

Board meeting | 20 April 2023

Time	10.50am
Location	Waka Kotahi, AON Centre, 29 Customs St West, Auckland (and Microsoft Teams)
Board	Dr Paul Reynolds (Chair), Cassandra Crowley (Deputy Chair), Patrick Reynolds, David Smol, John Bridgman, Victoria Carter, Catherine Taylor, Hon Tracey Martin

Whakataki | Introduction

1. Board only session

A Board only session was held.

2. Board & CE only session

A Board and CE only session was held.

3. Karakia, Apologies, Minutes, Actions & Interests

Ngarimu Blair was **noted** as an apology.

The current actions list was **noted**.

The following interest disclosures were **noted**:

- David Smol has been appointed as Chair of the GNS Science Board with effect from 1 May 2023
- Catherine Taylor has been appointed to the board of Dunedin International Airport Limited with effect from 5 April 2023
- Tracey Martin has ceased:
 - as Chair of the SPM Establishment Board
 - as Chair of the Wellington Regional Leadership Group
 - as member of the Retirement Village Association
 - as member of the Salisbury School Board

Resolutions The Board **approved** the minutes of the Waka Kotahi Board meeting of 2 March 2023.

Rautaki | Strategic

4. CE report

s 9(2)(g)(i)

s 9(2)(g)(i)

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

5.1 GPS 2024 update

s 9(2)(f)(iv)

5.2. NLTP 24-27 scene setting

The Board and Management discussed the process for the next NLTP, noting the interdependencies with the GPS process and potential timing issues for Waka Kotahi and Approved Organisations. The internal Waka Kotahi process has been designed to ensure that the Board is actively involved in shaping the outcome of the NLTP.

s 9(2)(g)(i)

Resolutions The Board **noted** the paper.

6. Waka Kotahi cyclone recovery

Management provided an update on the cyclone recovery, where good progress has been made. The Board and Management discussed a number of matters, including:

- The importance of innovation in how we undertake the recovery and rebuild work. We should be agile and open to doing things differently, while appropriately managing risk. There have already been some examples of this, such as the Hikawai track. We need to manage the risk that our internal processes hinder us finding new and innovative ways of doing things.
- The importance of direct community engagement in relation to the recovery and rebuild. There may be some trade-offs that communities can help us solution, such as short-term fixes vs longer term solutions.
- For all stakeholders, it is important that people understand the scale of the work and that we manage expectations in terms of how quickly the recovery and rebuild can be done.

s 9(2)(g)(i)

Resolutions The Board **noted** the paper.

7. Te kāpehu change

The Board and Management discussed next steps to embed the Te kāpehu changes.

s 9(2)(g)(i)

Resolutions

The Board:

- **Noted** the progress made aligning Waka Kotahi behind Te kāpehu and our next steps in this journey.

8. Staff wellbeing during crisis

This item was discussed at the People, Culture & Safety Committee.

Resolutions

The Board:

- **Noted** the actions underway and monitors progress through the People & Safety Board Subcommittee including:
 - Consolidated actions from the recent ICAM (Incident Causation Analysis Method) investigation and previous emergency management reviews
 - All actions to be documented and assigned in Risk Manager (Kōrero Mai) for tracking and reporting

9. Digital showcase: Consumer Hub (presentation)

The Board received a presentation on the new Digital Consumer Hub.

Funding

10 NLTP funding and activity class update 2023

Management provided an overview of how spend is tracking against activity class targets, including the impact of any new funding approvals. The Board noted and discussed:

s 9(2)(g)(i)

- We may see some councils reducing spend in some areas, particularly against the context of recent weather events.
- Future activity class updates to the Board should include: a graphic showing where each activity class is at (spend vs target); what stage in the project lifecycle each approval request is at; any future decisions that may not be able to be approved if current funding approvals are granted. These improvements would added incrementally over time to the report.
- In terms of the funding decisions, the Board noted that the funding availability risk had been managed for the current funding decisions

Resolutions	The Board noted the paper.
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Actions	s 9(2)(g)(i)
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Partnering for Success

Items 12 – 15 were considered next.

12. Ministry of Transport discussion

The Board welcomed Ms Sonerson and congratulated her on her recent appointment. Amongst other things, the Board and Ms Sonerson discussed:

- The current funding challenges that Waka Kotahi is facing, and the need for a broader review of the revenue and funding system.

s 9(2)(g)(i)

- Regulatory stewardship, and the Board's desire to review the existing regulatory rules and regulations for land transport to better support effective regulation. The Board offered resources and support for any work that may be able to progress.
- The focus on climate change and, increasingly after the recent cyclone, adaptation.
- The challenge of a number of different entities driving significant infrastructure projects at the same time, and the potential value of more focused sequencing.

13. Auckland Transport discussion

The Board welcomed Mr Kimpton and Mr Darrow, and congratulated Mr Kimpton on his recent appointment. Mr Kimpton gave an overview of his focuses and priorities over the next 18 months. Amongst other things, the Board, Mr Kimpton and Mr Darrow discussed opportunities for integrated planning and the funding challenges both organisations are facing.

14. Iwi relationships in Te Manawa o Te Motu

This item was deferred.

Delivery Excellence

15. Approval of draft SPE 2023/24

The Board noted the continued simplification of the SPE measures, which helps support clarity of focus for the organisation. While good progress has been made in reducing the number of measures, this simplification should continue in future years.

Resolutions	The Board:
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- **Approved** the draft SPE for provision to the Minister of Transport by 1 May 2023.
- **Delegated** responsibility to the chairs of the Board and Risk and Assurance Committee to approve:

- any further material amendments to the draft SPE 2023/24, and in due course
- the final version of the SPE for provision to the Minister (which must be done by 30 June 2023) and publication (as soon as practicable after provision to the Minister)
- **Noted** the assurance process undertaken by management and the letter of representation from management confirming (among other things) that:
 - the draft SPE 2023/24 meets legislative requirements and good practice; and
 - the prospective financial statements comply with generally accepted accounting practices (GAAP) in New Zealand.
- **Noted** the non-financial measures and targets provided to the Ministry of Transport for the Estimates of Appropriation for Vote Transport 2023/24.

11. Operational budget 2023/24

Item 11 was considered next.

The Board and Management discussed the draft operational budget. The Board requested that the budget be reviewed by the Risk & Assurance Committee before coming back to the Board for approval. The Board agreed that the draft budget could be included in the draft SPE to the Minister, noting that it was subject to Board approval.

The Board requested further insights into where the increase in budget was largely focused.

Resolutions

The Board:

- **Noted** the draft operational budget.
- **Approved** the draft operational budget being sent to the Minister as part of the draft SPE, noting that it was in draft and subject to Board approval

Actions

Take the Operational Budget 2023/24 to Risk & Assurance Committee in May, before coming to the Board for approval.

16. Monthly financial update

The Board noted the paper, including that we are awaiting re-forecasts from councils following the cyclone.

Resolutions

The Board **noted** the paper.

17.1 Investment & Delivery Committee report back

Resolutions

The Board:

Te Ara o Te Ata Mt Messenger

s 9(2)(b)(ii)

s 9(2)(b)(ii)

Transmission Gully update

s 9(2)(j)

- **Noted** the general update content of this paper.

Puhoi to Warkworth update:

Road opening arrangements

- **Delegated** authority to the Chief Executive to negotiate, execute, and implement the timely road opening arrangements generally in conformance with the principles set out in this paper (including executing a timely road opening agreement and associated documents required to give effect to that agreement) (TRO Agreement).
- **Noted** that Management will continue to update the Board on progress of TRO negotiations.

Entry into project lease

- **Noted** that the entry into the P2Wk Project Lease on or before the Service Commencement Date is a requirement of the Project Agreement, and that Service Commencement will occur at early road opening.
- **Noted** that the form of the P2Wk Project Lease is mandated by the Project Agreement.
- **Delegated** authority to the Chief Executive to finalise the form of, and execute, the P2Wk Project Lease as contemplated by this paper and associated documents to give effect to the P2Wk Project Lease and the operation of the P2Wk site following road opening.

NZUP GG Update

- **Noted** Joint Ministers have made further decisions on the programme, including s 18(d)

and supporting the

full scope of Ōtaki to north of Levin, but deferring further funding decisions beyond Budget 2023.

s 9(2)(b)(ii)

- **Noted** the Takitimu North Link team is exploring potential options given the significant archaeological appeals impact on cost and schedule and will come to the July 2023 Committee meeting to seek a decision on the way forward.

s 9(2)(b)(ii)

- **Approved** the request for additional \$17m funding for the SH1/29 project prior to Physical Works tendering in May 2023 (bringing the total project funding to \$57m), **noting** this additional funding will need to be drawn from contingency held by other Waka Kotahi NZUP projects which are funded to P95.

Warkworth Transport Network DBS and next phase funding approval

- **Endorsed** the Detailed Business Case for the Warkworth Transport Network to enable the project to move into the route protection phase.
- **Approved** release of \$3.8m NLTF funding for post-lodgment activities:
 - \$1.0m to Waka Kotahi from the State Highway Improvements activity class (100% FAR).
 - \$2.8m (NLTF share; total shared cost is \$5.5m) to Auckland Transport from the Local Road Improvements activity class.

Procurement strategies: Tauranga City Council and Wellington City Council

- **Endorsed** Tauranga City Council's Procurement Strategy 2023 – 2026.
- **Approved** the continued use of an approval under s26 of the LTMA allowing Tauranga City Council to continue to use in-house professional services
- **Approved** the continued use of a variation to the Procurement manual (section 10.5 *Procurement procedure advanced components*) allowing Tauranga City Council to continue to operate a Low Cost Low Risk supplier panel for physical works projects
- **Approved** an extension of Wellington City Council's transport procurement strategy expiry date from 31 March 2023 to 31 August 2023 as formally requested by Wellington City Council.
- **Noted** Wellington City Council's new transport procurement strategy will be submitted to the Board at its 17 August 2023 meeting and, if endorsed, will enter into effect from 1 September 2023.

- **Noted** the five-month extension requested is assessed to be low risk since WCC does not intend to conduct new procurement activities during this period.

Cost scope adjustment for Auckland PT programme 21-24

- **Approved** funding to Auckland Transport for the 2022/23 period for an increase of \$68.1m (NLTF share \$34.8m) for the Public Transport Continuous Programme 2021-24, which is split between the Public Transport Services activity class \$56.6m (NLTF share \$28.9m), and the Public Transport Infrastructure activity class \$11.5m (NLTF share \$5.9m).
- **Noted** Auckland Transport has submitted a funding variation request for the Public Transport Continuous Programme for two years (2022/23 and 2023/24). The additional value of the request for 2023/24 is \$107.4m (NLTF share \$54.8m).
- **Noted** that Waka Kotahi has submitted a bid for Budget 2023 for the increased costs for 2022/23 and 2023/24 for supporting public transport programmes for all Public Transport Authorities – outcome to be announced in May 2023.
- **Noted** that a funding recommendation for 2023/24 may return to the Waka Kotahi Board after the budget outcome is known and once updated forecasts of 2021-24 NLTP funding demand have been undertaken.
- **Noted** that the additional funding for which approval is sought increases the total programme from \$1.5b to \$1.6b.
- **Noted** that there could be an additional funding request of up to \$50 million due to the increase in indexation rates.
- **Noted** that the funding request includes a retrospective cost of \$252,290.

TS funding decisions report

Auckland Transport Emergency Works

- **Approved** \$30.97 million for the immediate response (NLTF share \$28.18 million at a funding assistance rate of 91%) from the Local Road Maintenance activity class.
- **Approved** \$25.47 million for the permanent reinstatement (\$12.93 million at a funding assistance rate of 51%, and \$0.08 million at an enhanced funding assistance rate of 71%) from the Local Road Maintenance activity class.
- **Noted** permanent reinstatement works are currently ineligible for the +40% special funding assistance rate.

Dome Valley

- **Noted** that the last of the five planned stages of work on the Dome Valley Safety Improvements project has been deleted from scope and \$5m of surplus funding will be returned to the programme for use on higher priority initiatives.

17.2 Regulatory Committee report back

Resolutions	The Board: <i>Road to Zero quarterly report</i> <ul style="list-style-type: none">• Noted the Road to Zero 2030 target is at risk. The revised death and serious injury (DSI) forecast completed in February indicates we are on track to reduce deaths and serious injuries by approximately 30-35%.• Noted that Te Manatū Waka Ministry of Transport have submitted the Action Plan 2023-25 to Ministers and we are expecting Cabinet consideration in April 2023
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17.3 People & Safety Committee report back

Resolutions	The Board: <i>Harmful interactions – risk management deep dive</i> <ul style="list-style-type: none">• Noted paper and presentation about Harmful Interactions and asks and assures itself that actions are reasonably practicable and continues to review risk control data and reports as part of routine Board Reporting.
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18. Waka Kotahi membership of the LGWM governance reference group

The Board agreed that Waka Kotahi should have a Board member representative on the LGWM governance reference group.

Resolutions	The Board: <ul style="list-style-type: none">• Determined that Tracey Martin should be appointed to LGWM GRG to replace Sir Brian Roche.
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Ngā kōrero o te wā | General business

19. Board correspondence

The Board noted the correspondence.

20. Other business

There was no other business

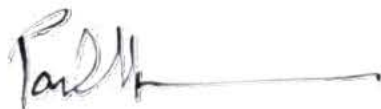
The meeting closed at 4.20pm

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

		Items
External attendees		
Audrey Sonerson	Secretary for Transport and Chief Executive, Ministry of Transport	12
Dean Kimpton	Chief Executive Officer, Auckland Transport	13
Mark Darrow	Deputy Chair, Auckland Transport	13

Waka Kotahi		
Nicole Rosie	Chief Executive	All
Anna Moodie	Group General Counsel	All
Sara Lindsay	GGM Commercial & Corporate	All
Karen Jones	GGM Engagement & Partnerships	All
Brett Gliddon	GGM Transport Services	5, 6
Sarina Pratley	Chief Customer & Services Officer	All
Richard May	Chief of staff	12
Howard Cattermole	Chief Financial Officer	5, 6, 10, 11, 15,16
Gareth Hughes	NLTP Development Manager	5,
Todd Webb	Team Lead Activity Class Management	5, 10
Neil Walker	National Manager Recovery	6
Jenny Dickinson	Head of Te Kapehu Change	7
John Coulter	Senior Manager, Operational Policy, Planning and Performance	11, 15,16
Bruno Bailley	Manager, Business Accounting Support	11
Steve Mutton	Director Regional Relationships (Northland/Auckland)	13
Kim Marshall	Manager, Organisational Performance	15

Minutes approved



Dr Paul H.S. Reynolds QSO, Board Chair

9 May 2023