

Waka Kotahi NZ Transport Agency Board Minutes	
Date & time	24 November 2021, 9.00am – 12.10pm
Location	Microsoft Teams
Board members in attendance	Sir Brian Roche (Chair), Cassandra Crowley (Deputy Chair), Catherine Taylor, David Smol, John Bridgman, Patrick Reynolds, Victoria Carter, Hon Tracey Martin, Ngarimu Blair
NZTA staff in attendance	Nicole Rosie (Chief Executive)* Richard May (Acting Director, Office of the Chief Executive)* Lucy Riddiford (Workstream Lead, Governance & Policy) Karen Jones (General Manager Engagement & Partnerships) David Speirs (Director Regional Relationships (Waikato/Bay of Plenty)) Kane Patena (General Manager Regulatory Services and Director of Land Transport) Neil Cook (Deputy General Manager Regulatory Services and Deputy Director of Land Transport) Matthew Walker (General Manager Corporate Support) James McHardy (Senior Manager Funding and Finance) Greg Lazzaro (General Manager Safety, Health & Environment) Liz Maguire (Chief Digital Officer) Yogesh Anand (Chief Technology Officer) Nicholas Manukau (Senior Manager Māori)* Anna Moodie (Group General Counsel Governance Risk and Legal)*
External attendees	None
Apologies	None

**Present from start of meeting*

Introduction and governance matters

The Chair welcomed new Board members Tracey Martin and Ngarimu Blair to their first Board meeting.

The Senior Manager Māori left the meeting.

1. Minutes & Actions

Draft Minutes

Resolutions	The Board confirmed the minutes of the 23 September 2021 Board meeting and the 13 October 2021 Special Board meeting.
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Actions Arising

The current actions list was noted and updated.

2. Interests Register

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

s 9(2)(g)(i)



Resolutions	The Board noted the Chief Executive's report.
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5. Auckland Light Rail

The Workstream Lead, Governance & Policy joined the meeting and provided an overview of the current status of the Auckland Light Rail project.

Amongst other things, the Board noted and discussed:

- The Ministry of Transport’s preference is that the Establishment Unit continue in the next phase of delivery. s 9(2)(g)(i)

[Redacted text block]

- Funding for the project is still undecided, but a large Crown contribution is likely needed. There are insufficient funds in the NLTF for the project to be funded from there.

- s 9(2)(g)(i)

[Redacted text block]

Resolutions	The Board noted the Light Rail paper.
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6. Director Regional Relationships Overview

The General Manager Engagement & Partnerships, the Director Regional Relationships (Waikato/Bay of Plenty) and the Chief Digital Officer joined the meeting.

The Director Regional Relationships provided an overview of his presentation on the Waikato and Bay of Plenty regions.

Resolutions	The Board noted the overview.
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The General Manager Engagement & Partnerships and the Director Regional Relationships (Waikato/Bay of Plenty) left the meeting.

7. Cardan Shaft Brakes

The General Manager Regulatory Services and Director of Land Transport and Deputy Director of Land Transport joined the meeting.

The Board requested that the paper be withdrawn and an updated paper be resubmitted to the Regulatory Committee in December.

The General Manager Regulatory Services and Director of Land Transport provided an overview of the work that has been done to date to improve the standards and testing for Cardan Shaft brakes. WorkSafe and Ryman entered into an enforceable undertaking to provide Waka Kotahi s 9(2)(i) to raise awareness of the use of Cardan Shaft brakes. That is being managed by the Safety, Health & Environment team.

Amongst other things, the Board noted and discussed:

- At the Regulatory Committee meeting in December, the Committee would like to consider whether we should go further in relation to Cardan Shaft brakes,

including whether we should prevent vehicles with this type of brake entering the system. The Committee would like to understand the risk-based view.

- The best way to identify which vehicles have this type of brake is by way of the testing requirements.

Resolutions	The Board noted the update on progress to implement improved in-service testing for vehicles with Cardan Shaft brakes and conduct an education and awareness campaign.
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The General Manager Regulatory Services and Director of Land Transport and the Deputy Director of Land Transport left the meeting.

8. Revenue Sustainability Review – Terms of Reference

The General Manager Corporate Support, Chief Financial Officer and the Senior Manager Funding and Finance joined the meeting. The Chief Financial Officer provided an update on the work to review future transport funding.

Amongst other things, the Board noted and discussed:

- While the Terms of Reference are framed as focusing on the medium term, there will also be recommendations on the long-term funding options.
- If the review is delayed, it is likely to raise issues for the Board in terms of being able to make funding commitments. For this reason, it would be helpful if the Terms of Reference included timing.

Resolutions	The Board noted the final draft terms of reference and provided feedback.
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The Senior Manager Funding and Finance left the meeting.

Item 10 was dealt with next

10. 2021/22 Q1 Financial Update

The Chief Financial Officer provided an overview of the Q1 financial update, noting in particular:

- From a liquidity perspective, we are in comfortable position right now. We are expecting the \$2bn funding agreement to be completed in December.
- The COVID impact from the most recent lockdowns is estimated to be \$600m. While we are optimistic that the Crown will fund the public transport component of this (\$100m), we don't have certainty around whether the broader impact will be separately funded. We are currently modelling to understand potential inflationary impacts near end of the NLTP period to understand how any COVID impact could be managed.
- While the COVID on Regulatory Services is smaller, it is more critical from a timing perspective. We have put in a budget bid to cover the impact.

Resolutions	The Board noted the Q1 Financial Update.
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The General Manager Corporate Support and Chief Financial Officer left the meeting.

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

The General Manager Safety, Health and Environment joined the meeting and provided an overview of the dashboard. Amongst other things the Board noted and discussed:

- The public interest in the use of glyphosate for weed control. While the position in New Zealand is that glyphosate is okay for use, we are looking at our position on its use.
- The fatality on the Milford Rd. This is currently in the coronial process, and no clear cause has been identified at this stage.

Resolutions	The Board noted the update.
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11. Digital Dashboard

The Chief Technology Officer joined the meeting and provided an overview of the dashboard. While there are some projects tracking at red, they all have a plan to get them back on track.

The Board noted the high number of staff clicking links in test phishing emails. The test emails provide an education opportunity for staff, and broader awareness campaigns are being run.

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

12. Risk and Assurance Committee Report Back

The Risk and Assurance Committee Chair provided an overview of the Risk and Assurance Committee meeting including a number of changes to recommendations following the meeting. The Board discussed the recommendations.

Resolutions	<p>The Board:</p> <p><i>Contract Management Actions and Strategic Procurement Update</i></p> <ul style="list-style-type: none"> • Noted that Enterprise Procurement has initiated a contract management compliance exercise across Waka Kotahi in immediate response to the findings and recommendations of the external audit report • Noted that Enterprise Procurement is progressing management responses to the internal audit findings,
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including a new Contract Management Framework for Waka Kotahi

- **Noted** that management is developing options for a modern fit-for-purpose digital procurement workflow and contract management solution

s 9(2)(g)(i)

Q1 Performance Report

- **Noted** the draft Waka Kotahi quarter one 2021/22 performance report
- **Approved** subject to the Committee's and Board's feedback, the quarter one 2021/22 performance report and cover letter to go to the Minister of Transport and subsequent publication of the report on the Waka Kotahi website.

s 9(2)(g)(i)

Digital Risk Update

- **Noted:**
 - the current digital risk and impact assessments to Waka Kotahi, recognising that this is work in progress;
 - that various technology remediation activities are underway to resolve key risks s 9(2)(g)(i)
 - the controls that are currently in place and those that are being implemented to further mitigate the risks and their impact;
 - that ongoing risk remediation activities have been prioritised as part of Waka Kotahi business planning process.

s 9(2)(g)(i)

People Technology Update

- **Noted** the revised go-live date of 3 February 2022 for the People Technology Solution;

	s 9(2)(i)
	<ul style="list-style-type: none"> • Noted that the project is working through the final Waka Kotahi go-live approval processes to ensure that the appropriate controls and mitigations are in place for the solution. <p>Other</p> <ul style="list-style-type: none"> • Noted the papers below supplied to the Risk & Assurance Committee on 23 November 2021: <ul style="list-style-type: none"> ○ GM Overview ○ Litigation and Open Investigations Report • Noted the Independent Digital Advisor gave a verbal report.

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>Quarterly Te Hau Ora Update</p> <ul style="list-style-type: none"> • Noted the key updates and planned actions around portfolio maturity, capability requirements, prioritisation and assurance. • Noted the current status and delivery timeline of Waka Kotahi Digital Strategy and Roadmap. • Noted the performance of the Te Hau Ora portfolio. <p>30 Year Plan Baseline Network Version</p> <ul style="list-style-type: none"> • Approved release and targeted external engagement on the 30-year Plan: Baseline Network Version I He Tirohanga Whakamua. <p>Business Case Approach Refresh Project</p> <ul style="list-style-type: none"> • Endorsed the proposed approach to refresh the business case approach. • Approved delegation to the Chief Executive endorsement of the approach if internal consultation and reference group feedback lead to any non-material change in approach. • Noted that sector engagement is scheduled to begin in February 2022, with implementation following Board approval mid-2022. <p>Bitumen Supply Chain Solution</p>
	s 9(2)(i)

s 9(2)(i)

***NZ Upgrade Programme Ōtaki to North of Levin –
schedule change***

The Committee **recommended** the Board:

s 9(2)(i)

- **Endorses** Management seeking confirmation from the Minister that tolling will be considered for the new road.
- **Notes** the project and programme level endorsements of option two by Ō2NL Project Steering Committee, NZUP Steering Group and NZUP Governance Group.

s 9(2)(i)

s 9(2)(i)

Let's Get Wellington Moving Golden Mile SSBC

- **Endorsed** the Golden Mile Single Stage Business Case.
- **Approved** funding to Waka Kotahi NZ Transport Agency Wellington for Golden Mile with total shared project costs of \$5.7M; 51% NLTF (\$2.907M) and 49% Wellington City Council (\$2.793M) for the Pre-Implementation Phase from the PT Infrastructure activity class.

s 9(2)(h), s 9(2)(i)

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

s 9(2)(h), s 9(2)(i)

Walking and Cycling on the Auckland Harbour Bridge

- **Noted** this is not a trial that would set an expectation that further consideration will be given to providing live lane access.
- **Noted** the earliest an event could be held would be Mid-2022, with next Summer 2022/23 a more realistic timeframe.
- **Provided direction** to whether Waka Kotahi responds to the Minister's request by exploring the scale and type of event (private/public) if Waka Kotahi were to support one.
- **Noted** the risks associated with events held on the Auckland Harbour Bridge.

Speed & Infrastructure Programme: SH2 Waihi to Omokoroa – Additional Funding for Median Barrier

- **Approved** funding to Waka Kotahi NZ Transport Agency for the SH2 Waihi - Omokoroa project for an increase of \$1.49M for property and \$47.31M for implementation (P50) at a funding assistance rate of 100% (\$48.8M from the National Land Transport Fund) from the Road to Zero activity class, thereby increasing the approved total cost from \$120.8M to \$165.6M.
- **Approved** delegation to the Waka Kotahi Chief Executive for further funding decisions up to a total of \$51.24M for property and implementation (P95).

Petone to Melling Walking and Cycling Link Price Level Adjustment

- **Approved** a funding increase to Waka Kotahi NZ Transport Agency of \$24.51M (P95) for the Petone to Melling Walking & Cycling Link project at a 100% FAR (\$24.51M out of the NLTF) from the Walking & Cycling Activity Class, raising the total approved funding from \$38.65M to \$63.16M (P95).
- **Noted** this PLA changes the BCR from 1.2 to 0.6 for the Petone to Melling project. This project forms one section of the Wellington to Hutt Valley corridor (W2HV); the updated BCR for the entire Wellington to Hutt Valley corridor is 0.9, a decrease from 1.0.

SH1 Waikato Expressway, Hamilton Section Price Level Adjustment

- **Approved** a funding increase of \$47.0m for the SH1 Waikato Expressway Hamilton Section project from the NLTF State Highway Improvements Activity Class, raising the total approved funding to \$814.9 million (P50).

- **Approved** a funding increase of \$21.9m for revocation of SH1B and SH26 as part of the SH1 Waikato Expressway Hamilton Section project from the NLTF State Highway Improvements Activity Class, raising the total approved funding to \$836.8 million (P95).
- **Delegated** to the Waka Kotahi Chief Executive authority to release funding for revocation of SH1B and SH26 as part of the SH1 Waikato Expressway Hamilton Section project from the NLTF State Highway Improvements Activity Class, subject to the Waka Kotahi internal approvals of the Business Case.
- **Noted** the requirement for a further Price Level adjustment for the deferred scope of works, Cambridge Road Widening, deferred to the 2024 – 2027 NLTP.
- **Noted** the revised expected cost of \$836.8m, is \$145.2m below the original estimate of \$982m approved in 2015.

s 9(2)(i)

AT Glenvar/East Coast Road Improvements SSBC

- **Endorsed** the Glenvar – East Coast Road Improvements Single Stage Business Case (SSBC).
- **Approved** funding to Auckland Transport (AT) for the pre-implementation phase of the Glenvar / East Coast Road Improvements activity at an estimated cost of \$2.91 million (NLTF share \$1.48 million) at a funding assistance rate of 51% from the Local Road Improvements Activity Class.
- **Approved** funding to AT for the implementation phase of the Glenvar / East Coast Road Improvements activity at an estimated cost of \$52.74 million (NLTF share \$26.90 million) at a funding assistance rate of 51% from the Local Road Improvements Activity Class.

s 9(2)(i)

Shaping Future Dunedin Transport Programme Business Case

- **Endorsed** the Shaping Future Dunedin Transport Programme Business Case with a total estimated cost over the ten-year programme of approximately \$103m.
- **Noted** that subject to Board endorsement of the Programme Business Case, the CFO will approve funding at combined total cost of \$1,754,774 (NLTF share \$1,253,274) for:
 - three prioritised Council Single Stage Business Cases:
 - Princes Street Bus Priority and Corridor Safety Plan SSBC (Dunedin City Council) (total shared project costs of \$450,000; NLTF share \$238,500, at a FAR of 53% for completion of an SSBC from the Local Road Improvements Activity Class)
 - Harbour Arterial Efficiency Improvements SSBC (Dunedin City Council) (total shared project costs

	<p>of \$200,000 NLTF share \$106,000, at a FAR of 53% for completion of an SSBC from the Local Road Improvements Activity Class)</p> <ul style="list-style-type: none"> ▪ Dunedin PT Improvements SSBC (Otago Regional Council) (total shared project costs of \$400,000, NLTF share \$204,000, at a FAR of 51% for completion of an SSBC from the Public Transport Services Activity Class.) ○ a cost scope adjustment to Waka Kotahi Dunedin City and Hospital Single Stage Business Case (Stage 1 Future SH88 SSBC) being an increase of \$707,774 from the State Highway Improvements Activity Class. <ul style="list-style-type: none"> • Noted endorsement of the Programme Business Case is subject to a condition subsequent that a review of the governance arrangements for work signalled for the recommended option in the Programme Business Case takes place to the satisfaction of the Waka Kotahi National Manager, System Design. <p>Hamilton City Council Procurement Strategy</p> <ul style="list-style-type: none"> • Endorsed the Hamilton City Council Procurement Strategy. • Approved delegating endorsement of the Hamilton City Council Collaborative Corridor Agreement Procurement Plan to the General Manager Corporate Support. • Approved delegating approval of the Hamilton City Council Supplier Panel to the General Manager Corporate Support. <p>Greater Wellington Regional Council's Procurement Strategy</p> <p>s 9(2)(g)(i)</p> <ul style="list-style-type: none"> • Noted the GWRC has submitted a "Transport Services" Procurement Strategy to Waka Kotahi as required for National Land Transport Funding (NLTF) co-funded procurement. <p>s 9(2)(g)(i)</p> <ul style="list-style-type: none"> • Noted that Waka Kotahi has maintained an ongoing and supporting dialogue with GWRC regarding the development and refresh of the GWRC Procurement Strategy. <p>s 9(2)(g)(i)</p>
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s 9(2)(g)(i)

- **Noted** that as an interim measure to provide assurance to Waka Kotahi of its co-investment spend with GWRC, Waka Kotahi is requiring GWRC to seek specific approval for all NLTF co-funded procurement activity from Waka Kotahi Senior Manager Procurement.

Auckland Transport's Future Ferry Development Programme Business Case

- **Endorsed** Auckland Transport's (AT's) Future Ferry Development Programme Business Case (PBC).
- **Noted** that endorsing AT's Future Ferry Development PBC allows further investigation into service levels and the ferry ownership model.

Auckland Transport's Future Ferry Development Procurement Strategy

- **Endorsed** Auckland Transport's (AT) Future Ferry Procurement Strategy.

Other

- **Noted** the papers below supplied to the Investment & Delivery Committee on 23 November 2021:
 - GM Overview & Transport Services Update
 - Transport Services Continuous Improvement
 - Transmission Gully Road Opening Update
 - Pūhoi to Warkworth Project Update
 - NZ Upgrade Programme Update

General Business

14. Board Correspondence

The Board **noted** the correspondence.

15. Indemnities for new Board members

The Board discussed extending indemnities to the new Board members in the same form as the indemnities for existing Board members.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Authorised Waka Kotahi the New Zealand Transport Agency (Waka Kotahi) to agree to indemnify Hon. Tracey Martin and Ngarimu Blair by entering into deeds of indemnity with them in materially the same form as those authorised at the December 2020 Board meeting. • Authorised any other two Board members to execute the deeds on behalf of Waka Kotahi. • Noted that Waka Kotahi has received external legal advice as to the form of the deed of indemnity and confirmation that it is legally appropriate for the Board to authorise the provision of the deeds as proposed in this paper. • Noted that section 62 of the Crown Entities Act 2004 provides (as an exception to the conflict of interest disclosure rules) that a Board member is: <ul style="list-style-type: none"> ○ Not “interested” in a matter because he or she receives an indemnity authorised under the Crown Entities Act and therefore, ○ Not required to disclose details of entering into his or her deed of indemnity.
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16. General Business

There was no other business.

The meeting concluded at 12.10pm.



Minutes approved by the Board Chair

Brian Roche 16/12/2021