



| Board Meeting Minutes | |
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| Date & time | 13 October 2017, 10:00am – 3:00pm |
| Location | NZ Transport Agency Boardroom, Level 2, 50 Victoria Street, Wellington |
| Board Membership | Chris Moller (Chair), Dame Fran Wilde (Deputy Chair), Adrienne Young-Cooper, Nick Rogers, Chris Ellis, Leo Lonergan, Mark Darrow and Vanessa van Uden |
| Apologies | None |
| NZTA staff in attendance | Fergus Gammie (Chief Executive) Raewyn Bleakley (General Manager Governance, Stakeholders and Communications & Board Secretary), Howard Cattermole (General Manager Investment and Finance), Jenny Chetwynd (General Manager Strategy, Policy and Planning), Barbara Harrison (General Manager People), Tommy Parker (General Manager System Design & Delivery), Robert Brodnax (Director Transport Access Delivery), Richard Hurn (Senior Advisor – Business and Operating Models), Tracey Keenan (Manager Financial Accounting & Analysis) and Adrienne Black (Senior Advisor – Strategic Planning) |

1. Introduction and governance matters

1.1 Apologies and welcome

The Chair welcomed Board Members to the meeting.

1.2 Confirmation and overview of the agenda

The agenda was accepted as circulated.

1.3 Declarations of conflicts of interests of Board Members

The schedule of Board Members' interests was noted as tabled.

Nick Rogers noted his standing interest in Tonkin and Taylor.

Adrienne Young-Cooper noted her upcoming appointment to two Boards – Queenstown Airport Corporation and Sealink Limited. This information will be added to the Register of Board Members' Interests.

Chris Moller noted his interest as Chair of the Meridian Energy Board and advised that he would leave the room for the Manawatu Gorge Closure and Alternative Route Investigation item in the Other Updates paper. He confirmed he would do the same when chairing Meridian Energy Board meetings for any Manawatu Gorge-related items.

1.4 Declarations of conflicts of interests of Senior Leadership Team Members

The schedule of Senior Leadership Team Members' interests was noted as tabled.

1.5 Draft minutes of the 25 August 2017 Board meeting and 22 September 2017 Special Board meeting and Ratification of Board Decision by circulation

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| Resolution 1 | <p><i>The NZ Transport Agency Board confirmed the draft Minutes of the following meetings as true and accurate records of those meetings:</i></p> <ul style="list-style-type: none"> • <i>25 August 2017 Board meeting; and</i> • <i>22 September 2017 Special Board meeting.</i> |
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A paper circulated by email to Board Members on 27 September 2017 responded to the Board question that arose during discussion at the 25 August 2017 Board meeting of Board paper 2017/08/1173 *State Highway 1: Cambridge to Piarere project - Preferred Option and Pre-implementation Funding*, and sought to confirm the original Board recommendations be resolved as proposed.

Board Members' email replies on or before 29 September 2017 supported the original Board recommendations be resolved as proposed as follows:

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| Resolution 2 | <p><i>The NZ Transport Agency Board:</i></p> <ol style="list-style-type: none"> a) <i>Supports the direction of the detailed business case for long term improvement for the NZ Transport Agency's State Highway 1 Cambridge to Piarere Project which identifies option E2 as the preferred option.</i> b) <i>Approves \$65.8 million for property purchase connected to the NZ Transport Agency's State Highway 1 Cambridge to Piarere Project.</i> c) <i>Approves \$28.2 million for pre-implementation works for the NZ Transport</i> |
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| | <p><i>Agency's State Highway 1 Cambridge to Piarere Project.</i></p> <p><i>d) Notes that the total cost of construction of the State Highway 1 Cambridge to Piarere long term improvement project is estimated to be \$504 million, including net property and escalation (with the estimated 95th percentile cost being \$608 million).</i></p> |
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1.6 Audit, Risk and Assurance (ARA) Board Committee Report: Draft Minutes of the 19 September 2017 Special ARA Board Committee meeting

Board Members noted the draft minutes of the 19 September 2017 Special ARA Board Committee meeting and that they would be considered for approval at the next ARA Board Committee meeting on 10 November 2017.

1.7 Health and Safety (H&S) Board Committee Report: Draft Minutes of the 3 October 2017 H&S Board Committee meeting

Board Members noted the draft minutes of the 3 October 2017 H&S Board Committee meeting and that they would be considered for approval at the next H&S Board Committee meeting on 5 December 2017.

1.8 Health and Safety update

Board paper 2017/10/1183

Chris Ellis noted his interest in WorkSafe NZ as a Director.

Barbara Harrison spoke to the NZ Transport Agency's health and safety performance. The Board discussed the programme for Board site observation visits for the coming year and management confirmed scheduling the 2018 programme was underway.

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| Resolution 3 | <i>The NZ Transport Agency Board note the health and safety performance update.</i> |
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1.9 Progress on actions requested at previous meetings

Progress on all actions arising was noted.

2. Chief Executive's Report

2.1 Chief Executive's Report

Fergus Gammie provided Board Members with an overview of the current issues facing the Transport Agency.

The Board noted that the Transport Agency's preparation for a new Government in conjunction with the Ministry of Transport was well underway. Management advised the draft Briefing for Incoming Minister is in the final stages of preparation.

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| Resolution 4 | <i>The NZ Transport Agency Board received the Chief Executive's Report.</i> |
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3. Setting sector and organisational direction

3.1 Performance Improvement Framework (PIF) – including Four Year Excellence Horizon (FYEH)

Board paper 2017/10/1184

Fergus Gammie introduced the paper noting the Chair and the Deputy Chair had met with some of the independent PIF Review team.

Richard Hurn spoke to the self-review component of the PIF noting it provided management with a perspective on the Transport Agency's performance.

The Board noted that three additional Board Members (Adrienne Young Cooper, Mark Darrow and Nick Rogers) had been asked to meet with the PIF Review team along with a number of stakeholders and staff.

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| Resolution 5 | <i>The NZ Transport Agency Board:</i> <i>a) Approves the Four Year Excellence Horizon (FYEH).</i> <i>b) Receives the update on the 2017 Performance Improvement Framework (PIF) Review.</i> |
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4. Confirming service and financial performance targets

4.1 Financial Progress Report for the two months to the end of August 2017

Board paper 2017/10/1185

The Chair introduced the paper noting it reflected the usual financial activity early in a financial year. The Board noted the respective positions of the Transport Agency and National Land Transport Fund

(NLTF) with expenditure impacted by weather delays on State Highway projects and plant and materials supply issues.

The Board noted the re-phasing of the budget to be done in the next period.

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| Resolution 6 | <i>The NZ Transport Agency Board receives the report on the financial performance of the NZ Transport Agency (including the National Land Transport Fund) for the two months ended 31 August 2017.</i> |
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5. Significant planning, investment and operational matters

5.1 Delivering the State Highway 2 Waihi to Tauranga Programme

Board paper 2017/10/1186

Tommy Parker introduced the paper noting State Highway 2 Waihi to Tauranga Programme Business Case (PBC) is one of eight PBCs given priority by the Transport Agency. The Board noted there was a significant issue around the phasing of this work programme.

The Board discussed time frames around estimated delivery and the preferred options for managing safety on a challenging section of State Highway given the conflicting side movements of traffic.

Tommy Parker advised the draft Benefit Cost Ratio for the corridor is 1.3.

Resolution 7

The NZ Transport Agency Board:

a) **Endorses** the recommended options for the three projects, set out in the table below, that contribute to the outcomes of the NZ Transport Agency’s Waihi to Tauranga (State Highway 2) Programme Business Case:

| Project | Preferred Option | Estimated total implementation cost (2017 dollars) - \$million |
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| Waihi to Omokoroa (excluding Katikati) | Option 3 – Wide centreline/side barrier treatments and intersection upgrades along relevant sections of State Highway 2 between Waihi and Omokoroa | \$101 (5 th %ile \$81 95 th %ile \$131) |
| Katikati Urban | Option 5 – Two-lane bypass of Katikati and short-term reliability interventions linked to Town Centre Action Plan and consistent with State highway revocation | \$77 (5 th %ile \$65 95 th %ile \$88) |
| Omokoroa to Te Puna | Option D – New offline four-lane highway and State highway revocation plan | \$344 (5 th %ile \$269 95 th %ile \$452) |

b) **Approves** funding for the pre-implementation, implementation and property

phases of the following three projects, set out in the table below, that contribute to the outcomes of the NZ Transport Agency’s Waihi to Tauranga (State Highway 2) Programme Business Case:

| Project | Phase | Funding \$million (including escalation) | Profile |
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| Waihi to Omokoroa (excluding Katikati) | Pre-Implementation | \$7.51 | High strategic fit High effectiveness Benefit Cost Ratio 1.0 |
| | Implementation* | \$2.37 | |
| | Property | \$1.01 | |
| Katikati Urban | Pre-Implementation (as an exception) | \$7.86 | Medium strategic fit Medium effectiveness Benefit Cost Ratio 2.5 |
| | Property (as an exception) | \$16.06 | |
| Omokoroa to Te Puna | Pre-Implementation | \$24.10 | High strategic fit High effectiveness Benefit Cost Ratio 1.3 |
| | Property | \$74.42 | |

** This is to enable an implementation start during 2017/18*

5.2 Twin Coast Discovery Route Programme Business Case

Board paper 2017/10/1187

Tommy Parker presented the paper.

The Board discussed various aspects related to the proposal, especially the tourism benefits, and agreed to defer the paper to allow additional detail to be provided to the Board before a decision is made.

5.3 Appointment of Attorneys

Board paper 2017/10/1188

Fergus Gammie introduced the paper noting the need to align delegations with the Transport Agency's new structure post transformation.

The Board noted the importance of the principle of segregation of duties as it applies between approval functions and implementation activities.

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| Resolution 8 | <p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Appoints the General Manager Corporate Services as an attorney for the NZ Transport Agency.b) Authorises two NZ Transport Agency Board Members to sign the deed of appointment appointing the General Manager Corporate Services as an attorney for the NZ Transport Agency. |
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5.4 Housing Infrastructure Fund (HIF)

[Board paper 2017/10/1189](#)

Fergus Gammie provided context around previous updates related to the HIF and the way it operates. The Board noted management's advice with regards to the application from Hamilton City Council for an enhanced targeted funding assistance rate (FAR) and emphasised to management the importance of how the decision is communicated to the Hamilton City Council.

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| Resolution 9 | <p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><i>a) Notes the progress being made by successful Housing Infrastructure Fund applicants, Ministry of Business, Innovation and Employment, and the NZ Transport Agency to develop detailed business cases, which will enable funds to be made available, for implementation of core water and transport infrastructure to enable new residential housing.</i><i>b) Agrees that investment decisions on Housing Infrastructure Fund transport projects with total implementation costs of less than \$50 million can be made at normal delegation levels within the NZ Transport Agency provided they do not involve frontloading.</i><i>c) Declines the application to the NZ Transport Agency from Hamilton City Council for a targeted enhanced funding assistance rate for Hamilton City Council's Peacocke project.</i><i>d) Notes that the Transport Agency's targeted enhanced funding assistance rates (FAR) policy will be reviewed as set out in published guidance.</i> |
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5.5 Facilitating Innovative People- centred Mobility Options – Learning from the past to enhance the Transport Agency’s Capability and Investment Approach

Board paper 2017/10/1190

Fergus Gammie spoke to the review and noted it provided useful lessons for the future work of Transport Agency, which have been taken on board. The Board noted the importance of technology and the need to integrate it well, particularly in the area of Integrated Ticketing and other innovative transport solutions.

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| Resolution 10 | <i>The NZ Transport Agency Board receives the Review of Public Transport Integrated Ticketing Initiatives report.</i> |
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6. Other updates and general business

6.1 Other updates

Board paper 2017/10/1191

Chris Moller noted his interest as Chair of the Meridian Energy Board and left the room for the duration of the update concerning the Manawatu Gorge closure and the associated alternative route investigation and passed the chairing of this discussion to Dame Fran Wilde.

Tommy Parker provided an update regarding the Manawatu Gorge closure and the associated alternative route investigation, noting the timeline for a decision on the preferred option was on track for the December 2017 Board meeting.

Chris Moller returned to the meeting and resumed the chair.

Tommy Parker updated the Board in respect of the Kaikoura earthquake recovery and reinstatement work. There was a particular focus on the plan for re-opening State Highway 1 before Christmas 2017, noting there would be limitations on the use of the road, including night time closures and sections that would be single lane and unsealed. The safety of both workers and customers using the re-opened State Highway 1 and the alternative route will also be a high priority.

Raewyn Bleakley provided an update on the Let's Get Wellington Moving project, noting public engagement on scenarios would commence in early November 2017.

Jenny Chetwynd outlined the timing and approach for Board involvement in the development and approval of the 2018-21 National Land Transport Programme.

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| Resolution 11 | <i>The NZ Transport Agency Board received the 13 October 2017 other updates.</i> |
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6.2 Draft agendas for 10 November 2017 Audit, Risk and Assurance Board Committee meeting, 10 November 2017 Investment and Operations Board Committee meeting and 10 November 2017 Board meeting

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| Resolution 12 | <i>The NZ Transport Agency Board noted the draft agendas for meetings of the Audit, Risk and Assurance Board Committee, Investment and Operations Board Committee and Board on 10 November 2017.</i> |
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6.3 Schedule of Board Correspondence and requests for Board paper

Board paper 2017/10/1192

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| Resolution 13 | <p><i>The NZ Transport Agency Board received the 13 October 2017 report on:</i></p> <ul style="list-style-type: none"><i>a) Recent correspondence received, and sent, by the NZ Transport Agency Board Chair</i><i>b) Transport Agency Board papers requested and released under the Official Information Act 1982</i><i>c) Transport Agency Board papers and documents requested and released to Ministry of Transport as part of the Ministry of Transport’s performance assessment of the NZ Transport Agency.</i> |
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6.4 General business

No general business was raised or discussed.

7. Board only session

A Board only session was held.

The Board Meeting closed at 1.34pm.

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| Minutes approved by the Chair | _____ |
| Date | ____/____/____ |