

Board meeting | 18 August 2022

Time	9.00am
Location	Morning: PwC 10 Waterloo Quay, Pipitea, Wellington Afternoon: Waka Kotahi Boardroom, Level 2, 50 Victoria Street, Wellington (and Microsoft Teams)
Board	Cassandra Crowley (Acting Chair), Patrick Reynolds, David Smol, John Bridgman, Victoria Carter, Catherine Taylor, Hon Tracey Martin, Ngarimu Blair

Rautaki | Strategic

Apologies: Sir Brian Roche (Chair)

1. Board strategy session

The Board and Executive Leadership team discussed:

- Management's recent visit to Australia including the benefits and value of bi-partisan, stable and long term planning and sector leadership can have.

Robyn Elston, Tammy Henderson and Vanessa Browne left the meeting.

- The strategic context and environment Waka Kotahi is operating in now and may be operating in, in the future.
- The need to ensure the continued ability to perform Waka Kotahi core functions.
- The positive progress the organisation has made.
- Reconfirmation of Te Kāpehu and the four strategic priorities.
- An update on the recent consultation around the Te Kāpehu change process and confirmation of the new organisational structure.

2. Minutes & Actions

The current actions list was noted and updated.

Resolutions The Board **approved** the minutes of the 1 July 2022 Waka Kotahi Board Subcommittee meeting and the 7 July 2022 Waka Kotahi Board meeting.

3. Interests register

Ngarimu Blair noted that his interests in the Auckland Light Rail Establishment Board and Sir Peter Blake Trust had ceased.

The Board discussed the general approach to disclosing interests, noting the general rule of thumb set out in the Board Conflicts of Interest Guidelines that, if in doubt it is better to disclose an interest so that it is captured in the interests register.

Resolutions The Board **noted** the interests register.

4. CE report

s 9(2)(g)(i)

Resolutions The Board **noted** the Chief Executive's report.

Actions

s 9(2)(g)(i)

5. Local government elections

The Board and Management discussed a number of matters, including:

- Transport has previously been a key issue in local government elections. That is less so this election cycle with other significant issues and cost increases being key focuses.
- Waka Kotahi continues to rate well with stakeholders, noting we are currently in a favourable period in the NLTP cycle.
- There is going to be significant change in local government membership this election cycle across a number of councils.
- Management is working on briefings for those newly elected to support them in their new roles.

Resolutions The Board **noted** the paper.

6. Risk and Assurance Committee report back

The Board and Management discussed a number of matters, including:

- The state highway valuation and the impacts climate change are likely to have on that valuation in the future.
- Ongoing concerns regarding funding and the impact of that on continuing to perform as a going concern.

Resolutions

The Board:

Draft financial and non-financial results

- **Approved** the increase in value of \$15,32m to the state highway network.
- **Noted** the letter of confirmation of the National Land Transport Fund (NLTF) cash balance (notional bank account) of \$242m as at 30 June 2022 from the Ministry of Transport.

Assurance for Waka Kotahi input into the Crown Financial and Information System (CFIS)

- **Approved** the Crown Financial and Information System submission
- **Noted** the related Letter of Representation to be sent to the Crown
- **Delegated** authority to approve and sign the Letter of Representation to KPMG, on behalf of the Board, to the Board Chair and Risk and Assurance Committee Chair.

Other

- **Noted** the following papers supplied to the Committee on 17 August 2022:
 - Auditor General session
 - GM overview
 - Land Transport Revenue Review update
 - Litigation and open investigations report
 - Digital update
 - Digital risk update

Actions

Management to provide an overview of the approach to managed retreat and resilience (including rural vs urban).

7. Financial update

The Board and Management discussed a number of matters, including:

- Operating expenditure was under budget primarily as a result of delays in delivery of some projects and lower regulatory transactions.
- NLTF revenue was down \$300m at a headline level but is anticipated to be more given likely accelerated RuC purchasing at the current discounted rates.
- It is finely balanced as to whether there will be sufficient liquidity in the NLTF through this NLTP period. However, there are signals that expenditure is continuing to slow and the option to continue to defer expenditure in some areas remains. An updated position will be provided following October revenue re-forecasts.
- The regulatory fees and funding review, once finalised and implemented, will support increased regulatory costs.
- Additional resource has been applied to recover overdue RuC.

Resolutions

The Board **noted** the Financial update.

Actions

Management to provide an overview on the approach taken to recover RuC.

8. KiwiRail

The Chair welcomed David McLean and Peter Reidy to the meeting. KiwiRail and the Board discussed a number of matters including:

- The importance of safety, remaining focussed on it and committing to it as a priority.

Kane Patena left the meeting.

- The benefits of continuing to work collaboratively to maximise investment in the wider integrated transport system.
- Current and historic funding challenges.

Te mahi | Operational

9. Health, safety and wellbeing update

Management and the Board discussed a number of matters including:

- A safety moment involving a recent driving incident, and the insights that data is currently providing around that incident.
- s 9(2)(g)(i)
- Work continues on developing the health and safety strategy and workplan, both of which will be taken to the People, Culture and Safety Committee.

Resolutions

The Board noted the update.

10. Investment and Delivery Committee report back

Resolutions

The Board:

NZUP

Ōtaki to North of Levin DBC

s 9(2)(f)(iv)

s 9(2)(f)(iv)

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

GM overview and TS update

Papamoa East Interchange

- **Noted** the Transport Services report.
- **Approved**, to reflect updated cost information provided by the Tauranga City Council (TCC), further increasing funding to TCC for the pre-implementation and implementation phases of the Eastern Growth Corridor Growth Projects by \$19.1m (51% FAR; NLTF share \$9.7m) from the Local Road Improvements Activity Class, thereby increasing the approved total cost from \$102.37m to \$121.47m (51% FAR; NLTF share \$61.95m)

Auckland Transport public transport driver wages

- **Approved** a funding increase of up to \$31m for the Auckland Transport 2021–24 Public Transport Programme (Bus Services) from the National Land Transport Fund public transport activity class (\$15.8m NLTF), raising the total approved funding to \$806.6m.
- **Noted** that funding will result in the Board approved Public Transport Services activity class investment target being marginally exceeded.
- **Noted** that funding pressures on the NLTF as a whole means that activities in other activity classes may need be deferred or cancelled to meet the additional funding requested.
- **Noted** that we will bring a paper in September 2022 asking the Board to increase the public transport activity class target and update on the funding outlook for the remainder of the NLTP period.
- **Noted** the contribution the additional funding is making in the context of the wider relationship with Auckland Transport and that it is the Board's expectation that that be recognised by Auckland Transport in the further development of the relationship.
- **Delegated** to the Waka Kotahi Chief Executive the authority to approve similar funding requests for the 2021–24 Public Transport programme from other regional councils. The expected cost of similar requests from other regional councils is approximately \$10 million.

Auckland Harbour Bridge judicial review reconsideration

- **Endorsed** that Waka Kotahi will not engage in the reconsideration proposed by Movement, and Management will respond to Movement to decline its request (enclosing a copy of the paper and the relevant extract of the Board minutes).
- **Noted** that, having reviewed errors alleged by Movement and considered further information prepared and analysis undertaken since November 2021, Management's opinion remains that trialling lane reallocation is not an appropriate solution for cross-harbour walking and cycling.

Wellington City Council Cycleways Masterplan PBC

- **Endorsed** the Wellington Bike Network Plan Refresh Programme business case developed by Wellington City Council, with an estimated programme cost of \$350m (P50).
- **Noted** that funding is not currently being sought for the programme. Projects will be assessed on both alignment to the programme and on their individual merits, and where required will go through the business case approach.
- **Noted** that in addition to NLTF, funding for individual projects will be sought from sources which align closely with the outcomes sought, as the recommended programme is currently unaffordable in the NLTF.

Transport Services funding decisions

Porirua City Council (PCC) – PCC Link Roads Project

- **Approved** funding for PCC Link Roads for an increase of \$1.53m at a funding assistance rate of 54 % (\$0.83m out of the NLTF) for Construction from the Local Road Improvements Activity Class thereby increasing the approved total cost from \$41.72m to \$43.26.
- **Approved** funding for PCC Link Roads for an increase of \$2.99m at a funding assistance rate of 54 % (\$1.62m out of the NLTF) for Property from the Local Road Improvements Activity Class thereby increasing the approved total cost from \$8.40m to \$11.39m.
- **Noted** that the additional funding takes the total cost from \$50.53m to \$55.05m.

CFO decisions

- **Noted** the decisions made under the CFO's delegations included for information/awareness.

Other

- **Noted** the following papers supplied to the Investment and Delivery Committee on 17 August 2022:
 - NZUP update
 - Transmission Gully update
 - Pūhoi to Warkworth PPP update
 - Business case refresh

11. Regulatory Committee report back

The Chair of the Regulatory Committee gave a verbal report back, noting amongst other matters the safety alert recently issued in respect of Carden shaft brakes.

Resolutions	The Board noted the item
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12. Policy – Waka Kotahi events

Resolutions	The Board: <ul style="list-style-type: none">• Noted that events vary in scale and cost depending on the significance of the project and are typically organised within the project budget, rather than a centralised event budget.• Approved the proposed approach to managing the approval of scale and budget for milestone or partnership events, including the draft business guidance and framework.
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Ngā kōrero o te wā | General business

13. Board correspondence

The Board noted the correspondence.

14. Other business

There was no other business.

The meeting closed at 3.40pm

Ētahi atu tāngata kua tae ā-tinana mai | Other attendees

External attendees		Items
David McLean	KiwiRail Chair	8
Peter Reidy	KiwiRail Chief Executive	8
Waka Kotahi		
Nicole Rosie	Chief Executive	All
Anna Moodie	GM Corporate Support (Acting)	1,
Anthony Fewster	Senior Manager People and Process Safety	9
Brett Gliddon	GM Transport Services	1
Chris Lokum	GM People	1, 9
David Speirs	Director Regional Relationships (Waikato/Bay of Plenty)	5
Emma Speight	Director Regional Relationships, Greater Wellington and Top of the South	5
Howard Cattermole	Chief Financial Officer	6, 7
Ian Duncan	Chief Advisor	1
James Caygill	Director Regional Relationships (West Coast/ Canterbury/ Otago/Southland)	5
Kane Patena	GM Regulatory Services and Director Land Transport	1, 8
Karen Jones	GM Engagement & Partnerships	1, 12
Linda Stewart	Director Regional Relationships (Taranaki/Hawkes Bay/ Gisborne/Manawatu)	5
Liz Maguire	Chief Digital Officer	1
Mike Birchler	General Counsel Governance and Funding	All
Robyn Elston	National Manager System Design	1
Tammy Henderson	National Manager, Business Alignment and Strategy	1
Vanessa Browne	National Manager Programme and Standards	1



Minutes approved

Sir Brian Roche, Board Chair
27 September 2022