

Board meeting | 17 August 2023

Time	12.00pm
Location	Waka Kotahi, 50 Victoria St, Wellington (and Microsoft Teams)
Board	Dr Paul Reynolds (Chair), Cassandra Crowley (Deputy Chair), David Smol, Ngarimu Blair, Patrick Reynolds, John Bridgman, Hon Tracey Martin, Victoria Carter.

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. Apologies, Minutes, Actions & Interests

Catherine Taylor gave her apologies.

The current actions list was noted.

Cassandra Crowley and Ngarimu Blair updated their interests.

Resolutions	The Board approved the minutes of the Waka Kotahi Board meeting of 6 July 2023.
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Rautaki | Strategic

4. CE report

s 9(2)(g)(i)



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

5. Commercial capability programme

Amongst other things, Board and Management discussed:

- Opportunities for further efficiencies across the organisation, measures and areas of focus.
- Differentiating cost reduction, cost avoidance, resource reallocation and improving effectiveness.
- Opportunities to refine standards, further implement repeatable designs and deliverability with infrastructure build, recognising the need to balance efficiency with a significant work programme.
- Considering independent assurance of organisational efficiency and tracking.

Resolutions The Board **noted** the paper.

6. State Highway Investment Proposal endorsement

Amongst other things, Board and Management discussed:

- Delivery of the State Highway Investment proposal programme, the relationship to proposed GPS changes and timing for implementation of the programme, which requires scaling up.
- Various aspects of the programme including resilience, maintenance and how speed and infrastructure activities fit within the improvement activities of the programme.
- Next steps with the NLTP process.

Resolutions The Board:

- **Notes** that Waka Kotahi is continuing to progress the SHIP in line with Board direction given in May despite uncertainty with the GPS.
- **Delegates** to the Chief Executive final approval of the SHIP document prior to submission into NLTP processes in August and September 2023.
- **Notes** the Board will be asked to reconsider the SHIP if it requires material change following release of the GPS.

7. Iwi relationships presentation: Central North Island

Amongst other things, the Board discussed:

- The work the Central North Island Pou Arahi has underway developing and building enduring relationships with iwi and hapu, alongside local council and other Crown agencies, including in respect of cyclone recovery.
- The Board thanked the Central North Island Pou Arahi for sharing their insights on building iwi and hapu relationships.

Resolutions The Board **noted** the paper.

8. Funding to administer the 6 month impoundment scheme

Amongst other things, the Board and Management discussed:

- Opportunities to more effectively work with other agencies when new schemes like this are proposed, including in respect of funding.
- That confirmation Waka Kotahi would not administer this scheme is expected soon.

Resolutions The Board **noted** the verbal update.

9. Monthly financial update

Amongst other things, the Board and Management discussed:

- The outlook for funding over time and linkage to FED and RUC changes.
- How current debt facilities and debt management ratios are set up and potential to provide more information on this in future.
- The importance of the regulatory fees and funding review being implemented as scheduled.

Resolutions The Board **noted** the paper.

Action The GGM Commercial and Corporate to provide a summary of current debt management measures to help provide assurance on how Waka Kotahi manage borrowings and other liabilities.

10/11 Health, Safety & Wellbeing performance update, Health, safety & wellbeing - Policy, Strategy & Plan

Items 10 and 11 were considered together.

The Board:

- Discussed the importance of safety culture at all levels including embedding it at all contracting levels.
- Noted the role for Waka Kotahi in promoting that culture, including with this policy as it sets the direction.
- Enquired into where Waka Kotahi can encourage further industry uplift of H&S culture. Noting that this might include pilot exercises underway to look to reinforce this in maintenance contract provisions and safety in design requirements.
- Acknowledged the work that has gone into developing the policy, strategy and plan.

Resolutions

The Board:

- **Endorses** the Waka Kotahi Health Safety & Wellbeing Strategy and annual action plan.
- **Endorses** and authorises the Board chair to sign the HS&W Policy (as part of routine 2nd yearly review).

12.1 I&D Committee report back

The Committee Chair provided an overview of the Committee discussion.

Resolutions

The Board:

Waka Kotahi Infrastructure Procurement Strategy (IPS)

- **Approves** the Waka Kotahi Infrastructure Procurement Strategy 2023.
- **Notes** that the Board previously approved an extension to the existing IPS from November 2022 until July 2023.
- **Notes** that we intend to follow up with future Board discussion(s) on the strategic commercial settings and risk appetite to enable implementation of the Strategy.

NZUP GG update

- **Endorses** the South Auckland Package business case being submitted to Joint Ministers for approval.

s 9(2)(g)(i)

Ōtaki to north of Levin

- **Approves** the procurement strategy for the Ōtaki to north of Levin project.
- **Notes** procurement of the Ōtaki to north of Levin project is contingent on Joint Ministers' approval of interim funding from the NZUP South Auckland Package.

Wellington City Council procurement strategy

- **Endorses** Wellington City Council's Transport Procurement Strategy (2023 – 2026).
- **Notes** that Wellington City Council:
 - Is operating on an extension to their current Transport Procurement Strategy following an extension request to this Committee/Board on 19/20 April 2023.

- Will continue to use an existing approval under section 26 of the LTMA for Wellington City Council to employ in-house professional services.
- Will continue to use a variation to Procurement Manual, section 10.5 Procurement procedure advanced components, for the Wellington City Council's Transitional Cycleways and Minor Works Panel.

s 9(2)(j)

Commercial Vehicle Safety programme

- **Approves** additional funding of \$60 million to Waka Kotahi for the Commercial Vehicle Safety Programme at a Funding Assistance Rate of 100% out of the NLTP from the State Highway Improvements activity class ('Option 3').
- **Notes** this will result in eight safety centres being delivered, and it will also result in design, consenting and property on the remaining four centres. It confirms funding to enter into construction contracts and presents no delays.
- **Notes** two other options were considered:
 - Option 1 – no funding increase for the Commercial Vehicle Safety Programme. This would continue delivery with current funding and result in five safety centres delivered, progress on five other centres significantly slowed, and two centres not being progressed.
 - Option 2 – funding of \$7 million to Waka Kotahi for the Commercial Vehicle Safety Programme at a Funding Assistance Rate of 100% out of the NLTP from the State Highway Improvements activity class for 2021-24 costs only. This would result in five safety centres being delivered, and it would enable design, consenting and property on the remaining seven centres. It would maintain a minimal level of momentum across all 12 centres and likely mean a one-year delay in programme construction.

SH29 Tauriko network connections detailed business case

- **Endorses** Tauriko Network Connections Detailed Business Case.
- **Notes** that partners are aware that no funding is being sought in this paper and that investment for the next phases will be sought through the approval process for

the 2024-2027 National Land Transport Programme and other sources.

Price Level Adjustment – Auckland and Wellington Metro Rail Projects

- **Endorses** the investment proposals for the Rail Network Growth Impact Management and Wellington Metro Upgrade Programme IV implementation phases.
- **Approves** additional funding of \$75m for the Rail Network Growth Impact Management implementation phase from the 21-24 NLTP Public Transport Infrastructure activity class.
- **Approves** additional funding of \$10m for the Wellington Metro Upgrade Programme IV from the 21-24 NLTP Public Transport Infrastructure activity class.
- **Notes** further funding of \$279m is required from February 2024 to complete the two projects, and project demobilisation will be required, and benefit realisation delayed, if only the partial funding is provided for the projects.
- **Endorses Management:**
 - Advising Ministers of the limitations of partial funding in the context of wider NLTF pressures, and
 - Seeking additional Crown funding for the Rail Network Growth Impact Management implementation phase and Wellington Metro Upgrade Programme IV in the context that investment is needed in the wider rail programme.

Delegation to Territorial Authorities (bylaws)

- **Notes** existing Board delegations to territorial authorities (of the same powers) expire 31 October 2023.
- **Delegates** to territorial authorities the specified powers and functions with respect to state highways set out in the Board Delegation Instruments in Attachments 1 and 2 of the paper, with an expiry date of 31 October 2028, unless earlier revoked by the Board (Board Delegation Instruments).
- **Delegates** to the Chief Executive the power to sign Instruments of Delegation to individual territorial authorities in substantially similar terms to those set out in schedule 1 of the paper to each of the Board Delegations (Individual Instruments of Delegation).
- **Authorises** Auckland Council to sub-delegate the powers and functions delegated to it within scope of an Individual Instrument of Delegation to Auckland Transport.
- **Authorises** the Board Chair to sign the Board Delegation Instruments to effect these new delegations.

Transport Services funding decisions:

Northern Corridor improvements

s 9(2)(j)

Petone to Melling Walking and Cycling Link

- **Approves** funding to Waka Kotahi NZ Transport Agency for Petone to Melling Walking & Cycling Link for an increase of \$5.07m at a funding assistance rate of 100% (out of the NLTF) for implementation from the Walking and Cycling Improvements activity class, thereby increasing the approved total cost from \$66.56m to \$71.62m.

Southern Links Peacockes Arterial Housing Infrastructure Fund (HIF)

- **Decline** the cost scope adjustment of an additional \$41.9million for the Peacocke Arterial development.

Hutt City Council Tupua Horo Nuku - a resilience and shared path programme in Wellington's Eastern Bays May 2023

- **Notes** that the funding for the entire activity (bays 1-6) is split between CIP at \$30m, Waka Kotahi at \$25.475m, and Hutt City Council at \$24.475m (P95).
- **Notes** the other approvals given at the May 2023 meetings stand.

Auckland Transport Ferry New Purchase and Associated Infrastructure

- **Notes** that funding has been approved to Auckland Transport for Ferry Vessel (Stage 1) Charging – Long Lead Items implementation for a total of \$36,090,631 (including admin) at a FAR of 51% (total NLTF share \$18,406,222).

Access Kenepuru

- **Notes** that funding has been approved by the CFO for the implementation phase to Porirua City Council for Access Kenepuru:
 - Stage 2A – Local Roads with total shared project costs of \$9,025,500 (NLTF share \$4,700,060) at a FAR of 54-52% from the Local Road Improvements activity class.
 - Stage 2B – Walking and Cycling with total shared project costs of \$7,356,489 (NLTF share \$3,834,517) at a FAR of 54-52% from Walking & Cycling Improvements activity class.

12.2 R&A Committee report back

The Committee Chair provided an overview of the Committee discussion.

Resolutions

The Board:

Clean car anti money laundering requirements

- **Endorses** the appointment of an executive level role as the AML governance Senior Manager, initially the General Manager Regulatory Transformation and System.
- **Notes** that Waka Kotahi is fully compliant with its AML obligations arising in respect of the Clean Car Standard (CCS) on this basis.

s 9(2)(f)(iv)

Internal Audit Plan

- **Notes** the Committee approved the Internal Audit Plan subject to feedback at the meeting.

Year-end financial & non-financial report

- **Approves** release of the paper on Waka Kotahi interim unaudited year-end financial and nonfinancial results for 2022/23 to Te Manatū Waka the Ministry of Transport, for the purposes of Crown Monitoring.
- **Notes** the accounting issues and proposed treatments, and the explanation for movements in key financial balances set out in this paper.

Treasury reporting assurance

- **Approve** the Treasury reporting year-end submission (Attachment 1 of the paper) and related Letter of Representation to the Treasury (Attachment 2 of the paper).
- **Delegate** authority to sign the Letter of Representation to KPMG (Attachment 3 of the paper), on behalf of the Board, to the Board Chair and Risk and Assurance Committee Chair.
- **Note** the accounting adjustments made to align to Treasury's accounting policies.

12.3 Regulatory Committee report back

The Committee Chair provided an overview of the Committee discussion including customer services and e-scooters matters.

Resolutions

The Board **noted** the report.

Ngā kōrero o te wā | General business

13. Board correspondence

The Board noted the correspondence.

14. Other business

As part of its regular processes, the Board reviewed and updated the Board Guidelines for Expenses, Travel, Gifts & Hospitality.

There was no other business.

The meeting closed at 4.40pm

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

		Items
Waka Kotahi		
Nicole Rosie	Chief Executive	All (except item 2)
Sara Lindsay	GGM Commercial & Corporate	Items 4, 5, 8 and 9.
Susannah Sharpe	Acting Group General Counsel	All (except items 2 and 3)
Brett Gliddon	GGM Transport Services	Item 4, 5, 6, 8 and 9.
Richard May	Chief of Staff	Item 4, 5, 8 and 9.
Sarina Pratley	GGM Customer & Services	Item 4, 5, 8 and 9.
Liz Maguire	Chief Digital Officer	Item 4, 5, 8 and 9.
Tara McMillan	General Manager Regulatory Transformation and System	Item 4, 5, 8 and 9.
Neil Cook	Director of Land Transport and General Manager Regulatory Operations	Item 4, 5, 8 and 9.
Chris Bunny	GGM System Leadership	Item 4, 5, 8 and 9.
Ben White	Manager Portfolio and Performance	Item 6.
David Darwin	Lead Advisor, State Highway Strategy	Item 6.
Karen Jones	GGM Engagement and Partnership	Item 7.
Ngawati Apanui	Pou Arahi – Regional Advisor Maori	Item 7.
Chris Lokum	GGM People and Safety	Item 10 and 11.
Anthony Fewster	Head of Health, Safety and Wellbeing	Item 10 and 11.

Minutes approved

Dr Paul H.S. Reynolds QSO, Board Chair

28 September 2023