

From: [REDACTED]
Sent: Monday, 30 October 2017 3:16 PM
To: 'Raewyn.Bleakley@nzta.govt.nz'
Cc: Helen White
Subject: Auckland East-West Link
Attachments: OC05388_BP05710.doc

SEEMAIL

Hello Raewyn

Following discussion with the Minister on Friday, we have been asked to prepare a briefing on the above. A draft is attached.

I understand that you are the person in NZTA to liaise with over the briefing and the attached letter.

Can you please let me know if you have any comments by 11 am tomorrow (Tuesday). As a small aside, it would be very helpful if NZTA have a short information sheet on the Auckland East-West Link that I can append to the briefing (and would reference in para 3).

Many thanks and kind regards,

[REDACTED]
Contractor
[REDACTED]

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Auckland East-West Motorway Link

Reason for this briefing	To provide you with advice on giving effect to Government priorities for a lower cost, better value Auckland East-West Motorway Link
Action required	Sign the attached letter to the New Zealand Transport Agency Board
Deadline	
Reason for deadline	

Contact for telephone discussion (if required)

Name	Position	Telephone		First contact
		Direct line	After hours	
Helen White	Manager, Investment	[REDACTED]	[REDACTED]	
Bryn Gandy	Deputy Chief Executive Strategy and Investment	[REDACTED]	[REDACTED]	

MINISTER'S COMMENTS:

Withheld under section 9(2)(a) of the Official Information Act 1982

Date:	1 November 2017	Briefing number:	OC05388
Attention:	Hon Phil Twyford Minister of Transport	Security level:	In-confidence

Minister of Transport's office actions

- Noted*
 Seen
 Approved
 Needs change
 Referred to

Withdrawn

Not seen by Minister

Overtaken by events

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Purpose of report

1. This report provides you with information on how the Auckland East-West Motorway Link (East-West Link) project may be reviewed. It attaches a letter to the NZ Transport Agency Board (the Board) seeking its advice on how to achieve the Government's priorities for a lower cost, better value Auckland East-West link.
2. The Government Policy Statement on land transport (GPS) sets out the Government's strategic priorities for land transport investment. It enables the Board to determine how it puts together the National Land Transport Programme (the Programme), funded through the National Land Transport Fund (the Fund). It may be helpful to read this East-West Link report alongside our report on achieving your priorities through the GPS. The separate report explains the GPS mechanism, and the associated funding regime in more depth.

Background

3. The East-West Link is a proposed investment in the National Land Transport Programme 2015-2018, with construction proposed to start in 2018.
4. The East-West Link has been identified as a transport project that the Government would not want to proceed in its current form. The Government is seeking a project that would both cost less and have a higher benefit cost ratio than the current East-West Link proposal.

Giving effect to Government priorities for a lower costs, more cost effective Auckland east-west link

5. You have asked how the Government's intentions for the East-West Link might be given effect.
6. You would be able to achieve the outcome you seek through a letter from you, as the Minister of Transport, to the Board. The letter would invite the Board to identify how it would achieve Government priorities specifically those stated for the East-West Link. This letter would also invite the Board to identify whether it requires any amendments to the GPS to give effect to this advice.
7. The letter may follow a discussion between the Minister and the Board about Government priorities.
8. If the Board identify that the GPS needs to be amended, then, depending on how quickly this change is required, it may involve amending the current GPS 2015 or including provision in a new GPS 2018.
9. At a later point during the development of a new GPS, you may choose to confirm the delivery of Government priorities through the Ministerial expectations in the GPS. In addition, you may consider using the Letter of Expectations issued under the Crown Entities Act 2004).
10. In any of these actions, it is important to ensure that the Board's statutorily independent functions (found in section 95 (2) of the Land Transport Management Act 2003 – the Act) are respected and, as per section 70 of the Act, that the GPS is not used to direct the Board.
11. The effect of these two sections of the Act mean that a GPS cannot be constructed in such a way as to remove the Board's ability to determine which projects proceed or do not proceed under the Programme using funds from the National Land Transport Fund (the Fund). Nor

can other instruments (e.g. Letters of Expectations) be used to direct the NZ Transport Agency Board in the matters that it is statutorily independent.

12. We have considered other options that could be available to you to give effect to the Government's priorities for the East-West Link. For example, we considered recasting the strategic direction and associated funding ranges in the GPS as a first step (that is, before inviting the Board to provide advice), amending legislation to delay and require restructuring of the East-West Link, as well as using actions under the Crown Entities Act 2004.
13. These options are not recommended as you are able to achieve what you seek under the existing framework.

Allocation of savings

14. The Government's transport initiatives identify that \$1.2 billion would be made available from a lower cost, better value East-West Link.
15. Any savings to the Fund from implementing lower cost and/or more cost effective land transport investments become available for other land transport investments and are guided by the GPS. Decisions on the use of Fund savings to fund other projects in the Programme are made by the Board exercising its independent powers. For example, savings may be used to accelerate existing projects in the Programme or to bring new projects into the Programme. Savings may also be used to keep spending within GPS funding bands rather than for specific projects.
16. You could consider inviting the Board to identify what projects would progress if \$1.2 billion were achieved from savings in the Programme and were available for reallocation. However, until a new GPS is issued and the Programme for 2018-2021 is developed, it may be difficult for the Board to undertake this exercise in a meaningful way. You may wish to signal your interest in a further report from the Board on how it has reprioritised projects within the Programme given Government priorities signalled in the new GPS.

Recommendations

17. The recommendations are that you:
 - (a) Invite the NZ Transport Agency Board to advise you on how they would give effect to the Government's priority for a lower cost, better value Auckland East-West link Yes/No
 - (b) Sign the attached letter to Chris Moller, Chair of the NZ Transport Agency Board Yes/No
 - (c) Copy this briefing to the Associate Minister of Transport (Hon Julie Anne Genter Yes/No

MINISTER'S SIGNATURE:

DATE:

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Chris Moller
Chair
New Zealand Transport Agency Board
Private Bag 6995
Wellington 6141

Dear Chris

Government priorities for land transport

The Government has identified a number of areas where it is seeking change in the type of projects and programmes that are given priority for land transport investment. One of the priorities that the Government has identified is the Auckland East-West Motorway Link where it is seeking a lower cost, better value option.

I am therefore writing to you to invite the Board to advise me on how it believes a lower cost, better value Auckland East-West link could be achieved.

I would welcome the Board's advice on this matter, alongside any comments the Board has on adjustments that might need to be made to the Government Policy Statement for land transport (GPS) to enable the Board to put its advice into effect.

I am looking to make decisions on the GPS over the next few weeks. I would appreciate your advice in time for any amendments to the GPS to be considered as part of the GPS development process.

I would also welcome a report from you, once the National Land Transport Programme 2018-2021 has been developed, that identifies how the Board has prioritised and reprioritised projects within the Programme given Government priorities signalled in the new GPS. For my information, I would appreciate this report giving examples of the key projects affected.

Yours sincerely

Hon Phil Twyford
Minister of Transport