

**MINUTES OF THE NEW ZEALAND TRANSPORT AGENCY BOARD MEETING
HELD ON 30 OCTOBER 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
Deborah Hume	Wayne McDonald
Dave Whiteridge	Karl Fergusson

Rob Whight (Items 5c, 9c)

INVITEES:

Mayor Jenny Rowan, Kapiti Coast District Council
 Pat Dougherty, Chief Executive, Kapiti Coast District Council
 Dr Gael Ferguson, Group Manager, Strategy and Partnerships, Kapiti Coast District Council
 Mayor Stan Semenov, Whangarei District Council
 Mark Simpson, Chief Executive, Whangarei District Council

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i. **Apologies**

No apologies were received.

ii **Confirmation of agenda**

The agenda was confirmed.

iii. **Declarations of Interest**

No new declarations or conflicts of interest were declared.

Minutes

1c **Confirmation of the 25 September 2009 Board meeting minutes**

Resolved:

That the New Zealand Transport Agency **confirms** the minutes from the 25 September 2009 New Zealand Transport Agency Board meeting.

Christine caughey / Bryan Jackson

Confirmation of the 6 October 2009 Special Board meeting minutes

Resolved:

That the New Zealand Transport Agency **confirms** the minutes from the 6 October 2009 Zealand Transport Agency Special Board meeting.

Bryan Jackson / Christine Caughey

Confirmation of the 15 October 2009 Special Board meeting minutes

Resolved:

That the New Zealand Transport Agency **confirms** the minutes from the 15 October 2009 Zealand Transport Agency Special Board meeting.

Bryan Jackson / Christine Caughey

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2c Matters arising from the 25 September 2009, 6 October 2009 and 15 October 2009 Board meetings

There were no matters arising from the 25 September 2009, 6 October 2009 and 15 October 2009 New Zealand Transport Agency Board meetings.

3c Update from the 5 October 2009 Remuneration and HR Board Committee meeting

Resolved:

That the New Zealand Transport Agency Board **receives** the update from the Remuneration and HR Board Committee meeting held on 5 October 2009.

Garry Moore / Brian Roche

4c Update from the 6 October 2009 Strategic and Investments Board Committee meeting

Resolved:

That the New Zealand Transport Agency Board **receives** the update from the Strategic and Investments Board Committee meeting held on 6 October 2009.

Garry Moore / Brian Roche

5c Update from the 28 October 2009 State Highways Board Committee meeting

Resolved:

That the New Zealand Transport Agency Board:

Wellington Northern Corridor (Levin to Wellington) Route of National Significance:

State Highway/local road consideration

- a. **approves** that the Petone–Grenada Link be included in the definition of the Levin to Wellington Road of National Significance (RoNS);
- b. **agrees** to keep the Committee report in Committee until it has made a decision on the overall scope of the Levin to Wellington RoNS and the Minister of Transport has announced the Levin to Wellington RoNS;

Linden to MacKay's section

- c. **approves** the Transmission Gully Route as the MacKay's to Linden section of the Wellington Northern Corridor (Levin to Wellington) RoNS; and
- d. **agrees** to retain the Committee paper in Committee until it has made a decision on the overall scope of the Levin to Wellington RoNS and the Minister of Transport has made an announcement about the Levin to Wellington RoNS.

Bryan Jackson / Grahame Hall

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6c Update from the 29 October 2009 Audit, Risk and Assurance Board Committee meeting

Resolved:

That the New Zealand Transport Agency Board **receives** the update from the Audit, Risk and Assurance Board Committee meeting held on 29 October 2009:

Garry Moore / Grahame Hall

7c Update from the 29 October 2009 Regulatory Board Committee meeting

Resolved:

That the New Zealand Transport Agency Board:

- a **receives** the update from the Regulatory Board Committee meeting held on 29 October 2009; and
- b **agrees** that the March 2010 Regulatory Board Committee meeting be held at the NZ Transport Agency's Transport Registry Centre (TRC) in Palmerston North, in alignment with the March 2010 Board meeting.

Paul Fitzharris / Christine Caughey

8c Chief Executive's Report for October 2009

Board paper 09/10/0270

Resolved:

That the New Zealand Transport Agency Board:

- a. **receives** Board paper 09/10/0270, the Chief Executive's Report;
- b. **receives** Attachment 1, Major Business Updates and Attachment 2, the Actions arising from previous Board meetings, to Board paper 09/10/0270;
- c. **agrees** to keep Board paper 09/10/0270 in Committee indefinitely to allow the Board the opportunity to have a free and frank discussion on all the issues;

Property acquisition delegations

- d. **revokes** the delegation in paragraph 2 of the Instrument of Board Delegation dated 1 August 2008;
- e. **delegates** the power to approve property purchases of over \$2.5 million and up to \$10 million per transaction to the Board State Highways Committee;
- f. **delegates** the power to cause Notices of Intention to Take Land under section 23 of the Public Works Act to the Board State Highways Committee;

NZ Transport Agency design services

- g. **authorises** the Chief Executive to approve the recommendation to appoint Origin Design as the preferred contractor for the NZ Transport Agency Design services, subject to successful contract negotiations, for a two year initial term, with two additional annual right of renewals subject to satisfactory performance;
- h. **notes** the estimated annual value of this Contract is \$1 million; and
- i. **authorises** the Chief Executive to approve the Contract Advisor to notify the unsuccessful Proposers of the outcome of this process.

Bryan Jackson / Paul Fitzharris

9c **Kapiti Coast District council's Submission on Improvement Options between MacKays and Otaki**

Board paper 09/10/0283

Resolved:

That the New Zealand Transport Agency Board:

- a. **notes** Board paper 09/10/0283; and
- b. **agrees** to take Board paper 09/10/0283 out of Committee when the Board's final decision on the preferred option between MacKays to Otaki has been published.

Brian Roche / Bryan Jackson

10 **NZ Transport Agency's Quarterly Report for the Period ended 30 September 2009**

Board paper 09/10/0281

Resolved:

That the New Zealand Transport Agency Board:

- a. **notes** Board paper 09/10/0281 and Attachment 1, the NZ Transport Agency's Quarterly report for the period ended September 2009, which will be sent to the Minister of Transport;
- b. **notes** its appreciation for a substantially improved and comprehensive Quarterly Report; and
- c. **agrees** that the NZ Transport Agency's Quarterly report replaces separate financial and people and capability reports.

Garry Moore / Christine Caughey

11c **Adoption of the 2008/2009 NZ Transport Agency's Annual Report and 2008/2009 National Land Transport Fund Annual Report**

Board paper 09/10/0280

Resolved:

That the New Zealand Transport Agency Board:

- a **notes** the comments from Audit NZ;
- b **adopts** the NZ Transport Agency (NZTA) annual report for the period ended 30 June 2009;
- c **adopts** the National Land Transport Fund (NLTF) annual report for the period ended 30 June 2009; and
- d **agrees** to take Board paper 07/10/2080 out of Committee when the NZTA annual report for the year ended 30 June 2009 is presented to the House of Representatives, in terms of section 150 of the *Crown Entities Act 2004*

Bryan Jackson / Brian Roche

12c **NZ Transport Agency: (SH1) Puhoi to Wellsford (RoNS) – Endorsement and Investigation Funding**

Board paper 09/10/0278

Resolved:

That the New Zealand Transport Agency Board:

- a. **endorses** the strategic options of the NZ Transport Agency's (NZTA's) Puhoi to Wellsford Road of National Significance (RoNS) component of the package;
- b. **approves** funding for the investigation to preliminary design of the NZTA's Puhoi to Wellsford RoNS component at an estimated cost of \$60.49 million from N funds, subject to:
 - i. a hold point at component macroscope, or hold points at stage macroscopes if this is decided more appropriate at the time, to enable the Board to consider and endorse the preferred option(s); and
 - ii. the inclusion of a strategic study of the Brynderwyn section of SH1 north of Wellsford into the investigation phase to identify solutions for this transport bottleneck;
- c. **notes** that, whilst funding for property purchase is normally triggered by approval of the macroscope, the selection of a preferred strategic option based on SH1 has narrowed the range of possible alignments so that property purchase can commence with reasonable certainty;

- d. **approves** funding for the property purchase associated with the package component, at an estimated cost of \$33.00 million for the Puhoi to Warkworth stage and \$43.00 million for the Warkworth to Wellsford stage;
- e. **notes** that the construction cost for the package component is estimated at \$1,252 million, the 95th percentile construction cost is estimated at \$1,437 million and the 5th percentile at \$929 million;
- f. **notes** the reasons for this decision are as set out in the Reasons for recommendation section; and
- g. **agrees** to take Board paper 09/10/0278 out of Committee when the Board has published the notice of decision.

Bryan Jackson / Brian Roche

13c **Tauranga Eastern Link: Toll Proposal Process and Procurement Update**

Board paper 09/10/0275

Resolved:

That the New Zealand Transport Agency Board:

- a. **agrees** to deliberate on the Outcomes of Consultation Report at the 18 December 2009 Board meeting in Tauranga, and to decide whether to proceed in submitting a toll proposal to the Minister of Transport for his consideration for the obtaining of an Order in Council (OIC);
- b. **agrees** to the calling of tenders for construction of advanced works on a case-by-case basis as approved by the Group Manager, Highways and Networks; and
- c. **agrees** to keep Board paper 09/10/0275 In Committee until the toll proposal has been submitted to the Ministry of Transport.

Grahame Hall / Christine Caughey

14c **Roads of National Significance**

Board paper 09/10/0282

Resolved:

That the New Zealand Transport Agency Board:

- a. **notes** that management will continue to develop the Roads of National Significance and report back to the Board at the November 2009 Board meeting;

- b. **acknowledges** the effort and expertise provided by management in support of the Roads of National Significance; and
- c. **agrees** to take Board paper 09/10/0282 out of Committee once the Board has agreed on an approach to managing the Routes of National Significance portfolio.

Brian Roche / Grahame Hall

15c **NZ Transport Agency: (SH1) Auckland Harbour Bridge Structural Upgrade: Cost Increase Funding**

Board paper 09/10/0272

Resolved:

That the New Zealand Transport Agency Board:

- a **notes** that the Auckland Harbour Bridge (AHB) is one of the key assets in the State Highway network, with an estimated replacement of costs of between \$2-3 billion;
- b **notes** the bridge consists of a slender, light weight steel structure, which is carrying loads in excess of what was envisaged when it was originally designed and subsequently is under continual stresses;
- c **notes** that since its construction, the bridge has been subject to a robust continuous maintenance schedule.
- d **notes** that its predecessor agencies, Transit NZ and Land Transport NZ, were informed in 2007 of major structural issues on the extension structures on the AHB, and resolved immediately to address these issues through a Bylaw restricting heavy vehicles and commencing strengthening works;
- e **notes** that the original preliminary cost estimates were based on the best information available at the time (and peer reviewed) and that there was considerable uncertainty given the complexity of the structure and engineering involved;
- f **notes** that, as work was undertaken, it became apparent that the extent of the work needed to achieve the required strength was over and above that originally estimated and therefore further work was necessary, at additional cost, to complete the strengthening;
- g **notes** that costs have increased, largely due to the extent of the work required and the estimation of the difficulty in actually undertaking the work and actual escalation exceeding original estimates (particularly for steel);
- h **notes** the updated cost estimate, including the additional works, is \$86.00 million (expected estimate) within a funding range of \$76 million to \$96 million (5% to 95%);

- i **approves** additional funding of \$41.00 million from N funds to complete the construction of the NZ Transport Agency's (NZTA's) Auckland Harbour Structural Upgrade project to the required standard, increasing the total estimated cost of the project from the previously approved \$45.00 million to \$86.00 million;
- j **notes** management's view that, for similar projects in the future where urgent works are required, funding requests should be clearer about the scope and range of estimates and the risks associated with the work required;
- k **notes** that further engineering investigations are underway on the bridge so that the NZTA can complete a comprehensive asset management plan for the AHB, and so that a proactive approach to bridge strengthening works can be taken;
- l **notes** that management will continue to refine the asset management plan (and associated maintenance plan) to ensure the integrity of the bridge is maintained
- m **notes** that we need a focussed management strategy for the existing and future use of the bridge;
- n **notes** that the AHB has a limited life (which will be informed by the asset management plan) and that the NZTA is also investigating options for an alternative/additional harbour crossing (and ensuring land is designated to provide for these options);
- o **notes** reasons for this decision as modified by the Board and set out in the Reasons for recommendations section;
- p **agrees** to take Board paper 09/10/0272 out of Committee when the Board has published the notice of decision.

Bryan Jackson / Christine Caughey

16c **NZ Transport Agency: (SH94) Homer Tunnel Improvements: Preliminary Investigation Funding**

Board paper 09/10/0279

Resolved:

That the New Zealand Transport Agency Board:

- a **approves** funding for the preliminary investigation of the NZ Transport Agency's SH94 Homer Tunnel Safety Improvements project up to project macroscope at an estimated cost of \$515,000 from R funds;
- b **notes** that the construction cost for the project, at this early stage of its development, is estimated at between \$40 million and \$70 million;

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- c **notes** the reasons for this decision are as set out in the Reasons for recommendation section; and
- d **agrees** to take Board paper 09/10/0279 out of Committee when the Board has published the notice of decision.

Bryan Jackson / Grahame Hall

External presentations

Mayor Jenny Rowan, Pat Dougherty, Chief Executive and Dr Gael Ferguson, Group Manager, Strategy and Partnerships, from Kapiti Coast District Council gave a presentation on their submission to the Improvement Options between MacKays and Otaki.

Mayor Stan Semenoff and Mark Simpson, Chief Executive, from Whangarei District Council gave a presentation on the Whangarei Network Transport Strategy and Lower Hatea River Crossing.

Next meeting

The next meeting of the New Zealand Transport Agency Board is confirmed for **Thursday, 26 November 2009** in the NZ Transport Agency Board Room, Level 2, National Office, Chews Lane, Victoria Arcade, 44 Victoria Street, Wellington, commencing at **11.00am**.