

MINUTES OF THE NEW ZEALAND TRANSPORT AGENCY BOARD MEETING
HELD ON FRIDAY, 31 JULY 2009

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	

IN ATTENDANCE:

Geoff Dangerfield	Julia Shackleton
Dave Brash	Ian Gordon
Ernst Zollner	Allan Frost
Liz Huckerby	Colin Crampton
Mark Yaxley	Rosalie Orr
Jenny Chetwynd	Wayne McDonald
Bruce Richards	Deb Hume
Karl Fergusson	Dave Whiteridge
Bob Alkema (Item 10c)	David Darwin (Item 10c)
Coral Aldridge (Item 10c)	Nick Hunter (Item 10c)
	Peter Kippenberger (Items 14c, 15c)

INVITEES:

Caroline Heath, Ministry of Transport

New Zealand Transport Agency Board meeting – 31 July 2009

i. Apologies

No apologies were received.

ii Confirmation of agenda

Item 12c has been withdrawn from the agenda and will be re-submitted to a later Board meeting.

With the above change noted, the agenda was confirmed.

iii. Declarations of Interest

Alick Shaw declared a potential conflict of interest regarding Item 10c, Board paper 09/07/0225, "*Adoption of the 2009/2012 National Land Transport Programme*". Friends of Mr Shaw's are principals of a company that provides school-based educational programmes for the NZ Transport Agency. Attachment 12, "Demand Management and Community Programmes", to Board paper 09/07/0225 lists educational programmes, and may include programmes that Mr Shaw's friends provide to the NZ Transport Agency, in particular "Road Sense".

Christine Caughey declared an interest relating to Item 14c, Board paper 09/07/0226, "*Auckland Regional Transport Authority/Manukau Eastern Transport Initiative Strategy: Package One – Endorsement and Design Funding*" – noting that as a councillor, she was involved in the voting on this project.

Brian Roche declared two interests relating to Item 15c, Board paper 09/07/0231 "*Auckland Regional Transport Authority (ARTA): Tranche of Auckland Rail Stations – Construction Funding*". Mr Roche noted (1) his previous Chairmanship of ARTA, and (2) the reference made in Board paper 09/07/0231 to the Rugby World Cup, relating to his Deputy Chairmanship of Rugby New Zealand 2011 Ltd. (RNZ 2011).

Bryan Jackson declared an interest relating to Item 15c, Board paper 09/07/0231 "*Auckland Regional Transport Authority (ARTA): Tranche of Auckland Rail Stations – Construction Funding*" relating to his KiwiRail Directorship.

No other new declarations or conflicts of interest were declared.

Minutes

1c Confirmation of the 8 July 2009 Board meeting minutes

Resolved:

Recommendation (b) of Item 4c, "*Update from the 7 July 2009 Regulatory Board Committee meeting*" which reads"

(b) agrees that management will prepare a paper on the issue of infringement, which will be circulated to the Board within the next two weeks"

New Zealand Transport Agency Board meeting – 31 July 2009

should have the word “*notices*” inserted after “*infringement*” and the words “*circulated to the Board within the next two weeks*” replaced with the words “*actioned by the Chief Executive*”

so the sentence reads as follows:

(b) *agrees that management will prepare a paper on the issue of infringement notices which will be actioned by the Chief Executive”..*

Recommendation (d) of Item 4c, “*Update from the 7 July 2009 Regulatory Board Committee meeting*” which reads”

(d) *notes that the Tolling Report to the Minister of Transport is for the period to 31 May 2009 due to time constraints to ensure appropriate internal sign off, but will be updated with results to 30 June 2009 before being released to the Minister on 25 July 2009, six months after the toll road opened”*

should finish after the word “Minister” and the words “*on 25 July 2009, six months after the toll road opened*” removed

so the sentence reads as follows:

(d) *notes that the Tolling Report to the Minister of Transport is for the period to 31 May 2009 due to time constraints to ensure appropriate internal sign off, but will be updated with results to 30 June 2009 before being released to the Minister”.*

With the above changes made, the New Zealand Transport Agency **confirms** the minutes from the 8 July 2009 New Zealand Transport Agency Board meeting.

Paul Fitzharris / Bryan Jackson

2c Matters arising from the 8 July 2009 Board meeting minutes

There were no matters arising from the 8 July 2009 New Zealand Transport Agency Board meeting.

3c Update from the 13 July 2009 Remuneration and HR Board Committee meeting

Resolved:

That the New Zealand Transport Agency Board **agrees** that the update from the Committee Chair of the 13 July 2009 Remuneration and HR Board Committee meeting, will be given under Item 8c, “*People & Capability Quarterly Report to end June 2009*”.

4c **Update from the 15 July 2009 State Highways Board Committee meeting**

Resolved:

That the New Zealand Transport Agency Board:

Use of Auckland Harbour Bridge and Northern Busway for Special Events

- a. **agrees** to refresh and update the conditions of use of the Auckland Harbour Bridge for special events by undertaking:
 - (i) a detailed traffic impact assessment be carried out to define the maximum duration and timing of closures for events to be held on the Auckland Harbour Bridge and Northern Busway. This should include the effect of Victoria Park Tunnel completion. It will be necessary to consider the impacts of traffic growth on approvals of events into the future;
 - (ii) a structural analysis be carried out to understand the effects of unexpected lateral movements on the box girder, and a recommendation made whether this can be minimised by dampening and the cost of both permanent and temporary dampening proposals should be borne by the user; and
 - (iii) a flow analysis be carried out to understand the maximum capacity of the box girder in terms of maximum safe flows for runners, pedestrians, cyclists assuming one way and bi-directional flows and also safe flows for a combination of cyclists/pedestrians assuming one way and bi directional flows.
- b. **agrees** conditions of use needed to be prepared for the Northern Busway in conjunction with North Shore City Council (NSCC) and the Auckland Regional Transport Authority (ARTA);
- c. **agrees** that once the conditions of use were updated, the NZ Transport Agency (NZTA) consult with key stakeholders on public access to the Auckland Harbour Bridge and Northern Busway, so that a consistent approach could be taken to consideration of proposals;
- d. **requests** management update the State Highways Board Committee on proposed conditions of use before consulting with key stakeholders;

SH16: St Lukes to Westgate Capacity Improvements

- e. **approves** the SH16 upgrade macroscope, which is generally described below (and in more detail in Attachment B):
 - 4 lanes in each direction between St Lukes Road Interchange and Great North Road Interchange;
 - 3 lanes in each direction over Great North Road Interchange;
 - 4 lanes in each direction between Great North Road Interchange and Te Atatu Road Interchange;

New Zealand Transport Agency Board meeting – 31 July 2009

- 3 lanes in each direction between Te Atatu Road Interchange and Westgate;
 - 3.5m bus shoulder provision along the corridor; and
 - Upgrade of the cycleway between Great North Road Interchange and Te Atatu Road Interchange.
- f. **agrees** that public consultation on the SH16 scope of works should begin immediately following the August Board meeting if a final determination is made on the Waterview Connection project; and
- g. **agrees** to progress the Waterview Connection project and the desirable works on SH16 as one project, but account for costs on the basis of two projects, being the Waterview Connection project valued at \$1400 million (\$2015) including \$242 million of SH16 works and a SH16 project (St Lukes to Te Atatu) valued at \$365 million (\$2015) totalling \$1765 million of work;

SH1: Peka Peka to MacKays

- h. **agrees** that Option 1 not be considered further because it does not meet acceptable integrated planning standards, and unduly severs the community of Paraparaumu in comparison with upgrading the existing state highway through Paraparaumu;
- i. **endorses** undertaking a public engagement process to assist in selecting between Option 2 and 3, on the basis that the Board is currently neutral in terms of a preference between the options;
- j. **endorses** undertaking consultation on the preferred option for the Otaki to Peka Peka section at the same time; and
- k. **notes** that the NZTA's approach with the Kapiti District Council will be primarily around consulting on a scheme to secure 4 lanes of capacity for the state highway, and secondarily to meet its aspirations around the objectives of a local arterial network, based on the Kapiti Western Link Road designation.

Bryan Jackson / Grahame Hall

5c **Update from the 30 July 2009 Audit, Risk and Assurance Board Committee meeting**

Resolved:

That the New Zealand Transport Agency Board **receives** the update from the Committee Chair of the 30 July 2009 Audit, Risk and Assurance Board Committee meeting.

Garry Moore / Grahame Hall

6c **Chief Executive's Report for July 2009**

Board paper 09/07/0221

Resolved:

That the New Zealand Transport Agency Board:

- a. **receives** the Chief Executive's Report;
- b. **receives** Attachment 1 to the Chief Executive's Report, "Major Business Updates" and Attachment 2, "Actions arising from previous Board meetings' document";
- c. **authorises** the Regulatory Board Committee to convene in mid-September to approve the preferred tenderer for NZ Transport Agency road safety advertising services, and invite all Board members who have an interest, to participate; and
- d. **agrees** to keep Board paper 09/07/0221 in Committee to allow the Board to have a free and frank discussion of the issues.

Brian Roche / Christine Caughey

7 **2008/2009 NLTP: Adjustments under Delegated Authority (June 2009 Review)**

Board paper 09/07/0222

Resolved:

That the New Zealand Transport Agency Board:

- a. **notes** the adjustments to the 2008/2009 National Land Transport Programme (NLTP) arising from the June 2009 review, as summarised in Board paper 09/07/0222, which have been approved under delegated authority;
- b. **notes** that \$93.40 million remains as unallocated from within the provisions set aside in the programme for project approvals, as shown in Attachment 1 to Board paper 09/07/0222;
- c. **notes** the 2008/2009 NLTP Situation Summary as shown in Attachment 3 to Board paper 09/07/0222; and
- d. **notes** that management will revise the contents of the Adjustments under Delegated Authority paper, with a view to providing information and commentary on the nature of the delegations exercised.

Brian Roche / Paul Fitzharris

8c **People & Capability Quarterly Report to end June 2009**

Board paper 09/07/0228

Resolved:

That the New Zealand Transport Agency Board:

- a **notes** the update from the Committee Chair of the 13 July 2009 Remuneration and HR Board Committee meeting;
- b **notes** the contents of Board paper 09/07/0228; and
- c **agrees** to keep Board paper 09/07/0228 in Committee to allow the Board free and frank discussion on people issues.

Alick Shaw /Christine Caughey

9c **Approval of the Investment and Revenue Strategy**

Board paper 09/07/0232

Resolved:

That the New Zealand Transport Agency Board:

- a. **approves** the Investment and Revenue Strategy and assessment criteria set out in Attachment 1 to Board paper 09/07/0232;
- b. **agrees** that the Investment and Revenue Strategy and assessment criteria set out in Attachment 1 to Board paper 09/07/0232, be used in adopting the 2009/2012 National Land Transport programme (NLTP) (Board paper 09/07/0225);
- c. **notes** that the application of the Investment and Revenue Strategy meets the requirements of section 19B and section 20 of the LTMA; and
- d. **agrees** to take Board paper 09/07/0232 out of Committee after the 2009/2012 NLTP is published.

Brian Roche / Grahame Hall

10c **Adoption of the 2009/2012 National Land Transport Programme**

Board paper 09/07/0225

Resolved:

That the New Zealand Transport Agency Board:

- a **agrees** that the 2009/2012 National Land Transport Programme (NLTP) gives effect to the Government Policy Statement (GPS) for Land Transport Funding 2009/2010 to 2018/2019;

New Zealand Transport Agency Board meeting – 31 July 2009

- b **notes** that the proposed NLTP reflects the level of expenditure that can be supported when targeting an aspirational level of investment expenditure and prudently managing revenue, expenditure and programming risk;
- c **notes** that the anticipated expenditure may have to be deferred or reduced unless either; funding from conventional sources increases or is augmented by funding from other sources, or costs reduce, or anticipated progress on activities is slower than expected;
- d **notes** the assumptions made in developing this paper as outlined in Attachment 4;
- e **notes** that there will be an on going level of T funding available of up to \$10 million per annum, subject to meeting the criteria established in the existing policy;
- f **approves**, for immediate funding, under section 20 of the Land Transport Management Act, the activities as listed in attachments 6 to 15 for funding approval, subject to the conditions of funding approval as recommended in Part C;
- g **notes** that the approvals for immediate funding covering July 2009 to June 2012 subsume the interim funding approvals given at the 29 June Board meeting for July– August 2009;
- h **agrees** for a combination of activities funded over 3 years, that a nominal increase for inflation be made in 2009/2010 and that no further allocation for inflation be made in 2010/2011 and 2011/2012, to provide an incentive to internalise the costs of inflation (give the evidence of trends in input costs), but noting this does not preclude consideration of further cost increases during the term of the NLTP;
- i **agrees** to adopt the NLTP as presented in Board paper 09/07/0225 as amended by the Board at its 31 July Board meeting, and as further amended by the Board Chair and Chief Executive under delegation;
- j **delegates** authority to the Board Chair and Chief Executive to amend the NLTP as discussed at the 31 July 2009 Board meeting, and to take the necessary steps for its publication;
- k **agrees** that activities should be funded in priority order consistent with the objectives of the investment and revenue strategy, and the funding policy has now been amended to reflect that R funds should, in general, be the first source of funding in each region;
- l **notes** that the Board has previously approved a number of activities for funding under section 20 of the LTMA, subject to those activities being included in the 2009/2012 NLTP, and that this has now occurred;
- m **ratifies** the approved activities referred to in Recommendation [i] above
- n **notes** that Board paper 09/070225 was prepared on the basis of existing funding policy and the final 2009/2012 NLTP will be adjusted according to the new funding Policy outlined in Recommendation (k) above; and

- o **agrees** to keep Board paper 09/07/0225 in Committee until the 2009/2012 NLTP is publicly released.

Garry Moore / Grahame Hall

11c NZ Transport Agency's Funding Policy: Gross v. Net Cost for Local Authority Infrastructure Assets

Board paper 09/07/0230

Resolved:

That the New Zealand Transport Agency Board:

- a. **approves** the Planning, Programming and Funding Manual amendments as set out in Attachment 1 to Board paper 09/07/0230; and
- b. **agrees** to take Board paper 09/07/0230 out of Committee when the funding policy is approved by the Board and has been incorporated into the Planning, Programming and Funding Manual.

Brian Roche / Christine Caughey

12c Review of Tolling: Six Months on and the Future

Board paper 09/07/0229

Resolved:

Board paper 09/07/0229 was withdrawn and will be resubmitted to a later Board meeting.

13c NZ Transport Agency: (SH2) Hairini Link – Stages 3 and 4 Investigation Funding

Board paper 09/07/0227

Resolved:

That the New Zealand Transport Agency Board:

- a. **approves** funding for the investigation phase of the NZ Transport Agency's (NZTA's) Hairini Link (Stages 3 and 4) project, at an estimated cost of \$3.1 million from R funds and a funding assistance rate of 100%, subject to:
 - I. the activity being included in the 2009/2012 National Land Transport Programme;
 - II. the activity being developed consistent with the Tauranga Central Corridor Strategy; and
 - III. a hold point at macroscope to enable the NZTA Board to confirm the macroscope and revised economic evaluation before lodgement of a Notice of Requirement;

- b **notes** that the SmartGrowth partners will seek the Board's support for the Tauranga Central Corridor Strategy and endorsement of a package of activities, prior to confirmation of the macroscope of the Hairini Link project (Stages 3 and 4);
- c **notes** that the construction cost for the Hairini Link project (Stages 3 and 4) is estimated at \$134 million, the 95th percentile construction cost is estimated at \$156 million and the 5th percentile at \$107 million;
- d **notes** that the efficiency of the project is reflected in a package BCR of 1.9 for Stages 1-4 of the project.
- e **notes** the reasons for this decision are as set out in the Reasons for Recommendation section; and
- f **agrees** to keep Board paper 09/07/0233 in Committee until the Board has published the notice of decision.

Bryan Jackson / Grahame Hall

14c **Auckland Regional Transport Authority/Manukau Eastern Transport Initiative Strategy: Package One – Endorsement and Design Funding**

Board paper 09/07/0226

Resolved:

That the New Zealand Transport Agency Board:

- a **endorses** the Auckland Regional Transport Authority's (ARTA's) Package 1 of the Auckland Manukau Eastern Transport Initiative (AMETI) as the preferred option;
- b **approves** funding for the design of ARTA's activities in AMETI Package, at an estimated cost of \$10.6 million and a funding assistance rate of 53% (NZTA share \$5.6 million) from N funds, subject to:
 - i. ARTA reviewing its funding plan and using its best endeavours to pursue and contract opportunities, prior to lodging an application for construction funding, to reduce the funding required from the NZTA through supplementary funding contributions from stakeholders that benefit from completion of the project;
 - * The Marrin Road to Merton Road Link is to be delivered towards the end of Package 1, but only if the activity is substantially funded through supplement contributions.
 - ii. ARTA obtaining confirmation in writing from the Auckland Transition Authority (ATA) of its support for the tendering of contracts by Auckland City and Manukau City to carry out the design activities;
- c **notes** that the construction cost for Package 1 of the AMETI project is estimated at \$427 million up to 2019, the 5th percentile is estimated at \$362 million and the 95th percentile is estimated at \$514 million;

- d **notes** that ARTA has agreed to endorse Package 1 of the AMETI project;
- e **notes** the reasons for this decision are as set out in the Reasons for recommendation section; and
- f **agrees** to keep Board paper 09/07/0226 in Committee until the Board has published the notice of decision.

Brian Roche / Garry Moore

15c **Auckland Regional Transport Authority: Tranche of Auckland Rail Stations – Construction Funding**

Board paper 09/07/0231

Resolved:

That the New Zealand Transport Agency Board:

- a. **endorses** the Auckland Regional Transport Authority's (ARTA's) proposed upgrades of a group of passenger rail stations (being Grafton, Avondale, Kingsland, New Lynn, Onehunga and Manukau), which contribute to achieving the patronage objectives of the Auckland Rail Development Plan
- b. **approves** funding for the construction of ARTA's tranche of Auckland Passenger Rail Station project, at an estimated cost to completion of \$29.7 million and a funding assistance rate of 60% (NZ Transport Agency's share \$17.8 million) from C and R funds, subject to the activity being included and programmed in the 2009/2012 National Land Transport Programme (NLTP);
- c. **notes** that NZ Transport Agency (NZTA) staff have reviewed the design parameters of the station and are satisfied that ARTA has chosen designs that are defensible and which represent economy and value;
- d. **notes** that the construction costs for the individual station projects, the 95th percentile construction costs, and the 5th percentile construction costs are estimated as:

Tranche element	Construction cost to completion \$ million	Total cost including sunk costs \$million	95 th percentile cost \$ million	5 th percentile cost \$ million
Grafton station	4.621	4.835	5.560	4.200
Avondale station	1.520	1.520	1.748	1.292
Kingsland station	6.018	6.018	6.921	5.115
New Lynn station	13.858	15.658	17.224	14.092
Onehunga stations	3.690	3.690	4.059	3.321
Total	29.707	31.721		

New Zealand Transport Agency Board meeting – 31 July 2009

- e. **approves** funding for the design phase of ARTA's Manukau Passenger Rail Station project, at an estimated cost of \$1.40 million and a funding assistance rate of 60% (NZTA's share \$0.84 million) from C or R funds, subject to the activity being included and programmed in the 2009/12 NLTP;
- f. **notes** that the construction cost to completion for the Manukau Passenger Rail Station is estimated at \$14.8 million, the total cost is estimated at \$15.3 million, the 95th percentile construction cost is estimated at \$17.6 million, and the 5th percentile at \$13.0 million;
- g. **notes** the reasons for this decision are as set out in the Reasons for recommendation section; and
- h. **agrees** to keep Board paper 09/07/0231 in Committee until the Board has published the notice of decision.

Christine Caughey / Grahame Hall

Next meeting

The next meeting of the New Zealand Transport Agency Board is confirmed for **Friday, 28 August 2009** at Ferndale House, 830 New North Road, Mt Albert, Auckland, commencing at 8:00am.