

**MINUTES OF THE NEW ZEALAND TRANSPORT AGENCY BOARD MEETING
HELD ON THURSDAY, 26 NOVEMBER 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
Christine Caughey
Grahame Hall
Alick Shaw
Garry Moore
Paul Fitzharris
Bryan Jackson

IN ATTENDANCE:

Geoff Dangerfield
Dave Brash
Ernst Zollner
Colin Crampton
Mark Yaxley
Dave Whiteridge
Peter Wright (Item 8c)
Julia Shackleton
Ian Gordon
Allan Frost
Wayne McDonald
Deborah Hume
Karl Fergusson

INVITEES:

Mayor Penny Webster, Rodney District Council
Rodger Kerr-Newall, Chief Executive, Rodney District Council
Murray Noone, Infrastructure Director, Rodney District Council

i. Apologies

No apologies were received.

ii Confirmation of agenda

The agenda was confirmed.

iii. Declarations of Interest

Brian Roche declared an interest regarding Item 4c, Board paper 09/11/0284 "*The Chief Executive's Report for December 2009*" pertaining to the item on the extensions of Datamail Limited's and NZ Post's contracts with the NZ Transport Agency, and his new position, to commence in January 2010, as Chief Executive with New Zealand Post Group.

Brian Roche declared a conflict regarding Item 8c, Board paper 09/11/0295 "*Greater Wellington Regional Council: Bus Services Procurement*", noting that PriceWaterhouseCoopers, where Mr Roche is a partner, is the auditor of NZ Bus. As such, Mr Roche excused himself from discussion of this item and Garry Moore, Deputy Chair, took over as Chair in Mr Roche's absence.

Brian Roche also declared an interest regarding Item 9c, Board paper 09/11/0285 "*Road Policing Programme: Variation 2010/2011*", noting that he has been doing some work for NZ Police, unrelated to this item.

Bryan Jackson declared an interest regarding Item 4c, Board paper 09/11/0284 "*The Chief Executive's Report for December 2009*" pertaining to the item on the Vehicle Dimension and Mass (VDM) Rule Amendment and his Directorship with KiwiRail.

Christine Caughey declared an interest relating to Item 7c, Board paper 09/11/0288 "*Route Protection for Additional Waitemata Harbour Crossing*", noting an association with a former political advisor and a political colleague on the Auckland City Council, who are advocates for the Anzac bridge proposal.

No other new declarations or conflicts of interest were declared.

Minutes

1c Confirmation of the 30 October 2009 Board meeting minutes

Resolved:

Resolution (i) of Item 15c, Board paper 09/10/0272 "*NZ Transport Agency: (SH1) Auckland Harbour Bridge Structural Upgrade – Cost Increase Funding*": which reads:

- "(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*"

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Should have the word "Bridge" inserted after "Harbour" on the second line, so the resolution reads:

- "(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 **Bridge** 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*"

With the above change made, the New Zealand Transport Agency **confirms** the minutes from the 30 October 2009 New Zealand Transport Agency Board meeting.

Garry Moore / Christine Caughey

2c Matters arising from the 30 October 2009 Board meeting minutes

There were no matters arising from the 30 October 2009 New Zealand Transport Agency Board meeting.

3c Update from the 11 November 2009 State Highways Board Committee meeting

Resolved:

That the New Zealand Transport Agency Board:

- a. **recommends** an integrated approach on urban design and mitigation of the Waterview connection project; and
- b. **approves** the resolutions of the Highways Value Assurance Committee as they relate to the functions and powers reserved by the NZ Transport Agency Board.

Bryan Jackson / Christine Caughey

4c Chief Executive's Report for November 2009

Board paper 09/11/0284

Resolved:

That the New Zealand Transport Agency Board:

- a. **receives** the Board paper 09/11/0284, the Chief Executive's Report;
- b. **receives** Attachment 1, the Actions arising from previous Board meetings to Board paper 09/11/0284;
- c. **agrees** to keep Board paper 09/11/0284 in Committee indefinitely to allow the Board the opportunity to have a free and frank discussion on all the issues;

Auckland Integrated Fare System

- d. **requests** that management report back to the February 2010 Board meeting with particular recommendations regarding contract, governance and lessons learnt from the NZ Transport Agency/Auckland Regional Transport Authority's integrated ticking systems study visit in November 2009;

Auckland Rail Funding Agreement

- e. **notes** that, on 29 June 2009, the Board approved a loan of \$32.8 million from N funds to assist the Auckland Regional Council (ARC) to purchase certain SA/SD train sets, to be repaid to the NZ Transport Agency within 4 years, together with interest at the appropriate Government bond rate, subject to certain conditions (refer Board paper 09/06/2016);
- f. **notes** that the conditions to that approval have not been satisfied and that an alternative approach has been developed;
- g. **agrees** to the inclusion of the purchase by the ARC of the SA/SD train sets as an activity in the 2009/2012 National Land Transport Programme;
- h. **approves** the purchase by the ARC of certain SA/SD train sets as qualifying for payment of \$32.8M (the funding) from N funds, subject to the conditions contained below;
- i. **agrees** that it is condition of funding that, on 30 June 2013, the ARC repays the funding to the NZ Transport Agency, together with an amount equal to interest on the funding, calculated at a rate equivalent to the New Zealand Government bond rate for a period from the date on which each tranche of the funding is advanced with the first tranche (expected to be on 1 December 2009) until 30 June 2013;
- j. **agrees** that it is a condition precedent to funding being provided that
 - i. the Chief Executive is satisfied with the terms and conditions of the loan agreement;
 - ii. any necessary approvals required under the Crown Entities Act have been obtained; and
 - iii. any necessary approvals from the Auckland Transition Authority have been obtained;
- k. **notes** that, until the conditions precedent in recommendation (i) have been satisfied, the funding approval is provisional and does not bind the NZ Transport Agency;
- l. **notes** the reasons for this decision to assist the ARC to purchase certain SA/SD train sets are set out in the reasons for recommendation section of Board paper 09/06/2016, together with this Chief Executive's item; and

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- m. **agrees** to take the Board resolutions out of Committee when the Board has published the notice of decision.

Onehunga Foreshore Enhancement Project: Update of the RFP evaluation process

- n. **endorses** inclusion of the Onehunga Foreshore Enhancement Project within the National Land Transport Programme as an ongoing commitment, with an anticipated spend start in 2012/2013;

Auckland Traffic Management Unit: ATOMS real estate relocation

- o. **ratifies** the approval given on 28 August 2009, and signed by the reconstituted Board sub-panel on 6 October 2009, of the terms and conditions of the Traffic Management Unit (TMU)/ Auckland Traffic Operations Management System (ATOMS) for level 1, Q4 Building Smales Farm Business Park lease; and

Extension of supply contracts

- p. **endorses** the decision to extend the each of the following contracts:
- i. *Datamail Limited*: Contract valued at over \$1.2m per annum, new termination date of extended contract is 30 November 2010;
 - ii. *ABNote*: Contract valued at approximately \$2.6m per annum, new termination date of extended contact is 30 November 2010;
 - iii. *Wickliffe Limited*: Contract valued at approximately \$2.5m per annum, new termination date of the extended contract is 30 November 2010; and
 - iv. *NZ Post*: Contact valued at over \$3.75m per annum, new termination date of the extended contact is 30 November 2010.

Bryan Jackson / Paul Fitzharris

5c Wellington Road of National Significance (RoNS): Kapiti Consultation Feedback

Board paper 09/11/0286

Resolved:

That the New Zealand Transport Agency Board:

- a **receives** Board Paper 09/11/0286 and its attachments; and
- b **agrees** to keeps Board Paper 09/11/0286 In Committee until the decision is made public.

Bryan Jackson / Brian Roche

6c **NZ Transport Agency: (SH1) Wellington Northern Corridor Road of National Significance (RoNS) – Endorsement and Funding for Investigation, Design and Property Purchase**

Board paper 09/11/0292

Resolved:

That the New Zealand Transport Agency Board:

- a. **endorses** the NZ Transport Agency's (NZTA's) (SH1) Wellington Northern Corridor RONS from north of Levin to Wellington Airport;
- b. **approves** funding as set out in the table below for the investigation and design of NZTA's (SH1) Wellington Northern Corridor RONS and for property purchase associated with the RONS, at a total estimated cost of \$386.2 million from N and C3 funds, subject to:
 - i a hold point at the macroscope of each element of the RONS to enable the Board to confirm the preferred option;
 - ii a hold point at the end of investigation of each element before detailed design commences to enable the Board to consider the scheme assessment and confirm funding for detailed design;
 - iii the procedures employed to procure the investigation and design of each element either complying with the NZTA's approved procurement strategy or, where the procedures do not comply with the strategy, approved as special procedures by the Group Manager Regional Partnerships and Planning; and
 - iv achievement during investigation of the outstanding conditions of funding and funding outcomes for the Basin Reserve and Linden to MacKay's Crossing (Transmission Gully) elements of the RONS set out in Board resolutions 08/12/0121 and 08/06/3115;

Element	Funding requested (\$ million) (Excluding previously approved funding)			
	Investigation	Design	Property	Total
Airport to Mt Victoria Tunnel (N funds)	6.0	12.7	36.6	55.3
Basin Reserve (N funds)	0.0	2.2	2.5	4.7
Terrace Tunnel (N funds)	4.3	6.2	23.9	34.4
Ngauranga to Aotea Quay (N funds)	1.7	1.3	0.0	3.0
Ngauranga to Linden (N funds)	7.2	12.2	22.8	42.2
Linden to MacKay's Crossing (C3 funds)	2.7	36.5	23.6	62.8
MacKay's Crossing to Peka Peka (N funds)	15.7	26.7	49.6	92.0
Peka Peka to Otaki (N funds)	6.0	9.9	18.5	34.4

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Otaki to Levin (N funds)	3.7	6.2	27.9	37.8
All elements – internal people resources capitalised to WNCR (N funds)	19.5	-	-	19.5
TOTAL	66.84	113.94	205.42	386.20

- c. **notes** that funding has been approved previously for investigation of the Basin Reserve (\$3.3million) and Linden to MacKay’s Crossing (Transmission Gully \$27.1million) elements and for property purchase associated with Transmission Gully (\$37.2million);
- d. **notes** that the funding allocated in the 2009/2012 National Land Transport Programme (NLTP) to the New and improved infrastructure for state highways activity class, is considered sufficient to cover the funding requested in this application and that the NZTA’s Highway and Network Operations Group is expected to purchase services for and manage the activities within this allocation;
- e. **notes** that the construction cost for the (SH1) Wellington Northern Corridor RONS is estimated at \$3.24 billion, the 95th percentile cost is estimated at \$3.93 billion and the 5th percentile at \$2.23 billion, recognising that many of the projects in the RONS are at an early stage of development, and that their cost estimates are of rough order level only; and
- f. **agrees** to take Board paper 09/11/0292 out of Committee when the Board has published the notice of decision.

Bryan Jackson /Alick Shaw

7c Route Protection for Additional Waitemata Harbour Crossing

Board paper 09/11/0288

Resolved:

That the New Zealand Transport Agency Board:

- a. **receives** Board paper 09/11/0288;
- b. **notes** the findings of the ‘*Assessment of Effect of Future Traffic Growth on Auckland Harbour Bridge*’ report, in particular that:
 - current legal weight trucks need to be able to use both lanes of the box girders for as long as possible once the current strengthening works are completed, to spread the wheel loads across the two lanes to prolong the fatigue life of the bridge;

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- c. **accepts** the recommendations of the 'Assessment of Effect of Future Traffic Growth on Auckland Harbour Bridge' report and advice that further studies be undertaken to further investigate the loading on the Auckland Harbour Bridge (AHB);
- d. **notes** the importance of future proofing for an additional Waitemata Harbour Crossing and that if route protection is not established ahead of the development of Wynyard Quarter, future development of Wynyard Quarter could compromise the ability to construct an additional crossing;
- e. **notes** the property liability associated with route protection for a tunnel is \$49 million;
- f. **notes** the Board resolution dated 3 September 2008:

"That the NZ Transport Agency Board endorses the preparation of notices of requirement (designations) for the land side components of Option 2C (both Auckland City Council and North Shore City Council) and an associated plan change for inclusion in the Regional Coastal Plan".

- g. **agrees** to lodge the Notices of Requirement (NOR), upon completion of the supporting documentation, in December 2009 for Option 2C, consisting of four separate driven tunnels beneath the harbour; two each for road and rail catering for separate north and southbound movements, as the preferred option for the AWHC project;
- h. **approves** consultation commencement on the Coastal Plan Change, with lodgement to follow thereafter in January/February 2010;
- i. **invites** the Chief Executive to prepare and consider the communications strategy associated with this decision; and
- j. **agrees** to take Board paper 09/11/0288 out of Committee when the lodgement of NOR's and Plan Change are complete.

Garry Moore / Grahame Hall

Brian Roche left the meeting during the discussion and Garry Moore, Deputy Chair, took over chairing this item

8c Greater Wellington Regional Council: Bus Services Procurement

Board paper 09/11/0295

Resolved:

That the New Zealand Transport Agency Board:

- a **notes** that the Greater Wellington Regional Council (GWRC) has accepted NZ Bus's commercial registration of bus services on Route 120 Stokes Valley to Queensgate, Route 110 Upper Hutt to Petone section of the Emerald Hill to Petone service, and the remaining trips of the Eastbourne to Courtenay Place services that were not already commercially registered;

- b **notes** that the registration of these services has a consequential effect on the remaining contracted services in the Hutt Valley area and on GWRC's ability to implement the GWRC's procurement strategy for bus and ferry services, endorsed by the NZ Transport Agency (NZTA) in December 2008;
- c **delegates** authority to the Chief Executive, in consultation with the Board Chair, to decide whether or not to approve, under s25(1) of the LTMA, any variations to procurement procedure rules published in the NZTA's Procurement Manual for activities funded through the National Land Transport Programme (NLTP) required to extend the term of current bus contracts with NZ Bus for services in the Hutt Valley, for a term of three years with a further optional extension of one year for tendering purposes;
- d **notes** that the three year term aligns with the period NZ Bus considers necessary to determine the viability of the commercial services, and provides GWRC with sufficient time to develop a procurement approach to be implemented at the end of that term to ensure sustainability of bus services in the Hutt Valley area for the long term;
- e **requests** the Chief Executive to work with GWRC to develop a procurement strategy and procurement procedures for the Hutt Valley area, taking into account the options of continuing commercial services supplemented by contracted feeder routes or termination of the commercial services and consideration of the different delivery models, including long term open book partnership arrangements;
- f **notes** that, in the case of the Emerald Hill to Upper Hutt section of Route 110, GWRC will require a variation to the procurement rule 10.26 to reduce the service levels of the Route 110 contract by a percentage greater than 50%, but less than 90% (final percentage variation to be confirmed when the gross price of the Emerald Hill to Upper Hutt is agreed with NZ Bus), to reflect the commercial registration of the majority of the route;
- g **delegates** authority (where a decision is made to approve the extension of the contracts pursuant to recommendation (c)), to the Chief Executive, in consultation with the Board Chair, to decide whether or not to agree to a variation to GWRC's procurement strategy, to enable GWRC to extend the current contracted services with NZ Bus, which are not covered by the commercial registration for a period of not more than four years recognising that, should NZ Bus withdraw the commercial registrations in part or in full, then GWRC will commence to implement its procurement strategy after consulting with the NZTA;

- h **requests** GWRC to review its procurement strategy to take account of the effects of the commercial registrations and the extension of associated contracts in the Hutt Valley on the timelines set out in the strategy, together with the potential implications for the other service areas in the region; and
- i **agrees** to keep Board paper 09/11/0295 in Committee until such time as the review of GWRC's procurement strategy is completed.

Grahame Hall / Bryan Jackson

9c Road Policing Programme: Variation 2010/2011

Board paper 09/11/0285

Resolved:

That the New Zealand Transport Agency Board:

- a **notes** the Minister of Transport and the Ministry of Transport have requested that the NZTA provide advice about 'place holder bids' for *Safer Journeys* initiatives to inform the government budget process as it relates to Vote Police, which commences in December 2009;
- b **notes** further that a formal variation (2010/2011 Variation) will be sought in April/May 2010 when *Safer Journeys* has been finalised;
- c **agrees** to advise the Minister that the following funding proposals covering speed, impaired driving and greater use of technology be held as 'place holders' only pending *Safer Journeys* release and pending decisions about the extent to which implementing *Safer Journeys* will be funded from within the RPP baseline:
 - i. optimising existing mobile speed cameras;
 - ii. purchasing and leasing more breath testing equipment;
 - iii. implementing SMART (Secure Mobile Access Reporting Technology) in highway patrol cars; and
 - iv. implementing SMART within the CVIU (Commercial Vehicle Investigation Unit);
- d **requests** the Chief Executive to engage in discussion with the Police Commissioner to ensure that future strategic and value-for-money options remain active as a result of this budget decision;
- e **agrees** to advise the Minister of Transport that the funding proposal on drug driving enforcement is an important component of statutory compliance, and will be provided for in the 2010/2011 Variation;

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f **notes** that, in preparing the 2010/2011 Variation, decisions will need to be made about which (if any) new initiatives are ultimately funded; and

g **agrees** to keep Board paper 09/11/0285 in Committee until the 2010/2011 Road Policing Programme Variation is approved by the Minister of Transport in 2010.

Brian Roche / Grahame Hall

External presentations

Rodney District Council's Mayor, Penny Webster, Chief Executive Rodger Kerr-Newall and Infrastructure Director, Murray Noone, gave a presentation on Rodney District Council's PENLINK Project.

Next meeting

The next meeting of the New Zealand Transport Agency Board is confirmed for **Thursday, 17 December 2009** at the Baycourt Community and Arts Centre, 38 Durham Street, Tauranga, commencing at **10.00am**.