

Waka Kotahi NZ Transport Agency Board Minutes	
Date & time	18 September 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), Cassandra Crowley (Deputy Chair), Catherine Taylor, David Smol, John Bridgman, Patrick Reynolds, Victoria Carter, Ken Rintoul (via Zoom)
NZTA staff in attendance	Nicole Rosie (Chief Executive) Matthew Walker (General Manager Corporate Support) Brett Gliddon (General Manager Transport Services) Neil Cook (Deputy General Manager Regulatory Services) Karen Jones (General Manager Engagement & Partnerships) Vanessa Browne (Senior Manager, Operational Policy, Planning & Performance) David Darwin (Manager, Operational Policy & Standards) Robyn Fisher (Director Office of the Chief Executive) Greg Lazzaro (General Manager Safety, Health & Environment) Giles Southwell (General Manager, Workplace & Technology Services) Chris Lokum (General Manager, People) Peter Clark (Lead Advisor, Rail & Mass Transit Services) Howard Cattermole (Chief Financial Officer) Lisa Rossiter (Senior Manager Environment & Sustainability) Anna Moodie (Group General Counsel & Board Secretary)
External attendees	Lois Hutchinson TAIC (item 5)
Apologies	None

Introduction and governance matters

1. Apologies, Minutes & Actions

The General Managers of Transport Services and Corporate Support were present from the start of the meeting.

Actions Arising

The current actions list was noted.

2. Interests Register

Ken Rintoul advised that his interest relating to Northland Transport can be removed, as his son no longer works for Northland Transport.

Resolutions	The Board noted the Interests Register.
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Strategic

3. Board and Chief Executive Only Session

A Board and Chief Executive Only Session was not held.

4. CE Report

s 9(2)(g)(i)



Resolutions	The Board noted the Chief Executive's report.
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Ken Rintoul left the meeting.

5. Transport Accident Investigation Commission

Lois Hutchinson from the Transport Accident Investigation Commission (TAIC) joined the meeting and was welcomed by the Board Chair and the Chief Executive. The Deputy General Manager Regulatory Services also joined the meeting.

Lois Hutchinson discussed the role and approach of the TAIC, including the focus on complex adaptive systems and knowledge transfer.

The Board discussed the role of Waka Kotahi in relation to the TAIC's rail investigation role. Ms Hutchinson indicated that Waka Kotahi staff had a good understanding of

what TAIC was interested in and were proactively reporting incidents. The Board noted Waka Kotahi reliance on KiwiRail to notify it of any incidents. s 9(2)(g)(i) The Board discussed its role in being clear on areas of concern as a regulator.

Resolutions	The Board noted the discussion.
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Lois Hutchinson left the meeting.

The Board took a short break.

6. Stakeholder Engagement Survey Results

The Board resumed. The General Manager Engagement & Partnerships joined the meeting and introduced the paper, noting the 10% increase in stakeholder engagement was one of the biggest positive changes that Colmar Brunton had seen for an organisation. However, further work was still required.

The Board discussed that the regional model, and ensuring that stakeholders have a key point of contact, would be key to a further positive shift.

Resolutions	The Board noted the results and the actions Waka Kotahi is taking in response to them.
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7. Transport Agency Investment Proposal (TAIP) System Discussion Workshop and 21-24 TAIP Proposal

The General Manager Transport Services, the Senior Manager, Operational Policy, Planning & Performance and the Manager, Operational Policy & Standards joined the meeting, along with Executive Leadership Team members.

The Manager, Operational Policy & Standards provided an overview of the NLTP process, including the interplay between the TAIP, RLTPs and NLTP.

The Senior Manager, Operational Policy, Planning & Performance provided an overview of the funding constraints, and that ultimately trade-offs would need to be made as to what was and wasn't included in the NLTP. She spoke to slides identifying some of the trade-off decisions.

Amongst other things, the Board discussed:

- The Board's ambition, particularly in relation to a reduction in deaths and serious injuries. However, the Board recognised that its ambition may be impacted by funding constraints and the reality of what could be delivered as a country within the period.
- The importance of Approved Organisations understanding the challenges and trade-offs, and managing expectations around what can be delivered.
- The interplay with Government funded projects, such as the NZ Upgrade Programme, which may drive additional costs into the NLTF.
- The importance of objective criteria for determining which projects will be

funded, and communicating what work is being done in each region – both in terms of improvements and maintenance.

- The desire to play a sector leadership role in innovation.
- That greater gains would be made in relation to a reduction in deaths and serious injuries from road maintenance.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Delegated approval of the final Waka Kotahi Investment Proposal to the Chief Executive. • Subject to that, approved the release of the Waka Kotahi Investment Proposal to Regional Transport Committees.
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The General Manager Transport Services, the Senior Manager, Operational Policy, Planning & Performance and the Manager, Operational Policy & Standards and the Executive Leadership Team left the meeting.

The Board stopped for lunch.

8. Mass Transit Strategy

s 9(2)(g)(i)



Resolutions	The Board noted the session.
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The Lead Advisor, Rail & Mass Transit Services left the meeting.

14. Risk & Assurance Committee Report Back

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

The Risk & Assurance Committee Chair introduced the paper, providing an overview of the Risk & Assurance Committee’s consideration of the Waka Kotahi draft Annual Report and draft Annual NLTF Report. She noted in particular the COVID-19 disclosure and a recent update from KPMG confirming that:

- The emphasis of matter relating to the scrutiny principle had been removed.

- They had considered matters of going concern.

The Chair also noted the positive feedback from the auditors on the work done by the Waka Kotahi team on the annual reports.

Resolutions	<p>The Board:</p> <p><i>Waka Kotahi NZ Transport Agency and National Land Transport Fund Annual Reports for the year ended 30 June 2020</i></p> <ul style="list-style-type: none"> • Noted that the Committee: <ul style="list-style-type: none"> ○ Noted the draft Waka Kotahi and National Land Transport Fund annual reports for the year ended 30 June 2020 provided to the Committee in the Resource Centre. ○ Accepted management’s assurance that: <ul style="list-style-type: none"> ▪ the Waka Kotahi and the National Land Transport Fund annual reports meet statutory requirements and fairly reflect non-financial service performance and financial information, financial position and performance; and ▪ the draft letters of representation from management and the Board are appropriate and fit for purpose. ○ Noted that, subject to the Risk and Assurance Committee’s feedback, management will provide the Risk and Assurance Committee Chair with a draft summary of assurance on the annual reports in preparation for reporting back to the Board. <p><i>Other</i></p> <ul style="list-style-type: none"> • Noted the following papers supplied to the Committee on 7 September 2020: <ul style="list-style-type: none"> ○ “GM Overview” ○ “KPMG Report to R&A Committee for year-ended 30 June 2020”
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9. Waka Kotahi & NLTF Annual Reports

The Board and management discussed the annual reports, confirming that substantive issues raised by the Risk & Assurance Committee had been addressed.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Noted the summary of the Risk and Assurance Committee’s assurance on the annual reports for Waka Kotahi and the National Land Transport Fund for the year ended 30 June 2020 provided to the Board by the Chair of the Risk and Assurance Committee. • Approved the annual reports for Waka Kotahi and the National Land Transport Fund for the year ended 30 June 2020 as set out in the Resource Centre, subject to any further minor and editorial changes made pursuant to the below delegation to the Chief Executive.
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	<ul style="list-style-type: none"> • Delegated signing of the Board’s letters of representation in relation to Waka Kotahi and the National Land Transport Fund annual reports and the annual review of the scrutiny principle to the Board Chair and the Chair of the Risk and Assurance Committee. • Delegated to the Chief Executive approval of any further minor and editorial changes to the annual reports for Waka Kotahi and the National Land Transport Fund, prior to publication.
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The General Manager Corporate Support and the Chief Financial Officer left the meeting.

10. s 9(2)(g)(i)

The Deputy General Manager Regulatory Services left the meeting.

11. Toitū Te Taiao Progress Overview (Sustainability Action Plan)

The Senior Manager Environment & Sustainability joined the meeting and introduced the paper, noting that the focus on sustainability had been elevated in the organisation. While Toitū Te Taiao would help drive some change, a more significant shift would require political intervention which may come through the Climate Change Commission report. Waka Kotahi has been working closely with the Climate Change Commission on its sustainability action plan and are supportive of the work.

The Board discussed the ambition for Waka Kotahi, noting that transport was a key lever in reducing carbon emissions. In parallel to reducing carbon emissions by reducing the number of people driving, the Board discussed the need to revisit the Waka Kotahi funding model which relied heavily on fuel taxes and road user charges.

The Board encouraged Management to play an active role in trying to help drive

change.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Approved the release of Tiakina Te Taiao – our Sustainability Monitoring Report to Transport Ministers and then into the public domain. • Noted the progress being made implementing Toitū Te Taiao – our Sustainability Action Plans and notes the need for agreement on Waka Kotahi interim climate change mitigation priorities as a result of changes in our operating environment since Toitū was approved. • Endorsed the six carbon reduction packages outlined in the paper, as Waka Kotahi interim priorities to mitigate greenhouse gas emissions from land transport, and notes these will be refined with central and local government as part of preparing New Zealand’s Emissions Reduction Plan. • Requested a report back on progress implementing the three Waka Kotahi carbon reduction priority packages (as above) by June 2021.
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Culture

12. Safety, Health & Environment Update

The General Manager Safety, Health & Environment introduced the paper, noting:

- s 9(2)(h) [Redacted]
- s 9(2)(g)(i), s 9(2)(b)(ii) [Redacted]
- Waka Kotahi was playing a more active role in helping the industry lift health and safety standards, including going out and talking to contractors on site. The feedback is that this is adding value, particularly the ability to share and understand what others in the industry are doing. The Board s 9(2)(g)(i) [Redacted] and encouraged Management to consider what other levers could be used to incentivise better health and safety practices throughout the value chain.

The Board discussed the process for identifying employees who speed in Waka Kotahi vehicles or receive a speeding infringement in their own vehicles.

Resolutions	The Board noted the update.
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Actions	Include trend information with the DSI data.
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The General Manager Safety, Health & Environment and Senior Manager Environment & Sustainability left the meeting.

13. People & Culture Committee Report Back

The People & Culture Committee Chair introduced the paper, noting the updates on the:

- Procurement of a new HRIS and payroll system.
- Leadership programme being rolled out to all people leaders.
- Annual remuneration, gender pay gap and Holiday’s Act remediation adjustments.
- Development of organisational values and behaviours.
- New process for managing organisational change.
- Work to reduce Waka Kotahi’s reliance on contractors.

Resolutions	<p>The Board:</p> <p><i>Values & Behaviours Update</i></p> <ul style="list-style-type: none"> • Endorsed the Executive Leadership Team decision to progress to the final design of our values and behaviour, informed by the emerging final draft. <p><i>Organisational Change</i></p> <ul style="list-style-type: none"> • Noted the Committee noted the internal process undertaken to ensure that change is: <ul style="list-style-type: none"> ○ aligned to our strategy and values ○ justified through a robust, fully-costed business case, and ○ improving how the organisation operates as a whole. • Noted the Committee noted Waka Kotahi’s current and planned change programme for 2020. <p><i>Holidays Act Completion Report</i></p> <ul style="list-style-type: none"> • Noted the Committee noted the completion of the majority of activities for Holidays Act remediation, and • Noted the Committee noted that any further Committee or Board reporting will be by exception only. <p><i>Other</i></p>
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	<ul style="list-style-type: none"> • Noted the General Manager People gave a verbal overview, and • Noted the Committee noted the paper titled “Workforce Optimisation (review of Contractors and Consultants)” supplied to the Committee on 17 September 2020.
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15. Investment & Delivery Committee Report Back

The Investment & Delivery Committee Chair introduced the paper, noting amongst other things, the Committee’s discussion in relation to:

- Contractor performance.
- Potential concerns with access to bitumen if the refinery is closed.
- s 9(2)(g)(i)
- The approval to start the consenting process on Te Ara Tupua – Ngauranga to Petone Link Project, noting the challenges with the project. The funding increase approved was for \$2.5m, which differed from the recommendations in the paper.
- The lessons learned in relation to the projects where price level adjustments were being approved.
- s 9(2)(g)(i)

David Smol left the meeting.

Resolutions	<p>The Board:</p> <p><i>NZ Upgrade Programme – Property Transfer from Auckland Transport</i></p> <ul style="list-style-type: none"> • Approved the purchase from Auckland Transport and Auckland Council of the property interests currently held under the Public Works Act 1981 for the Mill Road and Penlink projects for \$94,536,869 plus GST (if any), plus any additional interest from 1 July 2020 to the date of settlement at 4.83% pa. • Noted that the financial authority to make this decision is pursuant to a sub-delegation from the Ministers of Transport and Finance, following delegation to them from Cabinet. • Authorised the Chief Executive to execute any document or notice required to complete the purchase. <p><i>Te Ara Tupua – Ngauranga to Petone Link Project PLA</i></p>
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- **Noted** the implementation cost of the Ngā Ūranga to Pito-One section of Te Ara Tupua (the Project) is expected to be \$170 million (P50), with an upper estimate of \$205 million (P95). Waka Kotahi will seek approval from the Board for implementation funding upon obtaining statutory approvals.
- **Approved** a funding increase of \$2.5m for the Project to fund the pre-implementation (procurement phase).
- **Approved** lodgement of Resource Consents and Notice of Requirement applications for the Ngā Ūranga to Pito-One section of Te Ara Tupua, which are programmed for September 2020.

s 9(2)(i)

Additional Waitemata Harbour Connections Business Case

- **Endorsed** the Additional Waitematā Harbour Connections business case which identifies a programme of busway, rapid transit and roading improvements and recommends a single stage business case to explore the rapid transit and road improvements in more detail (alongside a detailed business case for the busway improvements, that Auckland Transport is already progressing).
- **Delegated** the approval for funding the preparation of a single stage business case to the Chief Executive at a value up to \$20m, to be allocated from the State Highway Improvements, Rapid Transit and Public Transport Infrastructure activity classes.
- **Noted** that the programme has a Very High results alignment and a Programme Case BCR of approximately 0.3 – 1 (with wider economic benefits) at a total programme cost estimate of \$6–18 billion.

SH1 Dome Valley Safety Improvements PLA

- **Approved** a funding increase of up to \$35.9m for the SH1 Dome Valley Safety Improvements project from the National Land Transport Fund State Highway Improvements Activity Class, raising the total approved funding to \$86.8m (P95).
- **Noted** the revised expected cost is \$79.1m (P50), an increase of \$28.2m over the previously approved \$50.9m.
- **Delegated** to the Chief Executive authority to release funding above the revised P50 amount of \$79.1m, up to the maximum approved P95 value of \$86.8m.

SH16 Brigham Creek to Waimauku Cost Scope Adjustment

- **Approved** a funding increase of up to \$85.3m for the SH16 Brigham Creek to Waimauku project from the National

	<p>Land Transport Fund State Highway Improvements Activity Class, raising the total approved funding to \$159.0m (P95).</p> <ul style="list-style-type: none"> • Noted the revised expected cost is \$149.8m (P50), an increase of \$76.1m over the previously approved \$73.7m. • Delegated to the Chief Executive authority to release funding above the revised P50 amount of \$149.8m up to the maximum approved P95 value of \$159.0m. <p><i>Queenstown Transport Programme Procurement</i></p> <ul style="list-style-type: none"> • Approved the Queenstown Transport Programme Procurement Strategy and Plan. • s 9(2)(i) • Noted that a Memorandum of Understanding will be entered into between Waka Kotahi and Queenstown Lakes District Council to establish the basis for the partnership, including commercial principles. <p><i>Other</i></p> <ul style="list-style-type: none"> • Noted the papers below supplied to the Investment & Delivery Committee on 17 September 2020: <ul style="list-style-type: none"> ○ Transport Services Update ○ NZ Upgrade Programme Overview ○ NZ Upgrade Programme - Transport ○ s 9(2)(g)(i) ○ Safety in Temporary Traffic Management
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16. Regulatory Committee Report Back

The Regulatory Committee Chair introduced the paper, noting amongst other things the Committee’s discussion in relation to:

- RUC collection, s 9(2)(g)(i)
The Committee encouraged Management to consider technological solutions that might support compliance.
- Tackling unsafe speeds.

Resolutions	<p>The Board:</p> <p><i>Regulatory Assurance Framework Development</i></p> <ul style="list-style-type: none"> • Noted the work being undertaken to manage risks that would prevent the achievement of <i>Tū ake, tū māia</i> • Endorsed the proposed direction for the development of the risk management and assurance framework <p><i>Tackling Unsafe Speeds Programme</i></p> <ul style="list-style-type: none"> • Noted that the Committee noted the scope, issues and challenges of the programme and provided feedback on the ambition and authorising environment.
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	<p><i>Other</i></p> <ul style="list-style-type: none"> • Noted the papers supplied to the Committee on 17 September 2020 titled: <ul style="list-style-type: none"> ○ “Road User Charges Deep Dive” ○ “Regulatory Services Performance Report”.
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17. Draft Minutes

Resolutions	The Board confirmed the minutes of the special meetings of 20 May 2020, 21 May 2020, 27 May 2020 and 13 July 2020.
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18. Board Correspondence

The Board **noted** the correspondence.

19. General Business

The Board discussed the incident on the Auckland Harbour Bridge where a truck had damaged a structure on the bridge when it was blown over by a gust of wind.

The meeting concluded at 3.00pm



Minutes approved by the Board Chair

 Brian Roche, 18/11/2020