

Further advice on implementation of the New Zealand Upgrade Programme

Reason for this briefing	To provide you with an update on the implementation of the transport aspects of the New Zealand Upgrade Programme (NZUP) including advice on further decisions needed.
Action required	<p>Agree to obtain a formal delegation from Cabinet for decision making on the transport aspects of the NZUP and direct officials to develop a Cabinet paper to give effect to this.</p> <p>Agree to the proposed governance approach for the NZUP, similar to the Kaikōura Rebuild Programme.</p> <p>Agree to the proposed approach to retain Crown ownership of the Drury rail stations.</p>
Deadline	As soon as possible.
Reason for deadline	No immediate actions are required but decisions are needed to inform our next steps.

Contact for telephone discussion (if required)

To protect the privacy of individuals

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Helen White	Manager, Investment, Ministry of Transport	██████████	✓
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MINISTER'S COMMENTS:

Date:	1 April 2020	Briefing number:	OC200199 T2020/553
Attention:	Hon Grant Robertson (Minister of Finance) Hon Phil Twyford (Minister of Transport)	Security level:	In-confidence

Minister of Transport's office actions

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|----------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| <input type="checkbox"/> <i>Noted</i> | <input type="checkbox"/> <i>Seen</i> | <input type="checkbox"/> <i>Approved</i> |
| <input type="checkbox"/> <i>Needs change</i> | <input type="checkbox"/> <i>Referred to</i> | |
| <input type="checkbox"/> <i>Withdrawn</i> | <input type="checkbox"/> <i>Not seen by Minister</i> | <input type="checkbox"/> <i>Overtaken by events</i> |

Purpose of report

1. In our previous advice (OC191303 and T2019/4158 refers), the Ministry of Transport (the Ministry) and the Treasury undertook to provide the Minister of Finance and Minister of Transport (Joint Ministers) with further advice on the implementation of the New Zealand Upgrade Programme (NZUP). The purpose of this briefing is to:
 - 1.1. seek your in-principle approval to the decision making process for the NZUP
 - 1.2. seek your approval for the Ministry and the Treasury's proposed approach for governance, oversight and monitoring arrangements of the NZUP which is similar to what was undertaken for the Kaikōura Rebuild Programme
 - 1.3. seek your approval for the Ministry and the Treasury's proposed approach for the Crown to retain ownership of Drury rail stations.

Executive Summary

2. Since the NZUP was announced in January 2020, COVID-19 has had an unexpected and significant impact on the economy, and will continue to do so for the near future. The NZUP can play an important part in New Zealand's economic recovery from COVID-19.
3. The agencies are finalising the Establishment Reports which will factor in any changes to project estimates resulting from the COVID 19 shutdown.
4. In order to ensure we can continue to progress the work on a timely basis and make agile decisions on the timing and procurement of NZUP projects, we are seeking your agreement now in order to begin implementing the proposed approach for decision making and governance of the NZUP as soon as practicable.
5. The NZUP takes a different investment approach to the typical transport project delivery approach used by Waka Kotahi New Zealand Transport Agency (Transport Agency) through the National Land Transport Fund (NLTF). This is because it is directly funded through the Crown. It is also the largest single transport investment that has been made outside of the NLTF.
6. As a result of this, Ministers need a higher level of certainty and assurance over the delivery of the programme than would typically be the case for projects funded through the NLTF.
7. Based on Cabinet guidelines, Cabinet is required to sign off key NZUP project decisions, such as business cases, the procurement strategy and other milestones. We recommend seeking Cabinet approval to delegate decision making rights to Joint Ministers to strike a balance between retaining Ministerial responsibility and direction, and the efficiency of project delivery.
8. The Transport Agency and KiwiRail are concerned that this will slow down the delivery of NZUP projects. However, the Ministry and the Treasury consider it is important for Ministers to retain decision making rights given the nature and size of the programme and the level of risk that sits with the Crown if costs are over-run which we expect is likely.
9. We note that, for projects where business cases are complete or the risk of cost escalation is low, the Joint Ministers could further delegate decision making to the respective transport entity Boards.

10. In line with Ministers' signals for robust and integrated governance at a programme level, we recommend a governance, assurance and monitoring approach similar to the Kaikōura Rebuild Programme. This approach has been successful for that programme as it delivered cost savings and identified efficiencies while avoiding unnecessary delays to the delivery of the projects in the programme.
11. Pending Ministerial direction, we will establish the governance approach and provide a draft Cabinet paper to seek appropriate delegations for decision making on the NZUP projects.
12. We are also identifying opportunities to leverage our proposed NZUP governance and accountability processes to provide similar assurance on other infrastructure projects that might arise as part of the COVID-19 recovery, such as through the Crown Infrastructure Partners process. We will incorporate these elements into our future advice.
13. We previously advised you we would investigate options to retain Crown ownership of the Drury rail stations in the NZUP as the programme was developed on the basis that it includes only capital expenditure.
14. To do this, we recommend funding KiwiRail to build the Drury rail stations and transferring ownership of the rail stations to Auckland Transport (AT) after construction is complete.
15. This will ensure network consistency and integration with the ownership of other stations. As owner, AT can more easily make future strategic decisions around land or stations from an operator and network perspective. This would require KiwiRail to write down the station assets on their balance sheet when the transfer occurs.

The NZUP will be an important fiscal stimulus to respond to COVID-19 impacts

16. Since the NZUP was announced in January 2020, COVID-19 has had an unexpected and significant impact on the economy, and will continue to do so for the near future. As the NZUP was initially designed as a fiscal stimulus package it is important to ensure that the programme is delivered in a way that supports New Zealand's economic recovery from COVID-19.
17. Early indications from the Transport Agency and KiwiRail is that some work on the NZUP projects can already begin (or continue) during the COVID-19 lockdown such as planning and business case development. This will help mitigate some of the delays the Alert Level 4 lockdown is likely to cause to the NZUP.
18. However, the agencies have noted that there will still be delays to NZUP projects during this period as aspects of NZUP projects cannot commence as soon as expected given the lockdown of non-essential services. There is also a risk that the capacity of the construction sector may be constrained during and after the COVID-19 lockdown.
19. The agencies are reflecting these impacts in their Establishment Reports. Joint Ministers had requested the Establishment Reports by 31 March 2020. This has been delayed by several days to allow agencies to factor in any COVID-19 considerations on the delivery and cost of NZUP projects. We will provide the Establishment Reports and accompanying advice as soon as possible and keep you updated on progress through our weekly reports.

The nature of the NZUP differs from the usual land transport investment processes

20. The funding for the NZUP is provided exclusively through the Crown who is entering into a purchasing arrangement with the Transport Agency and KiwiRail to deliver the projects. This

arrangement means that Ministers have a direct responsibility for overseeing the programme on behalf of the Crown.

21. This is similar to the approach that is undertaken by KiwiRail for some rail projects however contrasts with the typical process of funding land transport projects through the National Land Transport Fund (NLTF) where responsibility and accountability of the selection of projects for inclusion in the National Land Transport Programme sits with the Transport Agency Board.

NZUP projects currently require Cabinet approval for ongoing decision making

22. In November 2019, Cabinet authorised the Budget Ministers to take decisions on the final details of the NZUP (that is, the allocation of Crown funding between different portfolio areas), along with decisions on any associated operational funding that may be needed (CAB-MIN-0572 refers). The Budget Ministers then delegated decisions on the allocation of Crown funding for transport projects to Joint Ministers.
23. These delegations only relate to the initial decisions for the projects announced on 29 January 2020. Further Cabinet decisions are required to determine the delegation of ongoing decision making on the NZUP investments, otherwise the following Cabinet Circular CO(19)(6) requirements will apply:
- Cabinet has decision rights on all investment proposals where the investment requires new Crown funding or support
 - agencies must develop all significant investment proposals in accordance with published Treasury business case guidance.
24. In accordance with the requirement above, the Transport Agency and KiwiRail currently need to provide business cases through the Ministry and the Treasury to Cabinet for approval before investment in the NZUP can be progressed and Crown funding released.

The Ministry and the Treasury recommend Cabinet delegates NZUP decisions to the Joint Ministers

25. The table below describes possible options for decision-making in relation to transport investments in the NZUP, with the advantages and disadvantages of each option.

Option	Advantages	Disadvantages
Cabinet retains all decision-making in accordance with Cabinet Circular CO(19)(6)	Cabinet retains full responsibility for Crown investments.	The Cabinet approval process will create delays in project delivery.
Cabinet delegates decisions to the Joint Ministers, with the option of potentially delegating some decisions to the Transport Agency and KiwiRail Boards <i>(The Ministry and the Treasury's preferred option)</i>	Ministerial oversight and responsibility is retained and Ministers have a more direct ability to intervene in projects if required. This option provides a balance between ensuring Ministers retain some control and that projects are delivering the intended outcomes while reducing some additional approval processes.	The process may create delays in project delivery, compared to the usual NLTF approval process.

Decisions are delegated to the Transport Agency and KiwiRail Boards	This would allow project delivery to progress in accordance with the usual NLTF process.	This option does not support Ministers' intention to have a whole of programme approach to monitoring the use of funding, the delivery of projects and the management of risks.
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26. The Ministry and the Treasury recommend Cabinet delegates the decision making for the transport investments in the NZUP to the Joint Ministers. This approach provides a balance between retaining an appropriate level of Ministerial oversight and the timely delivery of transport projects as the decision to approve final business cases would sit directly with the Joint Ministers.
27. If this approach is agreed, officials will develop a draft Cabinet paper to give effect to this.
28. The Joint Ministers could delegate further decisions to the Transport Agency and KiwiRail Boards where it is appropriate for individual projects. This may involve Ministers retaining the decision making on major contractual commitments (e.g., the decision to procure, major cost escalations over budget) while other decisions are delegated to the agencies' respective Boards.
29. Officials will identify where further delegations could be made to the respective transport agency Boards if you agree with this approach. In our advice, we would ensure the implications of holding particular decision making powers, and the costs and benefits of holding those powers, are clear to Ministers.

We recommend a similar governance approach to the Kaikōura Rebuild Programme

30. Joint Ministers have sent clear signals for their desire for a robust governance, monitoring and assurance approach across the delivery of the NZUP. Ministers have also been clear that the oversight arrangements need to be fit-for purpose and designed in a way that support the efficient and effective delivery of the programme and its expected outcomes.

Previous experience demonstrates the benefits of additional assurance arrangements for Crown investments

31. The Ministry has experience in providing assurance over the delivery of complex and large scale projects in the transport sector, often with multiple agencies with a delivery role.
32. The most recent example is the Kaikōura Rebuild Programme. These oversight arrangements enabled officials to identify the risks and issues, including cost savings, and provided robust external assurance across the whole programme for Ministers in their purchaser role. This has been an important element of the programme's success.
33. Given the success of the approach taken with the Kaikōura Rebuild Programme, we recommend Joint Ministers agree to a similar model for the NZUP, involving an Oversight Steering Group, an external independent assurance advisor and Gateway reviews. Further details on this approach are set out in Annex 1.
34. If Joint Ministers agree with this approach, we will provide you with draft letters to the Transport Agency and KiwiRail Board Chairs. The letters will set out the Ministerial expectations to the transport agencies on the proposed approach for governance, monitoring and assurance of the NZUP.

35. There is also work that is currently being undertaken as part of the COVID-19 response across other Government departments and agencies, such as the Crown Infrastructure Partners process. If further transport projects are identified in this work, there may be an opportunity to leverage the governance and accountability processes that are already being set up for the NZUP. We will identify the relevant opportunities in our future advice.

The Ministry has undertaken some preliminary planning to stand up the governance, oversight and monitoring arrangements

36. In anticipation of final decisions by Joint Ministers, the Ministry has undertaken some preliminary planning to establish the governance and oversight arrangements that Joint Ministers ultimately agree on. As you are aware, the Ministry has put forward a late bid for Budget 2020 of \$10.61 million for five years to secure additional resource to put in place the governance, oversight and monitoring arrangements. This has now been approved by the Minister of Finance.
37. Subject to Ministerial direction on the governance arrangements, an establishment team will be formed within the Ministry to put in place the NZUP Oversight Group along with other core processes required to provide integrated advice and support to Ministers.

The transport agencies disagree with the proposed approach for governance of the NZUP and the proposed approach for decision making in this paper

38. The Transport Agency recently presented to Ministers a potential approach to the delivery of governance, oversight and monitoring for the programme. These arrangements are similar to what the transport agencies would usually use in the delivery governance of their individual projects.
39. Officials consider that this approach does not provide a sufficient level of assurance to Joint Ministers because:
- 39.1. it does not take a whole of programme perspective across the agencies
 - 39.2. it creates confusion on the roles and responsibilities within the system, between funder and delivery agency
 - 39.3. it does not enable the Ministry or the Treasury to provide an independent level of assurance over the delivery of the NZUP.
40. The agencies also advise that if key decisions such as procurement, contract award or business case approval are taken by Joint Ministers rather than the agency Boards, it could add six months (or more) to project timeframes. They have advised that this is due to the projects having a large number of milestones. The agencies consider that seeking Joint Ministers' decisions after their Boards have already approved the projects and their business cases will add significant time to achieving project milestones.
41. The Ministry and the Treasury disagrees with this assessment. We are concerned that the agencies have misunderstood what is proposed as many of these decisions would still be retained by the agencies if a delegation is made. However, similar to the Kaikōura Rebuild Programme, there would be a level of oversight on whether these decisions are robust. Officials' also note that both the Transport Agency and KiwiRail were complementary of the Oversight Group arrangement when it was undertaken for the Kaikōura Rebuild programme.

42. Any delay to NZUP projects will depend on the level of delegation that Joint Ministers agree to provide to the Transport Agency and KiwiRail Boards. In making recommendations to Ministers, we would ensure the implications of holding particular decision making powers, and the costs and benefits of holding those powers, are clear to Ministers. We would also ensure that Joint Ministers maintain control and oversight where it is required without unnecessarily delaying the project delivery.

We recommend KiwiRail be funded to build the Drury rail stations and then transfer ownership to Auckland Transport

43. The NZUP was developed on the basis that it includes only capital expenditure. However, any Crown contributions to Auckland Transport's investment in the Drury rail stations, which is the conventional approach to building rail stations in Auckland, would constitute operating expenditure for the purposes of Crown appropriations.
44. The rail stations are a critical component of the Drury work programme and its construction will provide a significant opportunity for urban development in the area.
45. The project consists of two new stations at Drury Central and Drury West and includes new platforms, park and ride facilities and a bus/rail interchange. The estimated cost of the two rail stations is \$247 million however the funding is currently not appropriated and the cost and scope of the stations may be refined in the upcoming Establishment Reports.
46. In the letters to the Transport Agency and KiwiRail Chairs in January 2020, the Joint Ministers directed both parties to work with the Ministry and the Treasury to finalise the delivery mechanism for the two rail stations, and to identify options to progress the projects as capital expenditure.

AT could be funded directly by the Crown to build, own and operate the stations via an operating appropriation

47. The conventional approach for building rail stations in Auckland is for Auckland Transport (AT) to build, operate and own the rail stations. This is because it provides favourable outcomes for:
- 47.1. network consistency and integration – AT is the Auckland passenger rail operator and the owner of all the other stations in the Auckland metropolitan area
 - 47.2. long-term incentives and efficient decision making – AT retaining ownership of the stations aligns the financial and operating incentives for the assets and enables efficient decision making on future work that may be needed for the stations.
48. Officials' prefer this approach as it would achieve the best operating outcomes for the development of the Drury area over the longer term.
49. However, we note that this would involve the Crown directly funding AT through an operating appropriation to build and assume operation of the Drury rail stations. If Joint Ministers do not want to pursue this option, the next best alternative is discussed below.

If Joint Ministers prefer not to directly fund AT, we recommend KiwiRail be funded to build the stations and for the ownership to be transferred to AT after construction is complete

50. Both agencies consider that it will be critical to involve AT in the planning and build process given their significant role in operating the network in Auckland. Officials also note that the Transport Agency have an ongoing role in supporting decisions in the planning, procurement and construction of the stations as part of their Supporting Growth Alliance with AT.¹ This could be achieved through:

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and Treasury

¹ The Supporting Growth Alliance is a collaboration between the Transport Agency and AT to investigate and plan the transport network and support Auckland's urban growth over the next 30 years.

Option	Description	Ministry and Treasury advice
The Crown directly funds AT to build, own and operate the stations via an operating appropriation <i>(Officials' preferred option)</i>	AT is funded directly by the Crown to build, own and operate the stations.	This provides the best operating outcomes for the development of the Drury area over the longer term. If Joint Ministers do not want to pursue this option, the next best alternative that is recommended by officials is for KiwiRail to be funded to build the stations.
The Crown funds KiwiRail to build the stations and KiwiRail transfers it to AT after construction is complete <i>(Officials' second preferred option)</i>	KiwiRail owns the stations during construction and then transfers ownership of the land (where appropriate) and rail stations to AT after construction is complete, for no cost. ²	This option provides the strongest network consistency and integration outcome for ownership of stations. As owner, AT can more easily make strategic decisions around land or stations from an operator and network viewpoint. This would require KiwiRail to write down the station assets on the balance sheet when the transfer occurs. The accounting impacts on the Crown are described in paragraph 47.
The Crown funds KiwiRail to build the stations and KiwiRail leases the stations to AT after construction is complete. <i>(KiwiRail's preferred option)</i>	AT enters into a leasing arrangement with KiwiRail for the land (where appropriate) and stations at a peppercorn rental which transfers the maintenance and operational responsibilities to AT.	This ownership outcome is different from the network arrangements where stations are owned and operated by AT. Fragmented ownership across the network will be sub-optimal. Even though AT will be best placed to make decisions from an operator and network viewpoint, any future decisions on land and stations would require KiwiRail decisions and agreement as owner.
The Crown funds the Transport Agency to plan, design and consent the stations and the funding arrangements and construction phase is decided later <i>(the Transport Agency's preferred option)</i>	The Transport Agency is directly funded to build the stations however the roles responsibilities and funding arrangements for the construction phase of the project under this arrangement would remain unclear and would be decided later.	Officials do not agree with this approach because: <ul style="list-style-type: none"> given the scale of the project, it is critical to ensure that there is a single agency that is responsible and accountable for the delivery of the project from the start of the process KiwiRail are better placed for this role as it can ensure that there is an alignment of design, construction and cost management with AT the Supporting Growth Alliance is more critical for achieving expected outcomes for the project (rather than the Transport Agency itself) as the location of the stations will need to be integrated with existing plans to develop the Drury area.

51. If Ministers are not willing to consider funding AT directly, we recommend that KiwiRail initially own the stations and to then transfer the ownership to AT after construction is complete. This would be consistent with the existing operating model for the Auckland rail network.
52. Officials note that KiwiRail prefers to retain ownership of the rail stations as the transfer of the stations to AT would involve an asset write down. The Ministry and the Treasury note that since KiwiRail is a State Owned Entity, Ministers cannot direct a particular ownership

² Officials have assumed that KiwiRail selling the stations to AT is not an option under the direction of the NZUP package and is unlikely to be accepted by AT

outcome for the stations. This means that the transfer of the stations to AT would need to be included as a condition for receiving the Crown funding.

53. If Ministers agree with this approach, officials will draft a letter from the Minister of Transport to the Transport Agency and KiwiRail Boards setting out Ministerial expectations on the ownership outcomes for the project.

Summary of Appropriation and fiscal impacts of options

54. The table below summarises the impacts on the Crown’s operating balance before gains and losses (OBEGAL) and the type of appropriation required to fund the stations under each of the ownership outcomes:

	Directly fund AT	KiwiRail funded to build then transferred to AT	KiwiRail funded to build then leased to AT	Transport Agency funded to plan
OBEGAL impact of ownership outcome	Decrease	Decrease <i>(but involves a KiwiRail asset write-down)</i>	None	None
Appropriation required for government funding	Operating expenditure	Capital expenditure	Capital expenditure	Capital expenditure

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Next steps

55. If you agree to the proposed approach for governance, monitoring and assurance of the NZUP, the Ministry and the Treasury will continue to work together with the Transport Agency and KiwiRail to progress next steps, which are to:
 - 55.1. implement the proposed governance and monitoring approach with the agencies
 - 55.2. secure the required resources to establish the NZUP Oversight Group and to set up the governance, monitoring and assurance approach for the programme.
56. Officials will also prepare letters to the transport Agency and KiwiRail Boards that set out the Ministerial expectations to the transport agencies on the proposed approach for governance, monitoring and assurance of the NZUP.
57. If you agree to the recommended approach for decision making, we will prepare a draft paper that requests Cabinet to delegate the decision rights on the transport projects in the NZUP to the Joint Ministers.
58. The Transport Agency and KiwiRail were due to provide you with Establishment Reports on 31 March 2020 to describe how they will deliver the respective projects they are responsible for in the NZUP. These reports will now be delayed by several days to provide information of the impact of COVID-19 on project cost and delivery timelines.
59. The Ministry and the Treasury will provide the Joint Ministers with further advice on whether further delegations should be made to the Transport Agency and KiwiRail Boards for individual projects in the NZUP after the Establishment Reports are received.
60. If you agree to the recommendation for KiwiRail to be funded to deliver the Drury stations and to then transfer the stations to AT, officials will:
 - 60.1. work together with the Transport Agency and KiwiRail to reflect this in the Establishment Reports
 - 60.2. draft a letter from the Minister of Transport to the Transport Agency and KiwiRail Boards setting out Ministerial expectations and ownership outcomes for the stations.

Recommendations

61. The recommendations are that you:

Decision making arrangements in the programme

- (a) **note** that the investment decisions for projects in the New Zealand Upgrade Programme (NZUP) requires Cabinet approval under the existing arrangements
- (b) **note** that officials will provide further advice where further delegations could be made to the Transport Agency and KiwiRail Boards for individual NZUP projects
- (c) **request** for Ministry of Transport (the Ministry) and Treasury officials to prepare a draft paper to Cabinet to delegate decisions to the Minister of Finance and Minister of Transport for NZUP transport projects Yes/No

Governance, oversight and monitoring of the programme

- (d) **note** that Ministers have directed that a greater level of oversight and assurance is required over the delivery of the projects within the NZUP package
- (e) **agree** to progress the Ministry and Treasury's proposed governance, monitoring and oversight approach for the NZUP Yes/No
- (f) **agree** for the Ministry and Treasury to prepare draft letters to the Chairs of the Transport Agency and KiwiRail Boards that sets out the Ministerial expectations under the proposed approach Yes/No

Options to retain Crown ownership of the Drury rail stations

- (g) **note** that officials recommend directly funding Auckland Transport via an operating appropriation to build, own and operate the Drury rail station as this will achieve the best operating outcome for the Drury area

- (h) **note** that if the Minister of Finance and the Minister of Transport do not want to directly fund Auckland Transport, the next best alternative is for KiwiRail to be funded for, and be responsible for delivering the Drury stations
- (i) **agree** that as a condition of delivering the Drury stations, KiwiRail will either;
- i. lease the operation and maintenance of the Drury rail stations to Auckland Transport after construction is complete Yes/No
- OR**
- ii. transfer the ownership of the Drury rail stations to Auckland Transport after construction is complete Yes/No
- (j) **note** officials will prepare draft letters to the Transport Agency and KiwiRail Boards that set out the Ministerial expectations and clarify ownership outcomes for the Drury rail stations

Helen White
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MINISTERS' SIGNATURES:

Hon Phil Twyford
Minister of Transport

Hon Grant Robertson
Minister of Finance

DATE

DATE:

Annex One: Recommended governance, oversight and monitoring approach

Ministry and Treasury advice	
A NZUP Oversight Steering Group	<p>The purpose of the Oversight Group is to provide general assurance and would:</p> <ul style="list-style-type: none"> • monitor and advise the Joint Ministers on overall delivery, expenditure and risk across the programme • ensure projects and the programme is delivering on the intended outcomes the Joint Ministers are seeking • commission any external assurance that may be required either across the programme as a whole or on individual projects where concerns arise • receive any notifications where Gateway reviews identify concerns or risks that need to be actively managed.
	<p>The Oversight Group would be led by the Ministry, and include the Treasury as well as Transport Agency and KiwiRail representatives, and an external expert with infrastructure and investment experience. We would communicate with officials from the New Zealand Infrastructure Commission in their role in the programme. It is proposed that the Oversight Group would be chaired by an external expert with deep infrastructure engineering and investment management experience</p>
	<p>The Oversight Group would have the ability to seek more assurance, advise Joint Ministers on risks and concerns, and provide advice on approval and the release of funding</p>
	<p>The Oversight Group would identify projects that are of high risk or of interest to the Joint Ministers and tailor a more targeted level of oversight and assurance for these projects</p>
Appointment of an external independent assurance advisor	<p>The role of the external advisor is to report to the Oversight Group. The focus of this role is not to directly manage projects but to provide advice on general risk assurance and delivery issues in order to support the governance conversations on both the portfolio (i.e. all projects) and specific high risk projects or projects of high interest that have been identified by the NZUP Oversight Group.</p>
A requirement to ensure Gateway is consistently applied	<p>All projects will need to go through a Risk Profile Assessment that will determine what projects need to be Gateway reviewed. Gateway would also be applied to the overall programme and the Ministry's role in the programme as a whole</p>

We consider the benefits of the proposed approach are that it:

- provides a single, external and integrated view of progress and risks across the delivery of the programme, including over the governance and assurance arrangements the transport agencies already have in place
- supports the effective co-ordination of agencies involved in the delivery of the programme
- enables the Ministry, with the support of external experts, to provide independent advice on the delivery of the NZUP as a whole
- enables the Ministry, with support from the Treasury, to perform our assurance and oversight role without duplicating the delivery role or governance arrangements of the transport agencies.