

Board meeting | 28 September 2023

Time	11.00am
Location	Waka Kotahi, 44 Bowen St, Wellington (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, Ngarimu Blair.
External attendees	Hon David Parker (item 2), Dr Rod Carr, Chair, and Barry Anderson, General Manager Sector Analysis, Climate Change Commission (item 7)

Whakataki | Introduction

1. Board & CE only sessions (verbal)

Board and CE only sessions were held.

2. Minister Parker (verbal)

The Minister spoke to the Board and management. The Board recorded its thanks to the Minister for his contribution to Waka Kotahi.

3. Minutes, actions & interests

Resolutions	The Board approved the minutes of the Waka Kotahi Board meeting of 17 August 2023.
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It was noted that the August action can be closed.

Ngarimu Blair declared he is a member of the Independent Maori Statutory Board

4. CE report

s 9(2)(g)(i)



s 9(2)(g)(i)

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

Rautaki | Strategic

5. Auckland Integrated Planning update

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

- The Auckland Mayor is interested in a 20-30 year plan for the city. s 9(2)(g)(i)
- [Redacted]
- Our desire to get a more holistic system network in place with options for freight flows and all aspects of transport all in a single plan.
- s 9(2)(f)(iv)

Resolutions The Board **noted** the update.

6. Climate change update

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

- Our comments on recommendation 17 need to focus on all vehicles
- There is a need for improved charging infrastructure for EVs to be accessible for long journeys, but noted that this isn't a Waka Kotahi responsibility.
- Our comments on recommendation 16 need to be network not route focussed.

Resolutions

The Board:

- **Agreed** that the Chief Executive provide written feedback to the Climate Change Commission on its draft recommendations for the second Emissions Reduction Plan.
- **Noted** that in early 2024 the Board Risk and Assurance Committee will be provided:
 - an update on options to improve climate-related disclosures
 - next steps on phasing an enterprise climate risk assessment.

- **Noted** that in the first half of 2024 the Board will be provided options for setting Waka Kotahi carbon reduction targets required by the Carbon Neutral Government Programme.

7. Climate Change Commission (verbal)

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

- Dr Rod Carr and Barry Anderson joined the meeting for this agenda item only
- The Commission is currently consulting on NZ's second emissions reduction plan including how we will achieve the targets for 2026 – 2030.

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

- The debate as to whether international aviation and shipping count towards the targets.

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

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8. BIM priorities

s 9(2)(g)(i)

Resolutions

The Board **noted** the paper.

Actions

s 9(2)(g)(i)

9. Regulated funding model for land transport

The Board discussed a number of matters, including providing the following feedback:

- Management shared the context as to why this paper was brought to the board, being an action following a meeting between the former Board Chair and the then Minister and Ministry officials to explore a regulated model option that may provide greater certainty of funding.
- Management will explore a full range of options to better achieve funding certainty and will test these with the Board.

Resolutions	The Board noted the paper.
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Actions	Management to look at a full range of options to achieve greater funding certainty and to return to the Board to test these options in addition to the one presented at today's meeting.
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Te noho rangapū kia angitū / Partnering for success

10. Iwi relationships presentation: Waikato/BoP

The Board discussed a number of matters, including:

- Brian Nicholas and David Speirs joined the meeting for this agenda item only

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



Resolutions	The Board noted the presentation.
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Eke panuku / Delivery excellence

11. Monthly financial update

The Board and Management discussed a number of matters, including noting that management is bringing the Treasury policy to RAC in November.

Resolutions	The Board noted the update.
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12. Our key documents framework

The Board and Management discussed a number of matters, including noting it is helpful to have internal focus documents separate from external focus documents

Resolutions	The Board: <ul style="list-style-type: none">• Noted the draft Key Document Framework and its definitions and characteristics.
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13.1 I&D Committee report back

Resolutions	<p>The Board:</p> <p><i>Strategic resilience cases</i></p> <ul style="list-style-type: none">• Notes that the Committee asked Management to undertake further work to identify how pre-works activity can be delivered more effectively.• Notes that aspects of the BCR methodology are not necessarily suitable to all recovery works.• Notes that the business case and strategic responses are being endorsed on the assumption that additional Crown funding for the works will be provided in the future.• Endorsed the SH2 Waikare Gorge Realignment Single Stage Business Case.• Endorsed the Hawke's Bay Strategic Resilience Response.• Endorsed the Whangārei to Dome Valley Resilience Strategic Response.• Endorsed the Coromandel-Hauraki Resilience Strategic Response.• Noted that Waka Kotahi has submitted investment proposals to Te Manatū Waka Ministry of Transport and Te Tai Ōhanga Treasury for National Resilience Plan funding for business case and due diligence activities. <p><i>Draft Investment Prioritisation Method for 2024-27 NLTP</i></p> <ul style="list-style-type: none">• Approved the release for consultation of the draft Investment Prioritisation Method for the 2024-27 National Land Transport Programme (NLTP). <p><i>NLTP development timeline and special purpose roads</i></p> <ul style="list-style-type: none">• Endorsed delaying adoption of the NLTP from 30 June to 31 August 2024 in response to the delay in release of the draft Government Policy Statement (GPS).• Approved South Wairarapa, Westland, Whakatane, Buller, and Wairoa SPRs to continue at 100% FAR for the 2024-27 NLTP.
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- **Approved** Hurunui, Southland, Tasman, New Plymouth, Taupo, Stratford and Ruapehu SPRs to move to normal FAR for the 2024-27 NLTP.

NZUP GG update

- **Approved** the Rolleston Access Improvements Detailed Business Case (NZUP Canterbury Package) and for Waka Kotahi to proceed to the pre-implementation phase at an estimated cost of \$15.2 million (P50).
- s 9(2)(g)(i)

PPP annual RAMA reporting

- **Authorised** the Waka Kotahi Chief Executive under Board delegation to execute the Master RAMA Report(s) and Attachment 1 to the paper, Annual Compliance Certificate for each of the Transmission Gully and Pūhoi to Warkworth projects.

SH5 Napier to Taupo programme business case

- **Endorsed** the State Highway 5 (SH5) Napier to Taupō Programme Business Case.
- **Noted** the preferred programme is Programme 7, which focuses on corridor wide safety improvements at a total cost of \$629.7m.
- **Noted** that no funding is 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.

Mt Messenger update

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

Wellington rail Plan

- **Endorsed** the Wellington Rail Plan Programme Business Case, noting the Drive Mode Shift programme as the preferred option provided there is clear justification for any investment beyond the Moderate Improvements programme.
- **Noted** that endorsing the Wellington Rail Plan Programme Business Case does not commit Waka Kotahi to funding any future activities.
- **Noted** the 30-year capital cost of the preferred programme is \$7.3b (P50) to \$11.5b (P95) and the BCR is 1.1-1.5.
- **Noted** that significant Crown investment is needed to implement the 30-year recommended programme as it is unaffordable under the NLTF.
- **Noted** the first tranche of the programme will be submitted for prioritisation in the 2024-27 NLTP.

Auckland Transport emergency works

- **Approved**, subject to provision of further Crown appropriation and work being undertaken by Auckland Transport to identify network efficiency opportunities (including resilience), additional funding for this emergency work at a total cost of \$185,088,856 (NLTF share of \$134,625,981) for FY 2023-24. This is made up of:
 - An increase of \$22,205,456 (NLTF share \$20,206,965) at a funding assistance rate of normal FAR +40% (91%) towards **immediate response** from Local Roads Maintenance Activity Class.
 - An increase of \$162,883,400 (NLTF share \$114,419,016) made up of \$3,131,905 at a funding assistance rate of normal FAR (51%) plus \$111,287,111 at a funding assistance rate of normal FAR + 20% (71%) towards **permanent reinstatement** from Local Roads Maintenance Activity Class.
- **Noted** in April 2023 the Board approved initial funding of \$56.44m (NLTF share \$41.19m) up to 30 June 2023 in relation to emergency works arising from NIWE.
- **Noted** AT have requested additional funding for FY 2023-24 and FY 2024-25. However, Waka Kotahi in consultation with AT have agreed to seek funding only for FY 2023-24 in view of funding uncertainty in subsequent years. A further funding request for total estimated cost of \$142.47m in FY 2024-25 will be submitted once Crown funding is confirmed.
- **Noted** that, without further Crown appropriation, the recovery funding for FY 2023-24 would not be affordable alongside other investment requirements.
- **Noted** that the enhanced FAR of normal FAR +40% towards immediate response has been supplemented by Crown appropriation for emergency works relating to NIWE.
- **Noted** that this request is the first and most advanced request for investment to support local road recovery. Further, significant funding requests are expected in the next few months from other councils impacted by NIWE.

GWRC growth buses 24-25 NLTF funding

- **Endorsed** the Electric Vehicle 'Growth Buses' Continuous Programme Single Stage Business Case.
- **Noted** that Greater Wellington Regional Council will order 36 new buses at a cost of \$6.23m (51% FAR; \$3.18m NLTF share), with an expectation that Waka Kotahi will fund the new public transport services as part of the public transport continuous programme in 2024-27, subject to NLTP inclusion and funding availability.
- **Noted** that future funding for the remainder of the buses in the business case will be sought through subsequent NLTP bids.

Improved Asset Management

- **Approved** investment to Waka Kotahi NZ Transport Agency for \$1.53M at a funding assistance rate of 100% (\$1.53M from the 2021-24 NLTP) for contract establishment during 2023/24 from the Investment Management Activity Class for **Consistent Condition Data Collection**.
- **Approved** investment to Waka Kotahi NZ Transport Agency for \$18.86M at a funding assistance rate of 100% (\$18.86M from the 2024-27 NLTP) for management and contract delivery commencing 1 July 2024 from the Local Roads Maintenance Activity Class for **Consistent Condition Data Collection**.
- **Noted** Waka Kotahi will consider a business case supporting the continuation of the Te Ringa Maimoa partnership programme as part of the 2024-27 NLTP development.
- **Noted** a proposal is underway for **enhanced pavement condition surveys** for state highways. The \$2.6m annual funding has been included within overall data collection requirements outlined in the State Highway Activity Management Plan seeking prioritisation in the National Land Transport Programme.

Transport Services funding decisions

Supporting Growth Alliance Route Protection

- **Endorsed** the North Integrated Transport Network Detailed Business Case.
- **Endorsed** lodgement of Notices of Requirement for route protection of strategic transport infrastructure, including:
 - A dedicated rapid transit corridor between Albany and Milldale
 - Widening of the existing SH1 corridor between Albany and Silverdale, including for a new active modes path and bus lanes, and three new/upgraded motorway interchanges.
- **Approved** release of \$18.7m of 2021 – 24 NLTF funding for post-lodgement activities:
 - \$9.9m to Waka Kotahi (\$4.8m from the State Highways Improvements activity class and \$5.1m from the Public Transport Infrastructure activity class)
 - \$8.8m to Auckland Transport from the Local road activity class (51% FAR; \$4.5m NLTF share)
 - **Subject** to the condition subsequent that Auckland Transport fund any property cost within their designations that occurs during the pre-implantation phase at 100% local share.
- **Endorsed** the Pukekohe Arterials Detailed Business Case.
- **Endorsed** lodgement of Notices of Requirement for route protection of strategic transport infrastructure, including:
 - A new state highway corridor connecting Drury and Pukekohe

- An upgrade of the existing corridor between Pukekohe and Bombay to a new state highway.
- **Approved** release of \$13.1m from the 2021 – 24 NLTF funding for post-lodgement activities:
 - \$6.0m to Waka Kotahi from the State Highway Improvements activity class
 - \$7.1m to Auckland Transport from the Local Road Improvements activity class (51% FAR; \$3.6m NLTF share).
- **Endorsed** the Detailed Business Case for the South Frequent Transport Network.
- **Endorsed** the fifth and final site from the Detailed Business for Takaanini Level Crossings.

SH3 Waitara to Bell Block (W2BB) Scope Change

- **Approved** funding to Waka Kotahi NZ Transport Agency for the SH3/3A Waitara to Bell Block project for an increase of \$431,049 (including Admin) at a funding assistance rate of 100% (\$431,049 out of the NLTF) for Pre-Implementation from the Road to Zero activity class thereby increasing the approved total Pre-Implementation cost from \$3,804,827 to \$4,235,876.
- **Approved** funding to Waka Kotahi NZ Transport Agency for the SH3/3A Waitara to Bell Block project for an increase of \$8,289,399 (including Admin) at a funding assistance rate of 100% (\$8,289,399 out of the NLTF) for Implementation from the Road to Zero activity class thereby increasing the approved total Implementation cost from \$76,460,784 to \$84,750,183.

Approval to enter into Blenheim lease for more than 15 years

- **Approved** leasing the property at 76 Grove Rd, Blenheim to L&M Santarosa Ltd for a term of 16 years and 11 months plus a 10 year right of renewal s 9(2)(b)(ii)

O Mahurangi – Penlink Project Alliance Variation Threshold

- **Approved** delegating authority to the Group General Manager Transport Services for the O Mahurangi Alliance variations for Waka Kotahi accepted risks and changes to contract inputs when they are negotiated, to an overall limit of \$100M, which would bring the contract value to \$610M.

Auckland Public Transport Continuous Programme 2021-24

- **Noted** increase of \$26.7m from the PT Infrastructure activity class due to additional maintenance costs (CRL stations and the DTFT) and under funded renewals at the time of PT continuous programme adoption in 2021;
- **Noted** the reduction of \$96.9m from the PT Services activity class due to availability of Crown funding for 2022/23 allowing NLTF cashflow from 2022/23 to 2023/24.

13.2 Regulatory Committee report back

Resolutions

The Board:

Variation to RSPP 21-24 measures

- **Approved** the variation to Road Safety Partnership Programme 2021-24 (RSPP) to strengthen the measures of road policing activity.
- **Agreed** to sign the letter to the Minister of Transport attached to the paper.
- **Noted** that development of the RSPP 2024-27 is well underway.

13.3 P&S Committee

Verbal update provided

13.4 Special Risk & Assurance Committee

Resolutions

The Board:

Waka Kotahi NZ Transport Agency and National Land Transport Fund Annual Reports for the year ended 30 June 2023

- **Noted** management's assurance that:
 - the annual reports meet statutory requirements and fairly reflect non-financial service performance and financial information, financial position and performance; and
 - the letters of representation from the Waka Kotahi Board to KPMG are appropriate and fit for purpose.
- **Noted** that management, on behalf of the Committee chair, will prepare a summary of any changes made to the reports in response to the Committee's feedback, to provide to the Waka Kotahi Board.
- **Approved** the draft annual reports and cover letter to the Minister of Transport, subject to incorporation of the Committee's feedback.
- **Delegated** to the Board chair and chair of the Risk and Assurance Committee, authority to approve and sign the letters of representation to KPMG.

14. Board correspondence

Ngā kōrero o te wā | General business

15. Conflicts of interest

Mike Birchler provided some training on Conflicts of Interest

The meeting closed at 4.45pm

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

		Items
External attendees		
Dr Rod Carr	Chair of the Climate Change Commission	7
Hon David Parker	Minister for Transport	2
Barry Anderson	General Manager Sector Analysis	7
Waka Kotahi		
Nicole Rosie	Chief Executive	All
Meredith Ussher	Group General Counsel	All
Brett Gliddon	GGM Transport Services	2 & 4
Liz Maguire	GM Digital	2 & 4
Sarina Pratley	Chief Customer & Services Officer	2 & 4
James McHardy	Senior Manager, Funding and Finance	
John Coulter	Senior Manager, Operational Policy, Planning and Performance	11
David Speirs	Director Regional Relationships (Waikato/Bay of Plenty)	10
Brian Nicholas	Pou Arahi - Regional Advisor Maori	10
Lisa Rossiter	Senior Manager Environment and Sustainability	6
Katie Mayes	National Manager Policy and System Planning	5
Richard May	Chief of Staff	2 & 4
Sara Lindsay	GGM Commercial & Corporate	2, 4, 9, 11, 12, 13, 14 & 15
Mike Birchler	General Counsel, Governance and Funding	15



Minutes approved

Dr Paul H.S. Reynolds QSO, Board Chair

9 November 2023