

Waka Kotahi NZ Transport Agency Board Minutes	
Date & time	20 May 2020, 9.00am – 11.30am
Location	Via Zoom
Board members in attendance	Sir Brian Roche (Chair), David Smol, Catherine Taylor, Ken Rintoul, Cassandra Crowley, Patrick Reynolds, Victoria Carter
NZTA staff in attendance	Nicole Rosie (Chief Executive) Robyn Fisher (Director Office of the Chief Executive) Carl Devlin (General Manager Rail & Mass Transit Service) Kane Patena (General Manager Regulatory) Giles Southwell (General Manager Workplace & Technology) Chris Lokum (General Manger People) Matthew Walker (General Manager Corporate Support) Greg Lazzaro (General Manager Safety, Health & Environment) Karen Jones (General Manager Engagement & Partnerships) Fabian Marsh (Senior Manager Road Safety) Brett Gliddon (General Manager Transport Services) Howard Cattermole (Chief Financial Officer) Mark Kinvig (Programme Director NZ Upgrade Programme) Anna Moodie (Group General Counsel & Board Secretary)
External attendees	Paul Winton (item 6), Mark Ratcliffe (item 12)
Apologies	None

Introduction and governance matters

1. Apologies, Minutes & Actions

There were no apologies.

Draft Minutes

Resolutions	The Board confirmed the draft minutes of the special Board meetings of 3 April 2020 and 15 April 2020, and the Board meeting of 23 April 2020.
--------------------	---

Actions Arising

The current actions list was noted.

2. Interests Register

Board members noted the Interests Register, including updates to a number of Cassandra Crowley’s existing interests.

Resolutions	The Board noted the Interests Register.
--------------------	--

3. Board and Chief Executive Only Session

A Board and Chief Executive only session was held.

s9(2)(g)(i)



10. Covid-19 Impact on NLTF Update

The Executive Leadership Team joined the meeting.

s9(2)(g)(i)



<p>Resolutions</p>	<p>The Board:</p> <ul style="list-style-type: none"> • Noted the update on the financial impact of COVID-19; • s9(2)(b)(ii) •
---------------------------	---

		s9(2)(b)(ii)
--	--	--------------

Actions	s9(2)(g)(i)
----------------	-------------

The Board took a short break.

6. Impact of Zero Carbon Bill on Transport in New Zealand

Paul Winton joined the meeting, introducing the work his organisation had been doing on climate change and the science behind limiting global temperature increases to 1.5C. He discussed the role transportation could play in reducing carbon emissions, and encouraged the Board to consider what could be done by 2030 to reduce the impact of transport on global warming.

The Board discussed the challenge of making the necessary carbon emission reductions within a 10 year time horizon. This type of change would likely need policy change in the first instance.

The Board agreed the impact of climate change on transport would be considered as part of the Board strategy session being held on 22 May 2020.

Resolutions	The Board noted the presentation.
--------------------	--

Paul Winton left the meeting.

The Board took a short break.

4. COVID-19 Update Report

[This session was combined with 5]

Resolutions	The Board noted the COVID-19 Update Report.
--------------------	--

5. CE Report

s9(2)(g)(i)

s9(2)(g)(i)



Resolutions	The Board noted the CE Report.
--------------------	---------------------------------------

Strategic Decisions/Matters

7. 1-2 Star Safety Rated Cars

The Senior Manager Road Safety joined the meeting. The General Manager Safety, Health & Environment introduced the paper noting that statistics showed the impact of 1-2 star safety rated cars on deaths and serious injuries.

s9(2)(g)(i)



While the Board acknowledged the potential cost implications, there were cost implications from not addressing the issue. The Board agreed that they would highlight the issue at every opportunity.

The Board also asked Management to consider what steps could be taken that are within the control of Waka Kotahi. The Board also asked for further information on costs, impact on lower socio economic groups, impact on Maori and non-Maori.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Noted the strategic relevance of safer vehicles and the various initiatives underway to improve vehicle safety under the government's new <i>Road to Zero</i> road safety strategy; • Noted the actions being taken by the SH&E group to improve vehicle safety; • Resolved to advocate and lobby for these changes via its individual members.
--------------------	--

Actions	<p>Provide advice on what steps could be taken that are within Waka Kotahi's control to remove 1-2 star safety rated cars from the network.</p> <p>Provide further data on the impact of 1-2 star safety rated cars on different groups of people, and the costs associated with keeping those cars on the network.</p>
----------------	---

The Senior Manager Road Safety and General Manager Safety, Health & Environment left the meeting.

Decisions

8. Risk & Assurance Committee Report Back

The Risk & Assurance Committee Chair introduced the paper, noting:

- The Committee had not approved the internal audit plan. s9(2)(g)(i) [redacted]
- The Annual Report would include a clear statement on the impact of COVID-19.
- The Committee had asked Management to do a fresh page review of strategic risks at the risk workshop at the June 2020 Board meeting.

Resolutions	<p>The Board</p> <p><i>Internal audit plan</i></p> <ul style="list-style-type: none"> • Noted that the Committee had noted the Internal Audit Plan for May-November 2020 set out in Attachment 1 of the paper. <p><i>Investment audit programme 2020/21</i></p> <ul style="list-style-type: none"> • Noted the Committee approved the Investment Audit Programme set out in Attachment 1 of the paper. <p><i>Preparation for financial year end</i></p> <ul style="list-style-type: none"> • Noted the Committee noted the key financial matters and their likely treatments for the 2019/20 financial statements and annual report. <p><i>Strategic risk update</i></p> <ul style="list-style-type: none"> • Noted the Committee noted: <ul style="list-style-type: none"> ○ The May 2020 update of key risks, and ○ The plan for the 18 June 2020 Board risk workshop. <p><i>Other</i></p> <ul style="list-style-type: none"> • Noted the Committee noted: <ul style="list-style-type: none"> ○ The Assurance Programme Update ○ The Litigation and Open Investigations Report.
--------------------	---

9. Investment & Delivery Committee Report Back

The Investment & Delivery Committee Chair introduced the paper, noting:

- There was an emerging trend of cost overruns, and the Committee had asked

Management to ensure there was accountability for this.

- In relation to the change of categorisation of low value/low risk projects from \$1m - \$2m, the Committee had asked Management to review the impact of the change.
- A number of Approved Organisations, including Auckland Transport, were under financial pressure as a result of COVID-19.

Resolutions	<p>The Board:</p> <p><i>IDMF update – investment principles and low cost/low risk thresholds</i></p> <ul style="list-style-type: none"> • Endorsed the investment principles. • Endorsed increasing the threshold from \$1 million to \$2 million for low cost low risk activities for 2021-24. • Noted the final changes to the Investment Decision-Making Framework. <p><i>Northern Busway Enhancement detailed business case funding</i></p> <ul style="list-style-type: none"> • Approved funding to Auckland Transport for the Northern Busway Enhancements Detailed Business Case of \$765,000 at a FAR of 51% from the Public Transport Infrastructure activity class to improve access to social and economic opportunities and promote increased mode shift to public transport. • Noted that total project costs for the Detailed Business case is \$1,500,000. • Noted that the estimated implementation costs for this activity are \$300-\$500 million. • Noted the Northern Busway Enhancements is part of the wider Additional Waitematā Harbour Crossing programme being led by Waka Kotahi. <p><i>Special Purpose Roads transition plan</i></p> <ul style="list-style-type: none"> • Approved the continued development of transitional arrangements for Special Purpose Roads to normal Funding Assistance Rates by 1 July 2024 where possible, in accordance with the 2014 Funding Assistance Rates policy. • Approved the application of bespoke Funding Assistance Rates to significant capital works on roads currently funded as Special Purpose Roads. • Noted a separate report will be provided to the Board on all matters related to future management and funding of the former State Highway 38. <p><i>CTOC Instrument of Delegation extension</i></p> <ul style="list-style-type: none"> • Approved the renewal of the Instrument of Delegation of Functions and Powers to Waka Kotahi
--------------------	---

and Christchurch City Council employees in relation to the operation of the Christchurch Transport Operations Centre for an additional year until 30 June 2021, pursuant to section 63(1) of the Government Roading Powers Act 1989.

- **Authorised** the Chief Executive of Waka Kotahi to sign the Instrument of Delegation of Functions and Powers to certain Waka Kotahi and Christchurch City Council employees in relation to the operation of the Christchurch Transport Operations Centre, renewing it until 30 June 2021.

Airport access – short term improvements activity – cost scope adjustment

- **Approved** funding to Auckland Transport of \$8.05 million from the National Land Transport Fund Public Transport Activity Class, for cost increases of \$15.29 million in the Airport Access - Short-term Improvements activity.
- **Approved** setting an overall funding cap for all phases of this activity based on the Funding Risk Contingency cost of the above value (P95) \$111.83 million
- **Delegated** approval for any future funding decisions for the above activity to the Waka Kotahi Chief Executive within the above funding cap.
- **Noted** that the revised total estimated P50 cost for all phases of the above activity is currently \$101.33 million, resulting in a National Land Transport Fund share of \$53.20 million.
- **Noted** that Waka Kotahi will initiate an independent review of this project to ensure that the project is well set up for success.

Proposed move from hot cut-back bitumen to bitumen emulsions

- **Approved** the use of bitumen emulsion in place of hot cut-back bitumen for all works funded by Waka Kotahi. This will be achieved by providing funding assistance on a case-by-case basis for suppliers who require support through the transition.
- **Noted** that other measures to improve the safety of current operations, and to mitigate the potential for adverse environmental effects from greater emulsion use, will also be implemented to facilitate the transition over a five-year timeframe.

Road Efficiency Group (REG) programme update

- **Noted** the update on the Road Efficiency Group (REG) programme 2018 to 2020.

	<ul style="list-style-type: none"> • Noted that REG is developing a five-year (2021-26) work programme, which will focus on supporting long term improvement in sector performance (a “kaitiaki” role) and a business case for funding from the National Land Transport Programme. Management will report back in November 2020 to seek endorsement of the future programme. <p><i>National Resilience Programme Business Case</i></p> <ul style="list-style-type: none"> • Approved the National Resilience Programme Business Case which prioritises major and extreme natural hazard (including climate change-related) risks in the New Zealand land transport system and recommends an integrated suite of system responses. • Noted that responses to the highest priority risks and sites will be submitted for consideration into the National Land Transport Programme. • Noted that the evidence base, risk prioritisation methodology and decision-making framework will be made available to our partner organisations. <p><i>Extension of bespoke funding assistance rates for Hurunui District Council and Kaikoura District Council</i></p> <ul style="list-style-type: none"> • Approved an extension to the Hurunui District Council (HDC) bespoke 84% emergency works funding assistance rate (FAR) for the Kaikoura November 2016 Earthquake activity from its current expiry date of 30 June 2020 to 30 June 2021. • Approved an extension to the Kaikoura District Council (KDC) bespoke 95% emergency works FAR for the Kaikoura November 2016 Earthquake activity from its current expiry date of 30 June 2020 to 30 June 2021. <p><i>Transmission Gully revocation</i></p> <ul style="list-style-type: none"> • Endorsed the proposal to consult with Porirua City Council and Kapiti Coast District Council based on the Waka Kotahi position that when Transmission Gully opens: <ul style="list-style-type: none"> ○ State Highway 58 between Paremata roundabout and the Transmission Gully interchange at Pauatahanui will be revoked in line with general practice ○ State Highway 1, between Linden and MacKays Crossing, will remain strategically important and will remain a state highway. <p><i>Other</i></p> <ul style="list-style-type: none"> • Noted the Committee noted: <ul style="list-style-type: none"> ○ The Transport Services Report.
--	--

Operational Updates

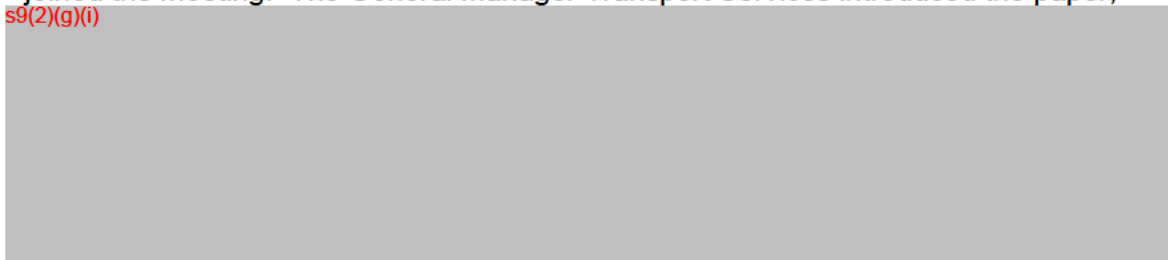
11. Safety, Health & Environment Update

The Board noted the Safety, Health & Environment Update, including the earlier discussion on 1-2 star safety-rated cars.

Resolutions	The Board noted the Safety, Health & Environment Update.
--------------------	---

12. NZ Upgrade Programme

The Programme Director NZ Upgrade Programme and Mark Ratcliffe (Contractor) joined the meeting. The General Manager Transport Services introduced the paper, ^{sg(2)(g)(i)}



Resolutions	The Board noted the contents of the paper.
--------------------	---

The Contractor and the Programme Director NZ Upgrade Programme left the meeting.

13. Financial Update

The Board noted the financial update.

Resolutions	The Board noted the financial performance summary for Waka Kotahi NZ Transport Agency and the National Land Transport Fund for the nine months ended 31 March 2020.
--------------------	--

General Business

14. Board Correspondence

The Board **noted** the correspondence.

15. General Business

There was no further business.

The meeting concluded at 11.30am.

Minutes approved by the Board Chair



Brian Roche 18/06/2020