

Reference: 20220128

15 June 2022

Dear [REDACTED]

Thank you for your Official Information Act request, received on 14 April 2022. You requested the following information:

I refer to the NZ herald report "Trams could run under Queen St as part of Auckland's \$6 billion light rail project" at [...] which refers to a Treasury paper, written in 2018 by national infrastructure manager David Taylor, called for a strong examination of light rail in Auckland given the size of the project, the fiscal risks and the building and operational challenges. I request a copy of that report.

I also request a copy of any briefings to the Minister of Finance on the Auckland light rail proposal by NZ Infra, which is a joint venture between the NZ Super Fund and CDPQ Infra.

On 17 May 2022, the Treasury extended the timeframe of the response by 20 working days.

Information being released

Please find enclosed the following documents:

Item	Date	Document Description	Proposed Action
1.	20 April 2018	Treasury Report: Light Rail	Release in part
2.	18 February 2019	Aide Memoire: ITU Advice Auckland Light Rail NZSF Proposal	Release in part
3.	13 March 2019	Aide Memoire: ITU Updated Advice Auckland Light Rail	Release in part

I have decided to release the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons,
- section 9(2)(b)(ii) – to protect the commercial position of the person who supplied the information, or who is the subject of the information,
- section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials,
- section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions,
- section 9(2)(g)(ii) – to maintain the effective conduct of public affairs through protecting Ministers, members of government organisations, officers and employees from improper pressure or harassment,
- section 9(2)(i) – to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities,
- section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

Information publicly available

As advised in the letter of 17 May 2022 notifying you of the extension to the timeframe of the OIA request, the following information is also covered by your request and is publicly available on the Treasury website:

Item	Date	Document Description	Website Address
1.	21 February 2020	Auckland Light Rail Draft Cabinet Paper	https://www.treasury.govt.nz/sites/default/files/2022-02/oia-20200385.pdf
2.	9 November 2018	Light Rail	https://www.treasury.govt.nz/sites/default/files/2018-11/oia-20180416.pdf

Accordingly, your request for this information is refused under section 18(d) of the Official Information Act:

- the information requested is or will soon be publicly available.

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

A handwritten signature in cursive script that reads "Fiona Stokes".

Fiona Stokes
Acting Manager, National Infrastructure Unit

20220128 TOIA Binder

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Hon Grant Robertson
ORIGINAL



Treasury Report: Treasury Report: Light Rail

Date:	20 April 2018	Report No:	T2018/1096
		File Number:	SH-8-8-1

Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Grant Robertson)	<p>Agree to support key recommendations in the Rapid Transit Network Cabinet paper related to further business case assessment and good procurement practice</p> <p>Note our concerns related to further business case and options analysis, and potential publicity statements in relation to the NZSF proposal.</p>	Ahead of the DEV meeting on 3 May 2018

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Dieter Katz	Principal Advisor, National Infrastructure Unit	s9(2)(k)	s9(2)(g)(ii) ✓
Dan Marshall	Acting Manager, Commercial Advice		
David Taylor	Manager, National Infrastructure Unit		

Actions for the Minister's Office Staff (if required)

Refer a copy to the Ministers of Transport and for Infrastructure.
Return the signed report to Treasury.

Note any feedback on the quality of the report

For filing.

Enclosure: No

- 7 MAY 2018

Treasury Report: Treasury Report: Light Rail

Purpose of Report

1. This report addresses a draft Cabinet paper "Proposed approach for Auckland's Rapid Transit Network programme" that the Ministry of Transport has circulated and is intended to be considered by the Cabinet Economic Development Committee on 3 May.
2. This report contextualises and expands on a 'Treasury Comment' and other feedback we have provided to the Ministry of Transport for inclusion in the paper.
3. Our Treasury Comment relates to:
 - Providing officials the opportunity to review and prepare advice on more detailed business cases, prior to any Cabinet decision to proceed with specific projects within the RTN programme.
 - An unsolicited proposal from the NZ Super Fund to undertake and finance the Light Rail project in a manner similar to a Public Private Partnership (PPP), including:
 - i Potential public announcements in relation to the receipt of a proposal.
 - ii Initial comments on an appropriate process for the consideration of all potential partnership proposals.

Business Case Analysis

4. The Minister of Transport is asking Cabinet to "agree that the city-to-airport light rail transit be prioritised and delivered on an accelerated schedule", at a cost of some \$4 billion, to be funded out of the National Land Transport Fund.
5. We support the Minister of Transport's vision to make light rail part of a wider urban development and housing programme. However, we are concerned that the Minister is seeking a decision from Cabinet without either officials or Ministers having had the opportunity to see detailed implementation business cases that set out how those commitments will be implemented, options for delivery, how the projects will be procured and financed and the risks managed.
6. A business case is essentially a plan that sets out the:
 - strategic case (i.e. the intervention logic)
 - economic case (i.e. consideration of alternative options and whether the preferred option has benefits that exceed the costs)
 - commercial case (i.e. a plan for how it is to be procured)
 - financial case (i.e. whether the project is affordable), and
 - management case (i.e. a management plan that will ensure the success of the project).

Risks of proceeding without further business case consideration

7. The Treasury is concerned that while the case for a rapid transit network may have been made in a strategic case, officials and Ministers have not had the benefit of reviewing business cases prepared for the RTN to date, or a more fulsome business case that considers the network options, financial implications and possible procurement models.
8. A detailed business case would therefore:
 - provide Cabinet with the assurance that execution risks are well managed.
 - provide assurance that a full range of delivery and technology options have been considered to ensure the Government's objectives are met and value for money is being maximised.
 - clarify whether a PPP or other procurement process would offer best value for money.
9. This is one of the biggest projects New Zealand has seen and extremely complex, s9(2)(g)(i)

To illustrate the possible risks, we note that construction of the Edinburgh light rail suffered major time and money overruns, eventually taking 6 years to build and costing more than twice as much as initial estimates.
10. Given the size of the project, the fiscal risks and the build and operational challenges, the Treasury therefore recommends that officials be given the opportunity to review and prepare advice for Ministers on more detailed business cases, prior to any Cabinet decision to proceed with specific projects within the RTN programme.

Opportunities

11. At the same time, the development of a detailed business case can reveal opportunities to find the best option to meet the Government's transport and urban development objectives and provide value for money.
12. s9(2)(b)(ii) and s9(2)(f)(iv)
13. The Ministry of Transport and NZTA have previously recommended the development of a business case and the exploration of more advanced technologies.
14. The appendix to this report sets out an example of one development we are aware of that serves to illustrate the opportunities of undertaking a full implementation business case for mass transit between the Auckland CBD and Auckland Airport via Mt Roskill.

Proposal received from the New Zealand Super Fund

15. Ministers have received an unsolicited proposal from the New Zealand Super Fund (NZSF) to undertake the light rail project under an agreement to finance, construct,

maintain and operate the project. s9(2)(ba)(i), s9(2)(b)(ii) and 9(2)(i)

16. The Treasury welcomes the consideration of alternative procurement and financing models for the Auckland Light Rail Project. The receipt of the proposal is a positive indication of the strong market appetite for the project. We are aware of, and have been contacted by, a number of other interested investors and contractors who would be eager to participate in what will be one of the most significant infrastructure projects New Zealand has ever seen.
17. The receipt of this proposal reinforces our view that a detailed business case is necessary for a project of this scale and complexity. A robust business case analysis would provide a basis against which to assess the likely effectiveness and value for money of partnership arrangements such as that envisioned by NZSF.
18. The Cabinet Paper seeks agreement that Treasury, in conjunction with the Ministry of Transport and NZTA, establish a process to assess all potential proposals and report back to the Minister of Finance and Minister of Transport. It also states that The Prime Minister, Minister of Finance and Minister of Transport intend to make a public announcement in relation to the receipt of a proposal.
19. This report provides advice on the content of any public announcement and some preliminary advice on the assessment of proposals of this nature.

Publicity

20. We understand that Ministers may wish to make announcements demonstrating progress towards achieving the Government's vision for the Rapid Transit Network Programme, potentially coinciding or preceding announcements related to the Auckland Transport Alignment Package.
21. We are supportive of a general announcement that there has been interest expressed in partnering with the Government for the delivery of light rail and that the Government is open to such opportunities. However, we were consulted on an earlier version of the paper that proposed an announcement naming NZSF as the supplier of a proposal that the Government has agreed to consider.
22. We consider it imperative that the active consideration of a single proposal is not announced. To announce that the Government is considering a proposal from a single supplier (especially one with a Crown entity) could prejudice the consideration of the proposal or subsequent procurement processes for the project:
 - It risks signalling to other interested parties that there may be limited opportunity for them to participate in the project, which has already generated significant market interest;
 - This could result in a significant loss of competition, inability to test the NZSF proposal for value for money, and the loss of alternative innovative partnership approaches; and
 - 9(2)(g)(i), 9(2)(i), 9(2)(b)(ii) and 9(2)(ba)(i)

23. We have had input into an appropriate publicity paragraph included in the current draft of the paper: "*...that the Government has received a proposal for the delivery of Auckland Light Rail and has agreed to establish a process by which we can engage with a range of prospective partners and partnership opportunities can then be considered*". We are supportive of a statement of this nature that does not infer any advanced consideration of a single proposal.

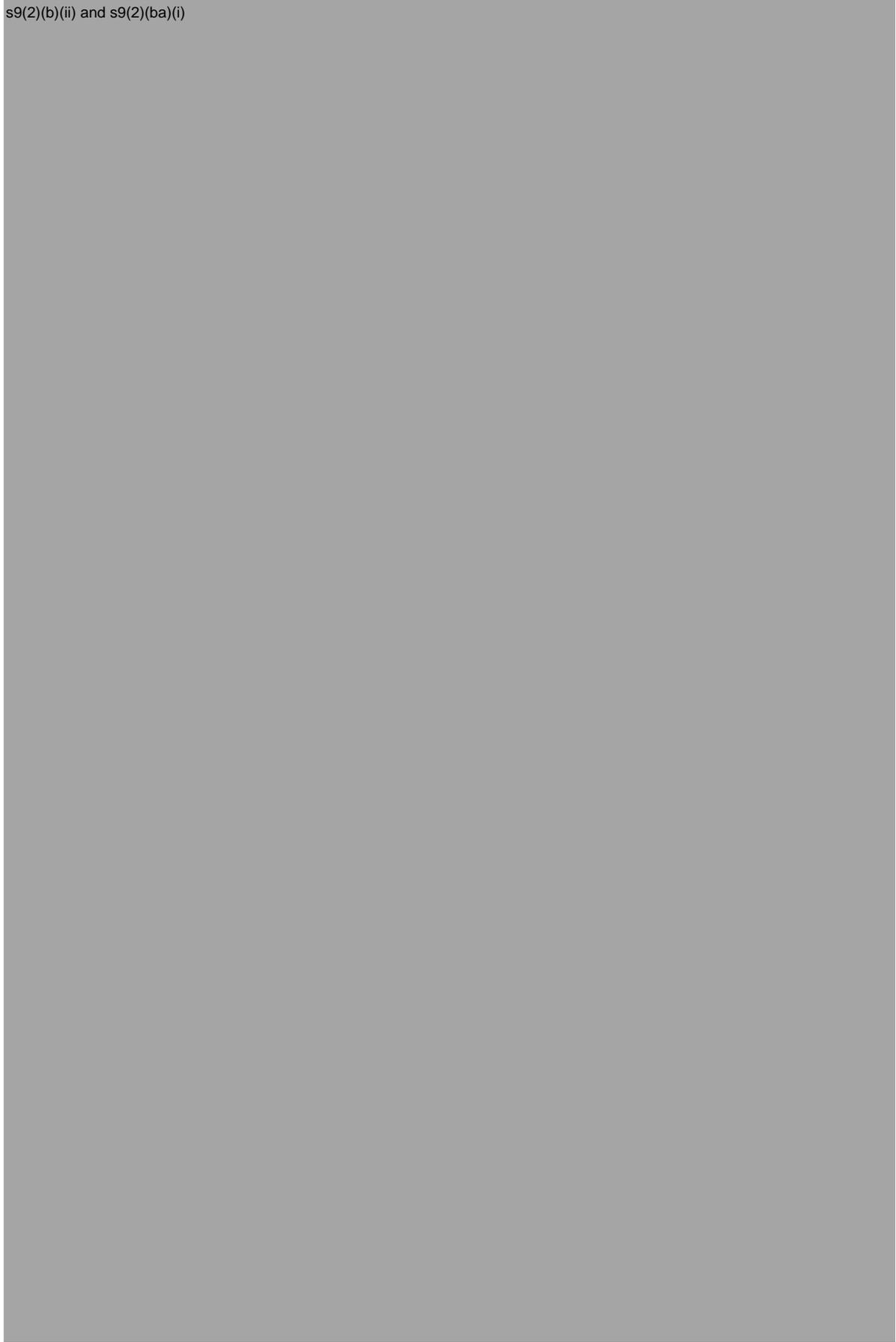
Consideration as an unsolicited unique proposal, and open tender requirements

24. There may be elements of the proposal that appeal and would benefit the project. However, we do not believe that it can be considered exclusively as an 'unsolicited unique proposal' and have confirmed this view with the Ministry of Business, Innovation and Employment (MBIE).
25. The Government Rules of Sourcing emphasise the importance of open competition leading to better outcomes for agencies, suppliers and taxpayers. All contract opportunities must be openly advertised unless a limited range of exemptions apply, such as that for unsolicited unique proposals.
26. MBIE guidelines for the consideration of unsolicited unique proposals state that the services offered must not be readily available in the market place and must represent value for money. The guidelines explicitly state that proposals will not be given further consideration by Government when they are an advanced proposal for a known requirement.
27. The Government has already publicly signalled its intentions for the Auckland Light Rail project. As such, a proposal to finance, construct, operate and maintain the light rail project (a known requirement) cannot be considered an unsolicited unique proposal. It must be tested through a fair open market process.
28. As set out in the Cabinet Paper, we will establish appropriate processes to assess the proposal from NZSF together with other potential proposals, and report back to the Minister of Finance and Minister of Transport.

s9(2)(b)(ii) and s9(2)(ba)(i)



s9(2)(b)(ii) and s9(2)(ba)(i)



s9(2)(b)(ii) and s9(2)(ba)(i)



Recommended Action

We recommend that you:

agree to support key recommendations in the RTN Cabinet paper related to further business case assessment and good procurement practice, namely:

- 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
- that the Treasury and NZTA will 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 provide advice on potential procurement options, including how partnership opportunities can be considered
- that the Treasury, in conjunction with the Ministry of Transport and NZTA, establish a process that can be used to assess all potential proposals and report back to the Minister of Finance and Minister of Transport

Agree/Disagree

note our concerns related to further business case and options analysis, and potential publicity statements in relation to the NZSF proposal.

Noted

You may wish to refer a copy of this paper to the Minister of Transport.



PP

David Taylor
Manager, National Infrastructure Unit

Hon Grant Robertson
Minister of Finance

Appendix

To illustrate the potential opportunities, we note a light rail solution being developed by the China Railway Rolling Stock Corporation (CRRC). This solution, named Autonomous-Rail Rapid Transit (ART), combines a light rail vehicle with road wheels, high passenger capacity and an optical guidance system. Optical guidance systems have been in commercial use in several European cities, for example in Rouen, France, for over 15 years. It is used there principally for hands-free precision docking against station platforms. We understand that the intention is for the ART system to use optical guidance throughout the vehicles' journey, with the potential to travel up to 70 km/h.

The ART system is still in development and will be trialled in China in a city environment commencing this month. It has the potential to offer a ride quality that is as good as, or even better than, the ride quality of conventional light rail. Its major advantage is that it enables the vehicle to run on ordinary roads by following distinctive painted markings (see pictures below), thereby avoiding the cost of building rails and the major disruption this causes to street life and to businesses along the route. It also avoids the high costs should a light rail route require adjusting or expanding in future. However, it would benefit from some investment in smoother and stronger road surfaces.

Other advantages include:

- It avoids the risk of cyclists getting their wheels caught in the rails. In Edinburgh this has already caused at least one fatality (there have been similar, though not fatal, incidents in Wynyard, Auckland)
- A breakdown by a vehicle is not as disruptive, because other following vehicles are able to switch to manual and steer around the broken-down vehicle, or even down another street, and
- Routes can be adjusted without the cost of having to dig up the road and lay new rails
- Greater ability to mix all-stops and express services, as vehicles can overtake each other more easily.

Examples of Other Mass Transit Technologies



Autonomous rail rapid transit vehicles look like light rail.

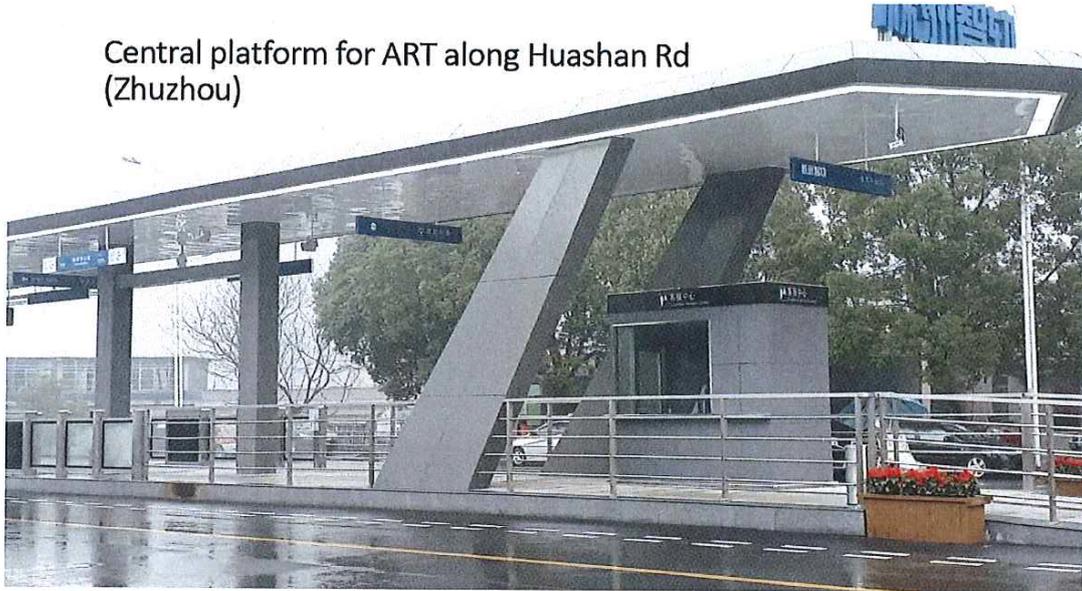


The vehicles have high passenger capacity.



The vehicles do not need to be turned around like buses.

Central platform for ART along Huashan Rd
(Zhuzhou)



The platforms would need to be built...



...but the optical guidance 'tracks' can be built into existing infrastructure at less cost than laying rail tracks.



Reference: T2019/404 SH-17

Date: 18 February 2019

To: Minister for Infrastructure (Hon Shane Jones)

cc: Minister of Finance (Hon Grant Robertson)

Deadline: None
(if any)

Aide Memoire: ITU Advice Auckland Light Rail NZSF Proposal

In April 2018, Treasury provided advice to the Minister of Finance regarding the proposed approach for Auckland's Light Rail in response to a Ministry of Transport's draft Cabinet Paper [T2018/1096 refers].

The advice noted that Ministers had received an unsolicited proposal from the New Zealand Super Fund (NZSF) to undertake the project under a finance, construct, maintain and operate agreement, not dissimilar to a PPP arrangement. The Treasury welcomed (as does the ITU) the consideration of alternative procurement and financing models, but advised against active consideration of a single proposal outside of a competitive procurement process and prior to completion of a detailed business case.

On 2 May 2018, Cabinet agreed that the NZTA in conjunction with the Ministry of Transport and the Treasury jointly establish a process that could be used to assess all potential proposals, and report back to the Minister of Finance and Minister of Transport.

In December 2018, the Ministry of Transport provided initial advice to Minister Twyford on the unsolicited proposal received from a NZSF/Caisse de depot et placement du Quebec (CDPQ) Infra¹ Joint Venture. This advice proposed a number of options for consideration:

- continue the NZTA procurement process, in which NZSF/CDPQ could participate
- consider the NZSF as a potential equity partner for the NZTA only
- negotiate with NZSF/CDPQ on an exclusive basis.

Minister Twyford met with NZSF/CDPQ on 12 December 2018. After the meeting he asked officials to fully assess the proposal by March 2019. We understand that Minister Twyford discussed this with Cabinet in an oral item on 17 December 2018.

¹ A Canadian institutional asset manager Caisse de depot et placement du Quebec (CDPQ). CDPQ Infra is a wholly owned subsidiary of CDPQ.

We are aware that officials visited Canada in January and met with Federal and Provincial Government agencies, with the CDPQ, and with other informed parties to gain an understanding both of what is proposed, and of the partnership performance of the CDPQ Infra. s9(2)(a)

We understand that the outcome of the further assessment and findings from the visit to Canada will be reported to Minister Twyford next week.

The NZSF/CDPQ JV Proposal

As a means of speeding up delivery, the NZTA is preparing detailed specifications for the Light Rail’s route, design, technology and alignment (based on the earlier ATAP work) in order obtain the necessary consents prior to procurement. This means that while NZTA will still seek innovative solutions via its procurement, these will be limited to the bounds of the consents and requirement for public consultation.

The NZSF/CDPQ proposal differs from the NZTA proposal in most respects. It is still at a conceptual stage, s9(2)(b)(ii) and s9(2)(ba)(i)

We understand that the NZTA assessed the NZSF/CDPQ proposal and found that it did not conform to its operating standards and principles or the approach it wished to take (or could take) to a PPP for the Auckland Light Rail Project.² On this basis, the NZTA determined not to proceed.

ITU role

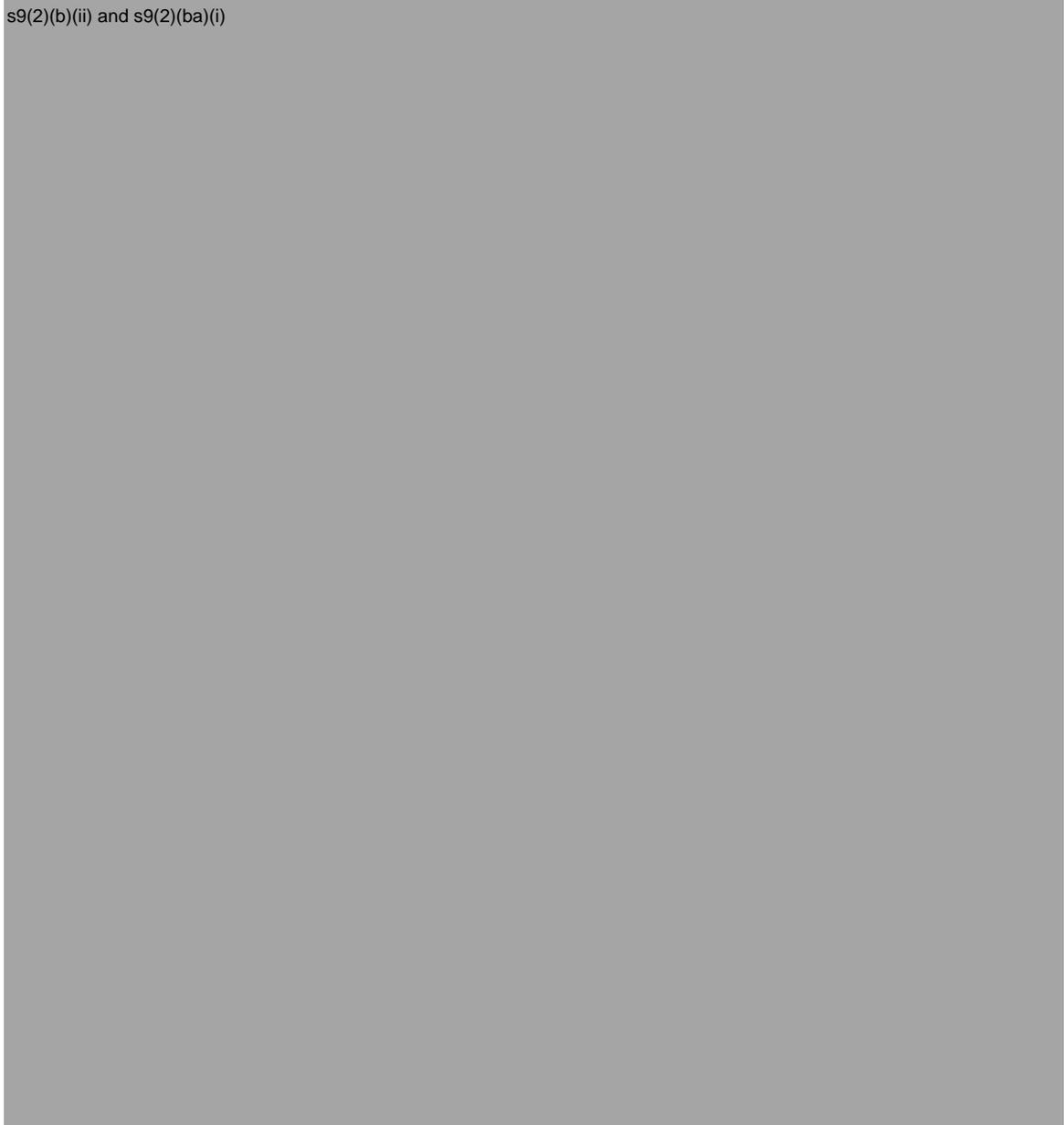
Whilst agreed in October 2018 that the ITU would provide project advisory support for the Auckland Light Rail project, this has so far been limited to involvement in market engagement and the development of the business case as led by the NZTA.

The ITU was not involved in NZTA’s earlier consideration of the NZSF/CDPQ proposal and nor are we involved in any further assessment of the proposal. However, if the ITU was asked to provide advice on the proposal, we would want to consider and seek answers to the following questions:

s9(2)(b)(ii) and s9(2)(ba)(i)

² NZTA assessed the proposal against the Government’s Unsolicited Proposals Guidance, and also undertook a separate assessment of the features of the public-public investment (PPI) model.

s9(2)(b)(ii) and s9(2)(ba)(i)



Adam Wood, Senior Advisor, Infrastructure Transactions, s9(2)(k)
Karen Mitchell, Interim Head of the Infrastructure Transactions Unit, Infrastructure Transactions, s9(2)(k)



Reference: T2019/687

SH-17-4-5

Date: 13 March 2019

To: Minister for Infrastructure (Hon Shane Jones)

cc: Minister of Finance (Hon Grant Robertson)

Deadline: None

Aide Memoire: ITU Updated Advice Auckland Light Rail

This Aide Memoire updates you on our earlier advice regarding the NZ Superfund's (NZ Infra) Proposal for Auckland Light Rail [T2019/404].

The ITU was not involved in NZTA's earlier consideration of the NZ Infra Proposal nor the recent visit to Canada by Ministry of Transport and Treasury officials to further assess the proposal. However, we have now met with NZSF and the NZTA to better understand the Proposal and we have provided input to a Cabinet paper prepared by the Ministry of Transport setting out options for progressing the Auckland Light Rail project.

For the reasons set out below and further in this Aide Memoire, we advise against proceeding with the NZ Infra Proposal and recommend that NZTA undertake a refreshed market process in which NZ Infra would be invited to participate.

s9(2)(b)(ii) and s9(2)(ba)(i)

- The longer term intergenerational spread of costs are also achievable via other forms of financing s9(2)(g)(i) which will be explored via the NZTA process.

- There is no shortage of other investors willing to provide third party capital for the project, many of whom have considerable experience in the bidding and delivery of large scale infrastructure projects. 9(2)(g)(i) and 9(2)(i)
- The Minister of Transport’s preferred process for progressing the NZ Infra Proposal, which is not the preference of Treasury, ITU and the Ministry of Transport, 9(2)(g)(i) and 9(2)(i)

Meeting with NZSF

The ITU met with NZSF on 5 March with the aim of better understanding their “Public Investment” (PPI) model. In addition to its Auckland Light Rail bid, NZSF is promoting the PPI model to a number of other agencies for their infrastructure projects.

s9(2)(ba)(i) and s9(2)(g)(i)

s9(2)(b)(ii) and s9(2)(ba)(i)

s9(2)(ba)(i) and s9(2)(g)(i)

Auckland Light Rail Proposal comparison

The NZ Infra Proposal involves a JV between NZSF and CDPQ¹ to “develop a scheme designed to deliver innovation and value for money”. s9(2)(b)(ii) and s9(2)(ba)(i)

¹ Caisse de Placement de Quebec, a Canadian sovereign wealth fund.

s9(2)(b)(ii) and s9(2)(ba)(i)



s9(2)(b)(ii) and s9(2)(ba)(i)

The Ministry of Transport did seek some high level clarification, however the answers received lacked sufficient detail to improve the analysis.

² Some of the key promises referenced include more technical innovation, faster project delivery, greater ability to transfer project risks (like revenue and relocation of utilities) and better value for money over the life of the project.

Key assumptions which would benefit from further clarification include:

- s9(2)(b)(ii) and s9(2)(ba)(i)
- The extent of risk transfer (in particular patronage, design, consenting and construction risk) anticipated under the NZ Infra Proposal. s9(2)(b)(ii) and s9(2)(ba)(i)
- The anticipated return requirement of the investors. s9(2)(ba)(i) and s9(2)(g)(i)
- The NZ Infra timeline including key planning, design, consenting and construction milestone dates would allow comparison with the NZTA base case.
- The level of debt assumed in the capital structure post-construction. The efficiency of the capital structure will determine the cost of the project to the Government.

Input to Cabinet Paper

Whilst the ITU welcomes the consideration of alternative procurement and financing models for the delivery of major infrastructure projects, we advise against active consideration of a single proposal outside of a competitive procurement process and prior to completion of a detailed business case. Our preference, which is reflected in the Cabinet Paper, and which is consistent with the views of Treasury and the Ministry of Transport, is for NZTA to undertake a refreshed market process in which NZ Infra would be invited to participate. We think that this is the best way for the Government to be confident that it has considered a full suite of proposals.

We believe that there are considerable risks to progressing discussion exclusively with NZ Infra. s9(2)(ba)(i) s9(2)(g)(i) and 9(2)(i)

. The NZTA's market engagement process to date indicates that there is significant interest in the project including from overseas investors and constructors. There appears to be no shortage of investors willing to provide third party capital. s9(2)(ba)(i) s9(2)(g)(i) and 9(2)(i)

Adam Wood, Senior Advisor, Infrastructure Transactions, s9(2)(k)
Karen Mitchell, Interim Head of the Infrastructure Transactions Unit, Infrastructure Transactions, s9(2)(k)

Auckland Light Rail Comparison of Options			
	Current NZTA Business Case – Light Rail	NZ Infra Proposal – Light Metro	Comparison
Mandate	<ul style="list-style-type: none"> Light Rail scheme Unlock and accelerate growth along the corridor Step change in capacity and access Construction ready by October 2020 Substantial prior work and decisions on suitable route, mode and timing (ATAP) NZTA leads the planning, design, procurement and contract management. 	s9(2)(b)(ii) and s9(2)(ba)(i)	
Timeline	<ul style="list-style-type: none"> Legislation required to enable project Enabling works commence mid 2019 Main works commence December 2021 <div style="text-align: center;"> <p>The chart shows a timeline from Feb 19 to Jan 24. Key milestones include: Project Enabling Phase (Feb 19 to Oct 20), Early Works (Apr 20 to Oct 20), Procurement Phase (Oct 20 to Dec 21), Works Commencement - Dec 2021 (marked with a yellow dot), and Works Phase (Dec 21 to Jan 24).</p> </div>		
Design Parameters	<ul style="list-style-type: none"> Light rail in accordance with ATAP 23km in length, 19 stops Twin track – at grade Speeds of 20 to 25km/h Fleet of 33 vehicles Other work; depot, power, utilities, network integration, road changes, bridges, Auckland Airport changes Place-making and urban beautification direct consequence of scheme given at grade <div style="text-align: center;"> <p>A photograph showing a modern, yellow and grey light rail tram stopped at a station platform. Pedestrians are walking on the sidewalk, and the background shows city buildings and trees.</p> </div>		

Auckland Light Rail Comparison of Options			
	Current NZTA Business Case – Light Rail	NZ Infra Proposal – Light Metro	Comparison
		s9(2)(b)(ii) and s9(2)(ba)(i)	
Construction cost	<ul style="list-style-type: none"> \$5.5 billion (Central City to Mangere only) 		
Procurement	<ul style="list-style-type: none"> Approach yet to be determined (PPP, Alliance, Crown funded, in whole or in part) Competitive process given the level of interest 		
Risk transfer	<ul style="list-style-type: none"> If procurement approach selected is PPP – standard risk allocation extending to operations, but likely not including patronage risks If procurement approach selected is Alliance – risk sharing for construction phase. Operational risks retained by Crown/Council 		
Stakeholder view	<ul style="list-style-type: none"> As per ATAP 		
Ownership	<ul style="list-style-type: none"> Government or Council would own assets 		
Cost of Operations	<ul style="list-style-type: none"> Operation of light rail requires drivers \$2.5 billion (real, 2018) lifecycle costs over a 40 year concession 		
Maintenance Costs	<ul style="list-style-type: none"> \$1.0 billion (real, 2018) lifecycle costs over a 40 year concession 		
Government/Council Payment	<ul style="list-style-type: none"> Based on an availability PPP, payments include compensation for cost of capital as well as amortisation of principal Fixed payments with certainty over the contract period, subject to 		

Auckland Light Rail Comparison of Options			
	Current NZTA Business Case – Light Rail	NZ Infra Proposal – Light Metro	Comparison
See below table for comparison on cost to the Crown	performance metrics	s9(2)(b)(ii) and s9(2)(ba)(i)	
Balance sheet impact	<ul style="list-style-type: none"> Asset, and liability to make availability payments, are on the balance sheet of NZTA or Council It may be possible to structure the arrangement such as to get this off-balance sheet, but no such structure has yet been developed 		

s9(2)(b)(ii) and s9(2)(ba)(i)