

## Board meeting | 19 June 2024

<b>Time</b>	9.30am
<b>Location</b>	NZ Transport Agency Waka Kotahi, 29 Customs St West, Auckland (and Microsoft Teams)
<b>Board</b>	Simon Bridges (Chair), Cassandra Crowley (Deputy Chair), Catherine Taylor, John Bridgman, Ngarimu Blair, Victoria Carter.

## Whakataki | Introduction

The Board attended a Risk & Assurance workshop prior to the meeting.

### 1. Board only session

A Board only session was held.

### 2. Board & CE only session

A Board and Chief Executive only session was held.


### 3. Apologies, Minutes, Actions & Interests

David Smol sent his apologies. The current actions list was noted.

<b>Resolutions</b>	The Board <b>approved</b> the minutes of the 16 May 2024 meeting of.
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### 4. CE report

s 9(2)(g)(i)



s 9(2)(g)(i)

Actions

## Rautaki | Strategic

### 5. NLTP 2024-27 development update

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

- A draft of the NLTP will be presented to the Board in July which will include identifying the projects that could be funded by the tagged contingency.
- Management outlined the nature of the activities that would be funded as a result of the increases to investment targets set out in the paper.

#### Resolutions

The Board:

- **Endorsed** the updated investment target scenario to reflect Budget 2024 announcements.
- **Approved** the revised indicative allocation for local road pothole prevention from \$1,840m to \$1,900m and updated allocations to approved organisations set out in Attachment 1 of the paper.
- **Noted** that the final GPS needs to go through agency consultation, ministerial consultation and Cabinet before it is finalised.

### 6. RoNS update

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

- The Board asking if RoNs are incorporated into the NLTP and approved for funding, whether there are any stretches of existing highways that can have some minor modifications to expedite matters, even if it isn't full construction. Management confirmed that it is working on options for some roads in its initial analysis.

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

Management confirmed it will report on key date milestones.

Actions

Management will report on key developments regularly to the Board.

## 7. Initial Performance & Efficiency Plan

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

- Management confirmed why the Plan was needed, the approach to it, as well as the structure and content of the Plan.
- The Board provided feedback that the document needs to be simplified and focus on the hard measures.
- Management confirmed it would amend the cover letter to reflect the Board's feedback to make this a more succinct and helpful plan for everyone.

### Resolutions

The Board:

- **Approved** the initial Performance and Efficiency Plan including the scope and functions of the Road Efficiency Group in Attachment 1 to the paper, to be provided to the Minister of Transport.
- **Noted** the iterative approach to developing the plan due to time constraints and the time required to develop the work programme in response to the draft GPS 2024.
- **Noted** the Road Efficiency Group will report in detail to the August I&D Committee.
- **Delegated** authority to the Chief Executive to approve any changes made in response to Board feedback on the plan.
- **Noted** the cover letter will be written by Management and delegated to the Chair and Deputy Chair to approve.

## 7.1 E&E update

The Board noted the paper.

## 8. Recommending the Road Policing Investment Programme 2024-27 to the Minister

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

- Whether the figure of 50,000 for oral fluid testing is enough. Management confirmed that the measures taken are evidence informed and in line with international best practice.
- Management also confirmed this number can be increased over time through adjusting other activity levels e.g. alcohol testing, speed, restraints etc.

s 9(2)(g)(i)

- The health and safety obligations of both the Police and NZTA were discussed.

### Resolutions

The Board:

- **Delegated** decision making on this investment decision to the Chair and Deputy Chair prior to any decision being made on the proposed Road Policing Investment Programme 2024-27.

<b>Actions</b>	Management to provide some health and safety advice on the obligation of the police and NZTA on the funding of this programme.
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## Te noho rangapū kia angitū / Partnering for success

### 9. Lessons Learned from Wave 1 of NZ PPPs

The Board discussed a number of matters, including:

- Enquiring into how operationally we would act differently going forward with PPPs and how we get the benefit of the best parts of each of the models we currently have in operation.
- Management noted there is some financial complexity that needs to be unravelled when planning and setting up the work itself.
- Noting that builders tend to have higher equity in overseas PPPs which can drive a different outcome.
- The request for Management to build a matrix and framework to assess what is the best option for future PPPs.

<b>Resolutions</b>	The Board: <ul style="list-style-type: none"> <li>• <b>Noted</b> the contents of this paper and the potential developments to the PPP contract model that may be made in any future NZTA PPP procurements.</li> </ul>
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<b>Actions</b>	Management to revert in August with a strategic paper including a framework outlining the best approach to PPPs and what RoNS projects are suitable candidates.
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### 10. DRR regional update

The Regional Directors reported on a number of matters which are top of mind in the regions, including:

- A focus on recovery post Cyclone is still front of mind;
- Public Transport in Nelson/Tasman and Wellington areas are paramount;
- Emergency works is a significant focus for most areas with coastal communities; and
- Speed of delivery for Northland corridor is a priority.

## Eke panuku / Delivery excellence

### 11. Monthly financial update

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

- The Legal opinion provided by Chapman Tripp on the Letter of Comfort was provided to the Board members.

<b>Resolutions</b>	The Board: <ul style="list-style-type: none"> <li>• <b>Approved</b> NZTA entering into an agreement with the Crown to borrow an additional \$3.08bn from 1 July 2024 – subject to receipt of a satisfactory “letter of comfort” from the Crown.</li> </ul>
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- **Noted** that the Chief Executive holds delegated authority from the Board to execute debt facility agreements on behalf of NZTA and approve drawdowns of debt facilities.

## 12.1 I&D Committee report back

### Resolutions

The Board:

#### *Infrastructure Procurement Strategy implementation*

- **Noted** that NZTA will pursue procurement levers that intentionally seek to protect and foster the health of our supplier markets, and
- **Noted** the approaches we have identified to ensure value for money and market health in our strategic materials and components supply chain (and identify any that you would not consider using).

#### *Final Investment Prioritisation Method for the 2024-27 NLTP*

- **Approved** the final Investment Prioritisation Method (IPM) for the 2024-27 National Land Transport Programme (NLTP).
- **Approved** delegation to the Chief Executive to sign-off any minor updates to the final IPM following finalisation of the Government Policy Statement on Land Transport 2024 (GPS)

#### *Major Crown Investment Projects update*

- **Noted** that commercial negotiations for Papakura to Drury are ongoing and are on track to achieve budget for Stage 1B1.
- **Noted** that approval for Stage 1B1 is required before 1 August 2024 to abide by a strict watermain cutover deadline, avoiding delay and additional cost.
- **Approved** delegation of the decision to execute the final contract for Papakura to Drury Stage 1B1 to the Group General Manager Transport Services, subject to completion of commercial negotiations in time for a 1 August 2024 start date, and the final cost being within the budget for Stage 1B1 s 9(2)(b)(ii)

#### *Tolling programme decisions*

- **Approved** the recommendation to the Minister of Transport for the initiation of public consultation and scheme development for tolling of Takitimu North Link.
- **Approved** the resubmission of the recommendation to the Minister of Transport for the initiation of public consultation and scheme development for tolling of Ōtaki to north of Levin.
- **Approved** the reconsideration of Te Ahu a Turanga Manawatū Tararua Highway (Manawatū Gorge) for tolling.
- **Noted** that should the Minister agree to the Board's recommendations above, the next steps will be to undertake public consultation.

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



- **Noted** the importance of system readiness and supporting capability around revenue collection in respect of tolling Te Ahu a Turanga Manawatū Tararua Highway, and that future oversight of these issues will be reported to the Risk & Assurance Committee.

#### *Cameron Rd stage 2 pre-implementation funding request*

- **Requested** that Management do further work in respect of the proposal, including in light of the wider transport environment in the area.

#### *Waikato District Council procurement strategy*

- **Endorses** Waikato District Council Transport Activities Procurement Strategy 2024.
- **Approves** a variation to Procurement manual Rule 10.21 Maximum term of a term service contract for infrastructure or planning and advice to permit Waikato District Council to appoint a maintenance contractor on a term service contract in excess of 5 years (5+3+2 years).
- **Approves** that Waikato District Council continue to employ in-house professional services.
- **Notes** that on the 12 May 2015, NZ Transport Agency Waka Kotahi approved a variation to Procurement Manual, section 10.21 Maximum term of a term service contract for infrastructure or planning and advice to allow Waikato District Council to use a maximum term of ten years (5+5 years) for the current Waikato District Alliance term service contract. This existing variation does not apply to the new road maintenance and renewals term service contracts that will commence 1 July 2025.

#### **Transport Services funding and operational decisions**

##### *North Island Weather Events Emergency Works | Crown funding*

- **Approves** funding increases of \$249m as follows:
  - EW Mangamuka/Kaeo project, thereby increasing the approved total cost to \$167.2m.
  - EW Gabrielle Northland project, thereby increasing the approved funding to \$161.1m.
  - EW Gabrielle Hawkes Bay project, thereby increasing the approved total funding to \$84.0m.
  - EW Gabrielle Gisborne project, thereby increasing the approved total funding to \$86.4m.
- **Notes** these costs are covered by Crown funding including funding approved in Budget 2024. Movement of funding between the projects would be approved by the CFO, if required, providing it stays within the \$249m funding envelope.

##### *SH2 Waioeka Gorge Resilience | Single Stage Business Case*

- **Endorses** the SH2 Waioeka Gorge Corridor Resilience Single Stage Business Case.
- **Notes** that no funding is requested, the recommended improvements have been included in the State Highway Investment Proposal and

will be considered for inclusion in the National Land Transport Programme (NLTP) 2024-27 and subsequent NLTPs.

- **Notes** the ability to realise the SH2 Waioeka Gorge corridor level of service has a high level of interdependency with investment proceeding at the critical sites identified in the SH2 Ōpōtiki to Napier Corridor Single Stage Business Case.

#### *Community Connect – Total Mobility | Concession Funding Shortfall*

- **Approves** additional funding of up to \$4,231,381 to meet the Community Connect – Total Mobility concession funding shortfall for 2023/24 at 100% FAR from the public transport services activity class.
- **Delegates** authority to the Chief Executive to approve the release of funding:

s 9(2)(g)(i)

- **Notes** that the financial terms, conditions and arrangements for the Total Mobility concession funding has been an ongoing issue between NZTA and MOT, and the Ministry is currently reviewing the scheme to seek a resolution.

#### *SH1 Loop Road to Smeatons Hill | Price Level Adjustment*

- **Approves** s 9(2)(b)(ii) of additional funding to complete SH1 Loop Road North to Smeatons Hill Safety Improvements by mid-2025.

#### *SH1 Bluff Highway/Elles Road Improvement | Completion Approval*

- **Noted** Cassandra Crowley abstained from the decision.
- **Approves** additional funding for completion of the SH1 Bluff Highway/Elles Road Improvement project o s 9(2)(b)(ii) (including 9% admin) at a funding assistance rate of 100% from the NLTF State Highway Improvements activity class.
- **Noted** that no further funding will be provided beyond this point.

#### *Rail Network Investment Programme | 24-27 Ministerial Expectations*

- **Noted** that the RNIP will be brought back to the August Committee meeting.

#### *Value for Money SH Safety Improvements | Programme Funding*

- **Endorses** the Value For Money Safety Improvement Programme Business Case for State Highways covering the period 2024-27.
- **Approves** up to s 9(2)(b)(ii) (including admin) funding from the NLTF for the 2024-27 period of the VFM SH Safety Improvement Programme, at a funding assistance rate of 100% for all forthcoming phases (Development, Pre-Implementation and Implementation) from State Highway Improvements class subject to prioritisation as part of the 2024-27 NLTP final approval

- Subject to prioritisation as part of the 2024-27 NLTP final approval.

- **Notes** the VFM Safety Improvement Programme BCR range is between 6 and 7.

#### *Other Business*

- **Re-engaged** the PPP Board sub-committee comprising the Board chair, Board deputy chair and chair of the Investment and Delivery Committee.

## 12.2 R&A Committee report back

### Resolutions

The Board:

#### *Internal audit plan 24/25*

- **Approved** the Internal Audit Plan 2024/25 subject to the Committee's feedback.

#### *Investment assurance programme 24/25*

- **Approved** the Investment Assurance Programme for 2024/25.

## 12.3 Regulatory Committee report back

Verbal update provided.

## 12.4 P&S Committee report back

Verbal update provided.

## Ngā kōrero o te wā | General business

### 13. Board correspondence

### 14. Other business

#### Resolutions

The Board:

- **Noted** that Richard May has been nominated as the New Zealand Transport Agency's (NZTA's) representative on the Auckland Transport Board.
- **Authorised** the NZTA indemnifying Richard May by entering into a deed of indemnity with him in materially the same form as those authorised at the December 2020 Board meeting (Deed of Indemnity), amended as necessary to reflect his role on the Auckland Transport Board.
- **Authorised** any two Board members to execute the Deed of Indemnity on behalf of NZTA.

The meeting closed at 1.20pm



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

NZTA		Items
Nicole Rosie	Chief Executive	All
Howard Cattermole	Chief Financial Officer	5, 7, 11
Brett Gliddon	GGM Transport Services	All except 9, 10 & 11
Caz Jackson	GGM People and Culture	All except 9, 10 & 11
Karen Jones	GGM Engagement & Partnerships	4
Meredith Ussher	Group General Counsel, Governance, Risk and Legal	All
Richard May	Chief of Staff	All
Sara Lindsay	GGM Commercial & Corporate	All
Sarina Pratley	GGM Customer	4
Liz Maguire	Chief Digital Officer	4
Todd Webb	Team Lead Activity Class Management	5
Peter Wiles	National Manager Infrastructure Delivery	6
Robyn Elston	National Manager System Design	6
Kim Marshall	Head Of Organisational Performance	7
Steve Mutton	Director Regional Relationships (Northland/Auckland)	7, 10
Fabian Marsh	Senior Manager Road Safety	8
Andrew Robertson	National Manager - Commercial Delivery	9
Linda Stewart	Director Regional Relationships (Taranaki/Hawkes Bay/Gisborne/Manawatu)	10
Emma Speight	Director Regional Relationships, Greater Wellington and Top of the South	10
David Speirs	Director Regional Relationships (Waikato/Bay of Plenty)	10
James Caygill	Director Regional Relationships (West Coast/Canterbury/Otago/Southland)	10
Mike Birchler	General Counsel, Governance and Funding	11-14

Minutes approved



Simon Bridges, Board Chair

22 August 2024