



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

29 March 2022

OC220188 / T2022/699 / BRF21/22031286

Hon Michael Wood
Minister of Transport

Action required by:
Wednesday, 30 March 2022

Hon Grant Robertson
Minister of Finance

Hon Dr Megan Woods
Minister of Housing

AUCKLAND LIGHT RAIL - BOARD APPOINTMENTS, FEES, MANA WHENUA REPRESENTATION AND NPS-UD

Purpose

- Seeks your decision on preferred candidates for appointment to priority roles on the Auckland Light Rail (ALR) Board (Section A) as well as a revised fee for this Board (Section B)
- Seeks your decision on an alternative approach to testing how mana whenua are invited to confirm representation at Sponsors level (Section C)
- Updates Ministers on the work that officials are undertaking with Auckland Council in respect of the implementation of the National Policy Statement on Urban Development (NPS-UD) (Section D)

Key points

Section A

- At your direction, the following candidates were interviewed online for each of the below positions on the ALR Board between 21 and 28 March 2022:
 - **Chair:** s 9(2)(a)
 - **Member (with focussed consideration given to their credibility within mana whenua circles):** s 9(2)(a), Lucy Tūkua, s 9(2)(a)

¹ s 9(2)(a) was approached but declined the role due to her capacity.

- Following these interviews, we (the Ministry of Transport, the Treasury, and Ministry for Housing and Urban Development) – in consultation with our supporting panellists – recommend you agree to the following appointments:

s 9(2)(a), s 9(2)(g)(i)



- In developing this advice, we have explored the option of recommending additional appointments to the two priority positions identified by Ministers. Our preference is to only recommend the two appointments at this stage (in addition to Leigh Auton) as this enables the incoming Chair to consider the needs and direction they want to take the Board, and the individuals that are best suited to achieving that vision.
- Full summaries of all interviews are listed in **Appendix One** of this briefing. **Appendix Two** shows how the three priority appointments map to the draft ALR Board competency matrix.

Section B

- Following Ministerial feedback, a revised fee has been proposed for the ALR Board, which brings this in line with the day rates associated with the City Rail Link Ltd and Kāinga Ora Boards

s 9(2)(f)(iv)

Section D

- The Ministry of Housing and Urban Development, the Treasury and the Ministry of Transport are working with Auckland Council and the ALR Unit to undertake the necessary analysis to understand the implications of the implementation of the NPS-UD as it relates to the ALR Corridor.

Recommendations

We recommend you:

	Minister of Transport	Minister of Finance	Minister of Housing
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SECTION A: BOARD APPOINTMENTS1 **agree** to appoint the following individual as Chair of the Auckland Light Rail Board

s 9(2)(a)	Yes / No	Yes / No	Yes / No
	Yes / No	Yes / No	Yes / No
	Yes / No	Yes / No	Yes / No
	Yes / No	Yes / No	Yes / No
	Yes / No	Yes / No	Yes / No

2 **agree** to appoint the following individual as member of the Auckland Light Rail Board

s 9(2)(a)	Yes / No	Yes / No	Yes / No
	Yes / No	Yes / No	Yes / No
	Yes / No	Yes / No	Yes / No
Lucy Tukua	Yes / No	Yes / No	Yes / No
s 9(2)(a)	Yes / No	Yes / No	Yes / No

3 **agree** for each preferred candidate to be informed about the preferred candidate for the other role, to inform their decision-making on consenting to the appointment

Yes / No	Yes / No	Yes / No
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	Minister of Transport	Minister of Finance	Minister of Housing
4 agree for the Minister of Transport to approve the contents of the Cabinet paper and submit the paper to the Appointment and Honours Committee on behalf of Sponsor Ministers, so that Ministerial consultation can be undertaken as soon as practicable	Yes / No	Yes / No	Yes / No
5 note that due diligence of preferred candidates and ongoing discussions with the Minister for the Public Service about the proposed fee exception will occur in parallel to Ministerial consultation to ensure timings are met	Yes / no	Yes / no	Yes / no

SECTION B: REVISED ALR BOARD FEE EXCEPTION

6 agree to propose the following revised fee for the Auckland Light Rail Board: <ul style="list-style-type: none"> • \$1,960 per day for the Chair; and • \$1,633 per day for members 	Yes / no	Yes / no	Yes / no
7 approve the contents of the letter (Appendix Three) to the Minister for the Public Service, including the document with the supporting rationale	Yes / no	Yes / no	Yes / no
8 authorise the Minister of Transport to consult the Minister for the Public Service on behalf of Government Sponsors for a fee exception for Auckland Light Rail Board members	Yes / no	Yes / no	Yes / no
9 <i>Minister of Transport only</i> sign and send the attached letter at Appendix Three to the Minister for the Public Service	Sent / not sent		

SECTION C: TESTING THE APPROACH TO IDENTIFYING MANA WHENUA REPRESENTATION

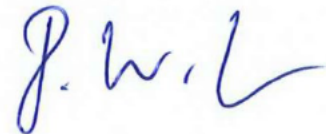
s 9(2)(f)(iv)



	Minister of Transport	Minister of Finance	Minister of Housing
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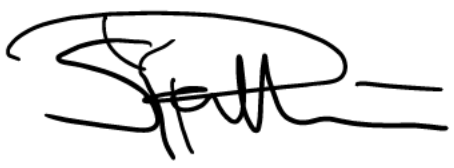
SECTION D: NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT

13	Note the work that officials are undertaking with Auckland Council in respect of the implementation of the NPS-UD	Yes / no	Yes / no	Yes / no
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Gareth Fairweather
Director ALR, Ministry of Transport

David Taylor
Manager, National Infrastructure Unit, the Treasury



Saskia Patton
Manager, Policy and Legislation Design, Ministry of Housing and Urban Development

Hon Michael Wood
Minister of Transport
 / /

Hon Grant Robertson
Minister of Finance
 / /

Hon Dr Megan Woods
Minister of Housing
 / /

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

Comments

Contacts

Name	Telephone	First contact
Bryn Gandy, Acting Secretary for Transport, Ministry of Transport	s 9(2)(a)	✓
Chris Gulik, Auckland Strategic Adviser, Ministry of Transport		
Gareth Fairweather, Director ALR, Ministry of Transport		
Ben Wells, Principal Adviser, the Treasury		
Mary Barton, Senior Advisor, Ministry of Housing and Urban Development		
Jono Reid, Principal Adviser, Governance, Ministry of Transport		

SECTION A: BOARD APPOINTMENTS

Rationale for recommended appointments

The role of the ALR Board is uniquely challenging and requires the highest calibre of leadership

- 1 The competencies and attributes for this role are different from, and more demanding than, other crown delivery entities. The chair will be the public face of the project in local communities and will need to confidently navigate the project's issues in three very different political environments of Central Government, Auckland, and iwi in Tāmaki Makaurau.
- 2 The chair must be capable of fronting issues and challenges in each of these spheres, and will need to be able to demonstrate leadership in all these domains in their own right. Their ability to personally demonstrate accountability for the impacts of the Board's decisions will be necessary to maintain the project's credibility and social license throughout its lifecycle.
- 3 It is important for board members to understand the complexity and scale of the project design and delivery, as well as demonstrate an ability to deliver outcomes in this fast-paced context. The Panel considered the chair must be able to demonstrate an appreciation of the types of financial, technical, commercial or legal issues that could be expected to arise from designing and delivering a project of this nature.
- 4 The Panel also acknowledged the intensive undertaking and pressure on the Board to lead ALR from detailed planning into construction. To deliver the outcomes sought by Sponsors, the successful candidates had to demonstrate astuteness and discernment for when to adapt, respond, or push through opposition from various communities, partners and businesses. The chair in particular will be critical in leading the culture and environment for the Board's decision-making.
- 5 The Panel also recognised the specific depths of understanding and experiences the successful candidates needed to possess in navigating Māoridom in Tāmaki Makaurau. The individuals needed to articulate their understanding and respect for the Te Tiriti partnerships as well as an awareness of the impacts the Project will have for mana whenua and mataawaka. Maintaining the mana of the kaupapa and upholding the tikanga (values) is a critical element for successful leadership of the project. It will be incumbent on all Māori as members, to 'do the right thing'.
- 6 Candidates were assessed on the following competencies, values and attributes during the interview:
 - 6.1 **Their interest in applying for the role, and capacity to take it on.** This was especially important for the Chair's role.
 - 6.2 **Their leadership, vision, and outlook for the Project [Chair only]:** this included how they would communicate the Project to those in Tāmaki Makaurau, and bring people along the journey.
 - 6.3 **Their ability to operate collaboratively.** How Chair candidates worked to obtain consensus was a specific focus during their interviews.

- 6.4 **Their experience in governance of projects of scale and complexity.**
- 6.5 **Their ability and experience in navigating a politicised environment.** This included Auckland Council, Wellington Central Government, and iwi in Tāmaki Makaurau.
- 6.6 **Their depth of understanding of Te ao Māori, Te Tiriti o Waitangi, and engagement with mana whenua and mataawaka in Tāmaki Makaurau [both roles].**

We consider that our recommended candidates bring the requisite leadership, knowledge and experience for the Project, and are best placed to advance the Project

7 Of the candidates interviewed, the Panel unanimously agreed that these values, approaches and attributes were best demonstrated by s 9(2)(a), s 9(2)(g)(i)

8 The Panel recognised that all of the candidates interviewed have impressive skill sets s 9(2)(f)(iv)

9 With respect to the chair candidates strengths were: s 9(2)(a), s 9(2)(g)(i)

10 s 9(2)(a), s 9(2)(f)(iv)

11

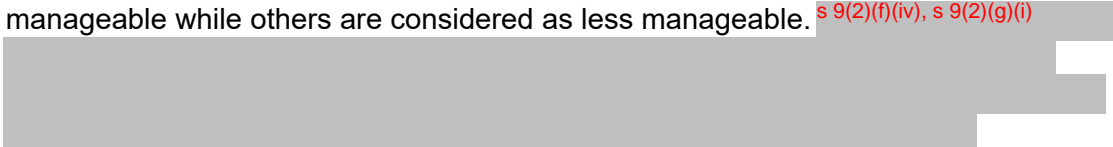
12 The Panel suggests that if Ministers do not support their recommendation to proceed with s 9(2)(a) as chair, additional interviews with the other candidates are conducted to probe their abilities and values and/or further searching for new candidates is undertaken.

s 9(2)(a), s 9(2)(g)(i)



We consider the conflicts of interest relating to both preferred candidates are manageable

16 Given the type of candidates sought for the ALR Board, it was inevitable that some individuals would have conflicts of interest. Some conflicts have been assessed as manageable while others are considered as less manageable. s 9(2)(f)(iv), s 9(2)(g)(i)



17 s 9(2)(a), s 9(2)(g)(i)



18 An assessment of how this conflict, and others for the preferred candidates, are set out below. The identified conflicts are considered to be manageable.

19 In addition to this assessment, formal disclosures of interests will be sought following ministerial direction on preferred candidates.

Page 10 withheld in full.

Next Steps

- 20 Should you agree with our recommendations, we will provide you with the necessary paperwork for Cabinet's Appointment and Honours Committee (APH) to consider these appointments at the APH meeting on 13 April 2022. We intend to provide you with the paperwork this week so that Ministerial consultation can commence as soon as practicable.
- 21 Given the time constraints between now and the expected lodgement date for the APH paper (7 April 2022), we recommend you authorise the Minister of Transport to commence Ministerial consultation of the proposed appointments upon his approval of the paperwork.
- 22 To ensure transparency amongst candidates being put forward, we also recommend you agree to us informing each preferred candidate of the proposed appointments to be taken forward to Cabinet. This ensures the preferred candidates can make an informed decision when consenting to being appointed.
- 23 Ministerial consultation will also need to take place without clarity of the Minister for the Public Service's view on the proposed fee exception, and without complete information from the due diligence of candidates. These pieces of information cannot be obtained before the Cabinet paper is submitted to your office. Completion of these tasks will be undertaken in parallel to Ministerial consultation, with a view that the information will be inputted upon lodgement of the paperwork with Cabinet.
- 24 Should any significant concerns be raised, we will engage with your offices as soon as possible.

SECTION B: REVISED ALR BOARD FEE EXCEPTION**Proposal to ALR Board Fees**

- 25 Sponsor Ministers received advice on a proposed fees exception for ALR Board Members (OC220164 / T2022/620 / BRF21/22031271). The fees proposed were \$2,100 for the chair and \$1,650 for members. Sponsor Ministers did not approve this fee proposal and directed officials to rework the proposal. Sponsor Ministers provided the following feedback.
- 25.1 The fee proposed for the members is appropriate, the fee proposed for the chair was too high and should be brought into line with what chairs at City Rail Link Limited (CRL) and Kāinga Ora.
- 25.2 Sought clarification as to why the chair is the senior responsible officer (SRO).
- 25.3 The time commitments of the chair and the impact of this on the annual rate paid, were both higher than expected.
- 26 Officials considered options for where the role of the SRO was best placed in the organising model and advised Ministers in January (OC220011 / T2022/52).
- 27 The purpose of the SRO is to be ultimately accountable for the delivery of the project and for ensuring the project meets its objectives, delivers the projected outcomes, and realises the required benefits. In the context of the detailed planning phase this would be the delivery of the business case to inform Crown and council decision making, including final investment decisions.
- 28 Ministers agreed that the SRO would be the chair of the board for the following reasons, and that this should be reassessed once the new permanent entity has been stood up.
- 28.1 The chair has the most direct line of accountability between the Project Director and Sponsors. A senior official from a sponsor agency does not have this direct line of accountability as the Project Director does not report to them.
- 28.2 The chair would have the greatest capacity to identify and direct resources as required to ensure project milestones and outcomes are achieved and can do so across the breadth of project outcomes (such as urban development and transport).
- 29 Being both the chair and SRO will place a greater demand on the chair's time. The current chair has indicated a workload of approximately 10 days a month. For the new chair/SRO role we have factored in up to 20 days per month across the first 12 months. This is a high estimate and ensures budget is available to meet the demands of the role.
- 30 It is common for establishment boards to receive a slightly higher overall fee as there is more work involved at the start. The expectation is that the workload of the ALR Board Chair will drop once the new permanent entity is stood up, to be more inline with the typical allocation of 50 working days for a Crown Board under the Cabinet Fees Framework.

- 31 The higher workload of the ALR Board Chair is what makes the annual rate considerably greater than CRL and Kāinga Ora counterparts. The annual fee of these chairs has been calculated off an assumed 50 day workload.
- 32 Acknowledging there remains a strong case for a fee exception for the ALR Board Members, and taking into account the feedback from Sponsors Ministers, we propose a reworked fee of \$1960 for the ALR chair and \$1633 for ALR members. This brings the ALR fees in line with the day rates of those for CRL and Kāinga Ora.
- 33 Should you agree to this fee proposal, you will need to agree to send the letter attached at **Appendix Three** to the Minister for the Public Service, seeking agreement to this proposal. We expect the proposed fee will be referred to the Appointment and Honours Committee alongside the recommendations on preferred candidates to take on the priority ALR Board roles.
- 34 Given current timings, it is likely the fee exception will not be included in the APH paper for ministerial consultation, due to begin on 4 April.


Section C withheld in full.

SECTION D: NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT

Update on National Policy Statement on Urban Development

- 58 The Resource Management (Enabling Housing Supply and Other Matters) Amendment Act (the Amendment Act) was passed into law on 21 December 2021 and amended the Resource Management Act 1991 (RMA) by bringing forward and strengthening the National Policy Statement on Urban Development (NPS-UD).
- 59 Under the NPS-UD as a Tier 1 council Auckland Council must use the intensification specified streamlined process (ISPP) to implement the NPS-UD intensification policies and the Medium Density Residential Standards with notification of a plan change to the Auckland Unitary Plan by August 2022.
- 60 Auckland Council has advised that it is intending to undertake early consultation on aspects of the draft of the plan change in April 2022. The ALR project does not fall within the definition of a “planned Rapid Transit Service” under the NPS-UD as it is still in the early planning stages. The council’s plan change can therefore not incorporate the densities needed to meet aspirations for the project

s 9(2)(f)(iv)



APPENDIX ONE: INTERVIEW SUMMARIES

s 9(2)(a), s 9(2)(g)(i)



Page 20, 21 and 22 withheld in full.


s 9(2)(a), s 9(2)(g)(i)




Lucy Tukua

26 Ms Tukua is an experienced director and leader, who is currently the Technical Director of Regenerative Outcomes – Kaihautū Whakarito at Mott McDonald. She has been heavily involved with driving and advocating for positive change with regards to kaupapa Māori for her whanau, iwi and Tāmaki Makaurau.

27 During the interview, Ms Tukua was able to demonstrate significant experience in both serving as mana whenua and working closely with mana whenua, communities and Treaty Partners to improve outcomes across Tāmaki Makaurau. Her experiences include working to establish governance and operations for mana whenua partnership at Eke Panuku, and leading a number of regeneration projects, chairing mana whenua forums, and working with a wide range of iwi to deliver plans and programmes. s 9(2)(ba)(i), s 9(2)(g)(i)



28 The Panel was impressed with Ms Tukua’s “grassroots” approach to issues and her engaging personality and, considered she would seek constructive solutions to issues raised. s 9(2)(g)(i)



Appendix Two: Auckland Light Rail Competency Matrix with recommended appointments – March 2022

Key:

✓	Understanding/experience	✓✓	Strength in this area	Q	Qualification	#	Number of directors possessing this desired competency
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	Member	Targets	s 9(2)(a), s 9(2)(g)(i)		Leigh Auton	Member	Member	Member	Member
					60+				
					Auckland				
					NZ European				
					Male				
Gender diversity		50%							
<i>Core skills and competencies</i>		# ✓✓		#✓					
governance: significant governance experience (preferably in both the public and private sectors) and will be able to ask the right questions of management, distinguish between governance and management, and understand and perform governance functions		3		3					
strategy and culture: contributes to and drives strategy formulation, direction, implementation and communication		2		3					
te ao Māori: understanding of and respect for the impacts the Treaty of Waitangi has in delivery of key Government priorities and places value on and knows how to incorporate te ao Māori into project design, delivery and decision making		1		3					
legal: understanding of legal frameworks in which a director and the organisation has to operate within		1		5					
<i>Technical skills and competencies</i>		# ✓✓		#✓					
major infrastructure business case development: experience in delivery or oversight of large business cases, alongside an understanding of Treasury business case and gateway review procedures		1 or 2		1					
major infrastructure project oversight, planning, design, delivery and operating: experience in planning, designing, setting up, overseeing, delivering and/or operating major infrastructure projects, particularly those that require new or innovative ways of working. The successful candidate must be able to demonstrate knowledge of the lifecycles of large infrastructure assets, and their ability to respond to population needs over time; as well as low-emissions construction methodologies		1 or 2		1					
Integrated urban development and transport planning: an understanding of how public transport (including mass transit) systems link with the wider urban environment. This includes enabling housing and urban development, unlocking commercial opportunities and better connecting communities		1		1 or 2					
urban design, land use, infrastructure planning: understanding of the value of taking an integrated approach to transport investment, land use change and urban development outcomes. This includes an appreciation of the contribution that increased density, transit oriented development, high quality urban design and placemaking can make alongside infrastructure investment to social, economic and environmental wellbeing as well as to community cohesion		1		1 or 2					
finance, investment and financial assurance: understanding and experience with public funding mechanisms for large projects, investment funding models, and benefits realisation. Proven audit, risk and assurance experience		2		1					
large scale procurement: experience with negotiating and/or procuring large scale contracts		1		1					
consenting and acquisition: deep experience in overseeing consenting processes and land acquisition strategies. A strong understanding of the Resource Management Act 1991, and other legislative levers for enabling urban development and delivering infrastructure projects at scale		1							
commercial acumen: a working knowledge of business operations, and the factors that determine the performance of the company including people, finances, processes, and strategy		4		3					
emissions reduction: knowledge of the system changes that will be necessary for New Zealand to meet its 2050 zero carbon target, including through the transport and/or housing systems, low-emissions construction methodologies, mode shift from private vehicles to other modes, and harnessing of emerging climate-related technologies.				1					

Member	Targets		s 9(2)(a), s 9(2)(g)(i)				Member	Member	Member	Member
<i>Policy and community related competencies</i>	# ✓✓	# ✓								
public sector (local and central government) expertise: a working knowledge of central and local government operations and processes, with political acumen, and a demonstrated history of working to deliver government priorities	2	1								
stakeholder expertise: experience engaging with a range of stakeholders, networking, and managing a multitude of relationships in and out of the sector. This includes co-directors, management, employees, key individuals, and Māori	3									
community leadership: deep experience in working with local communities, particularly those within the City Centre to Māngere urban corridor. An understanding of the various socioeconomic and behavioural effects is desirable.	1									

Appendix Three: ALR Board fee exception letter to the Minister for the Public Service

This letter is released separately.