

Board meeting | 22 August 2024

Time	8.30am
Location	NZ Transport Agency Waka Kotahi, 44 Bowen St, Wellington (and Microsoft Teams)
Board	Simon Bridges (Chair), Cassandra Crowley (Deputy Chair), Catherine Taylor, David Smol, John Bridgman, Pat Dougherty, Rob Gilmore, Warwick Isaacs.

Whakataki | Introduction

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

Ngarimu Blair gave his apologies.

The current actions list was noted.

The Chair acknowledged the Chief Executive in her role at NZTA and the work she has done over the past 4.5 years.

Warwick Isaacs declared his and his spouse's interest in the Isaacs Family Trust and Feudal trust which own property near the Woodend/Pegasus bypass.

Resolutions The Board **approved** the minutes of the 18 April 2024 meeting.

Rautaki | Strategic

4. Review of Te kāpehu

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

- The need to alter our strategy to better reflect our focus on local government and Iwi Mana whenua, as well as those things that have been de-emphasised in the GPS .

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

- The Board would like to see in the next iteration of the Te Kapehu review the shift that has occurred in the GPS is reflected and it provides clear direction for our people.

5. Health, safety and wellbeing report

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

- The addition of road safety into the report has been included but needs to be kept as a separate table for reporting purposes.
- Lagging indicators remain consistent (people interacting with plant out of the field), but the leading indicators such as our contract standards and our procurement expectations are working well to assess contractor performance.
- The SafePlus audit came back rated as “solidly performing”.
- We are moving to the third party ACC accreditation scheme. It was also noted that we need a strategy on what we want from, and how we achieve, the investment indicated in the GPS from ACC
- Management confirmed that there are a number of regular activities we conduct to share statistics and data, including both positive and negative data.

6. CE report

s 9(2)(g)(i)



7. Legislative reform opportunities

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

- The top five priorities are transport-specific enabling legislation to provide delivery certainty for significant projects such as RONS, PWA reform and an effective fast track approvals process.
- It was noted that if the Board felt strongly about obtaining a HSWA designation, we could pursue this with the government for further proposed change.
- It was also noted that there are some other opportunities available to help us unlock delivery and service improvements that will positively impact our business.
- The Board noted that it would be useful for us to show how this would enable us to achieve alignment with our strategy so the Minister can see why the changes are important.

8. NLTP 2024-27 adoption

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

- An overview of changes since the last paper, including:
 - An increase of \$100m for local road improvements.
 - Adjustments to better align activities with Regional Land Transport Plan (RLTP) priorities where appropriate.
 - A new \$100 million provision for low value improvements that target increased resilience, economic growth and productivity or value for money (reduced whole of life costs).
- A high level outline of the proposed terms and conditions of funding to apply to all NLTF funding approvals for activities during the NLTP 2024-2027 period.
- An update on the statutory compliance review, with confirmation from Management that the NLTP is compliant from a legal perspective.
- Management noted there was an error in the draft NLTP document loaded to the Resource Centre. That document noted that analysis indicated a reduction in GHG emissions. The Board paper records the correct position that under the Climate Assessment of Transport Investment (CATI) tool there will likely be a marginal estimated increase in long term GHG emissions, and the Multiple Outcomes Assessment Tool (MOAT) tool indicating increased GHG emissions compared to a no investment scenario.

Resolutions

The Board:

- **Adopted** the NLTP.
- **Delegated** to the Chief Executive authority to approve non-material changes to the NLTP and authorise publication of the final document.
- **Approved** activity class investment targets as follows:

Activity Classes NLTF share \$m, excludes Crown top-up for Rail	Investment Target	GPS 2024	
		Lower range	Upper range
SH Pothole Prevention	2,072	1,370	2,280
State Highway Operations	2,303	1,890	2,570
LR Pothole Prevention	1,900	1,820	2,530
Local Road Operations	1,330	780	1,520
Public Transport Services	1,955	1,260	2,310
Investment Management	265	205	265
Safety	1,680	1,530	1,830
Public Transport Infrastructure	1,600	870	3190
State Highway Improvements	4,100	4,000	7,250
Local Road Improvements	610	460	1210
Walking and Cycling	310	275	450
Rail	60	740	1670
Total	18,185		

- **Approved** the terms and conditions of funding set out in Attachment 6 to apply to all NLTF funding approvals for activities during the NLTP 2024-2027 period.
- **Approved** funding for continuous programmes in line with the indicative allocations previously approved, subject to the amendments set out in this paper and the terms and conditions set out in Attachment 6.
- **Approved** funding for low-cost low risk activities for local road improvements as set out in this paper and subject to the terms and conditions set out in Attachment 6.

9. Roads of National Significance update

Warwick Isaacs reiterated the interests he disclosed at the start of the meeting.

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

- An update on the progress of the Northland corridor, with the Board reiterating the need to maintain momentum.
- An overview of the Belfast to Pegasus corridor including a discussion on future-proofing to accommodate growth.
- An overview of the Mill Road project, noting there is more certainty with stage, the need to continue to develop other stages and the importance of maintaining momentum.
- The benefit of developing a framework for deliverability, including timeframe, budget,, speed and confidence levels for future Roads of National Significance (RoNS) decisions.
- The importance of focusing on value for money, scope, and taking a “no-frills” approach.
- Balancing the need to progress and prioritise transport solutions against funding uncertainty.
- The benefits of long-term commitment to major infrastructure projects and long-term planning.
- An overview of some of the reporting required in respect of RoNS and other projects.

Resolutions

The Board:

- **Approved**, for the Belfast to Pegasus and Woodend Bypass project, that the SH1 motorway stays within the existing designation, noting it will likely mean 100 km/hr from Lineside Road (in the south) to north of Gladstone Road, and transition to 80 km/hr through to the northern extent of the project near Wards Road.
- **Approved**, for the Belfast to Pegasus and Woodend Bypass project, that the Pegasus roundabout is upgraded to a full grade separated interchange with two lanes on the overbridge, while enabling future widening to four lanes to the west.
- **Approved**, for the Mill Road project, a function and form that includes at-grade intersection designs and posted design speeds ranging from 50kph-80kph as a guide for the planning and design work for the Mill Road corridor.
- **Noted** this design approach for the Mill Road project is consistent with anticipated future land use demands, designs prepared in 2021, current South Auckland network planning and historic designations obtained for the project.

10. Capital projects review

s 9(2)(a) gave an overview of the Capital Projects Review, including timelines and deliverables.

11.1 I&D Committee report back

The Board noted the additional information provided in respect of the SH2 Waihi to Omokoroa safety improvements item.

Resolutions

The Board:

Integrated delivery model

- **Approved** the procurement strategy for the Integrated Delivery Model.
- **Noted** the detailed procurement plan will be approved by GGM Corporate & Commercial and GGM Transport Services.

SH2 Waihi to Omokoroa safety improvements

- With receipt of additional information from Management, and noting the unique circumstances of this stretch of road, **approved** the Waihi to Omokoroa project continuing with: stopping median barrier installation, completing roundabouts with wide centreline only, and maintaining all right-turning movements along the corridor on remaining intersections.

Major Crown Investment Projects

- **Noted** the updates on the project reviews and programme affordability.
- **Approved** pausing the remaining stage of State Highway 58 (Stage 2B) until future years when programme affordability is clearer.
- **Noted** a further decision point will be required later in the year (circa October/November 2024), particularly regarding Melling, Otaki to North Levin, and Rolleston.

Rail network investment proposal (RNIP)

- **Approved** submitting the initial NZTA Advice on the Rail Network Investment Programme (RNIP) to the Minister of Transport by the agreed date of 30 August 2024.
- **Noted** that the Minister will not be approving the RNIP until he has received further information from the Ministry of Transport (MoT) on the line-by-line financial and economic costs and benefits of the rail network and the outcomes of the McKinsey review.
- **Noted** that NZTA have assessed the RNIP and supporting documents s 9(2)(f)(iv) [REDACTED]
- **Noted** that NZTA will work with MoT and KiwiRail over the next few months on the further work required and reconfirm or update our advice when complete.

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

Auckland rail programme business case

- **Noted** the Auckland Rail Programme Business Case.
- **Noted** that the full 30-year programme costs are P50 \$36.7b and P95 \$43.7b (P50 \$54.1b and P95 \$64.8b with escalation) and the BCR is 1.0 (or 1.2 including Wider Economic Benefits).
- **Noted** that endorsing the Auckland Rail PBC does not commit NZTA to any funding, but signals assurance of the business case process and agreement from the Board in its role as system planner that the Auckland Rail PBC represents a sensible plan to broadly guide the development of Auckland's rail network over the coming decades.
- **Noted** that more significant elements of the programme are unaffordable to the NLTF, and KiwiRail and Auckland Transport will need to pursue alternative funding and financing options for the programme to be delivered.

Pukaki Creek crossing – Auckland airport

- **Approved** NZTA continuing the work with Te Ākitai Waiohū and other parties to give the construction of the additional bridge structure the best chance of being built, which will enable the future delivery of Airport to Botany Rapid Transit.

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

TS funding decisions report

Marlborough Recovery Phase 3

- **Approved** \$141.4m for Phase 3 of Marlborough District Council July 2021 storm event at a FAR of 71% (NLTF \$100.4m), subject to a condition subsequent that any future cost scope or price level adjustments will be funded at a FAR rate consistent with the Emergency Works Policy in place at the time approval is sought.

Te Ara Tupua Ngauranga to Petone

- **Approved** for the Te Ara Tupua: Ngā Ūranga ki Pito-one project a funding increase of \$36.8m.
- **Noted** this funding approval will increase the overall P95 project funding from \$311.9m to \$348.7m (which includes the retained contingency of \$21.3m and noting the existing delegation to the CE to release the contingency above the new P50 allocation of \$327.4m up to the new P95 approved funding of \$348.7m).

SH1 Waikato Expressway Ngāruawāhia

- **Approved** \$76m of additional funding to complete the SH1 Waikato Expressway Ngāruawāhia repair, betterment and

110km/h works in three stages: SH1 Carriageway, SH1 Stormwater, and SH1C Carriageway.

Update to Power of Attorney Appointments

- **Appointed** Andrew Clark, National Manager, Maintenance and Operations, as an attorney with full power and discretion, on behalf of NZTA, to enter into deeds relating to land held or managed by NZTA pursuant to a power of attorney on substantively similar terms to that granted to the National Manager Infrastructure Delivery.
- **Authorised** any two Board members to sign the power of attorney.

Temporary closure of State Highway 1

- **Approved** NZTA continues to work on the proposal to close SH1 for the purposes of filming 'The Wrecking Crew'.
- **Delegated** to the Board Chair authority to approve temporarily closing State Highway 1 Northern Gateway and Johnstone Hill Tunnel (approx 9km) for the filming of 'The Wrecking Crew' subject to NZTA concerns being appropriately addressed.
- **Noted** more details, and any subsequent conditions, will be provided to the Board as they are confirmed.

RoNS Bulk Funding | Property

- **Approved** funding of \$859m at a funding assistance rate of 100% from the NLTP from the State Highway Improvements activity class, allocated to the RoNS activities in each region, subject to condition(s) subsequent that
 - NZTA will document specific key performance indicators and measures of success for the programme in the 24-27 NLTP period and report back to the Board once complete.
 - Progress against these measures will be reported annually to the Board;
 - The approved funding is only eligible for allocation against the current RoNS programme property phase(s).
- **Noted** the relevant property acquisition business delegations still apply to the purchase of individual properties and are subject to LINZ processes.

RoNS Bulk Funding | Project Development

- **Endorsed** funding to NZTA for the RoNS project development activity for 2024-27 to be managed regionally across the RoNS activities.
- **Approved** funding of \$65m at a Funding Assistance Rate of 100% from the NLTP State Highway Improvements activity class.
- **Noted** National Manager Programme and Standards/ National Manager Portfolio and Standards will manage the allocation of that regional funding to individual RoNS projects (including the release of funding, transfer of funding between regions and ability to declare any surplus).

Local Roads NIWE Response

- **Noted** that cost scope adjustments for Gisborne DC (\$17,421,325) and Hastings DC (\$31,390,702) for NIWE emergency works were approved by the CFO under an expedited process.

Whale Trail

- **Noted:**
 - The CFO declined a request for \$3.7m of funding to implement this section as the activity does not align with the outcomes sought in the GPS, and is unlikely to be prioritised for inclusion in the NLTP.
 - The business case has been endorsed to enable other parties to progress this work if desired. While the business case recommended a more expensive off road option NZTA recommends the more cost-effective on road option (option 3).
 - The Minister, MBIE, The Trust, Iwi partners, MDC and our partners and stakeholder have all been notified of the decision.

11.2 Regulatory Committee report back

Resolutions

The Board:

Rail Funding Review – Martin Jenkins Report

- **Noted** the final independent report into the efficiency and effectiveness of NZTA's rail regulator function.
- **Noted** the key messages for communicating the review findings.
- **Noted** the Minister of Transport (the Minister) has been provided a briefing seeking support to address rail funding challenges.

Director of Land Transport 24/25 Assurance Programme

- **Noted** and Endorses the Director of Land Transport's regulatory system assurance plan (the Director's assurance plan) for the next 18 months (to end of calendar year 2025).
- **Noted** that the Director's assurance plan findings and recommendations will be captured in the audit tracking system that is reported to the Risk and Assurance Committee.

11.3 R&A Committee report back

Resolutions

The Board:

GGM Commercial & Corporate update

- **Endorsed** the direction of the Te Ama Roadmap.
- **Noted** the updates on key risks and issues.

Year-end financial update

- **Noted** the year-end accounting issues and proposed treatments, and the explanation for movements in key financial balances.
- **Noted** the monthly financial performance and position for the year to 30 June 2024.
- **Noted** the accounting adjustments made to align our year-end submission for Crown financial reporting with Treasury's accounting policies.
- **Delegated** authority to the Board Chair and Risk and Assurance Committee Chair to sign the Letter of Representation to KPMG (Attachment 7 to the paper).
- **Noted** the Treasury year-end financial reporting submission (Attachment 5 to the paper) the related Letter of Representation to the Treasury and the Letter of Representation to KPMG (Attachments 6 and 7 to the paper).
- **Noted** that a back-to-back representation letter will be provided by management to the Board (Attachment 8 to the paper).

Public interest litigation approach

- **Noted** feedback had been provided in respect of the proposed Approach to Public Interest Litigation set out in Attachment 1 to the paper.

12. Board member indemnities

Resolutions

The Board:

- **Authorised** the NZTA indemnifying Pat Dougherty, Rob Gilmore and Warwick Isaacs by entering into individual deeds of indemnity with them in materially the same form as those authorised at the December 2020 Board meeting (Deeds of Indemnity), amended as necessary to reflect his role on the Auckland Transport Board.
- **Authorised** any other two Board members to execute the Deeds of Indemnity on behalf of NZTA.

13. Board correspondence

Ngā kōrero o te wā | General business

14. Other business

There was no other business.

The meeting closed at 2.35pm

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

		Items
External attendees		
s 9(2)(a)	Consultant	10
	Partner, Chapman Tripp	8
NZTA		
Nicole Rosie	Chief Executive	2-14
Beth Houston	Lead Advisor System Design	9
Brent Alderton	GGM Regulatory Services and Director Land Transport	6-8
Brett Gliddon	GGM Transport Services	8, 9, 11-14
Chris Bunny	Group General Manager Systems Leadership	6-8
Howard Cattermole	Chief Financial Officer	8
Joanne Rua	Principal Counsel, Governance and Funding	8
Karen Jones	GGM Engagement & Partnerships	6-8
Meredith Ussher	Group General Counsel, Governance, Risk and Legal	3-7
Mike Birchler	General Counsel, Governance and Funding	8-14
Paul Glucina	Chief Transport Planner	9
Richard May	Chief of Staff	6-8
Robyn Elston	National Manager System Design	9
Sara Lindsay	GGM Commercial & Corporate	8, 9, 11-14
Todd Webb	Team Lead Activity Class Management	8
Richard Forgan	Group General Manager - System Leadership	6-8
Richard Osborne	Regional Manager System Design (South Island)	9



Minutes approved

Simon Bridges, Board Chair

23 September 2024

PROACTIVELY RELEASED