

MINUTES OF THE NEW ZEALAND TRANSPORT AGENCY BOARD MEETING
HELD ON MONDAY, 25 AUGUST 2008

IN THE NEW ZEALAND TRANSPORT AGENCY BOARD ROOM, NATIONAL OFFICE
CHEWS LANE, LEVEL 2, VICTORIA ARCADE, 44 VICTORIA STREET, WELLINGTON

Approved by the Chair	_____
Date	___/___/___

PRESENT:

Brian Roche	Garry Moore
Christine Caughey	Paul Fitzharris
Grahame Hall	Bryan Jackson
Alick Shaw	Mike Williams

IN ATTENDANCE:

Geoff Dangerfield	Julia Shackleton
Richard Braae	John Clark
Roly Frost	Carolina Gartner
Ian Gordon	Deborah Hume
Wayne McDonald	Dave Whiteridge
John White	

Ian Hunter	Mark Yaxley
Peter Kippenberger	
Dave Cope (Item 4c)	Doug Robertson (Item 9c)
Michelle Lewis (Item 12c)	Sandy Fong (Item 13c)
Ian Melsom (Item 6)	

INVITEES:

Fergus Gammie, Auckland Regional Transport Authority
Mark Lambert, Auckland Regional Transport Authority
Greg Ellis, Auckland Regional Transport Authority

Bill Wasley, Urban Development Strategy	Item 5
James Caygill, Urban Development Strategy	Item 5
Jill Atkinson, Environment Canterbury	Item 5

i. Apologies

Apologies for lateness were received from Alick Shaw. Mike Williams gave his apologies for an early departure.

No other apologies were received.

ii. Confirmation of agenda

Two items were added to the agenda, as follows: Item iv, confirmation of the Board Committees' membership, and Item v regarding the New Zealand Transport Agency's amended and restated contract with Personalised Plates Limited.

With the above additions, the agenda was confirmed.

iii. Declarations of Interest

Senior management from the Auckland Regional Transport Authority (ARTA) are giving a presentation to the Board on its Auckland Bus Procurement Strategy and Integrated Ticketing Project. Mike Williams declared he is a director of the ARTA, but since there are no decisions being made today, the Chair advised that Mr Williams does not need to leave the room.

The Chair declared he was the Chair of ARTA up to 18 months ago.

No new declarations or conflicts of interest were declared.

iv Confirmation of Board Committees' membership

The board confirms membership of the five Board Committees as follows:

- State Highways Committee: Bryan Jackson (Chair), Paul Fitzharris, Mike Williams, Grahame Hall;
- Investments and Programmes Committee: Garry Moore (Chair), Brian Roche, Christine Caughey, Alick Shaw;
- Regulatory Committee: Paul Fitzharris (Chair), Christine Caughey, Grahame Hall, Mike Williams/Alick Shaw/Brian Roche (as available);
- Remuneration and HR Committee: Alick Shaw (Chair), Bryan Jackson, Brian Roche, Christine Caughey;
- Audit, Risk and Assurance: Garry Moore (Chair), Brian Roche, Grahame Hall, Paul Fitzharris.

Brian Roche / Mike Williams

v. **New Zealand Transport Agency agreement with Personalised Plates Limited**

The Board agreed that the New Zealand Transport Agency enters into an amended and restated contract with Personalised Plates Limited, and delegates execution of the agreement to the Board Chair

In Committee Minutes

1c **Confirmation of the 1 August 2008 In Committee Board meeting minutes**

Resolved:

That regarding Item 2c, "Approval of the New Zealand Transport Agency Operating Expenditure Budget for the Financial Year 1 July 2008 to 30 June 2009", resolution (g) *"agrees that the report for the year ended 30 June 2009 will reflect twelve months of operations of the New Zealand Transport Agency"*

be reworded as follows:

"agrees that the report for the year ended 30 June 2009, incorporating the first month of activity of Land Transport NZ and Transit NZ, will reflect twelve months of operations of the New Zealand Transport Agency"

With the above amendment made, the New Zealand Transport Agency confirms the In Committee minutes of the 1 August 2008 New Zealand Transport Agency Board meeting.

Brian Roche / Grahame Hall

2c **Matters arising from the 1 August 2008 In Committee Board meeting minutes**

There were no matters arising from the 1 August 2008 New Zealand Transport Agency Board meeting.

3c **Chief Executive's Report for August 2008**

Board paper 08/08/0008

Resolved:

That the New Zealand Transport Agency Board:

- a **receives** the Chief Executive's Report;
- b **delegates** to the Chairman and Chief Executive, the authority to deliberate on the NZ Transport Agency response to the outcome of the Outline Plan of Works hearing for the Manukau Harbour Crossing project;

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- c **notes** that there may be a liability to the Alliance arising from any changes with respect to the Manukau Harbour Crossing Project;
- d **delegates** to the Chief Executive the execution, on its behalf, of the *Agreement for Rules Development Services during 2008/09*;
- e **approves** the travel request for Julie-Anne Maloney, Manager, Information Management Systems, to attend the Oracle OpenWorld Conference in San Francisco, California from 21-25 September 2008 at a cost of \$6,180, which is to be met by a reallocation from within the existing programme;
- f **agrees** that, in future, adjustments within an approved travel programme be delegated to the manager responsible for that programme;
- g **notes** that management will engage with Local Government New Zealand on the Scrutiny Principle before completing final advice to the Board;
- h **agrees** to keep Board paper 08/08/0008 in Committee, giving the Board the opportunity to have a free and frank discussion.

Paul Fitzharris / Alick Shaw

4c **Draft 2008/2011 NZ Transport Agency Statement of Intent and 2008/2009 Output Agreement**

Board paper 08/08/0010

Resolved:

That the New Zealand Transport Agency Board:

- a. **approves** the draft NZ Transport Agency 2008-2011 Statement of intent (Attachment 1 to Board paper 08/08/0010), subject to incorporating the Board's comments, for release to the Minister of Transport for consideration;
- b. **approves** the draft 2008/2009 Output Agreement (Attachment 2 to Board paper 08/08/0010), subject to incorporating the Board's comments;
- c. **delegates** to the Board Chair the authority to approve further revision to the attached documents to incorporate the Board's comments, prior to the final 2008/2011 Statement of intent being tabled in Parliament and the 2008-2009 Output Agreement being signed; and
- d. **agrees** to take Board paper 08/08/0010 out of committee when the 2008/2011 Statement of intent has been tabled in Parliament.

Garry Moore / Christine Caughey

5c **2008/2009 Capital Expenditure Programme**

Board paper 08/08/0032

Resolved:

That the New Zealand Transport Agency Board:

- a **approves** the capital expenditure programme of \$20.009 million for 2008/2009, including carry over projects for 2007/2008.
- b **notes** that the Chief Executive will come back to the Board in February 2009 with a proposal for the capital expenditure programme for 2009/2010 and beyond.

Brian Roche / Garry Moore

6c **Developing the 2009/2012 National Land Transport Programme**

Board paper 08/08/0028

Resolved:

That the New Zealand Transport Agency Board:

- a. **receives** Board paper 08/08/0028;
- b. **notes** the following proposals to manage risks and issues, as described in more detail in paragraph 31 of Board paper 08/08/0028; and
 - deliver consistent messages to internal staff and external stakeholders;
 - use GPS transport targets to guide adjustments in the state highway programme;
 - fully allocate revenue for the 2009/12 NLTP, but preserve flexibility for 2012/2015;
 - encourage local government to implement lower cost measures;
 - place greatest emphasis on integration of land use and transport; and
 - communicate financial risks to government.
- c. **notes** that management will report back to the September 2008 Board meeting on the progress of the development of the 2009/2012 National Land Transport Programme; and
- d. **agrees** to maintain Board paper 08/08/0028 in Committee until the 2009/2012 National Land Transport Programme is adopted.

Grahame Hall / Garry Moore

7c **Funding Assistance Base Rates for Territorial Authorities for the Three Years commencing 2009/2012**

Board paper 08/08/0027

Resolved:

That the New Zealand Transport Agency Board:

- a. **notes** the letter received from the Minister of Transport regarding the future comprehensive review of the way the transport sector is funded;
- b. **agrees** to retain the existing base funding assistance rates for the three financial years commencing 2009/2010; and
- c. **agrees** to take Board paper 08/08/0027 out of Committee when all territorial authorities have been advised of their funding assistance base rate for the three year period commencing 2009/2010.

Brian Roche / Paul Fitzharris

8c **Auckland Regional Transport Authority (ARTA): Ian McKinnon Drive Transport Improvements – Project Investment and Design Funding**

Board paper 08/08/0019

Resolved:

- a. **approves** funding for the investigation and design of the Auckland Regional Transport Authority's (Auckland City Council) Ian McKinnon Drive transport improvements project, at an estimated cost of \$200,000 and a financial assistance rate of 53% (NZ Transport Agency's share \$106,000) from N funds;
- b. **notes** that the construction cost for the project is estimated at \$1.60 million;
- c. **notes** the reasons for this decision are as set out in the Reasons for decision section;
- d. **agrees** that the Board reviews the delegations around cycling and walking, with a paper coming back to the Board in due course; and
- e. **agrees** to take Board paper 08/08/0019 out of Committee when the Board has published the notice of decision.

Brian Roche / Mike Williams

9c **New Zealand Transport Agency: Newmarket Viaduct (SH1) – Replacement Financing Proposal**

Board paper 08/08/0020

Resolved:

That the New Zealand Transport Agency Board:

- a. **agrees** that the Board wishes to progress the Newmarket Viaduct Replacement Project proposal and management will work further on the proposal contained in Board paper 08/08/0020;
- b. **agrees** to appoint the Board Chair and Bryan Jackson, as Chair of the State Highways Committee, to consider the issue further and take decisions as may be necessary to advance the Newmarket Viaduct Replacement Project; and
- c. **agrees** to take Board paper 08/08/0020 out of Committee when the Ministers of Finance and Transport, along with the Northern Gateway Alliance partners, have been notified of the Board's decision.

Brian Roche / Christine Caughey

10c **Auckland Harbour Bridge's Fiftieth Birthday**

Board paper 08/08/0015

Resolved:

That the New Zealand Transport Agency Board:

- a. **notes** the objectives;
- b. **approves** a budget, not exceeding \$500,000 (including GST), subject to equal contributions from third parties and list of proposed activities for further discussion with regional partners, including Tangata Whenua;
- c. **agrees** to take Board paper 08/08/0015 out of Committee when the bridge's fiftieth birthday has passed and all events are completed.

Brian Roche / Grahame Hall

11c **New Zealand Transport Agency (SH1): Christchurch Memorial Avenue to Yaldhurst Road, 4 Laning – Design Funding**

Board paper 08/08/0018A

Resolved:

That the New Zealand Transport Agency:

- a. **approves** funding for the design of the New Zealand Transport Agency's SH1 Memorial Avenue to Yaldhurst Road 4 laning project, at an estimated cost of \$980,000 (NZ Transport Agency's share \$980,000) from R funds;
- b. **notes** that the construction cost (including property acquisition and escalation) for the project is estimated at \$17.4 million, the 95th percentile construction cost is estimated at \$25.9 million and the 5th percentile at \$16.5 million;
- c. **requests** the Chief Executive to undertake an assessment of the Western Corridor package of activities prior to consideration of any individual project within the package for construction funding;
- d. **notes** the reasons for this decision are set out in the Reasons for decision section; and
- e. **agrees** to take Board paper 08/08/0024A out of Committee when the Board has published its decision.

Mike Williams / Paul Fitzharris

12c **Domestic Sea Freight Development Funding**

Board paper 08/08/0011

Resolved:

That the New Zealand Transport Agency:

- a. **approves** the policy for domestic sea freight funding as outlined in Attachment 1;
- b. **requests** officers to amend the process documentation relating to the funding processes in line with the feedback; and
- c. **agrees** to take Board paper 08/08/0011 out of Committee.

Brian Roche / Grahame Hall

13c **Amendments to the Economic Evaluation Manual (Volumes 1 and 2)**

Board paper 08/08/0025

Resolved:

That the New Zealand Transport Agency:

- a. **approves** the issuing of amendment number 2 to the Economic Evaluation Manual volume 1 and amendment number 1 to the Economic Evaluation Manual volume 2;
- b. **agrees** to the procedures contained in the Economic Evaluation Manual volumes 1 and 2 being used for evaluating activities submitted for inclusion in the 2008/2009 National Land Transport Programme and future programmes;
- c. **agrees** that there will be a report-back to the Board on comprehensiveness and measures associated with such things as cycling, walking and land use; and
- d. **agrees** to take Board paper 08/08/0025 out of Committee after the amendments to the Economic Evaluation Manual volumes 1 and 2 are published.

Bryan Jackson / Brian Roche

Open Minutes

1 Confirmation of the 1 August 2008 Open meeting Minutes

Resolved:

That the New Zealand Transport Agency Board confirms the Open minutes of the 1 August 2008 New Zealand Transport Agency Board meeting.

Bryan Jackson / Paul Fitzharris

2 Matters arising from the 1 August 2008 Open meeting Minutes

There were no matters arising from the Open minutes of the 1 August 2008 New Zealand Transport Agency Board meeting.

3 Appointment of Attorneys

Board paper 08/08/0031

Resolved:

That the New Zealand Transport Agency:

- a. **agrees** to appoint Geoff Dangerfield, Chief Executive, as the New Zealand Transport Agency's (the Agency) attorney for the purposes of entering into deeds on behalf of the Agency; and
- b. **agrees** to appoint John Clark, Acting General Manager, Corporate Services, and Dave Whiteridge, Acting General Manager, Corporate Services, each as an attorney of the Agency for the purposes of entering into deeds relating to property matters and involving expenditure of up to \$250,000 per year.

Garry Moore / Grahame Hall

4 2007/2008 NLTP: Adjustments under Delegated Authority (June and July 2008 Review)

Board paper 08/08/0026

Resolved:

- a. **notes** the adjustments to the 2007/2008 National Land Transport Programme arising from the June and July 2008 review, as shown in Attachments 1 and 2 to Board paper 08/08/0026, which have been approved under delegated authority; and
- b. **notes** that an amount of \$54.41 million remains as unallocated from within the provisions set aside in the programme for project approvals.

Brian Roche / Paul Fitzharris

5 **Greater Christchurch Urban Development Strategy**

Board paper 08/08/0033

Resolved:

- a. **receives** Board paper 08/08/0033;
- b. **receives** the presentation on the Greater Christchurch Urban Development Strategy;
and
- c. **requests** that the Chief Executive prepare a paper to the Board outlining the New Zealand Transport Agency's commitment to the Greater Christchurch Urban Development Strategy.

Brian Roche / Grahame Hall

6 **Procurement Review Implementation**

Board paper 08/08/0009

Resolved:

- a. **agrees** that the Chief Executive report back on the development of a procurement strategy for the State Highway activities of the NZ Transport Agency, reflective of the new procurement processes;
- b. **agrees** that management ensures the pilot adequately captures the range of capability and performance within local authority procurement processes;
- c. **notes** that, with the exception of a review of in-house professional services, the content of the interim Procurement Manual, together with the proposed procurement competency framework, delivers the key change initiatives approved in the "*Review of Physical Works and Professional Services Stage One Report*";
- d. **approves** the release of the interim Procurement Manual for the purposes of the piloting and consulting on it during the period September 2008 to March 2009;
- e. **approves** under section 25(1) of the Land Transport Management Act 2003 and for the purposes of the pilot, the following five procurement procedures contained in the interim Procurement Manual:
 - design and construction of new, improved and renewed assets;
 - asset management and operation;
 - planning and advice;
 - public transport services; and
 - concessionary fares schemes

- f **approves** for the purpose of the pilot, the process set out in paragraph 30 of Board paper 08/08/0009 for the endorsement of procurement strategies, including delegated authority to the Chief Executive to endorse strategies;
- g **approves** for the purpose of the pilot, the process set out in paragraph 31 of Board paper 08/08/0009 for the use of advanced delivery models, advanced supplier selection methods and customised procurement procedures, including delegated authority to the Chief Executive to approve these advanced procedures; and
- h **notes** that, following the Board's approval to recommendations d) to g) above, technical refinements may continue to be made to the manual, and any such changes will be subject to the approval of the General Manager, Policy and Planning.

Brian Roche / Mike Williams

External presentations

Fergus Gammie, Chief Executive, Mark Lambert, General Manager Service Delivery and Greg Ellis, Project Manager Integrated Ticketing, from the Auckland Regional Transport Authority (ARTA), gave a presentation on its Integrated Ticketing Project and its Auckland Bus Procurement Strategy.

Bill Wasley, (Independent) Chair, Urban Development Strategy, James Caygill, Implementation Manager, Urban Development Strategy, and Jill Atkinson, Acting Director, Regional Programmes, Environment Canterbury, gave a presentation on the Greater Christchurch Urban Development Strategy.