakeholder engagement plan provided for endorsement, we agree with the need to partner with other agencies such as Kāinga Ora, Panuku and Auckland Transport where existing consultation and community engagement is established. Doing so will mitigate the risk of consultation fatigue for the community and improve the chance of building support for the project.

Our view is that engagement and consultation should be tangible for communities and stakeholders. This will need to be done carefully so engagement feedback can inform the business case work, to enable a meaningful process for both stakeholders and communities as well as meaningful feedback to support the Unit in its work. This will

¹ [Addendum Agenda of Planning Committee - Thursday, 3 June 2021 \(aucklandcouncil.govt.nz\)](#)

also help to establish strong relationships with the community to build social licence for the project.

While we do not have specific comments on the mana whenua engagement plan, you may wish to seek views from the Establishment Unit on how it is ensuring the approach set out will result in high levels of support from mana whenua for the project.

Suggested talking points

You may wish to refer to the following questions and talking points:

- Has there been any slippage in meeting your milestones to date? What do you see as being the key risks in meeting your deadlines and how are you mitigating these?
- How are you using previous CC2M business case materials and methodology to inform your work?
- Given the criticality of housing benefits from the project (as well as transport benefits), it is important that land use policies and planning are within scope of the project as it progresses
- What will be the key messages for stakeholder and mana whenua in your engagement? How will that feedback from engagement inform the development of the business case?
- How is the Establishment Unit getting comfort that the approach to mana whenua engagement will result in high levels of support from mana whenua for the project?

Erana Sitterlé, Senior Analyst, National Infrastructure Unit (NIU), [35]

David Taylor, Manager, National Infrastructure Unit (NIU), [39]