

Waka Kotahi NZ Transport Agency Board Minutes	
Date & time	2 March 2022, 9.00am – 12.30pm
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*
Waka Kotahi staff in attendance	Nicole Rosie (Chief Executive)* Richard May (Chief of Staff)* Chris Lokum (General Manager People & Culture) Lucy Riddiford (Workstream Lead, Governance and Policy) Barbara Tebbs (National Manager Policy and System Planning) Karen Jones (General Manager Engagement & Partnerships) Emma Speight (Director Regional Relationships, Greater Wellington and Top of the South) Kane Patena (General Manager Regulatory Services and Director of Land Transport) Brett Gliddon (General Manager Transport Services) Tara MacMillan (Portfolio Manager – Road to Zero) Sarah Azam (Senior Manager, Communications and Engagement) Fabian Marsh (Senior Manager Road Safety) Greg Lazzaro (General Manager Safety, Health & Environment) Matthew Walker (General Manager Corporate Support) Howard Cattermole (Chief Financial Officer) Anna Moodie (Group General Counsel Governance Risk and Legal)*
External attendees	s 9(2)(a) (item 8)
Apologies	None

*Present from start of meeting

Introduction and governance matters

1. Minutes & Actions

Draft Minutes

Resolutions	The Board confirmed the minutes of the: <ul style="list-style-type: none"> • 9 December 2021 Special Board meeting • 16 December 2021 Board meeting • 22 December 2021 Transmission Gully Sub-Committee meeting • 14 February 2022 Transmission Gully Sub-Committee meeting.
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Actions Arising

The current actions list was noted and updated.

Actions	<ul style="list-style-type: none"> • Circulate the letter that was sent by the Director of Land Transport to KiwiRail regarding safety concerns • Consolidate the KiwiRail actions across the Board and Committees, and note that the KiwiRail Board and senior management will be invited to the Board once a new Chief Executive has been appointed
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2. Interests Register

Mr Bridgman advised that he has been appointed as a Board Member of Kāinga Ora – Homes and Community, effective from 1 January 2022.

Resolutions	The Board noted the Interests Register.
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The Group General Counsel and Chief of Staff left the meeting. The General Manager People joined the meeting.

Strategic

3. Board and Chief Executive Only Session

A Board and CE only session was held.

Resolutions	The Board noted the paper and the discussion.
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The Group General Counsel and Chief of Staff re-joined the meeting.

4. CE Report

s 9(2)(g)(i)



s 9(2)(g)(i)



Resolutions	The Board noted the Chief Executive's report.
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David Smol joined the meeting

5. Auckland Light Rail

Given his role on the Establishment Unit Board, Ngarimu Blair did not participate in the conversation on this item.

The Workstream Lead, Governance and Policy joined the meeting and introduced the paper, noting that the Ministry of Transport was in the process of setting up the delivery unit for Auckland Light Rail, in line with the Cabinet direction. The key risks being managed are: the complexity of the operating model; the transition phase (including the mandate of the existing board); and resourcing. The delivery unit would like to be able to access Waka Kotahi legal, procurement, funding and policy resources. However, she recognised that there were broader considerations.

The Workstream Lead, Governance and Policy left the meeting.

s 9(2)(g)(i)



Resolutions	The Board: <ul style="list-style-type: none"> • Noted the decisions of Cabinet on Auckland Light Rail (ALR). • Noted the operating model for the next phase of ALR, including the fact that Waka Kotahi will need to enter into a funding and hosting agreement, which will set out the scope
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	<p>of the 'hosting' roles, responsibilities and accountabilities in the context of the new funding arrangements.</p> <ul style="list-style-type: none"> • Noted the preferred partnering model outlined by the Light Rail Unit and the challenge of endorsing this approach with insufficient resources to deliver on our core work programme and all Ministerial priorities. • Endorsed support for administrative 'hosting' support to the Establishment Unit and the approach to the Additional Waitematā Harbour Crossing. • Noted the approach to integration of the ALR and AWHC projects. • Noted the need for Waka Kotahi to participate in several policy workstreams related to ALR, including developing an enduring policy framework for rapid transit, funding options and rail safety regulation.
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6. Waka Kotahi Policy Programme

The National Manager Policy and System Planning joined the meeting and introduced the paper.

Amongst other things, the Board noted and discussed:

- The scope and scale of the policy programme of work. The Board is supportive of the ongoing work to get greater clarity on the priorities and understand the non-legislative levers we have to enable change.

s 9(2)(g)(i)

Resolutions	The Board noted the direction of the Waka Kotahi policy programme.
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Actions	<p>Invite the Ministry of Transport to the April Board meeting to discuss the policy programme.</p> <p>Invite the Minister to the May Board meeting.</p>
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The National Manager Policy and System Planning left the meeting.

7. Director Regional Relationships Overview

The General Manager Engagement & Partnerships and Director Regional Relationships, Greater Wellington and Top of the South joined the meeting and spoke to the presentation.

Amongst other things, the Board noted and discussed the relationships in the Wellington region. The Board also discussed the issue of network resilience and the

challenge of managed retreat from some roads.

Resolutions	The Board noted the update.
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The General Manager Engagement & Partnerships and Director Regional Relationships, Greater Wellington and Top of the South left the meeting.

8. Te Amokura Overview

s 9(2)(a) joined the meeting and was welcomed by the Chief Executive and the Chair.

s 9(2)(a) gave a verbal presentation, noting in particular:

- Waka Kotahi is doing a good job in supporting transport projects from a te ao Māori and iwi engagement perspective, but recognises that it needs broader guidance.
- There are some good strategic documents in place, but we need to start focusing on action. This includes building some capability in the organisation. For example, there are opportunities in terms of how Waka Kotahi engages with Treaty partners, understand their needs and embeds this in to the way it works day-to-day.

The Board acknowledged that Waka Kotahi will misstep along the way, and that some of the changes needed will be hard and uncomfortable. The goal is to make engagement instinctive and authentic. The shift needs to happen at all levels of the organisation, including the Board.

Resolutions	The Board noted the presentation.
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s 9(2)(a) left the meeting.

9. Approach to Speed Management

The Portfolio Manager – Road to Zero, General Manager Regulatory Services and Director of Land Transport, General Manager Transport Services, Senior Manager, Communications and Engagement, Senior Manager Road Safety and General Manager Safety, Health & Environment joined the meeting.

The Portfolio Manager – Road to Zero introduced the paper, noting the proposed phased approach to speed reductions. s 9(2)(g)(i)

Amongst other things, the Board noted and discussed:

- The need to be ambitious to achieve a 40% reduction in deaths and serious injuries. s 9(2)(g)(i) However, there is a great deal of public resistance to speed reductions.
- Other jurisdictions have faced the same type of resistance, and have advised us to push through, with a focus on education and phasing any changes. Ultimately

speed reduction strategies have been successful in reducing deaths and serious injuries in these other jurisdictions.

- s 9(2)(g)(i)
- [Redacted]
- You don't get the real benefit of speed reductions without enforcement. s 9(2)(g)(i)

Resolutions	The Board <ul style="list-style-type: none"> • Noted the strategic context of speed and infrastructure interventions • Noted the current approach to setting speed limits under the current and proposed new speed rule • Noted the impact of the proposed new speed rule on the setting of speed limits • Approved the adoption of a phased approach for Speed Reviews which aims to keep pace with community support while continuing to work towards the same long term Road to Zero outcomes, subject to further advice on the phasing options.
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9.1 Treatment of a 90km per hour Speed Limit

This item was discussed as part of item 9.

Resolutions	The Board: <ul style="list-style-type: none"> • Noted the current approach to setting speed limits within the existing regulatory framework and • Noted the use of 90km/h under the current and future Speed Rule
	s 9(2)(g)(i)

Item 11 was considered next.

11. Road to Zero Portfolio Report

Amongst other things, the Board noted and discussed:

s 9(2)(g)(i)

s 9(2)(g)(i)

- The new advertisements are getting the desired cut through.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Noted the contents of the update and report • Noted the revised Median Barrier programme is forecasted to deliver just over half of the intended Road to Zero strategic target by 2030 • Noted where Median Barrier cannot be implemented on high risk corridors, speed reductions will be used as the default intervention • Noted continued issues with New Zealand Police delivering their commitments under the Road Safety Partnership Programme
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The Portfolio Manager – Road to Zero, General Manager Regulatory Services and Director of Land Transport, General Manager Transport Services, Senior Manager, Communications and Engagement, Senior Manager Road Safety left the meeting.

10. Safety, Health and Environment Dashboard

Amongst other things, the Board noted and discussed:

- The focus on supporting mental health at a time where Covid and other factors are adding additional stress in life more generally. s 9(2)(g)(i)
- In terms of critical risks, harmful interactions continue to be of concern. An ELT member is allocated to each incident.

Resolutions	The Board noted the report.
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The Board thanked the General Manager Safety Health and Environment for the work he has done to improve safety at Waka Kotahi. He then left the meeting.

12. Risk & Assurance Committee Report Back

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

The Board agreed to delegate the signing of the audit engagement letters to the Chair.

Resolutions	<p>The Board:</p> <p><i>Q2 Performance Report</i></p> <ul style="list-style-type: none"> • Approved, subject to the Committee's and Board's feedback, the quarter two 2021/22 performance report and cover letter to go to the Minister of Transport and
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	<p>subsequent publication of the report on the Waka Kotahi website.</p> <p>KPMG External Audit Plan</p> <ul style="list-style-type: none"> • Approved the 2022 Audit Fee of [REDACTED], including the Office of the Auditor General (OAG) support charge plus disbursements excluding GST. • Noted that the fee is for 2021/22 only, due to wage inflation uncertainty. • Noted that the proposed fee for the scrutiny principle audit has decreased from [REDACTED] • Noted the audit plan for the 2021/2022 audit. <p>Cyber Security Risks Update</p> <ul style="list-style-type: none"> • Noted the Committee noted: <ul style="list-style-type: none"> ○ The current cyber risk and impact assessments to Waka Kotahi, s 9(2)(g)(i) <div style="background-color: #cccccc; height: 100px; width: 100%;"></div> <p>Other</p> <ul style="list-style-type: none"> • Noted the papers below supplied to the Risk & Assurance Committee on 1 March 2022: <ul style="list-style-type: none"> ○ GM Overview ○ Digital Quarterly Update ○ Litigation and Open Investigations Report ○ DDR presentation – Heart of NZ • Noted the Independent Digital Advisor provided a verbal update to the Committee.
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13. Six Monthly Financial Update

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

Amongst other things, the Board noted and discussed:

- The financial pressures from Covid.
- Positive progress is being made on the revenue review and the Board will receive a more detailed update at the April meeting.

Resolutions	The Board noted the Financial Performance and NLTF Summary to 31 December 2021.
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The General Manager Corporate Support and Chief Financial Officer left the meeting.

14. 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.

<p>Resolutions</p>	<p>The Board:</p> <p><i>GM Overview & Transport Services Update</i></p> <ul style="list-style-type: none"> • Appointed Mark Kinvig, acting National Manager Infrastructure, as an attorney for Waka Kotahi for the purposes of signing property related deeds. • Noted that to authorise this appointment two Board members will need to sign the deed of appointment. <p><i>COVID Global Price Level Adjustment</i></p> <ul style="list-style-type: none"> • Noted the forecast direct cost for State Highway NLTP capital works projects for the August 2021 Covid lockdown s 9(2)(g)(i) • Noted that estimated additional costs for State Highway NLTP capital works projects arising from implementation of the current COVID-19 Protection Framework s 9(2)(g)(i) • s 9(2)(g)(i) • Noted funding will be allocated across the relevant projects under management delegations, when the actual claims are endorsed through the Covid Taskforce / Claims Handling Group. • Noted this paper covers NLTP capital projects only. It does not cover the NZ Upgrade Programme (NZUP) or PPP capital projects Transmission Gully and Puhoi to Warkworth. <p><i>SH16 Brigham Creek to Waimaku Price Level Adjustment</i></p> <ul style="list-style-type: none"> • Approved the increase in funding to Waka Kotahi NZ Transport Agency for the SH16 Brigham Creek to Waimaku project of \$41.7m (P95) at a 100% funding assistance rate (\$41.7m from the 24-27 NLTF) from the State Highway Improvements activity class, thereby increasing the total cost of the project from \$166.5m to \$208.2m (P95). • Delegated the Chief Executive authority to release funding over \$191.9m (P50). • Noted this approach results in the deferral of \$54.4m of existing allocated funding from this NLTP to the next. This is as the result of scheduling the construction of the Stage
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2 in the next NLTP, however the associated land acquisition for this stage remains scheduled in the current period.

- **Noted** the BCR has reduced from 1.1 to 0.9 as result of increases in property, construction, administration, and escalation costs

Auckland Network Optimisation SSBC

- **Endorsed** the Waka Kotahi NZ Transport Agency and Auckland Transport Auckland Network Optimisation Single Stage Business Case, which includes a 10-year programme with a total estimated cost of \$312.8m (P50) and \$375.3m (P95).
- **Approved** funding of \$47.8m (100% FAR) to Waka Kotahi for Auckland Network Optimisation from the State Highways Improvements Activity Class for single stage business case development, and pre-implementation and implementation phases of the Stage 1 programme. Of this, \$34.7m is in the 21–24 NLTP period, and \$13.1m is in the 24-27 NLTP for Stage 1.
- **Noted** that approval of this funding will contribute to the requirement for the State Highway Improvements activity class investment target to be increased before the end of this 21–24 NLTP period.
- **Approved** funding of \$9.446m (51% FAR; NLTF share \$4.8m) to Auckland Transport for Auckland Network Optimisation from the 21-24 NLTP Local Road Improvements Activity Class for single stage business case development and the implementation phase of the Stage 1 programme.

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

Urban Form Position

The Committee recommended the Board:

- **Endorses**, subject to Management further considering the Committee’s feedback, the following Urban Development Position:
“Waka Kotahi actively supports, enables and encourages quality, mixed-use, compact urban development that efficiently uses land, reduces travel distances and lowers reliance on private vehicles to enhance people’s lives”.

- **Endorsed** Waka Kotahi performing the following roles to support the Government's urban development objectives and to support achieving our Urban Development Position:
 - Leading operational land transport planning input to local urban development so that decision making supports consistent integrated land use and transport planning.
 - Working with partner agencies to support ongoing integration between transport and urban development decision-making, from long-term strategy through to delivery.
 - Including investment conditions where required in urban development packages to facilitate prioritised, sequenced and integrated activity.
- **Noted** that Waka Kotahi priority areas for road safety, resilience and climate change adaptation sit alongside the position statement and are progressed in parallel.

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

s 9(2)(g)(i)

s 9(2)(f)(iv) and s9(2)(g)(i)

Tolling – Back Office Systems Replacement

- **Approved** the overall cost s 9(2)(b)(ii) plus a contingency of s 9(2)(b)(ii) for the implementation and ongoing managed service of the proposed tolling solution over a 10-year period.
- **Approved** the commercial arrangements in principle with delegated authority being given to the Chief Technology Officer to execute the Master Services Agreement (MSA) and specific Statements of Work under the MSA for the on-going support, maintenance and upgrades (subject to accompanying risk assessment, legal, and financial reviews).
- **Noted** that the current back office system and platform used for tolling are at end-of-life and extended support for the current system has a finite timeline.

- **Noted** that we have undertaken a full RFP (Request for Proposal) process, facilitated by PWC, including an independent probity auditor. The evaluation considered offerings from multiple providers and included a robust requirements and value for money assessment.
- **Noted** that the complete upgrade will be delivered in a single phase by June 2023.
- **Noted** that the preferred vendor ^{s 9(2)(b)(ii)} will be subject to Waka Kotahi Master Services Agreement (MSA). Ongoing operational support and maintenance will be via a managed service arrangement. The arrangement is for a total period of 10 years, with breaks at five and eight years; providing Waka Kotahi the opportunity to extend the functionality to other services or to change the contract construct if required.
- **Noted** that the whole of life costs, over a 10-year period, are ^{s 9(2)(b)(ii)}
- **Noted** that the new tolling platform can be extended and used for other modules and capabilities ^{s 9(2)(g)(i)}

AT Bus Services SSBC

- **Endorsed** Auckland Transport's Public Transport Improvements Single Stage Business Case at a total cost in NLTP 2021/24 of approximately \$42m for bus operational costs (total gross cost) and minor infrastructure improvements.
- **Approved** funding for the implementation phase (Implementation – Bus Service Improvements) with a total cost in NLTP 2021/24 of \$30,131,173 (cost net of fares), and NLTF share of \$15,366,898 at a FAR of 51% for Auckland Transport's AKL – Public Transport Service Improvements from the Public Transport Services Activity Class. This includes \$1,117,770 in retrospective costs.
- **Noted** that the Board has previously approved the minor infrastructure improvements for Auckland Transport's AKL – Public Transport Service Improvements through the Public Transport Infrastructure Low-Cost Low-Risk programme in NLTP 21/24.
- **Noted** the total ongoing operational cost for the bus services is estimated at \$37m per annum from 2024/25 onwards and escalated thereafter.

CCC and GWRC Procurement Strategies

- **Endorsed** Christchurch City Council's request to extend its Transport Procurement Strategy expiry date to 31 May 2022.

	<ul style="list-style-type: none">• Noted:<ul style="list-style-type: none">○ Christchurch City Council's current procurement strategy expires 18 March 2022○ Greater Wellington Regional Council's Procurement Strategy for Transport Activities will be submitted at the April 2022 Board. <p><i>Other</i></p> <ul style="list-style-type: none">• Noted the papers below supplied to the Investment & Delivery Committee on 1 March 2022<ul style="list-style-type: none">○ Pūhoi to Warkworth Update○ NZUP Governance Group Chair Update
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General Business

15. Board Correspondence

The Board **noted** the correspondence.

16. General Business

There was no other business.

The meeting concluded at 12.30pm.



Minutes approved by the Board Chair

Brian Roche 21/04/2022