

MINUTES OF THE NZ TRANSPORT AGENCY BOARD MEETING

HELD ON THURSDAY 2 JUNE 2011 AT 10.30AM

NZTA Studebaker Room, Level 2, Dunvegan House, 215 Hastings Street, Napier

Approved by the Chair	_____
Date	___/___/___

PRESENT: Chris Moller *Chair*
 Garry Moore *Deputy Chair*
 Bryan Jackson
 Christine Caughey
 Jerry Rickman
 Tony Lanigan

APOLOGIES: Patsy Reddy
 Alick Shaw

IN ATTENDANCE: Geoff Dangerfield *Chief Executive*
 Ernst Zöllner *Board Secretary & GM Strategy & Performance*
 Jenny Chetwynd *Regional Director, Central*
 Stephen Town *Regional Director, Auckland and Northland*
 Dave Brash *GM Planning & Investment*
 Colin Crampton *GM Highways & Network Operations*
 Dave Whiteridge (Items 1-11,17) *Chief Legal Counsel (for Liz Huckerby GM People & Capability)*
 Paul Graham (Items 9 & 14) *Principal Scientist*
 Bryan Patchett (Item 8) *Chief Advisor, Organisational Direction*
 Jannette Farley (Item 8) *Principal Advisor*
 Lydia Ragoonanan (Item 8) *Senior Advisor*

INVITEES: None

The formal meeting commenced at 10:30am.

1 Chairman's introduction

a. Apologies

The meeting noted the apologies from Patsy Reddy and Alick Shaw.

b. Agenda

Chris Moller provided an overview of the meeting agenda and timetable.

c. Declarations of interest

The updated Schedule of Board Member Interests was tabled and noted.

- In relation to Items 2 and 20, Chris Moller reminded the meeting of his governance roles with NZ Cricket Inc. and the Wellington Regional Stadium Trust.
- In relation to Item 10, Jerry Rickman reminded the meeting that he is a consultant to PWC.
- As a general comment, Christine Caughey reminded the meeting that she was an Auckland City Councillor between 2004-2007.

d. Confirmation of the 5 May 2011 Board meeting minutes

There were no questions or issues raised regarding the minutes.

Resolved:

That the NZ Transport Agency Board confirms the minutes from its 5 May 2011 meeting.

e. Progress on matters arising from previous meetings

The good progress on all requested actions was noted.

2-4 Chief Executive items

Board papers 11/06/0515, 11/06/0520

Key topics for discussion on the Chief Executive's report for May were the update on the Wellington inner city RoNS project, the safety of heavy freight vehicles, the effectiveness of different safety interventions, the Northern Gateway toll road, and the Christchurch earthquake recovery. The Board raised no additional matters with the Chief Executive.

[Garry Moore chaired the discussion around the Wellington inner city RoNS and Chris Moller took no part in the discussion given his roles at NZ Cricket Inc and the Wellington Regional Stadium Trust.]

The Board noted the ten-month finance report, and raised no concerns with the Chief Executive. The Board discussed the desirability of future reporting that would describe in greater detail the risk to major projects from variable NLTF revenue flows as part of general risk management.

The Chief Executive provided a verbal update on feedback from the Minister on the NZTA's 2011-14 Statement of Intent (SOI). The Minister's feedback and requests had been addressed and the Sol finalised.

Resolved:

That the NZ Transport Agency Board receives:

- a. the Chief Executive's report for May 2011; and*
- b. the financial result for the ten months to 30 April 2011.*

Requested actions:

- 1. That the Chief Executive arranges a workshop for the Investment & Operations Committee on how to optimise investment across all the elements of the safe system.*
- 2. That the result of the 2011 staff engagement survey be presented to the 30 June Board meeting.*

Influencing sector direction

5 Update on the 2012 Government Policy Statement

Board paper 11/06/0522

Ernst Zöllner (GM Strategy & Performance) described the progress by the Ministry of Transport in developing the 2012 GPS. The key concern for the Board, was to ensure that the funding ranges for the maintenance and renewal of State highways and Local roads is sufficient to allow for optimal investment decision-making.

6 **Auckland Central City rail link**

[Board paper 11/06/0524](#)

Stephen Town (Regional Director Auckland & Northland) outlined the next steps for Auckland Transport and Auckland Council following the release of the peer review of the business case, and the role that the NZTA is planning to play. Board members were supportive of the planned approach.

Setting organisational direction

7 **Setting the scene for a new Investment and Revenue Strategy**

[Board paper 11/06/0525](#)

Ernst Zöllner (GM Strategy & Performance) outlined to the Board the key issues and opportunities emerging from the review of the Investment and Revenue Strategy. Board members were particularly interested in sensitivity analysis around revenue assumption from the NLTF, and also highlighted the key issue of how to recognise the need to replace ‘critical structures’ in the prioritisation of projects. With regard to revenue policy principles, Board members supported the technical exploration of alternative revenue sources for the NLTP and for the purpose of demand management. As a general comment, the Board wanted to have stronger performance measurement and target setting in the revised strategy.

8 **Proposed strategic direction for the NZTA’s State Highway Network Strategy and the NZTA’s Network Access and Use Strategy**

[Board paper 11/06/0526](#)

Lydia Ragoonanan and Jannette Farley presented the key strategic concepts emerging from the development of the two strategies. Board members were supportive of the general direction, but asked that further work be presented on the longer term trends and issues that this direction is responding to. Another area of requested focus is performance measurement and target setting. Board members sought reassurance that the optimisation of past investment will be at the forefront of the two strategies, and that collaboration with operators, stakeholders and communities will similarly be emphasised strategically.

Other decision items

9 **2011/12 Road Policing Programme**

[Board paper 11/06/0529 FUNDING](#)

Board members expressed their appreciation to the NZ Police and NZTA staff for the progress that is being made in the development of a more strategic investment strategy and direction for road policing in New Zealand. Looking to the future, the Board expects further progress to be made in the area of performance measurement and target setting,

integration of activities such as advertising and promotion, and finally moving beyond the funding of FTE's to the funding of outputs.

Resolved:

That the NZ Transport Agency Board:

- a. *approves the 2011/12 Road Policing Programme (RPP) comprising the work programme detailed in Attachment One at an investment level of \$296.945 million;*
- b. *agrees to recommend the 2011/12 RPP to the Minister of Transport;*
- c. *delegates the Chair and Chief Executive to finalise the 2011/12 RPP, taking into account Board discussion and final feedback from NZ Police and the Ministry of Transport, and submit it to the Minister of Transport before 30 June 2011.*

10 Western Ring Route: risk management

Board paper 11/06/0527

Colin Crampton (GM Highways & Network Operations) updated the Board on the consenting of the project and the cost implications of some of the likely consent conditions. Colin also discussed with the Board the positive progress on the project procurement, and the Board in particular noted the implications both of the revenue NLTF revenue forecast but also of the (small number of) retained risks on the project.

11 Passenger rail related procurement delegations

Board paper 11/06/0532

Dave Brash (GM Planning & Investment) provided further background to the proposed delegation changes, and the Board agreed that the proposed change will address an inconsistency in the instrument of Board delegation.

Resolved:

That the NZ Transport Agency Board agrees to delegate to the Chief Executive:

- i. *the power to endorse passenger rail related procurement strategies, and amendments to those strategies, unless the Chief Executive considers the matter should be referred to the Board; and*
- ii. *the power to approve all passenger rail related procurement decisions under sections 25 and 26 of the Land Transport Management Act 2003 where the procurement strategy has not been endorsed by the Board.*

Requested action:

3. *That an update on the Auckland passenger rail related procurement be presented to the Board at the 30 June 2011 Board meeting.*

Reviewing performance against plans and targets

12 National integrated ticketing approach and update

[Board paper 11/06/0517](#)

Discussion around the Board paper covered the general progress of this project, and focussed on how to resolve the particular pricing and cost recovery issues. In relation to the capital cost of the central system, the Board expressed its initial preference for the marginal cost recovery option.

Requested action:

4. *That the Chief Executive further explores the case for the marginal cost recovery option in relation to the capital cost of the AFIS Central System.*

13 Review of transportation planning and project delivery

[Board paper 11/06/0528](#)

Board members expressed their support for the three part approach to the review of transport planning studies and development of large projects as outlined in the Board paper.

14 Road safety advertising: external effectiveness evaluation

[Board paper 11/06/0530](#)

Paul Graham (Principal Scientist) summarised the key findings of the review, and Board members concurred with the identified need for better integration of NZTA and NZ Police road safety advertising and promotion. The variable quality of regional road safety promotions were raised in the discussion, as was the need for a robust evaluation of the efficiency of the overall programme. Paul confirmed that the second part of the review concentrates on efficiency, and that the findings will be reported to the Board at the August meeting.

Quality assurance of key organisational systems, policies and targets

15 Economic evaluation processes

[Board paper 11/06/0519](#)

Board members noted the assurance given in the paper that the NZTA evaluation processes are both rigorous and based on sound practice. The discussion around the Board paper explored how wider economic benefits and changes in transport demand will be incorporated in future evaluations, the appropriate use of discount rates and the need for sensitivity analysis of evaluations.

16 **Health, safety and wellbeing programme**

Board paper 11/06/0521

This assurance paper was noted and the Board raised no concerns in regard to how the NZTA approaches and manages staff health, safety and well-being.

17 **Community engagement on large highway projects**

Board paper 11/06/0531

This assurance paper was noted and the Board raised no concerns in regard to how the NZTA approaches and manages engagement with the public and stakeholders around large construction projects.

18 **State highway value for money, benchmarking and delivery performance**

Board paper 11/06/0523

This assurance paper was noted and the Board raised no concerns in regard to how the NZTA goes about ensuring value for money is achieved in the State highway asset management, planning, project management, procurement, monitoring and performance management activities.

19 **Maori engagement framework**

Board paper 11/06/0518

This assurance paper was noted and the Board raised no fundamental concerns in regard to how the NZTA approaches and manages Maori engagement. Board members sought further assurance around succession planning and around the need to include social and environmental aspects in transport planning as a general matter of Maori interest and concern.

Other updates and general business

20 **General business for May 2011**

Board paper 11/06/0516

The Board noted the media summary for the month and requested that future summaries include media issues that have been of concern. The Rugby World Cup and integrated ticketing updates were noted, and the recommendation that the Board agrees to defer the designation and route protection process for the SH16/18 connection was deferred.

The meeting concluded at 3.30pm.