

Board meeting | 23 September 2024

Time	8.30am
Location	Microsoft Teams
Board	Simon Bridges (Chair), Cassandra Crowley (Deputy Chair), Catherine Taylor, David Smol, John Bridgman, Ngarimu Blair, 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 only session was held.

3. Apologies, Minutes, Actions & Interests

The current actions list was noted.

It was noted the interests paper had omitted the following updates of cessation of interests from Cassandra Crowley effective 31 August:

CEO, Te Arawa Management Limited
Director, Te Matai Water Scheme
Director, Rotorua Lake Holdings #1
Director, Rotorua Lake Holdings #2
Director, Te Arawa Tipu Limited
Director, Maketū Foods Limited
Director, Volcanic Wunderflites Limited
Director, PB & DV Holdings Limited

Resolutions The Board **approved** the minutes of the 22 August 2024 meeting.

Rautaki | Strategic

4. Health, safety and wellbeing report

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

- General observations on trends.
- The Board emphasised the importance of being clear in respect of contractor expectations and the need to continue to work closely with them. Progress has been positive, including with an increase in reporting.
- Temporary Traffic management (TTM) remains a significant focus. Audits undertaken to date show good improvement and pleasing contractor engagement.

- Training and competence requirements were discussed, with the need for continued clear messaging to contractors about maintaining accurate training records, which is being monitored.
- The SafePlus audit result will be presented in the next P & C committee meeting.
- The Board also discussed the importance of site visits. It was noted that Management could assist Board members in storing their records from those visits.

Actions	Management to include a Road to Zero a one-pager focusing on road safety.
	Management to respond on the harmful interactions at the top of the South Island.

5. CE report

s 9(2)(g)(i)



Actions	Management to provide the Minister with an update on the Mt Messenger project.
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6.1 NZTA & NLTF annual reports

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

- The Board emphasised the need for a robust transition process if there is to be a change of auditor.
- The Board discussed climate reporting, noting that voluntary disclosures are currently made and it is sensible to continue this practice. The disclosures have been measured against OAG standards. Although there is no legal obligation to disclose, the Board recognized the benefits associated with disclosing,
- One result has changed materially in the reporting: MEET 1 – financial sustainability ratio – has moved from achieved to not achieved.

Resolutions

The Board:

- **Notes** 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 NZTA Board to KPMG are appropriate and fit for purpose.
- **Approves** the New Zealand Transport Agency and National Land Transport Fund annual reports.
- **Approves** the cover letter to the Minister of Transport, subject to incorporating any feedback from the Board Chair.
- **Delegates** to the Board and Risk and Assurance Committee Chairs, authority to approve any final material changes to the reports and sign the letters of representation to KPMG.

6.2 KPMG audit report

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

- The external auditors noted the size and complexity of the engagement and acknowledged the Finance team's support in the process.
- The external auditors noted the effort from Management to continue to improve the annual reports and positive engagement they had had throughout the process.
- s 9(2)(j), s 9(2)(h)
- There were some audit differences around state highway valuations, but these are not material.
- The external auditors' overall assessment noted significant gains in the year around procurement, including DFA approval of all invoices and a workflow ensuring procurements go through the appropriate approvals. They continued to recommend some controls to ensure compliance with these guidelines.
- A significant milestone was bringing the mechanical aspects of SH valuations in-house.
- The Performance Reporting team is working to focus on data controls behind the measures and evidence that controls exist. The control environment still needs to mature in certain measures.
- A refreshed roadmap for non-financial reporting measures will be presented to RAC to provide further assurance and a plan for improvement.
- Management left the room for the Board to have a conversation with the external auditors.

7.1 RoNS update

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

- Several decisions will need to be made in the next two years. The decisions proposed today are currently macro-scoped, and additional funding decisions will be required.
- The Tauriko West/SH29 project was discussed. The delivery sequence is a separate issue, s 9(2)(g)(i) There is a significant amount of land to acquire, and it is important to plan for both at the same time to enable the benefits to be fully realized. However, investment needs to go to SH29 first.

- A discussion of the Hawke's Bay RoNs and that it is to be delivered in stages. The first stage seeks board direction around the speed environment for that stage, addressing the most congested parts of the area are the initial focus.
- A discussion on funding, noting that will there are no material pressures at this point, actions taken now will create pressure later in the programme. Management will provide assurance at each funding point regarding the overall funding position.
- The Board encouraged Management to continue to identify ways of moving faster, thinking broadly including in respect of alternate routes.

• s 9(2)(g)(i)

Resolutions

The Board:

- **Approves** that the Tauriko West State Highway 29 project includes the full extent of the Tauriko Network Connections project, namely both SH29 offline and SH29A online improvements.
- **Notes** that the Tauriko West State Highway 29 project will be delivered in stages, starting with the new offline SH29 and connected elements.
- **Notes** for the Tauriko West State Highway 29 project the next phase is the Investment Case to refine the scope and construction triggers in accordance with the GPS, including no frills, value for money and affordability.
- **Approve** for the Hawke's Bay Expressway project, the Level of Service will be 100km for the 10.5km section from Watchman Road to Pakowhai Road s 9(2)(g)(i)

Actions

s 9(2)(g)(i)

Management to bring RONS standards back showing the standards we will apply to all RONS.

7.2 Northland Corridor RoNS

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

- An overview of the paper including the progress made, endorsement of the form of delivery model and the request for next stage funding.
- The proposed delivery model and reasons for it were discussed. s 9(2)(b)(ii)
- The Board inquired about how to get assurance over multi-stage pricing being competitive. s 9(2)(b)(ii)
- The Board noted that it would be useful to understand the evidence demonstrating that a PPP is the most appropriate delivery model.
- The opportunity to engage with Mana Whenua was noted.

Resolutions

The Board:

- **Notes** the content of the Investment Case for the Northland Corridor (**Investment Case**) and the ongoing work required by the Project team.
- s 9(2)(f)(iv)
- s 9(2)(b)(ii)
- **Notes** a Staged Public-Private Partnership (PPP) is the proposed delivery model for the first section (being Warkworth to Te Hana) with appropriate commercial on and off ramps for subsequent sections for the remainder of the Northland Corridor). s 9(2)(g)(i)
- **Approves** funding of \$62.4 million from the NLTF to support the continuation of this work and enable:
 - Development of the Request for Proposal (**RFP**) and Detailed Business Case for the Warkworth to Te Hana section of the Northland Corridor.
 - Confirmation of alignment and route protection approach for the Te Hana to Whangarei (including the Brynderwyns) sections of the Northland Corridor.

8. NW rapid transit

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

- s 9(2)(j)
- The flood risk associated with the project was discussed.
- s 9(2)(g)(i), s 9(2)(j)
- Management is working with three iwi in Auckland on this project.

Resolutions

The Board:

- **Notes** funding from the NLTF of \$269m at a funding assistance rate of 100%, allocated to NZTA from the PT Infrastructure activity class for the NWRT project early property acquisition activity.
- s 9(2)(g)(i)

- **Notes** the relevant property acquisition business delegations apply to the purchase of individual properties and are subject to LINZ processes.

9. Regulatory Financial Stewardship Update

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

- s 9(2)(f)(iv) [REDACTED]
- Fees and funding reviews tend to look for precision and are based on assumptions. If the assumptions are incorrect, it impacts the outcome.
- s 9(2)(g)(i) [REDACTED]
- A three-phased approach was proposed:
 - No surprises briefing.
 - s 9(2)(g)(i) [REDACTED]
 - [REDACTED]

Resolutions

The Board:

- **Notes** the attached briefing to the Minister of Transport which outlines the regulatory financial situation and outlook, s 9(2)(f)(iv) [REDACTED]
- s 9(2)(f)(iv) [REDACTED]
- **Notes** the attached draft response to the Minister of Transport's 11 September letter to the NZTA Board Chair on regulatory funding matters.

10. Safety Camera System 24-27 NLTP Investment Proposal

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

- The funding request takes into account the new GPS and funding environment.
- The funding will allow NZTA to establish a mobile safety camera operation of 80,000 hours, among other initiatives. It was noted that NZTA is currently operationally live with 4 cameras.
- It was noted there are no trade-offs or surprises in this funding request. Additionally, the Minister has publicly supported the number of cameras coming on stream.

Resolutions

The Board:

- **Endorses** the Safety Camera System 2024–27 NLTP Investment Proposal.
- **Approves** funding for the Safety Camera System programme with a total 2024–27 cost of \$249m at a Funding Assistance Rate (FAR) of 100% from the Safety activity class.

- **Approves** the three Letters of Agreement between the NZ Transport Agency and NZ Police concerning safety camera operations and collectively committing up to \$25.6m (of the funding approved for the Safety Camera System programme) for payment to NZ Police.
- **Delegates** authority to the Group General Manager, Regulatory to sign the Letter of Agreement between the NZ Transport Agency and NZ Police.
- **Delegates** authority to the Group General Manager, Transport Services to approve the preferred vendor, and sign the contract(s) to secure mobile safety camera operations services.

11. Road policing: Annual Investment and Assurance Review 2024

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

- It was noted there have been significant improvements in some measures, such as the number of breath tests conducted.
- The \$24 million of at-risk payments with the Police each year was discussing including that it incentivises them to hit their targets throughout the year.
- A new assurance oversight group has been established. This group will bring back reports on police performance and provide confidence in the metrics and police data.

Eke panuku | Delivery excellence

12. NTS update

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

- s 9(2)(g)(i)
- The AT board has agreed to enter into early integration.
- Once the pilot release is completed, the focus will shift to Release 1, which is a major release and still needs to go through SIT.
- s 9(2)(g)(i)
- The Board emphasized the importance of being on time and on budget.

13. s 9(2)(g)(i), s 9(2)(f)(iv)

14. Wellington City Council procurement strategy amendment

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

- There is a proposed change in approach from a 5-year to a 9-year term, noting that this is the only major change.
- Management is reviewing its approach to working with approved organisations. Contract management maturity and audit results will play a part in this review.
- Management confirmed they are looking at a panel approach for approved organisations to use.

Resolutions

The Board:

- **Approves** a variation to section 10.21 of the Procurement Manual to allow Wellington City Council to appoint up to four-year service maintenance and cleansing providers on terms up to 9 years.
- **Endorses** the material change to Wellington City Council's overall Transport Activity Procurement Strategy 2023-2026, described in the City-Wide Road Maintenance and Cleansing Procurement Plan.

15. Transport Services funding decisions

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

- The proposed delegation to Auckland Transport, noting these sorts of fines currently go to the Crown.
- A discussion of the Devil's Elbow and Eskdale projects, which emerged from the Cyclone Gabrielle rebuild efforts. Both business cases show increased resilience in both corridors at optimized costs. The Board enquired as to whether the height of the bridges is sufficient to withstand any future flooding.

Resolutions

The Board:

Auckland System Management

- Approves \$496.6m for the 3-year, TOC 4 of the Auckland System Management Alliance for the period of 1 July 2024 to 30 June 2027

Wellington Transport Alliance

- **Approves** \$233.8m for the 3-year, TOC 2 of the Wellington Transport Alliance for the period of 1 July 2024 to 30 June 2027

SH2 Devil's Elbow & SH2/SH5 Eskdale

- **Endorses** the SH2 Devil's Elbow Single Stage Business Case.
- **Endorses** the SH2/SH5 Eskdale Single Stage Business Case
- **Notes** that no funding is requested, s 9(2)(f)(iv)

The recommended improvements can be considered for inclusion in subsequent NLTP.

SH2 Waihi to Ōmōkoroa

s 9(2)(g)(i)

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Actions

Management to provide a more substantive and targeted paper on the proposed delegation of parking enforcement to Auckland Transport.

Management to report back on spend to date on the Waitemata Harbour Connections project.

Ngā kōrero o te wā | General business

16. Board correspondence

17. Other business

There was no other business.

The meeting closed at 3.10pm

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

		Items
External attendees		
s 9(2)(a)	KPMG	6
	KPMG	6
	Office of the Auditor General	6
	Chair of NTS Governance Group	12
	Consultant	13
NZTA		
Nicole Rosie	Chief Executive	2-17
Alanna Soupen	Team Leader Organisational Performance	6
Alison Murray	Head of Procurement	14
Amelia East	Northern Corridor Consultant	7.2
Andrew Clark	National Manager Maintenance & Operations	4, 15
Andrew Roberston	National Manager - Commercial Delivery	7
Brandon Mainwaring	Chief Advisor, Regulatory System Integrity	9
Brent Alderton	Group General Manager Regulatory & Director of Land Transport	5
Brett Gliddon	GGM Transport Services	5
Caz Jackson	Group General Manager People & Safety	4, 5
David Sheppard	National Manager - Multimodal Integration	15
Derek Robertson	Chief Advisor	7.2
Emma Fisk	Director Mega Project Development and Design	8
James Caygill	Director Regional Relationships (West Coast/Canterbury/Otago/Southland)	5 (part)

Jess Andrew	Senior Manager Planning Performance & Safety	7, 9, 15
John Coulter	Senior Manager, Operational Policy, Planning and Performance	6
Karen Jones	Group General Manager - Engagement and Partnership	5
Kirsten Taylor	Executive Advisor	7, 8, 15
Kitty	Executive Advisor	9
Leisa Coley	Chief of Staff (Acting)	5
Lisa Malde	Regional Manager System Design	7
Liz Maguire	Chief Digital Officer	4, 5, 12
Meredith Ussher	Group General Counsel, Governance, Risk and Legal	
Mike Hargreaves	GGM Regulatory Services and Director Land Transport (Acting)	5, 7, 8, 9, 10
Richard Forgan	Group General Manager - System Leadership	5-7
Richard Stewart	Programme Director, Safety Camera System	10
Rob Partridge	Regional Manager Gisborne/HB/Taranaki/Manawatu	7
Robyn Elston	National Manager System Design	7, 8, 15
Sara Lindsay	GGM Commercial & Corporate	5
Sarina Pratley	Chief Customer & Services Officer	5
Steve Mutton	Director Regional Relationships (Northland/Auckland)	15
Tara Macmillan	Head of Regulatory Strategic Programmes	9, 10
Tony Innes	Consultant	7.2
Vanessa Browne	National Manager Portfolio and Standards	15
Yogesh Anand	NTS Executive Sponsor and Delivery Executive	12

Minutes approved

Simon Bridges, Board Chair

PROACTIVELY RELEASED