

Board meeting | 14 December 2022

Time	8.00am
Location	Waka Kotahi boardroom, 50 Victoria St, Wellington (and Microsoft Teams)
Board	Sir Brian Roche (Chair), Cassandra Crowley (Deputy Chair), Patrick Reynolds, John Bridgman, Victoria Carter, Catherine Taylor, Hon Tracey Martin, Ngarimu Blair

Rautaki | Strategic

1. Board only session

A Board only session was not held.

2. Apologies, Minutes, Actions and Interests

Apologies: David Smol.

Resolutions	The Board: <ul style="list-style-type: none">• Approved the minutes of the Waka Kotahi Board meeting of 10 November 2022• Noted the current actions list• Noted the interests register
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3. CE report

s 9(2)(g)(i)

Resolutions	The Board noted the Chief Executive report.
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4. SafePlus assessment (verbal)

The Senior Manager People and Process Safety and Margaret van Schaik presented a summary of the findings from the SafePlus assessment.

Amongst other things, the Board discussed:

- From a relativity perspective, most public sector organisations are sitting at “developing”. Waka Kotahi has been assessed at “performing”, which is unusual for a public sector

organisation in their first assessment. Central to achieving the performing rating was good leadership, good governance and a commitment to continuous improvement

- The focus in the next 18 months is to get to a solid “performing” rating. To achieve that, there will need to be an increased focus on worker engagement and risk management. In the next time horizon, we will focus on achieving a “leading” rating

• s 9(2)(g)(i)

- Harmful interactions are increasing, which is not unique to Waka Kotahi. Greater alignment with Councils may help us manage this better.

Resolutions The Board **noted** the item.

Actions Quarterly reporting of progress against the SafePlus recommendations to the Risk & Assurance Committee, with a particular focus on mental wellbeing and harmful interactions

5. Te Kapehu – Director of Land Transport

The Board discussed the paper, noting the concerns raised by the Ministry of Transport have been addressed. Much of the work that Waka Kotahi does has a regulatory component, and whether a regulatory function is being provided by the Regulatory Services group or elsewhere in the organisation, one of the Director’s roles is to assure himself that the work is being done appropriately.

Resolutions The Board **noted** the paper.

Actions Write to the Minister to note the role of the Director following the organisational changes. Include the diagram that shows the way regulation is integrated across Waka Kotahi

6. Tū ake, tū māia – our regulatory strategy

The Board discussed the strategy, noting the importance of safety being at the core of the strategy. The strategy will be kept under review as policy and other settings change.

s 9(2)(g)(i)

Resolutions The Board:

- **Noted** final changes that have been made to the strategy, in response to feedback from the Board received at the November 2022 Board meeting.
- **Endorsed** Tū ake, tū māia 2022.

7. Safety camera system detailed business case for Stage 1

Amongst other things, the Board discussed:

s 9(2)(g)(i)

- The staged approach will help build social licence before infringements are issued. The Board asked that Management consider whether we could still take action against any serious offending that is detected in the period leading up to the issuing of infringements.
- We have requested that fines from safety cameras be increased, and that the revenue from fines is hypothecated to fund safety initiatives.
- The proposal is that there will be a mix of fixed and covert cameras.

Resolutions

The Board:

- **Endorsed** the Tackling Unsafe Speeds – Safety Camera System DBC – Transfer, Operate, Expand Phase 1 Detailed Business Case, subject to a condition subsequent that the next Detailed Business Case clarifies the Road to Zero Programme efficiencies, including the programme optimal size, sequencing, staging options and peer reviewed value for money evaluation.
- **Approved** funding to Waka Kotahi NZ Transport Agency for the Safety Camera System – Transfer, Operate, Expand Phase 1 Detailed Business Case with total project costs of \$137,582,277 at a FAR of 100% from the Road to Zero Activity Class (noting that \$21,600,000 has already been approved by the Board, therefore the total cost to the Road to Zero Activity Class for the period will be \$159,182,277).
- **Noted** that on current assumptions, the whole-of-life costs over a 20-year period are \$2,528m (capex \$369m and opex \$2,158m).
- **Noted** the total funded amount for NLTP 2021-24 is \$159.2m, including \$21.6m already approved in prior funding requests.
- **Noted** that investment is required because the current safety camera system, including the Police Infringement Processing System (PIPS), is end of life.

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

- **Noted** that the Master Service Agreements (MSA) have been signed with key vendors for the supply of safety cameras and camera management system s 9(2)(b)(ii) and the back-office offence processing system s 9(2)(b)(ii). The MSAs have been signed for a period of 5 years with optional rights to extend s 9(2)(b)(ii)
- **Noted** that 70 safety cameras have been ordered which amounts to a camera lease value of approximately s 9(2)(b)(ii) based on the 5-year proposed rental period.

- **Noted** the dependency on the Road to Zero (RtZ) portfolio for public education and benefits management at a deaths and serious injuries (DSIs) level.
- **Noted** that a further DBC will be submitted before the end of 2023 requesting funding for NLTP 2024-27 of approximately **s 9(2)(b)(ii)**
- **Noted** that a decision point will be required if enabling legislation is not progressed by the end of 2023, that alternative approaches would be factored into the DBC for NLTP 2024-27 and may enable the reallocation of approved funding to other initiatives within the RtZ Activity Class.
- **Noted** that the SCS programme will complete a formal review prior to submitting the next DBC

Actions Consider whether enforcement action could be taken against any serious offending detected during the pre-infringement stages of the rollout

8. Road to Zero quarterly report

The Board discussed progress against the Road to Zero targets, including:

- An increased focus on safety cameras and median barriers has meant those workstreams are now tracking amber. New work is underway to look at how safety barriers could be rolled out faster
- Progress by Police remains behind target
- We expect there to be pressure on the Road to Zero activity class in the new year, with an increased call on the fund
- Options for getting back on track on other targets, including thinking laterally about what car manufacturers could do and policy changes
- Despite good progress, deaths and serious injuries this year are expected to be high. Management will provide more detailed breakdown for the media in terms of the trends and causes of deaths and serious injuries

Resolutions The Board:

- **Noted** the Road to Zero 2030 target is at risk, with proposed improvements positively impacting forecasts within Waka Kotahi led programmes
- **Noted** the Action Plan 2023-25 will be published by Te Manatū Waka Ministry of Transport on 23 February 2023

9. Road safety policing programme update

The Board discussed the update, reiterating their concern about the lack of progress by Police. **s 9(2)(g)(i)**

Resolutions The Board **noted** the paper.

Actions	s 9(2)(g)(i)
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10. Enterprise top risks review

The Board and the Executive Leadership Team discussed the top enterprise risks, including the controls that are in place to manage those risks and other emerging risks. Feedback included:

- Whether social licence should be a separate risk
- s 9(2)(g)(i)
- Whether the risk related to people attraction and retention is now an issue to be managed, rather than a risk
- Whether there should be greater emphasis on the risk of theft and fraud
- Emerging risks related to: economic recession; polarity of opinion; change in approach by Government on non-infrastructure projects

The enterprise risks will be updated to reflect the feedback and discussion.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Endorsed the updated enterprise top risks. • Agreed that the enterprise top risks be reported via the Risk and Assurance Committee to the Board every six months to enable regular oversight and feedback.
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11. Kāinga Ora discussion

John Duncan and Andrew McKenzie from Kainga Ora joined the meeting. The Board acknowledged the improved join-up between Waka Kotahi and Kainga Ora over the last 12 months. Amongst other things, the Board and Kainga Ora discussed:

- The policy and funding challenges that both organisations are facing, and the critical need to understand the joint impact of new housing developments to help manage those challenges. The RLTPs and NLTP provide a good opportunity for greater alignment.
- To date, Kainga Ora's build programme has mainly focused on infill. However, with the organisation now looking at Greenfields, there is an opportunity to think differently, including from a funding and innovation perspective.
- The potential value of an aligned GPS, and greater join-up between Ministers.

Te mahi | Operational

12. GPS 2024 update

Management provided an update on the process for finalising the GPS, noting that the draft GPS was being developed at pace s 9(2)(g)(i)



The Board noted the increased complexity and risk that would come from the proposal to administer multiple funds in the way being proposed – for example, having to decide on an NLTP without certainty of non-NLTF funding.

The Board agreed that it would provide feedback when the Minister consulted on the draft GPS.

Resolutions The Board noted the update.

13. Engaging with Ngāi Tahu

The Pou Arahi – Regional Advisor Māori spoke to the history of Ngāi Tahu and our engagement with the iwi. The Board discussed the Waka Kotahi relationship with Ngāi Tahu, and what more could be done to build a strong partnership, including getting a better understanding of what road safety means for Māori. The Board also discussed the opportunity for greater join up with other government agencies, who will all be wanting to engage with iwi like Ngāi Tahu.

Resolutions The Board noted the paper.

14. Monthly financial update

The Chief Financial Officer provided an update on the various budget bids, which won't be confirmed until March. He also noted that:

- The grant for the Clean Car Discount was close to running out s 9(2)(g)(i) While this indicates that the scheme has been a success, there is concern that the funding shortfall will not be addressed in a timely way. This is of concern given the current funding challenges Waka Kotahi faces.
- The NTS contract included some FX exposure, which will fall away as Statements of Work are agreed. We will look to hedge the exposure, but that may require Ministerial approval and take some time.

The Board discussed the update, noting that the Investment & Delivery Committee had requested an update on the liquidity position of the NLTF be provided to the Minister and OAG in March, including how we might reallocate funding.

Resolutions The Board noted the update.

15.1 Expenses policy

The Board approved the policy, with a request that we maintain a register of professional memberships, and that the gift and hospitality register is shared with the Board.

Resolutions The Board:

- **Approved** the Expenses, travel and credit card policy (Attachment 1 to the paper) with effect from the date approved by the Chief Executive.
- **Approved** the Guidelines for board member expenses, travel, gifts and hospitality (Attachment 4 to the paper).

Actions	Maintain a register of professional memberships Share the gift and hospitality register with the Board
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15.2 Delegations policy

The Board discussed and approved the policy. The Board requested that, when the substantive review of the delegations is undertaken, that Management consider what changes should be made to minimise the risk of fraud.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Approved the Delegations Policy (Attachment 1 to the paper); • Revoked the Significance Policy (Attachment 2 to the paper); • Delegated authority to the Chief Executive to approve the date on which the Delegations Policy comes into effect and the Significance Policy is revoked; and • Endorsed work to continue on refreshing the Chief Executive business delegations into a new easier to access and follow format, which includes reflecting the Board's delegations (but not changing them).
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15.3 Environment and social responsibility policy update

The Board and Management discussed and approved the policy, noting that an initial draft was discussed in July 2022.

Resolutions	<p>The Board:</p> <ul style="list-style-type: none"> • Endorsed the updated Environment and Social Responsibility Policy set out in Attachment 1 of the paper. • Noted the intention to establish an engagement and implementation plan once the policy has been endorsed.
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16. I&D Committee report back

Resolutions	<p>The Board:</p> <p><i>LGWM transformational programme IBC</i></p> <ul style="list-style-type: none"> • Endorsed the Let's Get Wellington Moving Mass Rapid Transit and Strategic Highway Improvements (Transformational Programme) Indicative Business Case (IBC). • Endorsed the Travel Behaviour Change Single Stage Business Case, with an implementation cost of \$52.7m. • Approved funding of \$102.9m (NLTF share \$63.6m; Greater Wellington Regional Council and Wellington City Council share \$39.3m under the LGWM Relationship and Funding Agreement) for the Transformational Programme Detailed Business Case (DBC): <ul style="list-style-type: none"> ○ \$37.5m from the Public Transport Infrastructure Activity Class ○ \$26.1m from the State Highway Improvements Activity Class
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- **Approved** funding of \$7.3m (\$3.7m NLTF; Greater Wellington Regional Council and Wellington City Council share \$3.6m under the LGWM Relationship and Funding Agreement) from the Walking and Cycling Activity Class for Travel Behaviour Change pre-implementation and implementation.
- **Noted** that GPS 2024 funding ranges are yet to be confirmed. Should PT Infrastructure commitments approved in 2021-24 exceed the NLTF funding in 2024-27, further work will be undertaken to agree an alternate Crown funding option for funding that occurs from 2024/25 onwards.

Waitematā Harbour connections IBC PLA

- **Approved** an increase in total cost from \$20M to \$46M to complete the Waitematā Harbour Connections current phase Indicative Business Case, funded from the State Highway Improvements and Public Transport Infrastructure Activity Classes.
- **Approved** delegation to the Chief Executive to approve execution and signing of the Project Alliance Agreement for the Waitematā Harbour Connections Indicative Business Case with a Target Outturn Cost of up to \$31 million.
- **Noted** risks introduced to the National Land Transport Programme as a result of the Waitematā Harbour Connections Price Level Adjustment will be brought to the Board with proposed mitigations for separate consideration

Picton Port access improvements

- **Endorsed** the Picton Port Access Single Stage Business Case (SSBC)
- **Approved** funding of \$15.6m (P95) (100% FAR) to Waka Kotahi NZ Transport Agency for SH1 Picton Port Access Improvements:
 - \$1.13m (100% FAR) from the State Highway Improvement activity class for pre-implementation and short-term interventions
 - \$14.3m (100% FAR) from the State Highway Improvement activity class for implementation short-term interventions
 - \$147,000 (100% FAR) from the State Highway Improvement activity class for property phase.
- **Approved** funding of \$22.6m (P95) (51% FAR; NLTF share \$11.5m) to Marlborough District Council for SH1 Picton Port Access Improvements:
 - \$1.34m (51% FAR; NLTF share \$681,000) for pre-implementation of the Dublin Street overbridge, from the Local Roads Improvement activity class WC324 - Road Improvement
 - \$21.26m (51% FAR; NLTF share \$10.8m) from the Local Roads Improvement activity class for implementation of the Dublin Street overbridge
- **Noted** that these approvals are subject to condition precedent that a Relationship Agreement is developed to document and agree the funding split and the governance and benefit management split for all parties.

- **Delegated** the Chief Executive authority to release any funding over \$23.3m (P50).
- **Delegated** the Chief Executive authority to execute the Relationship Agreement with KiwiRail.

NZUP Governance Group update

- **Noted** the New Zealand Upgrade Programme progress update.
- **Approved** the \$6.8m variation to the Aurecon professional services contract to undertake Detailed Design for Papakura to Drury Stage 1B2 of the Papakura to Bombay project.
- **Noted** this variation is funded from NZUP.
- **Noted** the overall amount is over \$50m so comes within the range requiring Board approval for both NLTP funding, but also via delegation from Ministers for NZUP – as this project is funded by both NLTP and NZUP.
- **Noted** that there are further variations to be determined for SQA for Papakura to Drury Stages 1B1 and 1B2, consenting design for Stages 2 and 3, escalation costs and miscellaneous tasks estimated of up to an additional \$20m.
- **Approved** a delegation for up to \$20m further variations for Papakura to Drury project to the General Manager Transport Services.

SH 1 Mangamuka Emergency Works Stage 2 Funding Approval

- **Approved** an additional (P50) \$86M Emergency Works funding for stage 2 of the 18 August 2022 heavy rain event response, being the estimate to restore SH1 Mangamuka Gorge back to previous levels of service and includes further investigation and design to develop the package of interventions to improved long term resilience in the Far North (under the 'Build back better' approach).
- **Noted** the total estimate for the complete Emergency Works event is approximately \$100M. \$14M has already been approved under internal delegations for regional initial Stage 1 response works, investigation and monitoring along with preservation works to prevent any further deterioration on SH1.
- **Noted** that project estimates are still preliminary and likely to change as we finalise detailed design, procurement of works and construction methodologies aimed at expediting reopening SH1.

Parameter values update

- **Agreed** that the policy of using equalised values of travel time will continue to apply across all modes when calculating benefit cost ratios for transport activities.
- **Approved** updating the Waka Kotahi Monetised Benefits and Costs Manual to use the following values for injuries and travel times:

Equalised values for travel time (all modes)	
Values for commuting time	\$19.53/hour
Values other non-work time	\$19.29/hour

Injury type	Fatal	Serious	Minor
Values	\$12,500,000	\$660,100	\$68,000

Bitumen strategic supply chain review

- **Noted** the bitumen strategic supply chain review has now been concluded
- **Endorsed** the approach of a market-led future bitumen supply chain on a 'monitor and review' basis as against Waka Kotahi Required Outcomes
- **Noted** Waka Kotahi will implement a replacement Price Adjustment Mechanism to continue to manage the volatility risk in bitumen pricing post-tender
- **Approved** Waka Kotahi informing key stakeholders of the above position

Standard safety interventions – delegation change

- Delegate to the Chief Executive authority to approve funding of any Standard Safety Intervention up to \$150 million.

HCC RiverLink transport improvements programme

- **Approved** funding of \$960,000 (51% FAR; NLTF share \$490,000) to Hutt City Council from the Walking and Cycling activity class for pre-implementation for the pedestrian cycle bridge.
- **Approved** funding of \$2m (51% FAR; NLTF share \$1.0m) to Hutt City Council from the Local Road Improvements activity class for pre-implementation for the Melling Bridge and Ewen Bridge intersections.
- **Noted** that no standalone business case has been prepared for the Hutt City Council RiverLink Transport Improvements Programme, however, Management considers approval of funding appropriate because elements of the improvements were included in the Melling Transport Improvements Business Case previously approved by the Board, the objectives are consistent with that business case, and management is satisfied that the principles of the business case approach have been followed. A separate business case will be completed for the City Centre Optimisation as it is not included in the scope of the Melling Transport Improvements.
- **Noted** HCC will be seeking total investment of \$89.5m (\$45.6m NLTF share) across the current 2021-24 NLTP and next two NLTP periods (2024-30) for the HCC Riverlink Transport improvements Programme. Most of the spend will be in the 2024-27 and 2027-30 NLTPs. Funding will be sought in stages.

AT ferry purchase and service improvements

- **Endorsed** the Ferry Service Improvements Single Stage Business Case
- **Endorsed** the Ferry Vessel Purchase Single Stage Business Case
- **Approved** funding of \$195.9m (P95) (51% FAR; NLTF share \$99.9m) to Auckland Transport:
 - \$13.0m (P95) (51% FAR; NLTF share \$6.6m) from the Public Transport Infrastructure activity class for Stage 1 pre-implementation (landside infrastructure)
 - \$158.1m (P95) (51% FAR; NLTF share \$80.6m) from the Public Transport Infrastructure activity class for Stage 1 implementation (vessel purchase)
 - \$22.0m increase (51% FAR; NLTF share \$11.2m) from the Public Transport Services activity class for Public Transport Programme 2021-24 Ferry Services, increasing the approved total cost from \$61.9m to \$83.9m
 - \$2.8m (51% FAR; NLTF share \$1.4m) from the Public Transport Services activity class for Public Transport Service Improvements (Ferry Services) 2021-24
- **Delegated** to the Chief Executive authority to approve funding for the implementation phase of Ferry New Purchase and Associated Infrastructure Stage 1 landside infrastructure up to a value of \$63.2m, and release funding for cost increases for Stage 1 over the P50 cost (\$213.7m) up to the P95 (\$242.9m).
- **Noted** that in July 2022, Auckland Transport (AT) signed a deal with Fullers Group Ltd for the Devonport service and associated commitments prior to Waka Kotahi funding approval
- **Noted** that while endorsement is sought for the whole programme, funding approval is recommended for Stage 1 only. Further funding requests are expected for remaining stages in future NLTPs
- **Noted** that GPS 2024 funding ranges are yet to be confirmed. Should PT Infrastructure commitments approved in 2021-24 exceed the NLTF funding in 2024-27, further work will be undertaken to agree an alternate Crown funding option for Stage 1 and any future funding request for Stage 2.

AHB events update

- **Noted** the Auckland Harbour Bridge events will be funded through \$1M from the Auckland Low Cost Low Risk programme from the Walking and Cycling activity class at 100% FAR (\$1M from the NLTF).
- **Noted** this activity was previously to be funded by NZUP under the Northern Pathway project but these funds have now been completely reallocated. As a result, the Minister has requested these funds now come from the NLTF.

TS funding decisions report

- **Approved** funding to Kaikōura District Council for the 'Nov 2016 EQ' Activity for an increase of \$760,000 at a FAR of 95% (NLTP share of \$722,000) for the 'Clarence Valley Access' phase from the Local Road Maintenance activity class, thereby increasing the total phase cost from \$12.9M to \$13.7M and the total activity cost from \$32.3M to \$33.1M.
- **Extended** the bespoke funding assistance rate end date from 31 December 2022 to 30 June 2025.
- **Approved** the Initial Target Cost for the TOC Period 1 of \$116.4M.
- **Noted** that Wellington Transport Alliance contract will be signed by the GM Transport Services upon Board approval of the Initial Target Cost for the TOC Period 1.

17. Regulatory Committee report back

Resolutions

The Board:

Safety cameras deep dive

- **Noted** the recent challenges for the Safety Camera System programme.
- **Endorsed** the staged approach for the Safety Camera System programme to deliver value and contribute to road safety outcomes.

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

Driver licensing improvement programme progress update

- **Noted** and provided feedback on the progress of the cross-agency DLIP and proposed future state framework and implementation plan.
- **Noted** and provided feedback on extending the programme with a potential partnership with Waikato-Tainui to deliver driver licence testing and training

18. People, Culture and Safety Committee report back

The Chair of the Committee spoke to some of the highlights from the year.

Ngā kōrero o te wā | General business

19. Board correspondence

20. Other business

The Board discussed the proposal that a new regulator be established to oversee efficiency, productivity and value for money for the transport agencies. s 9(2)(g)(i)

s 9(2)(g)(i)

The Board Secretariat will look at options for the structure of Board Committees to try and allow for more time for discussion.

The Chair noted that he anticipated that the appointment of a new Chair would be announced shortly.

Resolutions The Board **approved** granting a power of attorney to Sara Lindsay, the new Group General Manager Commercial & Corporate in the same form as that granted to the Acting General Manager Corporate Support.


The meeting closed at 2.20pm

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

		Items
External attendees		
Margaret van Schaik	Managing Director, van Schaik Health and Safety Solutions Ltd	4
John Duncan	Board Deputy Chair, Kāinga Ora	11
Andrew McKenzie	CE, Kāinga Ora	11
Waka Kotahi		
Nicole Rosie	Chief Executive	All
Richard May	Chief of Staff	All
Anna Moodie	GM Corporate Support (Acting)	All
Brett Gliddon	GM Transport Services	3, 4, 7- 12
Chris Lokum	GM People	3, 4
Liz Maguire	Chief Digital Officer	3
Karen Jones	GM Engagement & Partnerships	3, 8, 9, 13
Kane Patena	GM Regulatory Services and Director Land Transport	3 - 9
Anthony Fewster	Senior Manager People and Process Safety	4
Iain Feist	General Counsel Regulatory	5, 6, 7
Neil Cook	Deputy General Manager Regulatory Services & Deputy Director of Land Transport	7
Richard Stewart	Programme Director, Safety Camera System	7
Emma Mosely	Head of Risk & Assurance	10
Ann Brown	Manager, Risk & Reporting	10
Barbara Tebbs	National Manager Policy and System Planning	12
Howard Cattermole	Chief Financial Officer	12, 14
John Coulter	Senior Manager, Operational Policy, Planning and Performance	14
Nicholas Manukau	Senior Manager Māori	13
Brett Lee	Pou Arahi – Regional Advisor Māori	13

Minutes approved by the Board Deputy Chair

17 Apr, 2023 9:09:56 PM GMT+12


Cassandra Crowley