

Waka Kotahi NZ Transport Agency Board Minutes	
Date & time	19 March 2020, 9.00am – 3.00pm
Location	Waka Kotahi NZ Transport Agency Boardroom, Level 2, 50 Victoria Street, Wellington
Board members in attendance	Sir Brian Roche (Chair), David Smol, Catherine Taylor, Ken Rintoul, Cassandra Crowley, Patrick Reynolds, Victoria Carter (by video)
NZTA staff in attendance	Nicole Rosie (Chief Executive) Robyn Fisher (Director Office of the Chief Executive) Brigit Stephenson (Lead Advisor) Howard Cattermole (Chief Financial Officer) Nick Woodward (Acting General Manager Corporate Support) Chris Lokum (General Manager People) Kane Patena (General Manager Regulatory Services) Greg Lazzaro (General Manager Safety, Health & Environment) Brett Gliddon (General Manager Transport Services) Andrew Thackwray (Senior Manager, Project Delivery) Simon Penlington (General Counsel, Litigation) Mark Ratcliffe (Contractor) Anna Moodie (Group General Counsel & Board Secretary)
External attendees	Hon Julie Anne Genter (Associate Minister of Transport), PWC
Apologies	None

Introduction and governance matters

1. Apologies

There were no apologies.

2. Minutes & Actions

Draft Minutes

Resolutions	The Board confirmed the draft minutes of the 24 February 2020 meeting as a true and accurate record of that meeting.
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Actions Arising

The current actions list was noted.

3. Interests Register

Board member Cassandra Crowley requested the following additional interest changes be noted in the register:

- Remove interest in One Love Limited - ceased effective 1 March

- Remove interest in Wild for Taranaki - cease effective 27 March
- Add Aratu Limited, Director - effective from 20 March

Resolutions	The Board noted the Interests Register.
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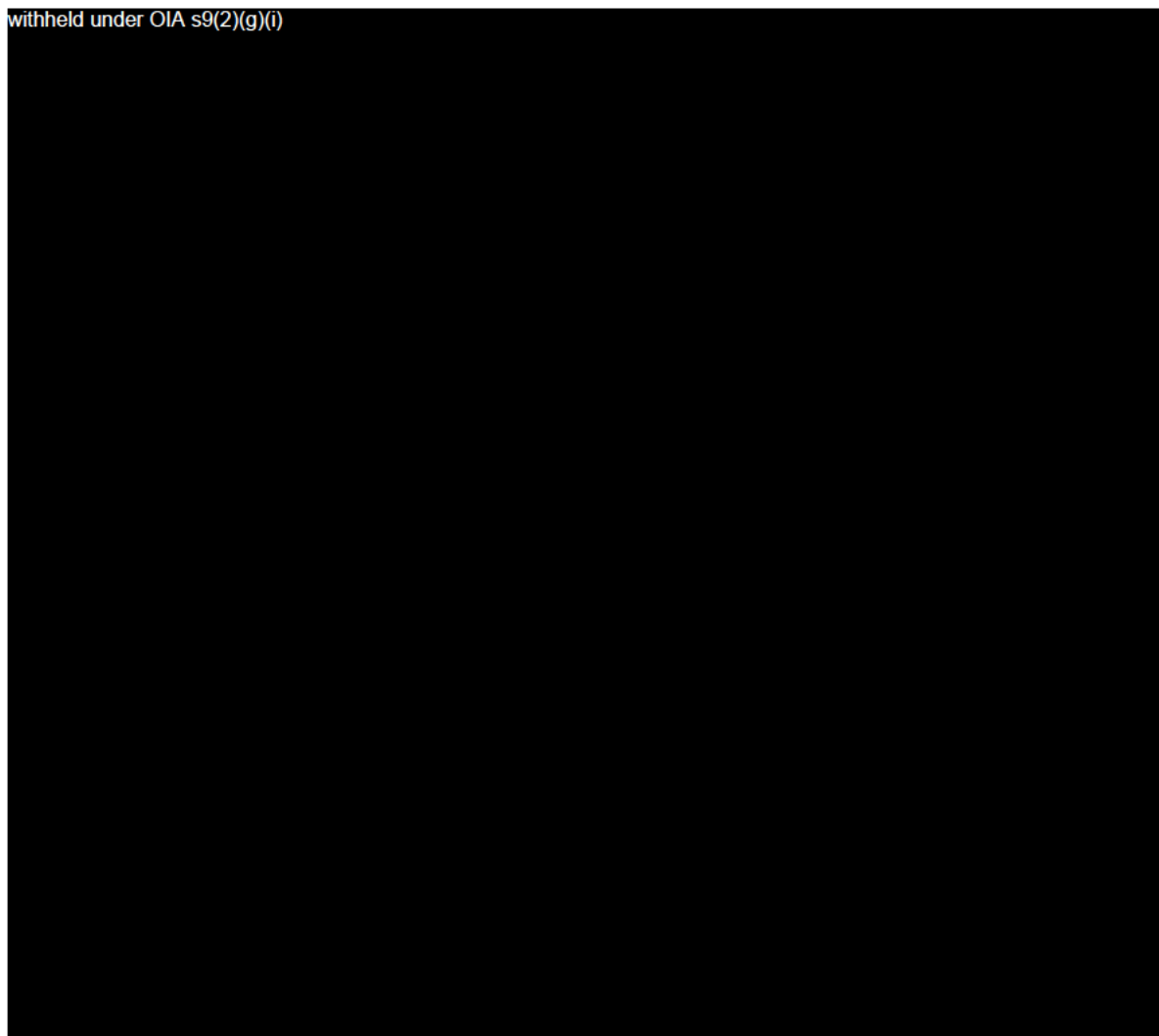
4. Board and Chief Executive Only Session

A Board and Chief Executive only session was not held.

Strategy & Performance

5. CE Report

withheld under OIA s9(2)(g)(i)



Resolutions	The Board noted the Chief Executive’s report including the COVID-19 Update.
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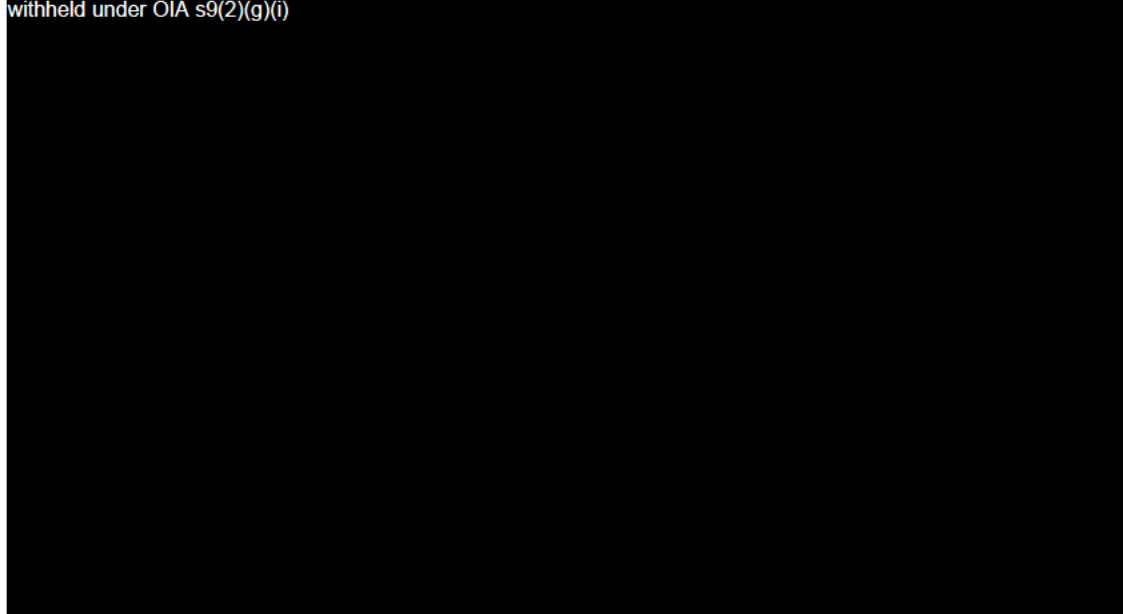
6. Board Consultation on Draft GPS

The Director, Office of the Chief Executive, Lead Advisor and Chief Financial Officer

Joined the meeting. The Director, Office of the Chief Executive introduced the paper, noting the development of the GPS had been led by the Ministry of Transport and is now out for public consultation.

The Board discussed the potential matters that it would provide feedback on to the Ministry of Transport, including:

withheld under OIA s9(2)(g)(i)



The Ministry of Transport will be attending the April Board meeting.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Noted that the draft GPS 2021 had been released for public engagement; • Provided feedback on key issues and risks arising from the draft GPS, and options for managing these risks, ahead of the formal Board consultation with the Ministry of Transport planned for the April Board meeting; • Considered what form its formal submission on the draft GPS 2021 should take; and • Noted that the proposed investment prioritisation approach will be brought to the Board for approval at the April meeting as a draft for sector consultation.
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Actions	Advice on whether Waka Kotahi can use money collected from roads for rail and coastal shipping.
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The Director Office of the Chief Executive and Lead Advisor left the meeting.

7. SPE 2020/21 Considerations

The Acting General Manager Corporate Support joined the meeting and introduced the paper noting the intention was to maintain the status quo approach for SPE measures this year, with some simplification. Over the next 12 months, a more fundamental

bottom-up review of the SPE measures will be undertaken to simplify the approach and align the measures to Waka Kotahi's strategy and what success looks like.

Resolutions	The Board noted the contents of the paper and proposed approach to developing the 2020/21 SPE and considering revisions to the 2018-22 SOI.
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The Acting General Manager Corporate Support and Chief Financial Officer left the meeting.

8. Associate Minister of Transport

The Associate Minister of Transport, Julie Anne Genter, joined the meeting and was welcomed by the Chair. The Deputy General Manager Engagement and Partnerships also joined the meeting.

The Associate Minister discussed her vision for transport in New Zealand, including designing a transport system that moves people and goods efficiently, effectively and affordably. She discussed research that showed adding more roading lanes resulted in more trips, rather than less congestion. She encouraged Waka Kotahi to focus on the movement of people, rather than vehicles, and consider urban development in any transport planning.

Resolutions	The Board noted the Associate Minister's comments and feedback.
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The Associate Minister left the meeting.

People & Regulatory

9. People & Culture Committee Report Back

The General Manager, People joined the meeting.

withheld under OIA s9(2)(g)(i)

Resolutions	The Board: Annual Remuneration Review withheld under OIA s9(2)(g)(i)
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	<p>withheld under OIA s9(2)(g)(i)</p> <p>Culture Update</p> <p>withheld under OIA s9(2)(g)(i)</p> <p>Other</p> <ul style="list-style-type: none"> • Noted the paper titled “March 2020 People Update”.
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The General Manager, People left the meeting.

10. Regulatory Committee Report back

The General Manager, Regulatory Services joined the meeting.

The Regulatory Committee Chair introduced the paper, providing an overview of the Regulatory Committee meeting. She noted the improvements made to the Regulatory Strategy, which would come to the Board for approval. While the strategy was still primarily compliance-focused, over time this would need to be broadened.

The fees and funding review will be taken to the Risk and Assurance Committee. PWC has undertaken an independent quality assurance process. In light of COVID-19, it is likely that any change in approach may be some time away.

Resolutions	<p>The Board:</p> <p>Regulatory Services Update</p> <ul style="list-style-type: none"> • Noted the paper titled “Regulatory Services Update”. <p>Regulatory Strategy & Fees & Funding Workshop</p> <ul style="list-style-type: none"> • Noted the “Regulatory Strategy 2020-2025” and the “Funding and Fees Workshop Materials”.
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The General Manager, Regulatory Services left the meeting.

Safety, Health & Environment

11. Safety, Health & Environment Update

The General Manager Safety Health & Environment joined the meeting and introduced the paper.

withheld under OIA s9(2)(g)(i)

The Board noted their concern in the lack of appetite for legislative change to prevent the importation of cars with poor safety ratings. The Board agreed this should be raised with the Chief Executive of the Ministry of Transport when he attends the April Board meeting.

Resolutions	The Board noted the contents of the paper.
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Actions	<p>Provide the Board with a list of the top 10% of roads that are a priority for speed review.</p> <p>Provide the Board with a view on what levers can be used to reduce the number of low safety-rated cars entering New Zealand.</p> <p>Provide the Board with a view on what action should be taken in relation to Carden Shaft Brakes.</p>
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The General Manager Safety Health & Environment left the meeting.

Financial

12. Financial Performance & NLTF Summary

The Acting General Manager Corporate Support and the Chief Financial Officer joined the meeting and introduced the paper.

The Board discussed the potential impact of COVID 19 on revenue forecasts, and noted the challenge in forecasting due to a great deal of uncertainty. The potential liability from contractual claims was also noted. Waka Kotahi may also need to play a role in the broader fiscal stimulus that will be needed as a consequence of COVID 19.

The Board noted Waka Kotahi would likely have revenue and cost issues to manage, and the Board should write to the Minister noting the likely cashflow issues. In the interim, Waka Kotahi should continue to be prudent with spending, but not stop core business.

Resolutions	The Board noted the Financial performance summary for the Transport Agency and National Land Transport Fund for the seven months ended 31 January 2020.
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Actions	Write to the Minister noting the revenue challenges.
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13. SuperGold Card Scheme Funding Shortfall

The Chief Financial Officer introduced the paper.

The Board discussed that the proposal was consistent with the GPS, and that the full \$8m may not be needed in light of COVID-19.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Approved up to \$8 million from the Public Transport Activity Class to address the forecast shortfall in funding in the existing SuperGold allocation across the remainder of the 2018-21 NLTP. • Noted that the Ministry of Transport will commence and is proposing to complete a review of the SuperGold Concession Scheme in 2020 with support from the Transport Agency.
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The Acting General Manager Corporate Support and the Chief Financial Officer left the meeting.

Investment

14. (Item deferred to April meeting)

15. Transport Services Update

The General Manager Transport Services introduced the paper, providing an overview of the key points in the paper.

Resolutions	The Board noted the contents of the paper.
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16. SH4 Reinstatement Indicative Business Case

The General Manager Transport Services introduced the paper. The proposal is to implement a permanent solution for SH4, to replace the temporary road that was put in place following a significant slip. The contractor for the project is the same contractor for the Mt Messenger Alliance, which allows them to undertake work while Waka Kotahi awaits approvals for Mt Messenger.

The Board inquired as to Management’s confidence in the cost estimate, and the de-watering approach.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Approved the recommended permanent remediation of State Highway 4 at Te Oreore, as outlined in the Indicative Business Case, which will create a permanent
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	<p>solution to replace the current temporary road, reconnect the communities of Whanganui and Raetihi and ensure this important link is resilient.</p> <ul style="list-style-type: none"> • Approves implementation funding to deliver a permanent solution at the Te Oreore slip from the State Highway Maintenance Activity Class, at a Funding Assistance Rate of 100%, of \$14.4million (P50) to \$18.7M (P95). • Noted that the recommended option has a BCR of 1.0, based on the P50 cost of \$14.4million. If the costs reach the P95 cost of \$18.7million, the calculated BCR would be 0.4.
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17. Tolling Policy & Criteria

The General Manager Transport Services introduced the paper, noting the existing policy had been in place for some time, and it needed to be updated to reflect the changing environment. The policy includes a three step process for assessing projects for tolling.

The Board discussed the limitations within the legislation to consider traffic demand management and mode shift when assessing the appropriateness of tolling and suggested this was raised with the Ministry of Transport. However, the Board noted the policy was a pragmatic approach within the current framework.

Resolutions	The Board approved the updated tolling assessment criteria and policy, noting that the updated policy and assessment criteria will be placed on the Transport Agency’s external website.
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18. Tolling Recommendation Puhoi to Warkworth and Manawatu Tararua Highway

The General Manager Transport Services introduced the paper, noting the new policy has been applied when making the recommendation.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Agreed to recommend to the Minister of Transport that Ara Tūhono Pūhoi to Warkworth to be tolled. • Approved the decision not to recommend Te Ahu a Turanga: Manawatū Tararua Highway for tolling to the Minister of Transport.
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19. Innovating Streets Programme Contestable Fund

The General Manager Transport Services introduced the paper, noting the proposal was about generating greater uptake by councils. The expectation is that it is most likely that the smaller councils will take up this opportunity.

Resolutions	The Board approved an increase in the FAR to 90% for projects that receive funding from the Innovating Streets for People pilot fund, which will enable councils to deliver transitional projects
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	that create higher quality walking, cycling and public transport networks and to improve the quality of city life at a significant pace.
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20. Transmission Gully and Puhoi to Warkworth Master RAMA Reporting

The General Manager Transport Services introduced the paper, and provided an overview of the report, which is a regular report to Treasury.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Noted the contents of the paper and the attached Transmission Gully and Puhoi to Warkworth RAMA reports; and • Authorised the Chief Executive to execute the Master RAMA Report and Annual Compliance Certificate on the Transmission Gully and Puhoi to Warkworth projects.
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21. NZ Upgrade Programme

The General Manager Transport Services introduced the paper, noting the Establishment Report had been written in isolation of COVID-19. There is some uncertainty as to the Ministry of Transport and Treasury’s role in governance, but work continues in the interim. The Board agreed that Waka Kotahi should proceed with bringing in an independent person to sit on the governance group, with programme governance still reporting through to the Board.

The Board noted Waka Kotahi’s ability to deliver may be impacted by COVID-19.

Resolutions	The Board noted the contents of the paper.
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The General Manager Transport Services left the meeting.

Risk Management

22. Risk Workshop

The Senior Manager Risk & Assurance and PWC joined the meeting.

The Chair introduced the session, noting that in light of COVID-19, the intention was to hold a short session, with a more detailed workshop in future.

The Board discussed the risk matters that were front of mind, including:

- Waka Kotahi’s ability to execute a large programme of work in a complex environment at pace, including potential resourcing challenges.
- Technology risks, including the quality and speed of decision-making.
- The potential impact of climate change.

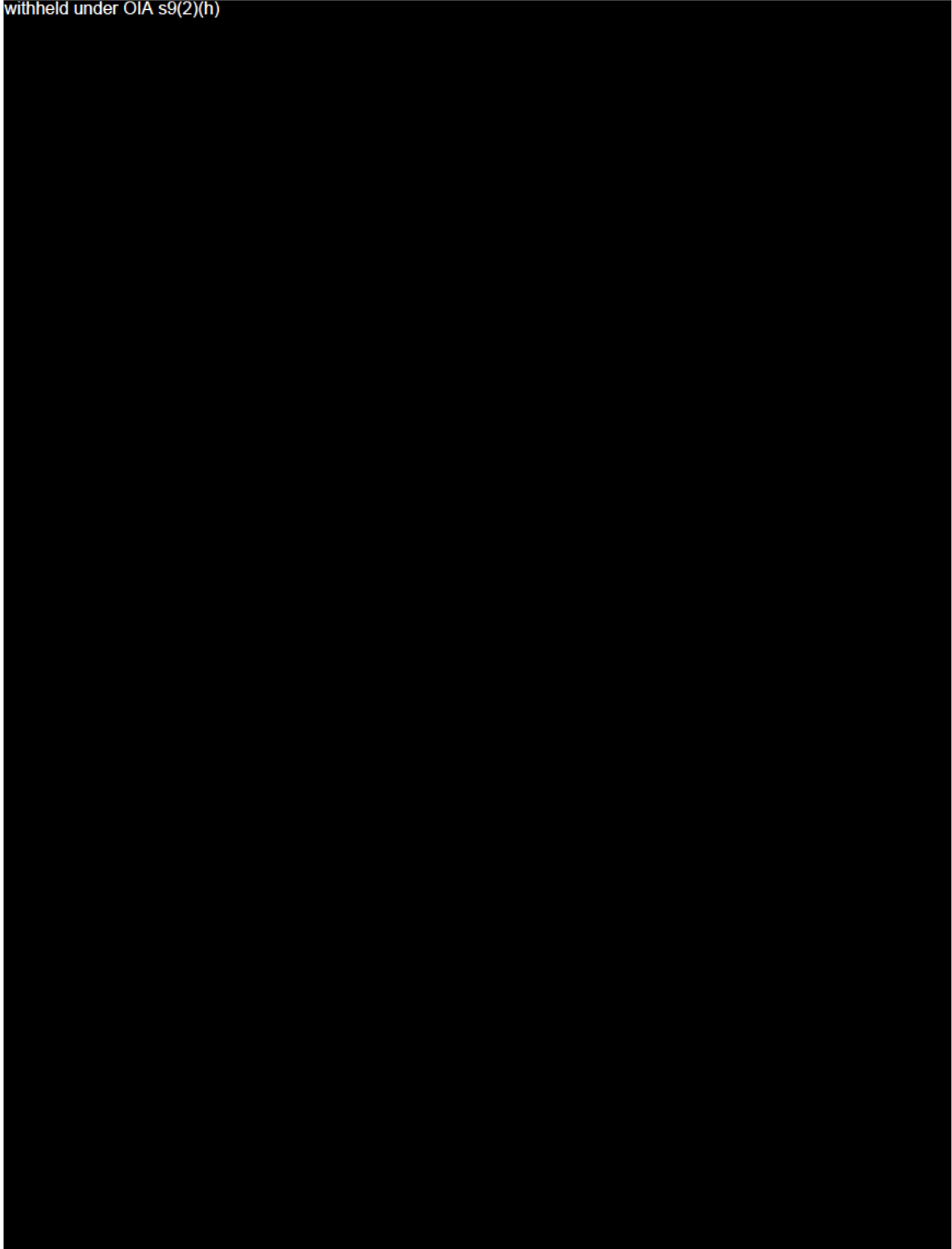
- Funding challenges, including the funding framework.

The Board noted their desire to discuss the risk appetite. The Board also noted the importance of having a clear strategy in place, in order to better understand and manage risk and prioritise.

The Senior Manager Risk & Assurance and PWC left the meeting.

General Business

23. withheld under OIA s9(2)(h)



24. Board Correspondence

The Board noted the correspondence.

25. General Business

There was no further business.

The meeting concluded at 3.00pm.



01/06/2020 2:25 PM

Minutes approved by Board member Cassandra Crowley