

Waka Kotahi NZ Transport Agency Board Minutes	
<b>Date &amp; time</b>	24 June 2021, 9.00am – 2.50pm
<b>Location</b>	Waka Kotahi NZ Transport Agency Boardroom, Level 2, 50 Victoria Street, Wellington
<b>Board members in attendance*</b>	Sir Brian Roche (Chair), Cassandra Crowley (Deputy Chair), Catherine Taylor, David Smol, John Bridgman, Ken Rintoul, Patrick Reynolds, Victoria Carter
<b>NZTA staff in attendance</b>	<p>Nicole Rosie (Chief Executive)*            Richard May (Acting Director, Office of the Chief Executive)*            Kane Patena (General Manager Regulatory Services and Director of Land Transport)            Brett Gliddon (General Manager Transport Services)            Greg Lazzaro (General Manager Safety, Health &amp; Environment)            Barbara Tebbs (National Manager Policy and System Planning)            Hayley Evans (Senior Manager Systems Integrity)            Anna Cleary (Manager Regulatory Policy)            Matthew Walker (General Manager Corporate Support)            Howard Cattermole (Chief Financial Officer)            Yogesh Anand (Chief Technology Officer)            Todd Webb (Assessment and Prioritisation Lead)            Karen Jones (General Manager Engagement &amp; Partnerships)            Lauren Cook (Senior Manager Education and Advertising)            Debbie Stevens (Procurement Specialist)            Anna Moodie (Group General Counsel &amp; Senior Manager Risk &amp; Assurance)*</p> <p><i>*Present from start of meeting</i></p>
<b>External attendees</b>	Peter Mersi and Bryn Gandy, MoT (item 7) s 9(2)(a), Propero (item 10)
<b>Apologies</b>	None

## Introduction and governance matters

### 1. Apologies, Minutes & Actions

There were no apologies.

#### Draft Minutes

<b>Resolutions</b>	The Board <b>confirmed</b> the minutes of the meeting of the 27 May 2021 Board meeting.
--------------------	---

#### Actions Arising

The current actions list was noted and updated.

**2. Interests Register**

<b>Resolutions</b>	The Board noted the Interests Register.
--------------------	---

**Strategic**

**3. Board and Chief Executive Only Session**

A Board only session was not held.

**4. CE Report**

s 9(2)(g)(i)



<b>Resolutions</b>	The Board noted the Chief Executive's report.
--------------------	---

**5. Waka Kotahi Policy Programme**

The General Manager Regulatory Services and Director of Land Transport, General Manager Transport Services, General Manager Safety, Health & Environment,

National Manager Policy and System Planning, Senior Manager Systems Integrity and Manager Regulatory Policy joined the meeting.

The National Manager Policy and System Planning provided an overview of the paper, noting in particular the significant breadth of work being driven by policy agencies. Amongst other things, the Board discussed:

- Changes to the framework are currently being made in an ad hoc way, without a view to the wider system. The Board would like to understand what the policy framework for Waka Kotahi could look like if we were to stand back and ask what the system needs.
- Their support for Waka Kotahi holding a health and safety designation. The benefits of bringing together regulatory and health and safety functions were seen Maritime New Zealand.

<b>Resolutions</b>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> Waka Kotahi proposes use of a risk/reward matrix to identify high risk, high reward policy opportunities for Board direction and oversight.</li> <li>• <b>Noted</b> the identified high risk and reward policy opportunities.</li> </ul>
--------------------	--

<b>Actions</b>	A view of what a fit for purpose policy framework could look like and what policy changes (whether they are on the current list or not) should be prioritised in order to help achieve the systems outcomes that Waka Kotahi is working towards.
----------------	--

The General Manager Regulatory Services and Director of Land Transport, General Manager Transport Services, National Manager Policy and System Planning, Senior Manager Systems Integrity and Manager Regulatory Policy left the meeting

#### 6. Update on Climate/Carbon Approach (verbal item)

The General Manager Safety, Health & Environment introduced the session, providing an overview of the stocktake of all climate change related work and the opportunity for alignment going forward.

The Board encouraged management to think at an enterprise level and in an unconstrained way about what Waka Kotahi should do to address climate change. In the short term, there will be some small practical steps, and once the Emissions Reduction Plan is released, this will guide longer term work. The Board requested regular updates as the work progressed.

<b>Resolutions</b>	The Board <b>noted</b> the discussion.
--------------------	--

<b>Actions</b>	Add a regular climate change item to the Board agenda
----------------	---



## 7. Ministry of Transport Session

Peter Mersi and Bryn Gandy joined the meeting. Peter Mersi provided an update on work underway by the Ministry of Transport. Amongst other things, the Board and the Ministry attendees discussed:

- The funding challenges and the need for a new funding model. The Board noted the impact funding limitations on local government relationships and the risk of the network deteriorating due to the lack of available funding for maintenance. Waka Kotahi may need to start making decisions to stop work given funding constraints.
- While the Ministry believes that there is 10 years before the funding issue needs to be resolved, modelling done by Waka Kotahi shows that the issue is more imminent. If funding is not resolved in the near term, decision-makers need to be informed of the consequences and trade-offs.
- There are a number of decisions that need to be made by the Government following the Climate Commission's report that will inform Waka Kotahi's response. However responding to climate change and emissions targets will require additional funding.
- The Minister does not intend to amend the GPS for the current period, but will signal early the likely changes for the next period.
- The opportunity to leverage skills from within Waka Kotahi to support Ministry of Transport work.
- The need for a review of the legislative framework.

<b>Resolutions</b>	The Board noted the discussion.
--------------------	---------------------------------

Peter Mersi and Bryn Gandy left the meeting.

## 8. NLTP Update – Interim Funding

The General Manager Corporate Support, Chief Financial Officer, General Manager Transport Services, and Assessment and Prioritisation Lead joined the meeting. The Chief Financial Officer introduced the paper, noting that the Northern Busway funding would be added to the interim funding.

The Board discussed the need to continue to set expectations with funding partners regarding the constraints on funding.

<b>Resolutions</b>	The Board:		
	<ul style="list-style-type: none"> <li>• <b>Approved</b> interim funding from 1 July 2021 for the following continuous programmes based on 20% of the indicative allocations for 2021/22:</li> </ul>		
	Continuous programmes (NLTF \$000)	Interim funding	Est. annual allocation
	Local Road Maintenance	\$129,301	\$646,504

State Highway Maintenance	\$152,267	\$761,333
Public Transport Services	\$77,660	\$388,302
Public Transport Infrastructure	\$6,978	\$34,888
Regional Road Safety Promotion (Road to Zero)	\$2,882	\$14,411
National Road Safety Promotion (Road to Zero)	\$7,723	\$38,617
Road Safety Partnership Programme	\$82,847	\$414,233
<b>TOTAL</b>	<b>\$459,658</b>	<b>\$2,298,288</b>

- **Approved** interim funding from 1 July 2021 for the following ongoing activities based on 20% of estimated expenditure for 2021/22

Ongoing activities (NLTF \$000)	Interim funding	Est. annual expenditure
Safe vehicle programme and System Management (Road to Zero)	\$1,507	\$7,533
Investment Management activities	\$13,793	\$68,967
Road Efficiency Group	\$527	\$2,633
<b>TOTAL</b>	<b>\$15,827</b>	<b>\$79,133</b>

- **Approved** interim funding from 1 July 2021 for the following new improvement activities:

Improvement activities (NLTF \$000)	Approved Organisation	Interim funding	Est. total costs of phase
Speed & Infrastructure Programme – including priority SH standard safety interventions (Road to Zero)	Waka Kotahi	\$4,139	\$76,067
Tackling Unsafe Speeds – Speed Management Planning (Road to Zero)	Waka Kotahi	\$3,700	\$18,500
Let's Get Wellington Moving - Central City Pedestrian Improvements (Walking and cycling)	LGWM partners	\$330	\$1,650
Road Safety Promotion – Public Awareness Campaign (Road to Zero)	Waka Kotahi	\$2,940	\$14,700
Glenview Bus Hub – SH3	Waka Kotahi	\$120	\$1,990
NW Interim Bus Improvements	AT/Waka Kotahi	\$10m	\$50m
<b>TOTAL</b>		<b>\$11,239</b>	<b>\$112,957</b>

- **Noted** that funding of up to \$35million from 1 July will be required to meet contracted commitments for Low Cost Low Risk (LCLR) activities from 2018/21 LCLR programmes.
- **Agreed** to delegate authority to the Chief Executive to approve interim funding up to \$40million to support the planning and design of new LCLR activities in the 2021/24 NLTP prior to NLTP adoption.



	<ul style="list-style-type: none"> <li>• <b>Agreed</b> to delegate authority to the Chief Executive to include any further activities in the 2021/24 NLTP prior to NLTP adoption.</li> <li>• <b>Noted</b> that all the activities approved for interim funding are expected to be included in the 2021/24 NLTP once this is adopted by the Board.</li> <li>• <b>Noted</b> that activities approved for funding in the 2018/21 NLTP will continue to be funded from 1 July as part of the 2021/24 NLTP;</li> <li>• <b>Noted</b> the issues relating to prioritisation of Low Cost Low Risk and other improvements funding.</li> <li>• <b>Noted</b> the proposed draft taxonomy for activities included in the 2021/24 NLTP.</li> </ul>
--	---

The General Manager Corporate Support, Chief Financial Officer, and Assessment and Prioritisation Lead left the meeting.

### 9. Digital Ambition and Digital Strategy Update

The Chief Technology Officer joined the meeting and provided an overview of the paper.

Amongst other things, the Board discussed the key risks facing the organisation from a digital perspective, s 9(2)(g)(i)

[Redacted]

<b>Resolutions</b>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Endorsed</b> the proposed Waka Kotahi Digital Ambition.</li> <li>• <b>Noted</b> the plan for the development of our Digital Strategy.</li> </ul>
--------------------	--

The Chief Technology Officer left the meeting.

### 10. Propero Report Back

s 9(2)(a) of Propero joined the meeting.

Amongst other things, Propero and the Board discussed:

- The unique context for the evaluation, with the majority of Board members having started within the last 18 months and a period of rebuilding required for the organisation. A significant amount of progress has been made in that period, with positive behaviours being demonstrated by Board members.

s 9(2)(g)(i)

[Redacted]

s 9(2)(g)(i)

- There are good structures and committees in place, but these will continue to evolve. The Board could be supported with shorter papers with greater insights.
- The Board would like an ongoing learning programme built into the Board programme.

<b>Resolutions</b>	The Board <b>noted</b> the discussion.
--------------------	--

s 9(2)(a) left the meeting.

### 11. Regulatory Committee Report Back

The Regulatory Committee Chair provided an overview of the Regulatory Committee meeting, highlighting in particular the concerns regarding the safety of Otira tunnel. The Committee asked for this to be actively investigated and reported back within the next few months.

<b>Resolutions</b>	<p>The Board:</p> <p><b><i>Director Land Transport Programme Update</i></b></p> <ul style="list-style-type: none"> <li>• <b>Endorsed</b> the high-level approach to the development of the next iteration of Waka Kotahi’s regulatory strategy, Tū ake, tū māia;</li> <li>• <b>Endorsed</b> the outcomes to inform the scope of the regulatory assessment that the Minister of Transport (the Minister) has requested be undertaken in his 2021 Letter of Expectations;</li> <li>• <b>Endorsed</b> management working with the Chair of the Regulatory Committee to develop and finalise the terms of reference for the assessment and approach.</li> </ul> <p><b><i>Debt Management</i></b></p> <ul style="list-style-type: none"> <li>• <b>Noted</b> Waka Kotahi is increasing its efforts to detect RUC non-compliance and we expect to find more non-compliance, resulting in increased levels of debt;</li> <li>• <b>Noted</b> Waka Kotahi is improving its service delivery functions, making debt payment transactions easier.</li> <li>• <b>Noted</b> while we are improving our current debt collection methods, our current resourcing and debt management methods cannot keep pace with the increase in identified RUC non-compliance; and</li> <li>• <b>Noted</b> an estimated \$3 million application for RUC write-off will be submitted in June 2021.</li> </ul>
--------------------	---



	<p><b>Clean Car Scheme (Discount and Standard)</b></p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the Cabinet decision to approve and fund the Clean Car Standard (the Standard) and to be fully operational by 1 Jan 2023 [CAB-21-MIN-0004];</li> <li>• <b>Noted</b> the Cabinet decisions to approve and fund the <i>Clean Car Discount</i> (the Discount) to be fully operational by 1 Jan 2022 with a rebate only option operational by 1 July 2021 [CAB-21-MIN-128.01 and CAB-MIN-0186];</li> <li>• <b>Noted</b> Waka Kotahi will be the agency responsible for establishing and administering the Schemes, and work is underway to implement the Schemes consistent with the timeframes set by Cabinet; and</li> <li>• <b>Delegated</b> to the Chief Executive and General Manager Corporate Support (as holders of Power of Attorney to sign deeds) the authority to approve the terms and conditions of, and sign, the Clean Car Discount Scheme Funding Deed where the Crown agrees to provide up to \$301.8M to Waka Kotahi to administer the payment of rebates under the Discount Scheme.</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the following papers supplied to the Committee on 23 June 2021: <ul style="list-style-type: none"> <li>○ Regulatory Performance Report June 2021</li> <li>○ Regulatory Deep Dive: Driver Licencing</li> </ul> </li> <li>• <b>Noted</b> the Regulatory Committee participated in a workshop discussion on Director of Land Transport functions.</li> </ul>
--	---

## 12. People and Culture Committee Report Back

The People and Culture Committee Chair provided an overview of the People and Culture Committee meeting, and the Board discussed the recommendations.

<b>Resolutions</b>	<p>The Board:</p> <p><b>Culture Road Map</b></p> <ul style="list-style-type: none"> <li>• <b>Endorsed</b> the recommended approach to culture change as set out in the paper.</li> </ul> <p><b>Appointments to Band 23</b></p> <ul style="list-style-type: none"> <li>• <b>Approved</b> the appointment as set out in the paper</li> <li>• <b>Approved</b> the band allocation as set out in the paper.</li> </ul> <p><b>Refreshed Code of Conduct</b></p> <ul style="list-style-type: none"> <li>• <b>Approved</b> the final Code of Conduct.</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the following papers supplied to the People &amp; Culture Committee on 23 June 2021.</li> </ul>
--------------------	---



	<ul style="list-style-type: none"> <li>○ Refreshed People Strategy 2021-2024</li> <li>○ Fair Pay Agreements</li> <li>○ Q3 People Dashboard</li> <li>○ Te Waka Kōtuitia Engagement and Partnerships Quarterly Report.</li> </ul>
--	---

### 13. Investment & Delivery Committee Report Back

The Investment & Delivery Committee Chair provided an overview of the Investment & Delivery Committee meeting, and the Board discussed the recommendations, noting in particular a number of changes made to the recommendations provided in the Committee papers.

<b>Resolutions</b>	<p>The Board:</p> <p><b><i>Standard Liability Caps for Physical Works Contracts</i></b></p> <ul style="list-style-type: none"> <li>● <b>Approved</b> the introduction of standard liability caps in physical works contracts</li> </ul> <p><b><i>2021-24 National Land Transport Programme – Funding and Investment Policies</i></b></p> <ul style="list-style-type: none"> <li>● <b>Noted</b> the Funding and Investment Policies Framework;</li> <li>● <b>Noted</b> the funding and investment policies for the 2021-24 period;</li> <li>● <b>Approved</b> the list of policies that should be reserved to the Board.</li> </ul> <p><b><i>SH3 Waitara to Bell Block Price Level Adjustment</i></b></p> <ul style="list-style-type: none"> <li>● <b>Approved</b> a funding increase of up to \$60m for the SH3 Waitara to Bell Block safety improvement project from the National Land Transport Fund Road to Zero Activity Class, raising the total approved funding to \$90m (P50).</li> <li>● <b>Delegated</b> to the Waka Kotahi Chief Executive authority to release funding above the revised P50 amount of \$90m, up to the maximum P95 amount of \$112m.</li> </ul>
--------------------	--

s 9(2)(j)

s 9(2)(j)

s 9(2)(h)

### ***Rail Network Growth Impact Management Price Level Adjustment***

- **Approved** the price level adjustment of \$132.9 million for the Rail Network Growth Impact Management implementation phase to a maximum of \$370.3 million from the National Land Transport Fund (P95).
- **Delegated** to the Waka Kotahi Chief Executive authority to release funding above the revised P50 amount (\$336.8 million) up to the maximum P95 amount (\$370.3 million).
- **Noted** the project is currently funded from the Transitional Rail activity class, and will be re-allocated to the Public Transport Infrastructure activity class.
- **Noted** the retrospective funding of \$24.6 million.

### ***Developing Auckland's Rapid Transit Network***

- **Endorsed** the scope and direction of an Auckland Rapid Transit Plan, in partnership with Auckland Transport and Auckland Council
- **Noted** ongoing integration with the Auckland Light Rail Establishment Unit, to ensure decisions made on light-rail consider wider network issues.
- **Noted** that Waka Kotahi is investigating a collaborative model to progress business cases and route protection for future rapid transit corridors (excluding City Centre to Māngere).

### ***Let's Get Wellington Moving Funding Approval Request***

- **Approved** a total increase in funding of \$26.3874m to the LGWM Programme. The funding increase includes the following:
  - \$10.853m from the NLTF State Highway improvements activity class, with a cost recovery of 40% from partners, to complete the **Strategic Highway Improvements Indicative Business Case (IBC)**, thereby increasing the approved total cost from \$14.35m to \$25.203m;



- \$10.853m (\$6.512m NLTF rapid transit activity class, with the remainder from LGWM partner contributions) to complete the **Mass Rapid Transit IBC**, thereby increasing the approved total cost from \$17.4m to \$28.25m.
- For three LGWM Early Delivery projects:
  - \$2.376m (\$1.426m NLTF Public Transport activity class, with the remaining 40% contribution from LGWM partners) for the **Golden Mile Single Stage Business Case (SSBC)**, thereby increasing the approved total cost from \$2.755m to \$5.131m.
  - \$1.851m (\$1.111m from the NLTF, with the remaining 40% contribution from LGWM partners) for the **Thorndon Quay and Hutt Road SSBC** from the Public Transport activity class, thereby increasing the approved total cost from \$1.653m to \$3.504m.
  - \$454,000 from the NLTF Walking and Cycling activity class (NLTF 100% FAR) for the **Cobham Crossing SSBC** thereby increasing the approved total cost from \$2.092m to \$2.546m.
- **Noted** that this does not increase the overall allocation of funding for the three Early Delivery projects, as the cost/scope adjustment for the SSBCs includes elements of pre-implementation that were originally expected to be included in subsequent phases.
- **Noted** that the programme office costs are not funded as a separate line item but rather are included within the Strategic Highway Improvements and Mass Rapid Transit IBCs.
- **Noted** that if this funding is approved it will not breach the approved funding cap, but additional funding may be required to complete the business case stage in the future.

s 9(2)(g)(i)

	<p><b><i>Pūhoi to Warkworth Price Level Adjustment</i></b></p> <ul style="list-style-type: none"> <li>• <b>Approved</b> a funding increase to the Pūhoi to Warkworth PPP of \$45.9M (including admin costs) thereby increasing the approved total cost from \$62.5M to \$108.4M.</li> <li>• <b>Noted</b> the increase excludes costs for the implementation of tolling.</li> </ul> <p><b><i>Other</i></b></p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the papers below supplied to the Investment &amp; Delivery Committee on 23 June 2021:             <ul style="list-style-type: none"> <li>○ GM Overview and Transport Services Update</li> <li>○ NZ Upgrade Programme Update</li> <li>○ Northern Pathway – Westhaven to Akoranga Update</li> </ul> </li> </ul>
--	---

**14. National Education and Advertising PBC for the 2021-2024 NLTP Period**

The General Manager Engagement and Partnerships and the Senior Manager Education and Advertising joined the meeting.

Amongst other things, the Board discussed the move away from less traditional television-led advertising, and the collaboration taking place with ACC and others.

<b>Resolutions</b>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Approved</b> \$102.2 million to deliver the ongoing National Road Safety Education and Advertising Programme (this is a continuous programme) for the three-year NLTP period 2021-2024.</li> <li>• <b>Noted</b> the Education and Advertising investment falls within the indicative funding allocated for Road Safety Promotion approved by the Board on 27 May 2021 (\$109 million in National Land Transport Fund share for the National Road Safety Education and Advertising component).</li> <li>• <b>Approved</b> \$14.7 million of new funding for the Road to Zero Public Awareness Campaign for the three-year NLTP period 2021-2024.</li> <li>• <b>Noted</b> a condition precedent to funding the Public Awareness Campaign is the activity must be assessed and included in the 2021-2024 NLTP as a prioritised activity.</li> </ul>
--------------------	--

The General Manager Engagement and Partnerships and the Senior Manager Education and Advertising left the meeting.

**15. Face to Face Services Contract Approvals**

The General Manager Regulatory Services, Senior Manager Systems Integrity and Procurement Specialist joined the meeting. Amongst other things, the Board discussed:

s 9(2)(g)(i)



s 9(2)(g)(i)

<p><b>Resolutions</b></p>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Approved</b> the contracts with the New Zealand Automobile Association (AA), Vehicle Testing New Zealand (VTNZ), New Zealand Post (NZP) and Vehicle Inspection New Zealand (VINZ) in the amount of \$203M.</li> <li>• <b>Noted:</b>            s 9(2)(g)(i)</li> </ul> <p style="text-align: center;">[REDACTED]</p> <ul style="list-style-type: none"> <li>○ The contractual risks and mitigations outlined in <b>Attachment 1</b>;</li> <li>○ The Chief Executive (or a second or third tier role) is authorised by the Minister of Transport to sign the statutory delegation instruments which relate to these powers and functions.</li> </ul> <ul style="list-style-type: none"> <li>• <b>Delegated</b> execution of the contracts to the Chief Executive.</li> </ul>
---------------------------	---

<p><b>Actions</b></p>	<p>s 9(2)(g)(i)</p>
-----------------------	---------------------

The General Manager Regulatory, Senior Manager Systems Integrity and Procurement Specialist left the meeting.

**16. Safety, Health & Environment Dashboard (for noting only)**

The Board discussed and noted the paper.

<b>Resolutions</b>	The Board <b>noted</b> the update.
--------------------	------------------------------------

**17. Streamlined Funding**

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

Amongst other things, the Board discussed the mechanisms that were in place to ensure that the approach was not misused by funding partners. Waka Kotahi can stop the streamlined funding approach at any point if there are concerns.

<b>Resolutions</b>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Approved</b> an Instrument of Board delegation for funding approvals applicable to Approved Organisations in the form set out in Attachment 1.</li> <li>• <b>Noted</b> that, subject to the above approval, Auckland Transport will be delegated authority to approve funding approvals up to \$15 million (per activity) for the 2021-24 period.</li> <li>• <b>Approved</b> the approach and assessment to funding programmes set out in this paper applicable to all Approved Organisations and Waka Kotahi for its own activities.</li> <li>• <b>Noted</b> the streamlined funding approach proposed for Auckland Transport that includes setting a targeted level of NLTF investment in the Auckland Transport programme for the 2021-24 period.</li> </ul>
--------------------	---

**18. Monthly Financial Update (for noting only)**

The General Manager Corporate Support provided an update on alternative financing options, s 9(2)(g)(i). Discussions with Treasury are ongoing, and ultimately the Minister of Finance is the decision-maker on whether financing can proceed.

<b>Resolutions</b>	The Board <b>noted</b> the Financial Update.
--------------------	--

**General Business**

**19. Board Correspondence**

The Board **noted** the correspondence.

**20. General Business**

There was no other business.



The meeting concluded at 2.50pm.

*Brian Roche*

**Minutes approved by the Board Chair**

**Brian Roche 20/08/2021**

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982