

From: [Official Correspondence](#)
To: [x@x](#)
Bcc: [Arina Lala](#)
Subject: NZT-9579 RESPONSE #2
Date: Tuesday, 6 August 2024 4:52:00 PM
Attachments: [image001.png](#)
[NZT-9579-2 Response.pdf](#)

Kia ora Diane

Please find attached a response from Howard Cattermole - Chief Financial Officer, to your correspondence of 9 July 2024

Ngā mihi

Ministerial Services

Te Waka Kōtuia | Engagement & Partnerships

NZ Transport Agency Waka Kotahi

[Connect with us on Social Media](#)



www.nzta.govt.nz

From: Councillor Diane Calvert <[.@..](#)>
Sent: Tuesday, July 9, 2024 1:01 PM
To: [.@..](#); Nicole Rosie <[.@..](#)>
Cc: Councillor Nicola Young <[.@..](#)>; Councillor Tony Randle <[.@..](#)>; Councillor Ray Chung <[.@..](#)>
Subject: Thorndon Quay, Wellington - transport project

Kia ora Simon and Nicole

Please attached a letter from four Wellington City Councillors articulating their concerns and that of many constituents (residents and businesses) that they represent in respect of the work being currently undertaken on Thorndon Quay (funded 51% by NZTA).

Regards

Diane

Councillor Diane Calvert
Wellington City Council | Wharangi/Onslow-Western Ward

Ps 9(2)(a) | E [x@x](#) | W Wellington.govt.nz | F [dianecalvertnz](#) | T [dianecalvertnz](#) | W [dianecalvertnz](#)

The information contained in this email is privileged and confidential and intended for the addressee only. If you are not the intended recipient, you are asked to respect that confidentiality and not disclose, copy or make use of its contents. If received in error, you are asked to destroy this email and contact the sender immediately. Your assistance is appreciated.

6 August 2024

Councillor Diane Calvert
Wharangi/Onslow-Western Ward
Wellington City Council

Councillor Tony Randle
Takapū/Northern Ward
Wellington City Council

c/o Diane.Calvert@wcc.govt.nz

Councillor Ray Chung
Wharangi/Onslow-Western Ward
Wellington City Council

Councillor Nicola Young
Pukehīnau/Lambton Ward
Wellington City Council

Ref. NZT-9579

Dear Councillors Calvert, Chung, Randle and Young

Thank you for your letter of 9 July 2024 to Simon Bridges, Board Chair, and Nicole Rosie, Chief Executive, concerning the delivery of Wellington City Council's (the Council) Thorndon Quay project. Your letter has been referred to me for response.

I will respond to each point listed in your letter in turn below.

Address the significant public concerns raised about the design in terms of the raised crossings (including proposed numbers) and the lack of investment in renewing the ageing water infrastructure.

In making decisions to invest in land transport projects, the NZ Transport Agency Waka Kotahi (NZTA) Board considers public feedback. NZTA was satisfied that the LGWM programme had carried out a robust consultation process on the Thorndon Quay Hutt Road (TQHR) project. This included alignment with the Let's Get Wellington Moving (LGWM) objectives and the Government Policy Statement on land transport (GPS) 2021. NZTA was represented on the LGWM Governance Group, which oversaw how the different feedback (both in support and opposed to different elements of the project) was considered.

Regarding the lack of investment in renewing the aging water infrastructure, it is not NZTA's role to ensure that the Council has sufficient funding and planning underway for underground infrastructure. Funding from the National Land Transport Fund (NLTF) must only be used for land transport purposes. As such, the NLTF cannot be used to fund the renewal of water infrastructure.

Ensure the ongoing suitability of the project design.

The NLTF funding decision was based on information available at the time. It is the responsibility of the Council through its Project Manager and governance arrangements to ensure the ongoing suitability of the project design through detailed design and construction processes.

NLTF funding is linked to the GPS, and NZTA continues to ensure that investment is aligned to the current transport priorities. If the Council wishes to change the design and/or scope of the TQHR project from what was approved, the Council is required to apply for NZTA's approval of the change(s).

Ensure that construction adheres to agreed-upon specifications.

NZTA is not the contract signatory for the project. It is up to the Council officials to ensure the specifications are met through the construction process.

Implement robust quality assurance measures to guarantee the efficacy of NZTA's contribution and the realisation of anticipated benefits.

NZTA works to ensure investment is in line with the Government Policy Statement on land transport (GPS). Projects must achieve the following four main areas:

- agreed scope of works,
- agreed funding to complete the works,
- generate benefits and outcomes aligned to the GPS, and
- ensure the project provides value for money.

NZTA also applies a range of levers prior to and after making an investment decision. Levers after investment decision include:

Lever	Description
Non-compliance with a condition	Inform the AO that a condition is not met and therefore claims will not be paid out of the NLTF.
Changes in scope or cost	NZTA may decline to approve a change in scope or increase in costs of a past investment.
Withholding payment	NZTA may withhold payment, or part payment, against a claim as enabled under section 36 of Land Transport Management Act 2003 ^[1] .
Reimbursement	NZTA may request reimbursement of funds where an NZTA audit identifies claims where funding has been applied outside of investment guidelines, e.g. fraud or expenditure outside of NZTA funding applications.
Meeting NZTA requirements	NZTA may notify an AO of NZTA requirements that need to be met if the AO is seeking subsequent funding. This may arise out of an audit or from issues encountered through monitoring of the AO. NZTA may request the AO make an improvement in reporting, procurement practices, governance, cost estimations, etc. This

^[1] <https://www.legislation.govt.nz/act/public/2003/0118/latest/DLM227527.html>

Lever	Description
	would not affect a past investment decision but would affect future investment decisions.
Forecasting	If an AO encounter delays with a project, the AO is required to re-forecast its cashflows. Where this results in a reduced NLTF commitment in the NLTP period, that reduction can be reallocated to other activities within the activity class (or in limited circumstances, may be reallocated to another activity class).

In the case of the TQHR project, I can confirm that an Investment Quality Assurance (IQA) and independent peer review were completed in 2022. The IQA ensured the business case submitted to NZTA was fit for purpose. NZTA's own assessment at the time was that the project aligned with the GPS 2021 priorities, delivered the right outcomes and value for money. The decision in July 2023 reconfirmed this earlier decision and approved a cost increase with no scope change.

NZTA has been requested by the Minister of Transport to review all projects to ensure alignment to the GPS 2024. NZTA will work closely with the Council to understand the impacts of changes to the TQHR project and identify potential options for resolution, where necessary.

If you would like to discuss this matter further with NZTA, you are welcome to contact the Ministerial Services team by email at official.correspondence@nzta.govt.nz.

Yours sincerely



Howard Cattermole
Chief Financial Officer

Released under the Official Information Act 1982