

[REDACTED]
[REDACTED]

Dear [REDACTED]

I refer to your request dated 10 August 2020 , pursuant to the Official Information Act 1982 (OIA), in which you laid out the following:

*“I'd like to request any reviews into NZTA in the past 6 months which relate to Transmission Gully.
Any briefings sent from or to the agency regarding Transmission Gully over the past 6 months.
Any advice sent to/from NZTA re Transmission Gully in the past 6 months.”*

Excerpts from the following documents fall within scope of your request. Appendix One provides the specific information you have requested from the relevant documents:

Date	Documents
16 July 2020	Transmission Gully Memo to Treasury – 16 July 2020
22 May 2020	2019/20 Quarter Three Performance Update: Performance for the quarter 01 January to 31 March 2020
21 February 2020	2019/20 Quarter Two Performance Update: Performance for the quarter 01 October to 31 December 2019

One document is being withheld in full in reliance of section 9(2)(j) of the OIA, as it relates to negotiations currently underway and section 9(2)(h), to maintain legal privilege. All other relevant information is being released in excerpts below.

In regard to the information that has been withheld under section 9 of the Act, I am of the opinion that there are no countervailing considerations that make it desirable, in the public interest, to make the information available.

You have the right under section 28(3) of the Official Information Act to make a complaint about the withholding of information to the Ombudsman, whose address for contact purposes is:

The Ombudsman
Office of the Ombudsmen
P O Box 10-152
WELLINGTON

Yours sincerely

[REDACTED]

Robert Anderson
Acting Manager, Governance and Commercial

www.transport.govt.nz

HEAD OFFICE: PO BOX 3175, Wellington 6140, New Zealand. TEL: +64 4 439 9000

AUCKLAND OFFICE: NZ Government Auckland Policy Office, PO BOX 106483, Auckland 1143, New Zealand. TEL +64 9 985 4800

Appendix One:

Date	Title	Information within scope
16 July 2020	Transmission Gully Memo to Treasury – 16 July	<p>Withheld in full under the Official Information Act:</p> <p>Section 9(2)(h) – <i>“to maintain legal professional privilege”</i></p> <p>Section 9(2)(j) – <i>“to enable a Minister of the Crown or any department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)”</i>.</p>
22 May 2020	2019/20 Quarter Three Performance Update: Performance for the quarter 01 January to 31 March 2020	<p>State highway improvements: The state highway improvements are \$309.7 million (37%) above budget, due to the \$190.6 million conditional settlement of the Transmission Gully claim and an \$83 million provision for Puhoi to Warkworth claims. The forecast is at the top of the GPS range.</p> <p>Funding and long-term liabilities: The total long-term funding liability is \$2,494.5 million, incorporating specific loan packages, public-private partnership commitments and the derivative financial liability. This is equivalent to 66.2% of forecast annual revenue, substantially below the Waka Kotahi’s 175% guideline. Debt repayments of \$15 million represent 0.4% of revenue, comfortably within Waka Kotahi’s 10% guideline. The latter metric will rise with the start of availability payments associated with the Transmission Gully and Puhoi-Warkworth PPPs, but will remain well within guidelines.</p>
21 February 2020	2019/20 Quarter Two Performance Update: Performance for the quarter 01 October to 31 December 2019	<p>National Land Transport Fund Programme: The Transmission Gully dispute has been settled, the road is forecast to open in late 2020.</p> <p>Access: The new construction season started well with good progress made on Transmission Gully in Q2.</p> <p>Funding and Long-Term liabilities:</p>

The total long-term funding liability is \$2,394.5 million, incorporating specific loan packages, public private partnership commitments and the derivative financial liability. This is equivalent to 58.1% of revenue, substantially below the Agency's 175% guideline. Debt repayments of \$15 million represent 0.36% of revenue, comfortably within the Agency's 10% guideline. The latter metric will rise with the start of availability payments associated with the Transmission Gully and Pūhoi-Warkworth PPPs, but will remain well within guideline.

Transmission Gully:

The Q2 Earthworks milestone was completed. The PPP Contract restructure has been approved by the Transport Agency Board and all documents executed. A revised delivery date of 1 November 2020 has been agreed with the contractor, with a late date of 18 December 2020. This has moved project status from amber to green for both time and cost. The new construction season has started well with good progress made between September and November 2019.

Highlights from Transport Agency financial statements:

Public-private partnership assets increased from \$1,316.4 million at 30 June 2019 to \$1,742.9 million at 31 December 2019 and mainly reflects the settlement of the Transmission Gully claim for \$190.6 million, the provision for the proposed Pūhoi to Warkworth settlement of \$83.0 million and an increase in work in progress.

Highlights from NLTF financial statements:

NLTF expenditure of \$2,183.0 million is higher than the previous period expenditure of \$1,746.4 million and budget of \$1,859.4 million mainly due to higher spending on state highway improvements including the settlement of Transmission Gully claims for \$190.6 million and the provision for the Pūhoi to Warkworth settlement of \$83.0m.

Cash and cash equivalents balance \$234.9 million at 31 December 2019 is significantly lower than \$419.0 million at 30 June 2019 due to the settlement payment for the Transmission Gully claim.