

Board meeting | 6 July 2023

Time	11.15am
Location	Waka Kotahi, 50 Victoria St, Wellington (and Microsoft Teams)
Board	Dr Paul Reynolds (Chair), Cassandra Crowley (Deputy Chair), Patrick Reynolds, John Bridgman, Victoria Carter, Catherine Taylor, Ngarimu Blair.

Whakataki | Introduction

1. Apologies, Minutes, Actions & Interests

David Smol and Hon Tracey Martin gave their apologies.

The current actions list was noted.

Resolutions The Board **approved** the minutes of the Waka Kotahi Board meeting of 25 May 2023.

2. Board only session

A Board only session was held.

3. Board & CE only session

A Board and CE only session was held.

Rautaki | Strategic

4. CE report

s 9(2)(g)(i)

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

5. Māori Crown relationships

s 9(2)(a) facilitated a workshop with the Board to discuss the role of Waka Kotahi and the Board's aspirations for Māori, Iwi and Hapu relationships.

The Board agreed that improving relationships with Māori was a priority. s 9(2)(g)(i)

Waka Kotahi needs to more deeply understand what iwi and hapu are seeking. Māori do not necessarily distinguish between Waka Kotahi and the Crown, and there may also be a role for Waka Kotahi to play in facilitating resolution of broader issues.

s 9(2)(g)(i)

Resolutions The Board **noted** the paper and participated in the workshop.

Delivery Excellence & Partnering for Success

6. Draft strategic recovery framework: endorsement and next steps

The Board discussed and supported the framework going out for consultation.

Resolutions The Board:

- **Endorsed** the draft Strategic Recovery Framework ("the Framework") for further development
- **Approved** discussing the Framework with our partners
- **Noted** that a final version of the Framework will be put to the Board for endorsement once feedback from our partners has been incorporated
- **Noted** the Framework is being used in strategic resilience response work and will be incorporated into future work.

Actions Provide the Board with an update on the points of innovation in the Strategic Recovery Framework approach.

6.2 Resilience strategic response

The Board noted that the work done to determine the likely cost of the response has (by necessity) been done at pace and without our usual rigour. While solutions for some sections of road are yet to be determined, the team is working on the principle of building back smarter. The Board preferred that any delegations to the Chief Executive can be put in place once funding is confirmed.

Resolutions

The Board:

- **Endorses** Te Tairāwhiti Wairoa Resilience Strategic Response.

- s 9(2)(f)(iv)

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- **Endorses** the Far North Resilience Response PBC.

- s 9(2)(f)(iv)

6.2 East Coast alliance

The Board discussed and approved the proposal. The Board requested that a paper come to the Risk & Assurance Committee setting out how funding for the recovery (including resilience) will be managed. Subject to the discussion at the Committee, the Board may require that approval of scope packages >\$500m sit with the Board.

Resolutions

The Board:

- **Approves** the award of the East Coast Recovery Programme Alliance Agreement (PAA) alongside Owner Participant KiwiRail to the Non-Owner Participants (Downer New Zealand Limited, Fulton Hogan Limited and Higgins Contractors Limited (NOPs)) to undertake the Cyclone Gabrielle recovery and rebuild work for the East Coast.

- **Delegates** to the GGM Transport Services authority to administer the PAA (including introduction of approved scope packages over time) along with any other arrangements required to give full effect to the PAA.

- s 9(2)(b)(ii)

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

- **Notes** that while the scope is Waka Kotahi and KiwiRail corridors, the Alliance has been designed to be adaptable. Once established it can incorporate local road networks should councils wish to for the Alliance to undertake such work.

- **Notes** that KiwiRail is progressing Alliance approvals through its Board (26 June) and the Government for additional funding.

- **Notes** that after significant liaison, none of the six affected Councils have indicated a desire to join a recovery alliance with Waka Kotahi

and KiwiRail. As PAA commencement approaches, more interest is being shown including by Mayors and Chief Executives.

- **Notes that** s 9(2)(g)(i) [redacted]. Our Regional Pou Arahi is developing, with the Alliance Programme Director and his team, a leadership and delivery structure to ensure a successful partnership with iwi during the rebuild work and beyond.

Actions

Bring a paper to RAC setting out how funding for the cyclone and weather events recovery will be managed.

7. Approval of final national VKT reduction plan

The Board discussed the plan, noting that the plan will not be published until we receive further direction from the Minister. The total cost of the plan should be shared with the Minister to assist with his review.

Once the GPS is finalised, we may need to amend the plan, including taking into account whether the GPS provides sufficient funding to implement the plan.

Resolutions

The Board:

- **Approves** the attached national plan to reduce vehicle kilometres travelled by the light vehicle fleet developed by Waka Kotahi with input from Te Manatū Waka and stakeholder representatives, but withhold publication until we have received endorsement from the Climate Response Ministerial Group (CRMG) or direction from the Minister for a different pathway
- **Notes** that there may be further amendments to the plan post approval to:
 - recognise the status of sub-national VKT targets
 - reflect feedback from the Minister, or
 - correct any typographical errors
- **Notes** that Waka Kotahi is required under the Decarbonising Transport Action Plan (DTAP) to deliver a plan by 30 June 2023, which is approved by the Board and ready for publication following Ministerial endorsement.
- **Notes** that the Minister has not provided feedback on the attached draft plan and we have yet to confirm with the Minister whether he will seek endorsement to publish from CRMG, as previously agreed with Minister Wood.
- **Notes** that Te Manatū Waka (Ministry of Transport) have collaborated with Waka Kotahi on development of the plan and are broadly supportive of the direction and content of the plan. s 9(2)(g)(i) [redacted]
- **Notes** that approving the plan will enable Waka Kotahi to share evidence and insights in the national plan with local government to inform Regional Land Transport Plans (RLTPs) and urban VKT

- reduction programmes (urban programmes) for Tier 1 urban areas in the coming months (currently required by 31 December 2023).

8. Auckland Light Rail

The Chief Executive of Auckland Light Rail spoke to the presentation.

Amongst other things, Board and Auckland Light Rail discussed:

- The integrated planning approach to the project, and the importance of considering the impact of gentrification on more vulnerable communities.
- The potential cost of the project, noting that the cost wasn't included in customer sentiment polling.
- The concerns Waka Kotahi has raised by way of letter in relation to the proposed Notice of Requirements, including the impact on bus and freight routes. ALR acknowledged that they would likely need to resubmit the Notice of Requirements if the proposed mode changed.
- The challenges in running two mega projects in parallel, and the criticality of staging.

Resolutions The Board **noted** the paper.

9. Monthly Financial update

Resolutions The Board **noted** the update.

10.1 I&D Committee report back

The Committee Chair provided an overview of the Committee discussion, including the amended resolutions.

Resolutions The Board:
NLTP: Funding assistance rates and prioritisation

- **Approves** to defer release for consultation of the draft IPM for 2024-27 NLTP, pending the release of the draft GPS 2024.
- **Notes** that the Minister of Transport (the Minister) has not set out any specific criteria for the setting of Funding Assistance Rates for the 2024-27 NLTP.
- **Approves** the normal funding assistance rates (FARs) to apply to AOs for the 2024-27 NLTP, as set out in Attachment 1.
- **Endorses** the updated investment principles to apply in 2024-27, subject to further clarification in respect of proposed principles 4 and 6.

Waitematā Harbour Connections emerging preferred option

- **Notes** the significant work undertaken by the team in very compressed time frames, that the work reflects what Waka Kotahi was asked to do and that it has been completed to a high standard.

- **Notes** the constraints the team were within, in particular that:
 - although extensive work has been undertaken, only limited analysis has been possible within the time available
 - the brief required delivering to all project objectives/outcomes
 - there are no identified funding sources or funding parameters and that all shortlisted options are unaffordable under the NLTF
 - more time is required to complete work on network assumptions and an integrated view of wider transport network benefits and impacts
 - there has been limited time for engagement with partners, not all partners are aligned on the emerging preferred option and further work is needed to address partner feedback and gaps in understanding and analysis of option performance
- **Notes** there is significant risk in endorsing an emerging preferred option ahead of completing the Indicative Business Case

• s 9(2)(g)(i)

- **Notes** that if the Minister proceeds with seeking Cabinet endorsement for an emerging preferred option, Option D would be the option as it is emerging as the highest performing option against the project investment objectives and option assessment criteria.
- **Endorses**, in the context noted above, presenting an emerging preferred option to the Minister for Transport in line with direction provided by the previous Minister.

NLTP funding outlook and affordability

- **Approve** a funding assistance rate (FAR) of normal FAR +40% for the initial response to damage from Cyclone Hale at an estimated marginal cost of \$2 million (NLTF share).

Mass rapid transit IBC for Greater Christchurch

- **Endorses** the Mass Rapid Transit Indicative Business Case for Greater Christchurch.
- **Approves** additional funding to Waka Kotahi NZ Transport Agency

- for an addendum to the Greater Christchurch Public Transport Futures Mass Rapid Transit Indicative Business Case phase for \$2.58m (including admin, which is 9%) at a funding assistance rate of 100% (\$2.58m NLTF share)
- from the Public Transport Infrastructure Activity Class, WC540 - rapid transit infrastructure.
- **Notes** that the NLTF remains under significant pressure and this may limit or prevent future funding.

LGWM – Golden Mile and Thorndon Quay Hutt Road

- **Approves** \$61.8m (excl. Waka Kotahi admin fee) funding to Let's Get Wellington Moving for Thorndon Quay and Hutt Road:
- \$61.2m (P50; \$31.2m NLTF share; 51% FAR) for the Core Thorndon Quay and Hutt Road implementation phase activity from the Public Transport Infrastructure activity class
- \$591,000 (P50; \$591,000 NLTF share; 100% FAR) for 'The Connection' implementation activity from the Walking and Cycling Improvements activity class
- **Delegates** to the Chief Executive future funding decisions up to \$93.6m (P95; \$48.1m NLTF share; 51% FAR) for Thorndon Quay and Hutt Road implementation
- **Approves** \$119.3m funding to Let's Get Wellington Moving for the Golden Mile:
- \$116.3m (P50) (\$59.3m NLTF share; 51% FAR) for implementation activity from the Public Transport Infrastructure activity class
- A cost scope adjustment of \$3.0m (\$1.5m NLTF share, 51% FAR) for pre- implementation phase from the Public Transport Infrastructure Activity class, increasing the total pre-implementation cost from \$7.9m to \$10.9m.
- **Delegates** to the Chief Executive future funding decisions up to \$125.8m (P95; \$64.2m NLTF share; 51% FAR) for Golden Mile implementation.
- **Notes** that Let's Get Wellington Moving has confirmed a scope increase through the change to a people-based (door-to-door) scope from a vehicle (kerb-to-kerb) to achieve the objectives for the Golden Mile, giving the project an approximately 30% larger footprint than at the SSBC stage.

State highway maintenance programme price level adjustment

- **Approves** NLTF funding to Waka Kotahi NZ Transport Agency for state highway maintenance, of \$100.7m at a Funding Assistance Rate of 100% from the State Highway Maintenance activity class, thereby increasing the approved total expenditure from \$2,804m to \$2,904.7m.

NZUP GG update

- **Endorses** requesting Joint Ministers delay funding approval for pre-implementation and implementation of the Manukau to Takaanini Access and Safety Project of the South Auckland Package
s 9(2)(g)(i) for 12 or the Ōtaki to north of Levin project.
- **Approves** the release of funds of \$22.2m (plus GST) to allow the Minister for Land Information to enter into agreement to acquire property at 175 Arapaepae South Road, Levin in accordance with the Public Works Act 1981 for the NZUP Ōtaki to north of Levin project.
- **Notes** the South Auckland Package Business Case will be reported to the August 2023 Infrastructure and Delivery Committee for endorsement and will recommend the Drury components as being the highest priority for investment.

NZUP Takitimu North Link stage 1

- **Notes** that to complete the Takitimu North Link Stage 1 project, the archaeological authority appeal needs to be resolved.
- **Notes** that the recommendations made are premised on the archaeological authority appeals being resolved in a way that preserves these authorities.

s 9(2)(j)

- **Subject** to receiving the Joint Ministers confirmation of delegations and funding arrangements.

- **Notes** that a decision is required by mid July 2023 so that certainty can be provided to our contractor for planning and resourcing ahead of the start of the construction season.

s 9(2)(f)(iv)

Transport Services funding decisions

Hamilton Waikato Metro Spatial Plan (HWMSP) Programme Business Case (PBC)

- **Endorses** the Hamilton-Waikato Metro Spatial Plan and Integrated Transport PBC.
- **Notes** that the estimated programme cost for the next 30 years is \$4.4b (P50) - \$5.7b (P95), including capital expenditure of approximately \$3.3b and operational expenditure of \$1.1b. The 10-year accelerated programme cost is \$1.47b (P50) - \$1.91b (P95).
- **Notes** that the Waka Kotahi Board endorsed the strategic direction of this PBC and the Hamilton-Waikato Metro Spatial Plan in November 2022.
- **Notes** that the PBC endorsement is not a funding approval or commitment to the full programme of activities set out within the Hamilton-Waikato Metro Spatial Plan and Integrated Transport PBC.
- **Notes** that Waka Kotahi funding approval will be sought from NLTP 24-27 for the priority actions set out in the programme, subject to priority in the relevant activity class and funding availability. In addition to the NLTF, when available, funding for some activities may be sought from direct Crown funding sources.

Auckland Metro Train Stabling

- **Endorses** the scope adjustment to increase the number of stabling facilities at the Wiri depot from ten to 20 for the Auckland Metro Train Capacity – Tranche 3 activity,
- **Approves** funding to Auckland Transport for the implementation and property phases of the Metro Train Capacity – Tranche 3 activity in the 22/23 and 23/24 financial periods for a total of \$49.6m at a Funding Assistance Rate of 51% (\$25.3m out of the NLTF), from the Public Transport Infrastructure

activity class.

- **Approves** funding to Auckland Transport for the pre-implementation phase of the Metro Train Capacity – Tranche 3 activity in the 22/23 and 23/24 financial period for a total of \$2.2m at a Funding Assistance Rate of 51% (\$1.1m out of the NLTF), from the Public Transport Infrastructure activity class.
- **Notes** the increase in the total activity cost from \$321.9m to \$373.6m (P50) if these funding requests are approved.
- **Notes** that the funding request for the implementation phase includes retrospective funding of \$5m for construction items with long lead times. On 19 April 2023, the Chief Financial Officer was informed of this retrospective element.

SH2 Waihi to Omokoroa Project -Safety Improvements

- **Approves** funding to Waka Kotahi NZ Transport Agency for the SH2 Waihi to Omokoroa project for an increase of \$2.06m, at a Funding Assistance Rate of 100% (\$2.06m out of the NLTF) for Pre-Implementation from the Road to Zero activity class, thereby increasing the approved total contract cost from \$12.95m to \$15.01m.
- **Approves** funding to Waka Kotahi NZ Transport Agency for SH2 Waihi to Omokoroa project for an increase of \$33.33m at a Funding Assistance Rate of 100% (\$33.33m out of the NLTF) for Implementation from the Road to Zero activity class thereby increasing the approved total cost from \$152.58m to \$185.91m.

Supporting Growth Alliance (SGA) Takaanini Level Crossings Route Protection

- **Endorses** the Detailed Business Case for the SGA Takaanini Level Crossings (excluding the Walters Road Site) to allow the project to proceed to the route protection phase.
- **Notes** that the Auckland Transport Board approved four of five level crossing sites on 30 May 2023, with a decision on the Walters Road site deferred

s 9(2)(g)(i)

Both options are covered by the route protection extent, cost and property liability that is being sought for the next phase.

- **Approves** funding of \$1.5m (100% Funding Assistance Rate; NLTF share \$1.5m) to Waka Kotahi NZ Transport Agency for post-lodgement activities

from the Public Transport Infrastructure activity class.

- **Approves** funding of \$6.9m (51% Funding Assistance Rate; NLTF share \$3.5m) to Auckland Transport for post-lodgement activities from the Local Road Improvements activity class subject to Auckland Transport Board approval of the Walters Road site in August.

Auckland Transport (AT) Public Transport Continuous Programme 2021-24

- **Approves** a cashflow adjustment of \$56.6m (NLTF share \$28.9m) from the 2022/23 period to the 2023/24 period for the Public Transport Service component of Auckland Transport's PT continuous programme
- **Notes** Auckland Transport is expected to request a further price level increase to the PT Continuous Programme for the 2023/24 period.

SH88 Dunedin to Port Chalmers Safety Improvements

- **Approves** funding to Waka Kotahi NZ Transport Agency for Dunedin - Port Chalmers Safety Improvements (SH88) for an increase of \$8.8m at a Funding Assistance Rate of 100% (\$8.8m out of the NLTF) for cycling facilities from the Walking and Cycling Improvements activity class.
- **Notes** that the final cost of SH88 has increased from \$53.5m to \$62.2m.
- **Notes** that the BCR is 0.5.

SH25A repair and improvements

- **Approves** funding to Waka Kotahi NZ Transport Agency for SH25A emergency works of \$25m at a funding assistance rate of 100% (\$25m out of the NLTF) from the State Highway Maintenance activity class
- **Approves** funding to Waka Kotahi NZ Transport Agency for SH25A resilience improvement works of \$30m **s 9(2)(f)(iv) and s9(2)(g)(i)**

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Extension of Speed and Infrastructure (SIP) Delegation Instrument

- **Agrees** to delegate authority to the Chief Executive to approve variations to the contracts entered into with Beca Ltd (for Manu Taiko consortia) and WSP

NZ Ltd (for 160+ consortia) both dated 19 November 2019 (Contracts) up to \$65m in total for each consortium Contract (Variations).

- **Authorises** the Chief Executive to subdelegate authority to approve the Variations.
- **Ratifies** any variations made to the Contracts to date.

Dunedin City and Hospital – SH1 Single Stage Business Case (SSBC)

- **Notes** that the review of the SH1 options through Dunedin's central city has been completed.
- **Notes** that the Chief Financial Officer has approved funding to Waka Kotahi NZ Transport Agency for Dunedin City and Hospital – SH1 SSBC for an increase of \$2.4m at a funding assistance rate of 100% (\$2.4m out of the NLTF) from the State Highway Improvements activity class.
- **Notes** final cost of the Dunedin City and Hospital project (planning phase) has increased from \$1.9m to \$4.4m.

Hastings DC increase in North Island Weather Event response funding

- **Notes** that a cost scope adjustment of \$40.4m for Hastings DC Cyclone Gabrielle emergency works has been approved by the Chief Financial Officer under an expedited process
- **Ratifies** the CFO's funding decision.

10.2 R&A Committee report back

The Committee Chair provided an overview of the Committee discussion.

Resolutions The Board **noted** the report.

10.3 Regulatory Committee report back

The Committee Chair provided an overview of the Committee discussion.

Resolutions The Board **noted** the report.

Ngā kōrero o te wā | General business

11. Board correspondence

The Board noted the correspondence

12. Other business

There was no other business.

The meeting closed at 3.40pm

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

		Items
External attendees		
s 9(2)(a)	s 9(2)(a) Maarama Consulting	5
	Consultant s 9(2)(a)	5
Tommy Parker	Chief Executive, Auckland Light Rail	8
Dame Fran Wilde	Chair, Auckland Light Rail	8
Waka Kotahi		
Nicole Rosie	Chief Executive	All (except item 2)
Sara Lindsay	GGM Commercial & Corporate	All (except items 2 and 3)
Anna Moodie	Group General Counsel	All (except items 2 and 3)
Richard May	Chief of Staff	4,5
Sarina Pratley	GGM Customer & Services	4,5
Liz Maguire	Chief Digital Officer	4,5
Robyn Elston	GGM Transport Services (Acting)	4 - 8
Tara McMillan	General Manager Regulatory Transformation and System	4,5
Neil Cook	Director of Land Transport and General Manager Regulatory Operations	4,5
Karen Jones	GGM Engagement and Partnership	4,5
Chris Lokum	GGM People and Safety	4,5
Erin Wilson	Co-Senior Manager Maori (Acting)	4,5
Jemma Darcy	Executive Advisor	5
Neil Walker	Chief Advisor Commercial and Asset Management	6
Derek Robertson	Chief Advisor	6
Mel Taylor	Principal Transport Planner	6
Nick Reid	Principal Planning Advisor	
Peter Spies	Chief Advisor, Engineering	6
Howard Cattermole	Chief Financial Officer	6
Katie Mayes	National Manager Policy and System Planning	6, 7
Deborah Hume	National Manager Multimodal Integration	7,8

Minutes approved

Dr Paul H.S. Reynolds QSO, Board Chair

17 August 2023