



MP for Te Atatu

Minister for Economic Development

Minister of Transport

Minister for Urban Development

Barbara Cuthbert
Chair, Bike Auckland

Brett O'Riley
Chief Executive, EMA

Matt Lowrie
Director, Greater Auckland

Bruce Kidd
Co-convenor, Auckland Generation Zero

Mike Noon
GM Motoring Affairs, NZ Automobile Assn

Viv Beck
Chief Executive, Heart of the City

By email: Blrvine@aa.co.nz

Dear all,

Process for selecting the preferred delivery partner for Auckland Light Rail

Thank you for your letter of 17 December 2019 regarding the Process for selecting the preferred delivery partner for the Auckland Light Rail Project.

In particular you express concern that there will not be sufficient engagement with stakeholders and the public before key decisions are made. You would also like to know more about the following related matters:

- The requirements the Government is seeking from the Project, in terms of Outcomes
- The extent to which financing questions have been decoupled from technical questions
- How much consideration was given to other delivery options and approaches
- The extent to which the Project has been considered as part of a network-wide solution, versus in isolation
- How value for money and affordability have been incorporated into the analysis

You have also requested that Project representatives meet with a stakeholder reference group before key decisions are made and for the duration of the Project.

Let me start by reassuring you that there is only one decision being made through this structured process and that is the appointment of the preferred delivery partner. The

Government is not locked into accepting a particular solution, but the Proposal represents the Respondent's recommended approach and is the starting point for negotiations. Stakeholders and communities will be asked for input by the preferred delivery partner before key decisions are made.

The requirements the Government is seeking from the Project, in terms of Outcomes

The Government has previously announced that it wants to invest based on outcomes rather than buying the lowest cost option which can lead to negative consequences. It aims to invest to achieve better public value, by targeting ways to improve cultural, social, economic and environmental outcomes. The ALR outcomes are an example of this approach. A summary of the outcomes is on the Ministry of Transport website and they are as follows:

- **Access and Integration** - Improved access to employment, education and other opportunities through enhancing Auckland's Rapid Transit Network and integration with Auckland's current and future transport network.
- **Environment** - Optimised environmental quality and embedded sustainable practices.
- **Urban and Community** - Enabling of quality integrated urban communities, especially around Māngere, Onehunga and Mt Roskill.
- **Customer Experience** - A high-quality service that is attractive to users, with high levels of patronage.

More detail on these outcomes is published in the confidential RRD (which will be released following the end of the structured process), and they were consulted and agreed upon by a large group of people including the ALR Advisory Group comprising chief executives of Auckland Council, Auckland Transport, Ministry of Housing and Urban Development, Ministry of Education, Treasury, NZTA, State Services Commission and Kiwirail.

The extent to which financing questions have been decoupled from technical questions

Officials advise me that commercial and financial considerations in the Proposals are being considered by a separate team to that considering the technical aspects.

How much consideration was given to other delivery options and approaches

The Response Requirements Document did not specify a particular delivery option or approach. The Respondents were asked to propose an approach that they considered would best deliver on the four key outcomes the Government sought.

The extent to which the Project has been considered as part of a network-wide solution, versus in isolation

This Project is far from being considered in isolation. Access and integration is the most important key outcome. Respondents were asked to consider not just the current public transport network but also to link with other modes and to future proof the rapid transit network by considering where further expansion might be needed in years to come.

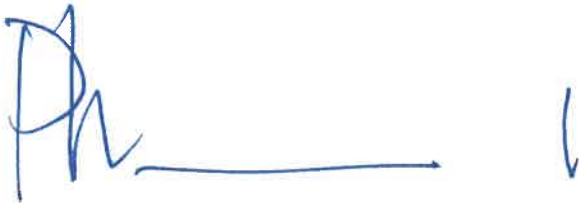
How value for money and affordability have been incorporated into the analysis

The Key Outcomes are integral to delivering public value (including value for money) and securing broader outcomes for Auckland so this is absolutely something the evaluation team are looking at during their evaluation. I'd like to reiterate that this is about best meeting the Outcomes not selecting the lowest cost solution.

The establishment of a stakeholder reference group

I understand you would like to have the opportunity to engage with the Project collectively by forming a stakeholder reference group. I am happy to meet with you, but given the time of year it would need to be in the New Year when parliament is back in session. Please contact my office to arrange a suitable time.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Phil Twyford', followed by a horizontal line and a vertical line.

Hon Phil Twyford
Minister of Transport

Hon. Phil Twyford
Minister of Transport
Parliament Buildings
Wellington

17 December 2019

Dear Minister

Auckland rapid transit programme

We write to you to express our serious concern at the Government's approach to delivering the rapid transit programme in Auckland, which was included in the 2018 ATAP Package agreed between the Government and Auckland Council.

As a group, we have a wide variety of views and priorities when it comes to investment in the Auckland transport network. We are, however, united in the belief that Auckland desperately needs a high-quality rapid transit system, and in our doubt that the current delivery process – in particular, the lack of transparency – will lead to the best outcome for Auckland and New Zealand.

Through the early stages of this project, and particularly since the announcement of an unsolicited bid, the public and different stakeholder groups (advocacy organisations, land owners and business owners alike) have been kept in the dark. No information has been shared on the factors that have guided decision-making, or on the steps that were followed prior to settling on two preferred bidders.

Nor has there been any opportunity for the public to provide feedback and help inform the Government's approach. Assuming there is an opportunity for engagement further ahead, it now appears that it will only come towards the end of the process, after the key decisions have already been made.

All of this is a worrying departure from best-practice business case development, where – from the outset of a project – engagement with the public is recognised as a critical opportunity to incorporate the views of the community, demonstrate the robustness of decision-making, and secure buy-in.

This is a once-in-a-generation project that will impact on lives of all New Zealanders, now and in the future, and the consequences of not getting it right would be enormous.

By shutting the public out, there is a risk that this process will result in a sub-optimal solution that fails to secure broad-based, lasting support or, worse still, is rejected by the public. Our fear is that this could lead to a situation where rapid transit becomes a political 'no-go zone', and subsequent rapid transit projects that are urgently needed are held back or cancelled.

An additional concern is that a non-transparent, irregular process could expose the project to the risk of a judicial review in the future – which, again, would undermine the progress of the rapid transit programme.