

Waka Kotahi NZ Transport Agency Board Minutes	
Date & time	23 September 2021, 9.00am – 2.00pm
Location	Microsoft Teams
Board members in attendance*	Sir Brian Roche (Chair), Cassandra Crowley (Deputy Chair), Catherine Taylor, David Smol, John Bridgman, Ken Rintoul, Patrick Reynolds, Victoria Carter
NZTA staff in attendance	Nicole Rosie (Chief Executive)* Richard May (Acting Director, Office of the Chief Executive)* Matthew Walker (General Manager Corporate Support) Ian Duncan (Chief Advisor) Melanie Marshall (Acting Senior Manager Enterprise Change) Brett Gliddon (General Manager Transport Services) Barbara Tebbs (National Manager Policy and System Planning) Lucy Riddiford (Workstream Lead, Governance and Policy) Howard Cattermole (Chief Financial Officer) Karen Jones (General Manager Engagement & Partnerships) Steve Mutton (Director Regional Relationships Northland/Auckland) Greg Lazzaro (General Manager Safety, Health & Environment) Lisa Rossiter (Senior Manager Environment and Sustainability) Kane Patena (General Manager Regulatory Services and Director of Land Transport) Brett Aldridge (Chief Operating Officer) Sue Hardiman (Senior Manager Vehicle and Driver Licensing) Yogesh Anand (Chief Technology Officer) Tara Macmillan (Portfolio Manager – Road to Zero) Fabian Marsh (Senior Manager Road Safety) Anna Moodie (Group General Counsel & Senior Manager Risk & Assurance)*
External attendees	Leigh Auton and Tommy Parker (items 5 & 6)
Apologies	None

**Present from start of meeting*

Introduction and governance matters

1. Apologies, Minutes & Actions

There were no apologies.

Draft Minutes

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> confirmed the minutes of the 19 August Board meeting subject to the changes to the Investment and Delivery Committee Report Back discussed at the Investment and Delivery Committee meeting on 22 September 2021.
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	<ul style="list-style-type: none"> • confirmed the minutes of the 24 August 2021 and 31 August 2021 Special Board meetings.
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Actions Arising

The current actions list was noted and updated. In relation to the action to write to the KiwiRail Board, the Director of Land Transport will write to the Board of KiwiRail in the first instance.

2. Interests Register

Cassandra Crowley advised that she has been appointed as a member of the Interim Health New Zealand Board.

Resolutions	The Board noted the Interests Register.
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Strategic

3. Board and Chief Executive Only Session

A Board only session was not held.

4. CE Report



Resolutions	The Board noted the Chief Executive's report.
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4.1 Our Map Update

The General Manager Corporate Support, the Chief Advisor and the Acting Senior Manager Enterprise Change joined the meeting.

Those Board members who attended the Senior Leaders Hui day on Our Map

provided positive feedback on the content and format of the session as well as the direction of Our Map. The Board recognised that it was a significant change programme, and the challenge would be how you bring everyone with you.

Progress reporting will be provided to the People & Culture Committee going forward.

Resolutions	The Board noted the update
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The Chief Advisor and Acting Senior Manager Enterprise Change left the meeting.

5. Rapid Transit Roles and Responsibilities

The General Manager Transport Services, National Manager Policy and System Planning, Workstream Lead Governance and Policy, Leigh Auton and Tommy Parker joined the meeting. The National Manager Policy and System Planning provided an overview of the paper.

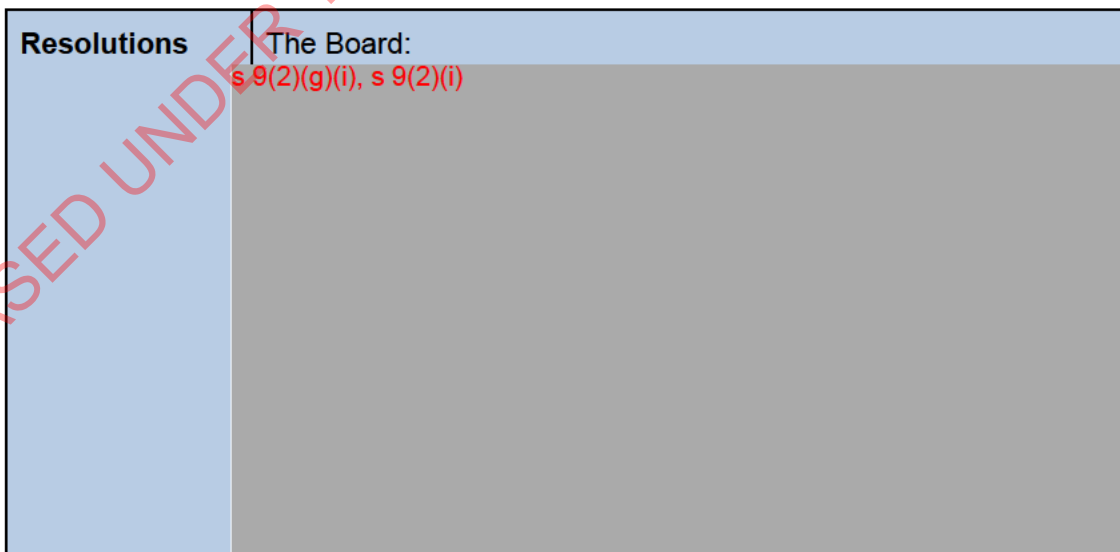
Amongst other things, the Board noted and discussed:

s 9(2)(g)(i)



- The role Waka Kotahi can play in connecting the work on the rapid transit projects in Auckland, Wellington and Christchurch.

Resolutions	The Board:
	s 9(2)(g)(i), s 9(2)(i)



6. Auckland Light Rail Update

Leigh Auton and Tommy Parker provided an update on progress on the Auckland Light Rail project, with a report due to the Minister in a few weeks.

s 9(2)(g)(i), s 9(2)(i)

Amongst other things, the Board noted and discussed:

- The importance of partnering to achieving the desired outcomes.
- The uncertainty of how the project will be funded.

Resolutions	The Board noted the paper.
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The General Manager Transport Services, National Manager Policy and System Planning, Workstream Lead, Governance and Policy, Leigh Auton and Tommy Parker left the meeting.

7. Waka Kotahi and NLTF Annual Report

The General Manager Corporate Support and the Chief Financial Officer joined the meeting. The Chair of the Risk and Assurance Committee provided an overview of the 17 September 2021 meeting, where the Annual report was discussed.

Amongst other things, the Board noted and discussed Management's response to the audit findings on procurement processes. Management is working to ensure that procurement systems are on the digital road map. Sampling of contracts across Waka Kotahi will also be undertaken in a very visible way.

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 2021 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 2021 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. • 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.
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	<ul style="list-style-type: none"> • 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. • Approved the letter from the Chair to the Minister.
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Item 17 was dealt with next

17. Monthly Finance Update

The Chief Financial Officer provided an overview of the paper, including the impact of COVID. It is not yet clear how the Crown intends to deal with the impact of COVID from a cost and revenue perspective. In the interim, we have a \$200m loan facility that we can use if needed. We are still awaiting confirmation of when the \$2bn loan facility will go to Cabinet. There is an initiation meeting for the revenue review next week.

Amongst other things, the Board discussed the importance of the Crown understanding the solvency challenges that may arise if COVID funding, the \$2bn loan facility, the regulatory fees and funding and the revenue review are not progressed promptly.

Resolutions	The Board noted the Financial Update.
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Actions	Circulate a copy of the Terms of Reference for the revenue review when it is available.
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The General Manager Corporate Support and the Chief Financial Officer left the meeting.

8. Director Regional Relationships Update

The Director Regional Relationships Northland/Auckland and the General Manager Engagement and Partnership joined the meeting. The Director of Regional Relationships Northland/Auckland spoke to a presentation with insights on Tāmaki Makaurau and Te Tai Tokerau.

Amongst other things, the Board noted and discussed the need for a regional approach to responding to climate change challenges. While increasing public transport patronage and EV update might be appropriate for Tāmaki Makaurau, other responses (such as use of biofuels) may be more appropriate for Te Tai Tokerau.

Resolutions	The Board noted the discussion.
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The Director Regional Relationships Northland/Auckland and the General Manager Engagement and Partnership left the meeting.

9. Emerging Carbon Reduction Targets

The Senior Manager Environment and Sustainability and General Manager Safety, Health and Environment joined the meeting and provided an overview of the paper.

s 9(2)(g)(i)

s 9(2)(g)(i)

Amongst other things, the Board discussed:

- The need for a regional approach to carbon reduction initiatives. For example, while there might be a nationwide target of 20% reduction in VKT, the reality is that this will require a much greater reduction in urban areas where public transport is available.
- The importance of setting targets at a level that allows the response to be adjusted as new technologies emerge.
- Alongside the targets, we will need to be clear on roles and responsibilities. There will be some things we will only be able to achieve if others play their role (e.g. enable policy change).
- The need for funding to support achievement of the targets.
- The importance of charging infrastructure to achieve VKT reduction. This will likely be led by EECA.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Noted that very significant new impacts for Waka Kotahi and our partners and suppliers are emerging from development of the Government’s Emissions Reduction Plan and the Carbon Neutral Government Programme. • Reaffirmed Waka Kotahi support to the Ministries of Transport and Environment during the development of the Emissions Reduction Plan and supports Waka Kotahi exploring closer involvement in executive decision making on transport related aspects of the Emissions Reduction Plan with MoT as implementation planning begins.
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The General Manager, Safety, Health and Environment and The Senior Manager Environment and Sustainability left the meeting

10. Risk and Assurance Committee Report Back

The Risk and Assurance Committee Chair provided an overview of the Risk and Assurance Committee meeting, and the Board discussed the recommendations.

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 2021</i></p> <ul style="list-style-type: none"> • Noted 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 2021 provided to the Committee in the Resource Centre.
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	<ul style="list-style-type: none"> ○ 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>National Ticketing Solution</p> <ul style="list-style-type: none"> ● Noted the progress to date and likely timing for the next steps to implementing a national system. ● Noted the key risks and mitigations in the Attachment. <p>Other</p> <ul style="list-style-type: none"> ● Noted the KPMG Report to the Risk & Assurance Committee on 22 September 2021.
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11. People & 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.

s 9(2)(i), s 9(2)(g)(i)

Resolutions	<p>The Board:</p> <p>Diversity and Inclusion Roadmap 2021-2024</p> <ul style="list-style-type: none"> ● Noted the Roadmap for diversity and inclusion for the next three years. ● Noted the Committee provided feedback on the Diversity and Inclusion Roadmap and the Committee’s role in this (see section headed People and Culture Committee input in the paper). ● Committed to the diversity and inclusion practices that are outlined in the Roadmap. <p>Attraction and Retention</p>
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s 9(2)(i)

	s 9(2)(g)(i), s 9(2)(i)
	<p><i>Other</i></p> <ul style="list-style-type: none"> • Noted the papers below supplied to the People & Culture Committee on 22 September 2021: <ul style="list-style-type: none"> ○ GM Overview Sep 2021 ○ People Dashboard Sep 2021 ○ Te Waka Kōtuia Engagement and Partnerships Quarterly Report Sep 2021.

12. Regulatory Committee Report Back

The Regulatory Committee Chair provided an overview of the Regulatory Committee meeting, and the Board discussed the recommendations, noting the changes to the recommendations from those included in the papers..

Resolutions	<p>The Board:</p> <p><i>Regulation of Vehicle Certifiers Options for Limiting Legal Liability</i></p> <ul style="list-style-type: none"> • Noted the options considered; • Endorsed the enhancements in regulatory approach, subject to the Committee’s feedback in respect of the notice of appointment; and • Noted Management continues to give consideration to the ongoing continuous improvement options that may be introduced for heavy vehicle certifiers. <p><i>Regulating the Heavy Vehicle Specialist Certification Industry</i></p> <ul style="list-style-type: none"> • Agreed that Project Orange has delivered the outcomes set for the project, and as outlined in the paper ‘Project Orange Close Out’; • Agreed that Project Orange has been delivered and can be closed out; • Endorsed the creation of a new programme of work (noting associated funding requirements) to increase the capability and capacity of the Heavy Vehicle Specialist Certification industry; • Noted that the new programme will require additional funding of \$13m over the next 3-5 years. There is \$1.1m of
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	<p>funding available in the existing budget. s 9(2)(g)(i)</p> <ul style="list-style-type: none"> • Noted that there is a regulatory compliance strategy in place to conduct ongoing regulatory reviews as a business as usual function to mitigate against the risk of another regulatory failure in this sector. <p><i>Regulatory Framework Deep Dive</i></p> <ul style="list-style-type: none"> • Noted the Committee endorsed the vision and plan outlined in the presentation. <p><i>Other</i></p> <ul style="list-style-type: none"> • Noted the Regulatory Performance Report September 2021 supplied to the Regulatory Committee on 22 September 2021.
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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.

Resolutions	<p>The Board:</p> <p><i>Coastal Shipping Activity Class Investment Approach</i></p> <ul style="list-style-type: none"> • Approved the proposed approach to investing the coastal shipping activity class for the 2021-24 National Land Transport Programme; • Approved seeking Ministerial direction under s112 of the Crown Entities Act 2004 for Waka Kotahi to be directly responsible for managing coastal shipping investment activities. <p><i>Impact of July 2021 flood event on Marlborough District Council road network</i></p> <ul style="list-style-type: none"> • Noted the two-stage approach being undertaken to restore community access and infrastructure in the Marlborough Council local road network; • Delegated approval to the Chief Executive for an Enhanced FAR for Response Phase 1 works once received. <p><i>Porirua City Council Link Roads Price Level Adjustment</i></p> <ul style="list-style-type: none"> • Approved a price level adjustment of \$6,528,316 for the Porirua Link Roads (\$3,525,290 from National Land Transport Fund Local Road Improvements Activity Class) to Porirua City Council, at a Funding Assistance Rate of 54%;
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	<ul style="list-style-type: none"> • Noted this price level adjustment brings the total approved cost from \$44,001,310 to \$50,529,626, which is in the Board's delegation at over \$50M. <p><i>Transmission Gully Project Lease Approval</i></p> <ul style="list-style-type: none"> • Noted that entry into the Transmission Gully Project Lease on or before the Service Commencement Date is a requirement of the Project Agreement; • Noted the form of the Transmission Gully Project Lease is mandated by the Project Agreement; • Approved Waka Kotahi entering into the Transmission Gully Project Lease; • Approved the Waka Kotahi Chief Executive being delegated the power and authority to finalise the form of and execute the Project Lease on behalf of Waka Kotahi. <p><i>NZUP – Recommendation to seek tolling on Penlink</i></p> <ul style="list-style-type: none"> • Approved the recommendation of Penlink to the Minister of Transport for tolling and the initiation of public consultation; • Noted the preferred tolling strategy of three gantries, and variable aggregated toll rates at peak and off-peak (\$3 and \$2 respectively); • Noted finance arrangements have not yet been identified for tolling delivery. <p><i>NZUP – Takitimu North Link Stage 1 Award of Design and Construct Contract Part B</i></p> <ul style="list-style-type: none"> • Noted the Joint Ministers approved Takitimu North Link Stage 1 to proceed as part of NZUP re-prioritisation, with funding of \$655M. • Noted the NZUP Governance Group has endorsed a recommendation to the Board in September 2021 to award Takitimu North Link Stage 1 Contract Part B subject to the conditions noted below. <p>s 9(2)(i)</p> <ul style="list-style-type: none"> • Noted the Joint Ministers will be briefed this month on the risk of requiring additional funding. • Approved the award of the Takitimu North Link Stage 1 Design and Construct Contract (Part B – Construction) to Fulton Hogan / HEB for the value of \$437M, <ul style="list-style-type: none"> ○ subject to approval by the Māori Land Court of the Memorandum of Agreement for the Crown land acquisition of 23 Te Mete Road; and
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	<ul style="list-style-type: none"> ○ subject to agreement of the Tauranga City Council Advance Purchase Agreement; and ○ delegating acceptance of these conditions to the Waka Kotahi Chief Executive. <p><i>NZUP – SH 58 Safety Improvements Business Case</i></p> <ul style="list-style-type: none"> ● Approved the SH58 Stage 2B Safety Improvements Business Case; ● Noted the implementation costs of \$87m for Stage 2B, including contingency and escalation, are within the NZ Upgrade Programme (NZUP) \$105m allocation for the SH58 Stage 2 Safety Improvements. <p><i>Let’s Get Wellington Moving – City Streets Indicative Business Case</i></p> <ul style="list-style-type: none"> ● Endorsed the City Streets IBC which recommends a package of 19 projects with a \$350m investment (including contingency) to be delivered over 10 years; ● Approved the release of \$7,072,641 funding from the NLTF Walking and Cycling Activity Class for Single Stage Business Cases; ● Approved the release of \$18,448,182 funding from the NLTF Public Transport Infrastructure Activity Class for Single Stage Business Cases, Pre-Implementation and Implementation phases; ● Noted that the LGWM Relationship Funding Agreement stipulates a Funding arrangement of 60% National Land Transport Fund (NLTF) and 40% local share at the Business Case phase, and asset owner FAR rates in the Pre-Implementation and Implementation phases. <p><i>AMETI Investigation Phase Cost Scope Variation</i></p> <ul style="list-style-type: none"> ● Approved funding to AT from the Local Road Improvements Activity Class for an increase of \$45.52 million at a funding assistance rate of 51% (\$23.22 million out of the NLTF) for the investigation phase of the AMETI Notice of Requirement and Assessment of Environmental Effects activity; ● Noted this funding is for the full costs of carrying out the IPAA phase (Alliance costs plus AT costs), increasing the total approved investigation phase cost from \$63.15 million to \$108.67 million. <p><i>Auckland Transport Business Case for batch three EMUs – Next Phase Funding Request</i></p> <ul style="list-style-type: none"> ● Endorsed the Single Stage Business Case (SSBC) for B3 EMUs to enable the Day One City Rail Link train plan to operate with sufficient capacity, ensuring appropriate levels of service; ● Approved Public Transport Infrastructure Activity Class funding to AT for the implementation phase for procuring 23
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	<p>EMUs and retrofitting the existing fleet of 72 EMUs with driver door operation and hardware for 9-car operation, at a P50 cost of \$319.7M (NLTF share \$163M at 51% FAR);</p> <ul style="list-style-type: none"> • Approved public transport infrastructure activity class funding to AT for the pre-implementation phase for Wiri EMU depot maintenance layout changes and stabling at a P50 cost of \$2.1M (NLTF share \$1.1M at 51% FAR). • Noted the implementation phase for Wiri EMU depot maintenance layout changes and stabling has an estimated P50 cost of \$37.0M (NLTF share \$18.9M at 51% FAR). • Approved delegating to the Waka Kotahi Chief Executive future funding decisions, including approval of the implementation phase for depot maintenance layout changes and stabling, provided that the total amount of combined approvals does not exceed the estimated P95 value for all phases of the \$407M (NLTF share of \$207.6M at 51% FAR). <p><i>Other</i></p> <ul style="list-style-type: none"> • Noted the papers below supplied to the Investment & Delivery Committee on 22 September 2021: <ul style="list-style-type: none"> ○ Engagement and Partnerships Quarterly Report ○ GM Overview & Transport Services Update ○ Capital Project Cost Escalations ○ Transmission Gully Road Opening Update ○ NZ Upgrade Programme Update ○ Let's Get Wellington Moving Update ○ NZUP – Penlink Cost Assessment.
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14. Licence Plate Contract Approval

The Chief Operating Officer, Senior Manager Vehicle and Driver Licencing and the General Manager Regulatory joined the meeting.

Amongst other things, the Board discussed:

- The steps that have been undertaken to ensure value for money, [REDACTED]
- The flexibility built into the contract if there is a decrease in VKT or there are other policy changes.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Noted: <ul style="list-style-type: none"> ○ The current contract expires on 30 November 2021; ○ The new contract and associated statutory delegations relate only to the manufacture, distribution and destruction of registration plates; ○ The contractual risks and mitigations outlined in Attachment 2; and
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	<ul style="list-style-type: none"> ○ 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. ● Approved entering a contract with LicenSys NZ Holding Limited (LicenSys) s 9(2)(i) or a whole of life contract term of ten plus five years (Option 1). ● Delegated execution of the contract to the Director of Land Transport and General Manager of Regulatory Services.
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Actions	Consider how the Board can get earlier sight of significant contracts. s 9(2)(i)
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The Chief Operating Officer, Senior Manager Vehicle and Driver Licencing and the General Manager Regulatory left the meeting.

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

The General Manager Safety, Health and Environment, Portfolio Manager – Road to Zero and Senior Manager Road Safety joined the meeting.

The General Manager Safety, Health and Environment provided an update on EAP usage in August. s 9(2)(g)(i)

The ELT have been holding a lot of online Q&A sessions to support staff, and the feedback from staff is that they feel supported. s 9(2)(g)(i)

Resolutions	The Board noted the update.
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16. Road to Zero Update

The Portfolio Manager – Road to Zero introduced the paper, noting that the additional NLTP funding had helped ensure that the programme can progress. A new dashboard is being developed and will be provided to the Board on a regular basis.

Amongst other things, the Board discussed their concerns about the New Zealand Police continuing to miss targets. More visibility is required at the district command level. The Directors of Regional Relationships are supporting getting additional information and focus.

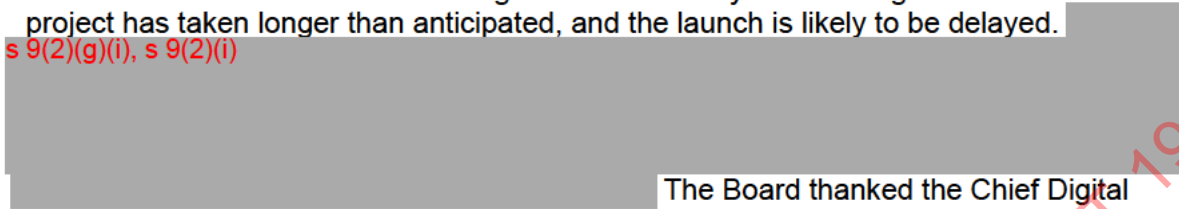
Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> ● Noted the contents of this update ● Approved the introduction of a quarterly Road to Zero Portfolio Report to the Board.
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The General Manager Safety, Health & Environment, Portfolio Manager – Road to Zero and Senior Manager Road Safety left the meeting.

18. Digital Dashboard

The Chief Digital Officer joined the meeting and provided an update on a number of matters. The ATMS issues have been resolved, and the project will go live in the WTOC in November and ATOC will go live in the new year. Testing for the HRIS project has taken longer than anticipated, and the launch is likely to be delayed.

s 9(2)(g)(i), s 9(2)(i)



The Board thanked the Chief Digital Officer for stepping into the role on an acting basis and for the progress he has made over that time.

Resolutions	The Board noted the Digital Performance Dashboard.
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The Chief Digital Officer left the meeting.

General Business

19. Board Correspondence

The Board noted the correspondence.

20. General Business

The Chief Executive confirmed that one decision had been made under the delegation from the Board for COVID lockdown related decisions. That decision was to fund the cost of regional road blocks at 100% of FAR.

The meeting concluded at 2.00pm.

Minutes approved by the Board Chair



Brian Roche 16/12/2021

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