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## MIN-4291 further questions on regional roads (MIN-4266)

22 August 2023

The Associate Minister had some follow up questions from MIN-4266, seeking information on:

- Network Outcomes Contracts (NOC)
- NOC contractors
- Approved Organisations
- Activity Class allocations

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### Waka Kotahi NZ Transport Agency's response:

#### The length of time for NOC contracts and their introduction.

- The Network Outcomes Contract (NOC) is a system of contracting. It has had an initial round of contracts and many were renewed after their initial award periods. The question "why so long?" is possibly asking why it has been a decade since the contracts were awarded or are for that length of time. In which case, they are not, it is just that the NOC system of contracting is a decade old.

#### Querying why major construction firms such as Higgins, Fletchers, and HEB are not prominently featured as NOC contract holders.

- Regarding the Associate Minister's question on page 2, [Fletchers owns Higgins](#), so that explains why it doesn't feature on a standalone basis. The NOC contracts are for State Highway maintenance, not project construction, so the big brand-name construction companies such as Fletchers and HEB do feature more in our project contracting processes. Projects are tendered for separately to the NOC contracts.

#### Seeking more information about the current Approved Organisations and who they are i.e., Councils.

- Approved Organisations (AO) is a Waka Kotahi term for organisations approved under the Land Transport Management Act (LTMA) that invest jointly with Waka Kotahi in transport activities. They include regional, local and unitary authorities, and some government entities.
- You can find the full list and further legislative detail at: <https://www.nzta.govt.nz/planning-and-investment/planning-and-investment-knowledge-base/2024-27-nltp-investment-requirements/2024-27-nltp-planning-and-statutory-framework/entities-2/>

#### Querying how Activity Class allocations are made, who decides the allocations, and how much is paid and for what projects/activities.

- The total level of funding for the Road to Zero Activity Class was set by the Waka Kotahi Board with consideration of the GPS 2021 funding ranges.
- This includes a funding provision for the New Zealand Police, Waka Kotahi and Council Road Safety Promotion Programmes; and the Speed and Infrastructure Programme.



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- Allocations for the NZ Police were set by the Minister, while funding for Road Safety Promotions programmes was set during NLTP development following an assessment of Council and Waka Kotahi Road Safety Promotion programmes.
- Allocations to projects within the Speed and Infrastructure Programme are based on the Road to Zero Speed and Infrastructure Programme Business Case for Local Roads and State Highways; the development of which was led by Waka Kotahi in partnership with Local Authorities. This programme business case sets the intervention treatment philosophy and the indicative level of investment for each corridor and/or intersection within the programme until 2030.
- Road to Zero governance, with support of Waka Kotahi and Council project teams then work to identify projects that will help deliver the identified safety outcomes taking account of matters including readiness for delivery, safety benefits and affordability. Funding approval for these projects are then granted either by the Waka Kotahi board or under appropriate delegation following an assessment against the [Investment Prioritisation Method](#).

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