

MINUTES OF THE NEW ZEALAND TRANSPORT AGENCY BOARD MEETING
HELD ON THURSDAY, 17 DECEMBER 2009

IN THE NEW ZEALAND TRANSPORT AGENCY BOARD ROOM, NATIONAL OFFICE
BAYCOURT COMMUNITY AND ARTS CENTRE, 38 DURHAM ROAD, TAURANGA

Approved by the Chair	_____
Date	___/___/___

PRESENT: Brian Roche Garry Moore
Christine Caughey Paul Fitzharris
Grahame Hall Bryan Jackson
Alick Shaw

IN ATTENDANCE: Geoff Dangerfield Janene Moodie
Dave Brash Ian Gordon
Liz Huckerby Allan Frost
Mark Yaxley Colin Crampton
Wayne McDonald Harry Wilson
Karl Fergusson Dave Whiteridge

INVITEES: John Smith, Auckland Regional Council
Don Houghton, Auckland Regional Council

i. **Apologies**

No apologies were received.

ii **Confirmation of agenda**

The agenda was confirmed.

iii. **Declarations of Interest**

Garry Moore declared an interest regarding Item 16c, Board paper 09/12/0304 "*NZ Transport Agency: (SH1) Papakura Interchange Upgrade – Design and Construction Funding*", noting he is a trustee for a property development in the area. Mr Moore also declared an interest regarding Item 17c, Board paper 09/12/0318 "*Christchurch City Council: Transport Interchange – Final Property Purchase, Design and Construction Funding*", noting he is a former Mayor of Christchurch City Council.

Alick Shaw declared an interest regarding Item 18c, Board paper 09/12/0307 "*NZ Transport Agency and Hamilton City Council: Hamilton Southern Links Package – Endorsement and Investigation Funding*", noting family members own a property development in the Waikato region.

Minutes

1 **Tauranga Eastern Link: Consultation, Hearings and Survey Reports**

Board paper 09/12/0311

Resolved:

That the New Zealand Transport Agency Board:

- a **receives** Board paper 09/12/0311 and the Tauranga Eastern Link Consultation Report and Survey Research Report;
- b **agrees** that the consultation and affected community survey requirements have been met and that a Toll Proposal for Tauranga Eastern Link can be considered; and
- c **agrees** that the Toll Proposal should foreshadow the ability to continue tolling the Domain Road to Papamoa East section of the Tauranga Eastern Link, once the Papamoa East interchange is built.

Garry Moore / Paul Fitzharris

2c **Tauranga Eastern Link: Toll Proposal Report**

Board paper 09/12/0312

Resolved:

That the New Zealand Transport Agency Board:

- a **approves** submitting the Toll Proposal to the Minister of Transport for his consideration in recommending the making of an Order in Council;
- b **approves** delegating to the Board Chair and Chief Executive the ability to approve the final toll application to the Minister of Transport; and
- c **agrees** to keep Board paper 09/12/0312 in Committee until the Order in Council is either confirmed or rejected, to allow the Board to continue free and frank discussion on issues as they arise.

Bryan Jackson / Grahame Hall

3c **NZ Transport Agency: (SH2) Tauranga Eastern Link (Road of National Significance) – Detailed Design and Construction Funding**

Board paper 09/12/0308

Resolved:

That the New Zealand Transport Agency Board:

- a. **approves** funding for the detailed design and construction of enabling works for the NZ Transport Agency's (NZTA's) SH2 Tauranga Eastern Link Road of National Significance (RoNS), at an estimated cost of \$35 million from R funds;
- b. **approves** funding for the detailed design and construction of the NZTA's SH2 Tauranga Eastern Link RoNS at an estimated cost of \$340 million, \$110 million to come from C funds and the balance from R and N funds, subject to:
 - i. as a condition precedent, an Order in Council to enable the collection of tolling revenue for the new motorway from Domain Road to Paengaroa;
 - ii. as a condition subsequent, execution of a Memorandum of Understanding between the NZTA and Western Bay of Plenty District Council, prior to the completion of construction, for the existing State Highway 2 specifying the works required to adapt its form and function to a local arterial after its revocation; and
 - iii. as a condition subsequent, execution of a Memorandum of Understanding by the relevant parties, prior to the physical start of construction specifying the cost sharing arrangements relating to the full scope of the project, not just the components covered under this funding application;

- c. **notes** that debt funding of \$115 million, to be provided from tolling as a contribution to the construction of the new motorway component of the project, will be available in 2013/2015;
- d. **notes** that all tolling infrastructure and operations costs are part of the tolling business case and are not funded as part of this project from the National Land Transport Programme;
- e. **notes** that the upgrade of the Maunganui Road/Girven Road intersection is critical to the effectiveness of the Tauranga Eastern Corridor transportation network, and that its investigation will be advanced early in 2010 to identify the preferred option for alignment with the construction of the Tauranga Eastern Link RoNS;
- f. **notes** that the total construction cost (including property and escalation) is estimated at \$545 million, that the 95th percentile construction cost is estimated at \$608 million and the 5th percentile at \$475 million;
- g. **notes** that the profile for the activity has been assessed as HML and that the reasons for this decision are as set out in the Reasons for recommendation section; and
- h. **agrees** to take Board paper 09/12/0308 out of Committee when the Board has published the notice of decision.

Alick Shaw / Christine Caughey

4c **Confirmation of the 26 November 2009 Board meeting minutes**

Resolved:

Regarding Item 4c, Board paper 09/11/0284, "*Chief Executive's Report for November 2009*", the minutes should be amended to reflect that Bryan Jackson was the mover of the item not Brian Roche.

Regarding Item 7c, Board paper 09/12/0288 "*Route Protection for Additional Waitemata Harbour Crossing*", whilst it is noted under *Item (iii) Declarations of Interest*", the minutes should be amended to note that due to his declaration of a conflict, Brian Roche left the meeting during discussion of this Item and Garry Moore took over as Chair.

With the above amendments, the New Zealand Transport Agency **confirms** the minutes from the 26 November 2009 New Zealand Transport Agency Board meeting.

Paul Fitzharris / Grahame Hall

Confirmation of the 8 December 2009 Board meeting minutes

Resolved:

That the New Zealand Transport Agency **confirms** the minutes from the 8 December 2009 New Zealand Transport Agency Board meeting.

Bryan Jackson / Paul Fitzharris

Confirmation of the 11 December 2009 Board meeting minutes

Resolved:

Regarding Item 1c, Board paper 09/12/0327 "*MacKays Crossing to Peka Peka – Option Selection*", a new recommendation (a) is to be added, as follows:

"(a) notes the consultation report and key issues arising;"

Regarding Item 2c, Board paper 09/12/0327 "*SH1 Kapiti Expressway: North of Otaki to Peka Peka*", a new recommendation (a) is to be added, as follows:

"(a) notes the consultation report and key issues arising;"

With the above changes, the New Zealand Transport Agency **confirms** the minutes from the 11 December 2009 New Zealand Transport Agency Board meeting.

Grahame Hall / Alick Shaw

5c Matters arising from the 26 November 2009, 8 December 2009 and 11 December 2009 Board meetings' minutes

There were no matters arising from the 26 November 2009, 8 December 2009 or 11 December 2009 New Zealand Transport Agency Board meetings.

6c Update from the 2 December 2009 State Highways Board Committee meeting

Resolved:

That the New Zealand Transport Agency Board:

Rangiriri Bypass

- a **agrees** to divert traffic away from the Rangiriri Pa site by the creation of a new road and close the existing state highway through the Rangiriri Pa site;
- b **agrees** to transfer the land no longer required for road to the appropriate party after consultation with the Office of Treaty Settlements;

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- c **endorses** that further mitigation measures associated with the Rangiriri works should be developed in keeping with the heritage value of this site, and that this approach will set the basis for the future relationship with Tainui over the Waikato Road of National Significance (RoNS);
- d **requests** that the Group Manager, Highways and Network Operations finalise the mitigation plan so that the total NZ Transport Agency contribution can be determined and capped; and
- e **agrees** the Board Chair or delegate be requested to conclude negotiations on the scope and cost (capped) of the works with Tainui before work proceeds;

Tauranga Eastern Link

- f **confirms** its satisfaction that the Toll Proposal for the Tauranga Eastern Link is robust subject to:
 - i. further evidence being appended to fully satisfy the conditions of the legislation;
 - ii. the toll transaction cost being supported by a full review of the operating success of the Northern Gateway Toll Road; and
 - iii. stronger articulation of the long term need for free flow electronic toll collection;
- g **agrees** the Board should have full confidence in submitting the Toll Proposal to the Minister after making adjustments for the community survey and consultation hearings.

Bryan Jackson / Grahame Hall

7c **Chief Executive's Report for December 2009**

Board paper 09/12/0298

Resolved:

That the New Zealand Transport Agency Board:

- a. **receives** the Board paper 09/12/0298, the Chief Executive's Report;
- b. **receives** Attachment 1, the Actions arising from previous Board meetings, to Board paper 09/12/0298;

Auckland Harbour Bridge

- c. **notes** that in the Chief Executive's Report for November 2008 (Board paper 08/11/0079), the Board:
 - "c. *agrees to amend the NZ Transport Agency's existing flag-flying policy on the Auckland Harbour Bridge, in favour of flying a flag of significance to Maoridom alongside the New Zealand flag on Waitangi Day; and Australia's national flag as well as the New Zealand flag on ANZAC Day;*

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- d. *agrees that the proposed flag, now known as the United Tribes of NZ Ensign, to be flown on Waitangi Day be the “first” New Zealand flag, with the current New Zealand flag from the adjacent flagpole;”*
- d. **notes** that the Prime Minister announced on Monday 14 December 2009 that the ‘tino rangatiratanga’ flag is the preferred Maori flag;
- e. **agrees** to amend resolution (d) (above) from the Chief Executive’s Report for November 2008 (Board paper 08/11/0079) to read as follows:
- “d agrees that the ‘tino rangatiratanga’ flag be flown on Waitangi Day, on the flagpole adjacent to the current New Zealand flag;”*
- f. **agrees** to keep Board paper 09/12/0298 in Committee indefinitely to allow the Board the opportunity to have a free and frank discussion on all the issues.

Bryan Jackson / Paul Fitzharris

8c Organisational Development Strategy

Board paper 09/12/0309

Resolved:

That the New Zealand Transport Agency Board:

- a **notes** Board paper 09/12/0309 and Attachment 1 to Board paper 09/12/0309, the Organisational Development Strategy (the strategy); and
- b **agrees** to take Board paper 09/12/0309 out of Committee once the strategy is finalised.

Grahame Hall / Christine Caughey

9c Western Ring Route: Final Scope Approval

Board paper 09/12/0315

Resolved:

That the New Zealand Transport Agency Board:

- a **endorses** the amended alignment of the SH20 tunnel section as shown in Map 1;
- b **confirms** that the SH20 Waterview Connection section should not include a ‘central’ interchange between SH20 Maioro Street interchange and the SH20 connection to SH16;
- c **endorses** pursuing statutory approvals for the SH20 Waterview Connection project through the ‘call in’ process under Part 6AA of the Resource Management Act 1991;

- d **confirms** that the proposed amended SH20 tunnel alignment (referred to in (a) above) be announced following this meeting and that the details of the design for the Waterview Connection project section, including the approach to urban design, should be presented to the community in February/March 2010 before the Notices of Requirement and Resource Consents are lodged;
- e **requests** the Chief Executive to engage with the community on the urban design proposals so that the output can be used as a basis for the communities response to our proposal in the consents phase; and
- f **agrees** to take Board paper 09/12/0315 out of Committee once the decisions of the Board on this paper have been publicly announced.

Christine Caughey / Bryan Jackson

10c **NZ Transport Agency's Submission on the Draft Auckland Regional Land Transport Strategy (RLTS)**

Board paper 09/12/0325

Resolved:

That the New Zealand Transport Agency Board **approves** the draft NZ Transport Agency submission on the Auckland Regional Land Transport Strategy (RLTS) and final approval to be approved by Chair and Chief Executive.

Garry Moore / Grahame Hall

11c **NZ Transport Agency's Submission on the Draft Auckland Regional Public Transport Plan (RPTP)**

Board paper 09/12/0299

Resolved:

That the New Zealand Transport Agency Board:

- a **approves** the NZ Transport Agency's (NZTA's) submission on the draft Auckland Regional Public Transport Plan (RPTP); and
- b **notes** that further amendments are likely once KiwiRail has considered the RPTP and given its views to the NZTA.

Christine Caughey / Paul Fitzharris

12c **Whangarei District Council: Whangarei Transportation Network Strategy**

Board paper 09/12/0313

Resolved:

That the New Zealand Transport Agency Board:

- a **receives** Board paper 09/12/0313;
- b **notes** and appreciates the work undertaken by Whangarei District Council to develop its strategy;
- c **encourages** the Whangarei District Council to further develop and optimise the strategy to enable the Board to support it at a future meeting;
- d **notes** that the NZ Transport Agency will consider applications for funding activities identified in the “short term” packages 1 to 5 listed in this paper, subject to confirmation that the Porowini Avenue extension project is included in the do-minimum; and
- e **agrees** to take Board paper 09/12/0313 out of Committee when the Board has published the notice of decision.

Grahame Hall / Christine Caughey

13c **Toll Revenue Collection Strategy**

Board paper 09/12/0305

Resolved:

That the New Zealand Transport Agency Board:

- a **agrees** that tolling is still an appropriate mechanism to bring forward the construction of strategically important projects;
- b **agrees** that free flow electronic toll collection is still the preferred tolling solution for the NGTR and future toll roads;
- c **agrees** to amend the existing toll tariff policy to allow the introduction of variable pricing;
- d **agrees** to adopt a pre-pay approach to tolling, with payments received after using the road attracting their true cost and that a channel strategy be developed to implement this;
- e **endorses** the toll revenue collection strategy, being:
 - i. continue to seek efficiencies within the tolling system and exploit opportunities to reduce costs;

- ii. lower customer service levels on high cost channels, whilst continuing to provide an excellent customer experience on remaining channels; and
- iii. introduce variable pricing to encourage the uptake of less expensive payment options such as accounts;
- f **endorses** the NZ Transport Agency seeking to retain a portion of infringement fee to cover the cost of collection; and
- g **agrees** to retain Board paper 09/12/0305 in Committee until the implementation of the channel strategy.

Bryan Jackson / Garry Moore

14c **NZ Transport Agency: (SH1) Additional Waitemata Harbour Crossing - Investigation (Designation only) and Property Funding**

Board paper 09/12/0319

Resolved:

That the New Zealand Transport Agency Board:

- a. **approves** funding for the investigation (designation only) of the NZ Transport Agency's (NZTA's) Additional Waitemata Harbour Crossing project, at an estimated cost of \$12.83 million from N funds;
- b. **approves** funding for the property purchase anticipated to be associated with the designation of the NZTA's Additional Waitemata Harbour Crossing project, at an estimated cost of \$9.14 million from N funds;
- c. **notes** that the total property liability associated with designation of the project is estimated at \$49 million;
- d. **notes** the need to undertake full investigation of options and that this should be progressed as soon as possible to enable the Board's approval of the preferred option and provide certainty around the final macroscope;
- e. **notes** that the construction cost for the Additional Waitemata Harbour Crossing project is estimated at around \$4 billion; and
- f. **agrees** to take Board paper 09/12/0319 out of Committee when the Board has published the notice of decision.

Bryan Jackson / Paul Fitzharris

15c **NZ Transport Agency: (SH1) Stage 2 Kamo Bypass and Whangarei District Council's Spedding Road Link – Construction Funding**

Board paper 09/12/0301

Resolved:

That the New Zealand Transport Agency Board:

- a **approves** funding for the construction of Stage 2 of the NZ Transport Agency's (NZTA's) Kamo Bypass project at an estimated cost of \$16.31 million from R funds, split between the NZTA and Whangarei District Council as in the table below, subject to, as a condition precedent, confirmation being received by the Group Manager Regional Partnerships and Planning that all necessary consents, grants, audits and designations required for the beginning of construction have been obtained;

Party	Share \$ million	Funding Assistance Rate %	NZTA Cost \$ million
NZTA	15.90	100%	15.90
Whangarei District Council	0.41	62%	0.26
Total	16.31		16.15

- b **notes** that revocation of the existing state highway will follow construction of the Bypass, and that it expects an agreed package of works as identified in the Whangarei North Transportation study (and in the excerpt shown in Attachment 2) to be implemented to reflect its changed status and function;
- c **notes** that the construction cost for Stage 2 of the Kamo Bypass is estimated at \$25 million (including property costs), the 95th percentile cost is estimated at \$31 million and the 5th percentile costs is \$24 million;
- d **approves** funding for the construction of Whangarei District Council's Spedding Road Link at an estimated cost of \$2.97 million and a funding assistance rate of 62% (NZTA share \$1.84 million) from R funds, subject to, as a condition precedent, confirmation being received by the Group Manager Regional Partnerships and Planning that all necessary consents, grants, audits and designations required for the beginning of construction have been obtained;
- e **agrees** to take Board paper 09/12/0301 out of Committee when the Board has published the notice of decision.

Bryan Jackson / Grahame Hall

16c **NZ Transport Agency: (SH1) Papakura Interchange Upgrade – Design and Construction Funding**

Board paper 09/12/0304

Resolved:

That the New Zealand Transport Agency Board:

- a. **approves** funding for the design and construction of the NZ Transport Agency's (NZTA's) Papakura Interchange Upgrade project, at an estimated cost of \$30.01 million (NZTA's share \$28.06 million) from N funds, subject to the Group Manager, Regional Partnerships and Planning's prior approval of any special procurement procedure, which may be applied to purchasing the activity and its subsequent publication on the NZTA's website;
- b. **notes** that the Papakura District Council will provide supplementary funding of \$1.95 million, plus an in-kind donation of land to the project;
- c. **notes** that the 95th percentile cost for the project is estimated at \$32 million and the 5th percentile at \$25 million;
- d. **notes** that the assessment profile for the project has been determined as MMM and that the reasons for this decision are set out in the Reasons for recommendation section; and
- e. **agrees** to take Board paper 09/12/0304 out of Committee when the Board has published the notice of decision.

Grahame Hall / Christine Caughey

17c **Christchurch City Council: Transport Interchange – Final Property Purchase, Design and Construction Funding**

Board paper 09/12/0318

Resolved:

That the New Zealand Transport Agency Board:

- a. **approves** a capped funding contribution of \$47.38 million (NZ Transport Agency's share \$28.43 million) toward Christchurch City Council's Transport Interchange project as set out in the table below:

Phase	NLTP contribution (\$ million)	Funding assistance rate	NZTA Cost (\$ million)	Funding source
Final property purchase	0.93	60%	0.56	R funds
Design	7.61	60%	4.57	N funds
Construction	38.84	60%	23.30	N funds
Total:	47.38		28.43	

- b. **agrees** that the NZ Transport Agency (NZTA) will forgo any benefit that may be obtained from the sale or use of development rights at the transport interchange site;
- c. **notes** that the NZTA retains an interest in the property acquired for the project as described in the Property Agreement between the NZTA and Christchurch City Council;
- d. **notes** the reasons for this decision are as set out in the Reasons for recommendation section; and
- e. **agrees** to take Board paper 09/12/0318 out of Committee when the Board has published the notice of decision.

Paul Fitzharris / Christine Caughey

18c **NZ Transport Agency / Hamilton City Council: Hamilton Southern Links Package – Endorsement and Investigation Funding**

Board paper 09/12/0307

Resolved:

That the New Zealand Transport Agency Board:

- a. **endorses** the NZ Transport Agency's (NZTA's) and Hamilton City Council's Hamilton Southern Links Package subject to:
 - i. a multi-party funding agreement covering the sharing of costs for design and construction between the NZTA and Hamilton City Council being developed prior to an application for design funding; and
 - ii. Hamilton City Council investigating the potential for supplementary funding from third party sources that are likely to benefit from future implementation of the package;
- b. **approves** funding for the investigation of the NZTA's component of the package at an estimated cost of \$5.25 million from N funds, subject to, as a condition subsequent, a hold point being established at the package macroscope to enable the Board to consider and confirm the preferred option for the package;

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- c. **approves** funding for the investigation of Hamilton City Council's component of the package at an estimated cost of \$2.25 million, and a funding assistance rate of 55% (NZTA's share \$1.24 million) from N funds, subject to, as a condition subsequent, a hold point being established at the package macroscope to enable the Board to consider and confirm the preferred option for the package;
- d. **notes** that the total construction cost for the Hamilton Southern Links Package is estimated at \$333 million, the 95th percentile cost is estimated at \$416 million and the 5th percentile at \$277 million;
- e. **notes** that the assessment profile of the package is HHL and that the reasons for its decision are as set out in the Reasons for recommendation section; and
- f. **agrees** to take Board paper 09/12/0307 out of Committee when the Board has published the notice of decision.

Grahame Hall / Paul Fitzharris

19c NZ Transport Agency: Rotorua Eastern Arterial – Investigation Funding

Board paper 09/12/0316

Resolved:

That the New Zealand Transport Agency Board:

- a. **approves** funding for the investigation of the NZ Transport Agency's (NZTA's) Rotorua Eastern Arterial project at an estimated cost of \$1.50 million and a funding assistance rate of 100% (NZTA's share \$1.50 million) from C funds, subject to, as conditions subsequent:
 - i. a hold point at macroscope to enable the NZTA Board to consider and confirm the preferred option for the project; and
 - ii. Rotorua District Council developing an integrated transport strategy covering the Rotorua area and seeking its support by the NZTA Board, prior to any application for funding further phases of the project;
- b. **notes** that the total construction cost for the Rotorua Eastern Arterial project is estimated at \$74 million, the 95th percentile cost is estimated at \$84 million and the 5th percentile at \$62 million;
- c. **notes** that the profile for the project has been assessed as MML and that the reasons for this decision are as set out in the Reasons for recommendation section; and
- d. **agrees** to take Board paper 09/12/0316 out of Committee when the Board has published the notice of decision.

Grahame Hall / Paul Fitzharris

20c **NZ Transport Agency's Research Framework 2010/2012**

Board paper 09/12/0302

Resolved:

That the New Zealand Transport Agency Board:

- a. **agrees** that the new NZ Transport Agency's research framework is to be used as the basis for the 2010/2012 NZ Transport Agency Research Programme; and
- b. **agrees** to take Board paper 09/12/0302 out of Committee after the Board discussion at the December 2009 Board meeting.

Christine Caughey / Alick Shaw

External presentations

John Smith and Don Houghton from the Auckland Regional Council (ARC) gave a presentation on the ARC's regional land transport strategy.

Next meeting

The next meeting of the New Zealand Transport Agency Board is confirmed for **Thursday, 25 February 2010** in the NZ Transport Agency Board Room, Level 2, National Office, Chews Lane, Victoria Arcade, 44 Victoria Street, Wellington, commencing at 8:00am.