

Board meeting | 12 December 2023

Time	1.00pm
Location	Waka Kotahi, 44 Bowen St, Wellington (and Microsoft Teams)
Board	Cassandra Crowley (Acting Chair), David Smol, John Bridgman, Victoria Carter, Catherine Taylor, Hon Tracey Martin, Ngarimu Blair.

Whakataki | Introduction

1. Apologies, Minutes, Actions & Interests

The current actions list was noted.

- The Acting Chair declared she has a family member working for Downer on Mt Messenger.
- Victoria confirmed her resignation from the multiple Ngati Awa group companies of which she was a director.

Resolutions The Board **approved** the minutes of the Waka Kotahi Board meeting of 9 November 2023.

2. Board only session

A Board only session was held.

The Board confirmed that David Smol has been appointed as Chair of RAC.

3. Board & CE only session

The Board did not hold a Board and CE only session.

Rautaki | Strategic

4. CE report

s 9(2)(g)(i)

s 9(2)(g)(i)

5. New government commitments

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

- How we are looking at ways to use the current environment to find new efficiencies and effective ways of working
- Noting there are some strong regulatory opportunities as well as challenges
- s 9(2)(g)(i)

6. Accelerating value for money and cost reduction

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

- Having a dedicated team looking at savings opportunities – both inputs and outputs balanced with the impacts and opportunities of both those.
- Looking at short, medium and long term options to be more efficient
- Challenging management to look at where we are spending and being hard on ourselves around those decisions. The Board also suggested the team (including specialist external advisors) looks at the fundamentals of the cause of our costs.
- The need for a shift in spending culture including asking our contractors and suppliers where they see waste
- s 9(2)(g)(i)

Eke panuku | Delivery excellence

7. Monthly financial update

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

- That there has been no movement on NIWE funding this side of Xmas so management is keen to get into the early cabinet papers on this
- Management confirmed we are able to meet our debt obligations in the upcoming year

- Clarity of funding for cyclone recovery is essential and we have raised that with the Minister as a matter of priority.

8.1 I&D Committee report back

Resolutions The Board:

Auckland Rail PBC

- **Noted** the signalled investment required under the Programme Business Case (PBC).
- **Deferred** consideration of endorsing the PBC until a new GPS is in place given that a range of investment interdependencies are yet to be prioritised in that document, noting that deferment will not adversely impact any investment or outcomes sought under the PBC.

Marlborough Sounds Future Access PBC

- **Endorsed** the Marlborough Sounds Future Access Programme Business Case.
- **Noted** the current cost estimate of the 25-year capital programme is \$234m P50 estimate (\$306m P95 estimate) including 30-50% contingency, and the BCR is 1.8 (0.7 – 2.7).
- **Noted** that Waka Kotahi will consider the affordability of the recovery programme and other elements of the programme as part of the NLTP 2024-27 process. The endorsement of the PBC does not make a financial commitment to the programme, which will be considered through NLTP prioritisation and investment decision-making processes.
- **Noted** the Marlborough District Council will conduct a special consultative procedure in early 2024 on the activities and future roading customer level of service identified in the Programme Business Case.
- **Noted** that following this special consultative procedure we anticipate Marlborough District Council will make a funding application for the Stage Three (Recovery) phase of Marlborough District Council's Emergency Works at a cost of \$146.4m at a Funding Assistance Rate (FAR) of 71% (NLTF share \$105.8m) from the local road maintenance activity class.

NZUP GG update

- **Approved** the reduced scope for the NZUP Queenstown Package comprising the State Highway 6/6A intersection, the Frankton bus hub and the Howards Drive Roundabout at an estimated cost of \$250 million.
- **Approved** additional funding of \$120 million to deliver the reduced scope NZUP Queenstown Package, bringing the total funding of the package to \$250 million.
- **Endorsed** seeking Joint Minister endorsement for delivery of the reduced scope Queenstown Package, given its impact on remaining choices across the NZUP.

- **Approved** the delegation of authority to the Group General Manager Transport Services to approve a variation to the alliance contract for delivery of the NZUP Queenstown Package along with any other arrangements required to give full effect to the contract variation, up to the funding limit of \$250 million.

PPP litigation efficient management of key decisions

- **Noted** the Board PPP subcommittee will confirm with Management the scope of decisions intended to be covered by a future delegation.

Transport Services funding decisions

Te Ara o Te Ata Mt Messenger – contract variations delegation

- **Approved** delegating authority to the Group General Manager Transport Services to sign variations to the Te Ara o Te Ata Mt Messenger Alliance contract for Waka Kotahi accepted risks and matters described above to enable the effective delivery of the project, when they are negotiated, to an overall value of up to \$72m, which would bring the Target Outturn Cost for the bypass works up to \$230m, remaining within the current project funding allocation.

TREC (Transport Rebuild East Coast): Emergency Recovery Funding

- **Approved** \$384 million to fund Transport Rebuild East Coast (TREC) activities (including admin and TREC overheads) to December 2024.

Wellesley Street Bus Improvements implementation – Stage 1 (Mid-City Block)

- **Endorsed** the Wellesley Street Bus Improvements Detailed Business Case, currently a P95 cost of (excluding 5.7% administration fee), for all three stages of \$197.5M.
- **Approved** funding to Auckland Transport for the Wellesley Street Bus Improvements, for a total of \$26.7M at a funding assistance rate of 51% (NLTF total share of \$13.6M) from Public Transport Infrastructure activity class for Implementation of Stage 1.
- **Noted** detailed design for Stage 1 was completed ahead of the endorsement of the Detailed Business Case to coordinate the design and reduce any delays.
- **Noted** Auckland Transport is proposing to defer stages 2 & 3 due to affordability constraints with local share. These stages will be reassessed as stand-alone activities in the future.

○ Mahurangi Penlink Tolling

- **Noted** the CFO has approved funding to NZTA:
 - For Penlink- Tolling Pre-implementation and Implementation.

- For a total phase cost of \$25.4M identified for tolls to be funded from the State Highway improvement activity class.
- For a total pre-implementation phase cost of \$3.7 million including 9% admin (for the design and specification of the tolling system requirements).
- For a total implementation phase cost of \$21.7 million including 9% admin (for the implementation of the tolling infrastructure is required in 2024/27).
- At a funding assistance rate of 100%, from the State Highway Improvements activity class.

8.2 Regulatory Committee report back

Resolutions

The Board:

Mobile safety cameras - mixed delivery model

- **Approved** the mixed delivery model for mobile camera operations, whereby Waka Kotahi outsources the provision of roadside assets, personnel and deployment functions, and delivers the planning and enforcement functions in-house.
- **Delegated** to the Group General Manager Transport Services the authority to approve the Procurement Plan for the outsourced activities for mobile camera operations and to issue the Request for Proposal.

8.3 People & Safety Committee report back

Resolutions

The Board:

Future workplace programme - Palmerston North accommodation project

- **Noted** the need for NZTA to identify a suitable corporate office solution in Palmerston North given the lease expiry date for The Square and Rangitikei Street of 31 August 2026 s 9(2)(j)
- **Noted** the contents of the Indicative Business Case, and the approach taken to identify the preferred option.
- s 9(2)(i)
-

s 9(2)(j)

Ngā kōrero o te wā | General business

9. Board correspondence

Noted.

10. Other business

Resolutions

Board PPP Sub-committee

The Board:

- **Reconfirmed** the PPP Board Sub-committee established to consider matters relating to the Transmission Gully and Puhoi to Warkworh PPP projects.
- **Reconfirmed** the Board Chair, Board Deputy Chair and Chair of the Investment and Delivery Committee as standing members of the PPP Board Sub-committee
- **Appointed**, David Smol, as an additional member of the Board PPP Sub-committee for the period the Board Deputy Chair is acting Board Chair.

Risk and Assurance Committee

The Board **appointed** David Smol as Acting Chair of the Audit and Risk Committee for the period the Board Deputy Chair is acting Board Chair.

The meeting closed at 3.30pm

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

		Items
External attendees		
None		
Waka Kotahi		
Nicole Rosie	Chief Executive	3-10
Brent Alderton	GGM Regulatory Services and Director Land Transport	3-5
Brett Gliddon	GGM Transport Services	3-6
Howard Cattermole	Chief Financial Officer	6-7
Karen Jones	GGM People & Safety	3-6
Meredith Ussher	Group General Counsel, Governance, Risk and Legal	3-10
Chris Bunny	GGM System Design	3-6
Brent Alderton	GGM Regulatory	3-5
Sara Lindsay	GGM Commercial & Corporate	3-10
Howard Cattermole	Chief Financial Officer	6
Bruno Bailly	Manager, Business Accounting Support	6
John Coulter	Senior Manager, Operational Policy, Planning and Performance	6

Emma Speight	Director Regional Relationships, Greater Wellington and Top of the South	6
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Minutes approved

Cassandra Crowley, Acting Board
Chair 22 February 2024

PROACTIVELY RELEASED