



**BOARD MEETING MINUTES**

<b>Date &amp; time</b>	16 March 2012, 8.30am – 12.45pm
<b>Location</b>	NZTA Board Room, Level 2, 50 Victoria Street, Wellington
<b>Attendance</b>	Chris Moller (Chair), Adrienne Young-Cooper, Alick Shaw, Bryan Jackson, Jerry Rickman, Patsy Reddy and Tony Lanigan
<b>Apologies</b>	Gill Cox
<b>NZTA staff in attendance</b>	<p>Geoff Dangerfield (Chief Executive) and Ernst Zöllner (GM Strategy &amp; Performance &amp; Board Secretary)</p> <p>Allan Frost (GM Organisational Support), Celia Patrick (GM Access &amp; Use), Colin Crampton (GM State Highways), Jim Harland (Regional Director Southern) and Liz Huckerby (GM People &amp; Capability).</p> <p>Bob Alkema (National Manager, Investment) for Dave Brash (GM Planning &amp; Investment), Paul Helm (Chief Financial Officer), Brandon Mainwaring (Chief Advisor Trends &amp; Performance) and Barbara Tebbs (National Manager Public Transport)</p>
<b>External invitees</b>	None

## Highlights from the meeting

At its second meeting of 2012 the NZ Transport Agency Board:

### **Progressed the 2012/15 NLTP and RPP development**

- Discussed our progress on the 2012/15 road policing programme, and focussed on the value for money and ongoing partnership principles
- Expressed continued support for the proposed establishment of a national (HPMV) freight network by 2015
- Noted the predicted road safety result from the emerging 2012/15 NLTP, and advised that the NLTP should aim for the best overall safety result
- Agreed to revise the NZTA Investment strategy to give greater strategic priority to network management and ‘one network’ initiatives
- Agreed to interim NLTP funding arrangements for the first three months of 2012/13.

### **Progressed the 2012/15 Statement of Intent development**

- Agreed to the NZTA’s organisational direction for 2012/15:
  - our eight long term impacts (no change)
  - five medium-term priorities (change of focus for the road safety priority)
  - three key areas of focus (a change to the direction for Canterbury focus)
  - three organisational development themes (no change)
- Reconfirmed the six operating policies, but asked for an updated value for money policy statement to reflect the customer service priority and the whole-of-government approach to shared services
- Supported all the proposed changes to our non-financial performance measures for 2012/15
- Received the outline of the 2012/15 Statement of Financial Performance and NZTA budget
- Confirmed the preferred route for the Puhoi to Warkworth RoNS component, and agreed to a strategic position on the Auckland to Northland transport corridor

### **Other matters**

- Supported the Hutt Corridor Plan as a strategy that aligns with NZTA ‘strategic fit’ and other investment outcomes
- Noted the emerging direction for road maintenance and the funding challenge ahead
- Noted the give way rule change communication plan and progress
- Noted progress on the NZTA communications strategy, and made some suggestions around principles and Maori engagement
- Reflected on the implications of the planned legislative and policy changes for this term of Parliament for the NZTA
- Discussed the NZTA’s approach to workforce planning and suggested areas for focus and follow up
- Received a quality assurance paper on State Highway management

## Introduction and governance matters

### 1.1 Apologies

The apology from Gill Cox (due to overseas travel commitments) was accepted. Chris Moller apologised for lateness, and joined the meeting at 8.45am. Chris also had to leave the meeting between 11.30am and 12 noon.

### 1.2 Confirmation and overview of the agenda

The agenda was confirmed as circulated. In Chris' absence Patsy Reddy chaired the meeting for items 1, 6.1, 6.2 and 7.2.

### 1.3 Declarations of conflicts of interest

The schedule of member interests was noted. Brian Jackson and Adrienne Young-Cooper noted minor amendments which have been incorporated in the schedule.

### 1.4 Draft minutes from the 7 February 2012 Board meeting

The minutes were confirmed as tabled.

<b>Resolution 1</b>	<i>The draft minutes of the 7 February 2012 meeting are a true and accurate record of the meeting.</i>
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### 1.5 Progress on actions requested at previous meetings

The Chief Executive confirmed that the actions from previous meetings are being progressed as set out in the report. There was no further discussion.

## 1.6 Report back from the Board Committee meetings

Jerry Rickman verbally reported on the key highlights from the Audit, Risk & Assurance committee meeting on 15 March. In particular, the committee had prepared a new charter for its activities which the Board endorsed.

<b>Resolution 2</b>	<i>The revised charter of the Audit, Risk and Assurance Committee of the NZ Transport Agency is endorsed.</i>
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Patsy Reddy and Alick Shaw similarly summarised the key items that were discussed at the respective Remuneration & HR committee and Investment & Operations committee meetings on 15 March. On behalf of the Investment & Operations committee Alick moved three resolutions to the Board, which were accepted without further discussion.

<b>Resolution 3</b>	<i>Greater Wellington’s Hutt Corridor Plan is supported as a strategy that aligns with NZTA ‘strategic fit’ and other investment outcomes.</i>
<b>Resolution 4</b>	<i>The Puhoi to Wellsford Road of National Significance is a critical corridor between Auckland and Northland that should be referenced in strategic and land use planning documents.</i>
<b>Resolution 5</b>	<i>The preferred route for the Puhoi to Warkworth component of the Puhoi to Wellsford Road of National Significance is endorsed as presented to the Investment &amp; Operations committee meeting on 15 March 2012, and the NZTA will seek designation and resource consent for this component and route.</i>
<b>Requested action</b>	<i>Explore how the preferred route for the Warkworth to Wellsford component of the project can be effectively incorporated in policy and planning documents without formal designation.</i>

## 2. Chief Executive's matters

### 2.1 Chief Executive's report

#### Board paper 12/03/0615

In this standing agenda item the Chief Executive updates the Board on matters relating to the management and operations of the NZ Transport Agency. The main topics of discussion at the meeting was planning for Auckland; Canterbury rebuilding; vehicle registry system changes; vehicle licensing reform; and support for various freight and public transport initiatives.

<b>Resolution 6</b>	<i>The Chief Executive's Report for March 2012 is received.</i>
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### 2.2 Progress against the 2011/12 Road Policing Programme to 31 December

#### Board paper 12/03/0616

The Board noted and discussed the quarterly reporting by NZ Police against the 2011/12 Road Policing Programme. Board members requested that future reports express progress (or otherwise) in more accentuated terms i.e. more clearly indicate areas of good progress or poor progress.

<b>Resolution 7</b>	<i>The progress report against the 2011/12 Road Policing Programme to 31 December is received.</i>
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### **3. 2012/15 National Land Transport Programme (NLTP) & Road Policing Programme (RPP)**

#### **3.1 NLTP, RPP and RLTP**

##### **Verbal progress updates**

Dave Brash updated the Board on progress with the development of the NLTP and RPP. In preparation for planned 4 May 2012 investment allocation decisions by the Board, Dave outlined the key investment value challenges that are being resolved in road maintenance, renewals and operations, and in public transport services.

#### **3.2 Investment outcomes of the 2012/15 NLTP: the proposed HPMV strategic network**

##### **Board paper 12/03/0613**

This paper addressed the Board's request (from its February strategy workshop) for further information on how the NLTP could deliver a High Productivity Motor Vehicle (HPMV) strategic freight network by 2015. This proposal will be included in the draft NLTP for further consideration by the Board.

#### **3.3 Investment outcomes of the 2012/15 NLTP: the alternative direction for road safety**

##### **Board paper 12/03/0627**

This paper also followed on from the February strategy workshop, and clarified the strategic direction for road safety investment in the NLTP. The Board noted the predicted road safety result and indicated that the NLTP should aim for the best overall safety result, as opposed to improvements 'on all fronts'.

### 3.4 Investment outcomes of the 2012/15 NLTP: the proposed direction for ‘incentivising smart transport choices’

Board paper 12/03/0617

As requested at its February workshop, the Board considered and approved changes to the NZTA investment strategy to give greater priority (in the NLTP development) to network management and customer service activities that incentivise and shape good transport choices.

<b>Resolution 8</b>	<p><i>The NZTA Investment strategy is amended to give:</i></p> <ul style="list-style-type: none"><li data-bbox="584 611 1973 738">(i) <i>high priority to network management to address journey time reliability and/or easing of severe congestion in the strategic fit criteria of the Investment and Revenue Strategy for the 2012/15 NLTP; and</i></li><li data-bbox="584 759 2092 887">(ii) <i>high priority to activities in congested urban areas that deploy integrated network management tools in the effectiveness criteria of the Investment and Revenue Strategy for the 2012/15 NLTP.</i></li></ul>
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### 3.5 Investment outcomes of the 2012/15 NLTP: the Roads of National Significance programme

Board paper 12/03/0625

The Board discussed the current Roads of National Significance (RoNS) programme in the context of the wider State Highway improvements programme, and the timing impacts of different NLTP investment levels. The possible impact on the programme of co-funding the Canterbury earthquake recovery from the NLTP was also explored.



### 3.6 Alternative financing and additional revenue approaches

Board paper 12/03/0626

In this exploratory option analysis the Board considered a hypothetical menu of revenue and funding sources that could be used to advance high return projects in the upcoming (and future) NLTPs. The Board noted that this is an area where the NZTA is working closely with the Ministry of Transport and NZ Treasury.

### 3.7 Interim NLTP funding arrangements for start of 2012/13

Board paper 12/03/0614

The Board considered and approved interim funding arrangements for the first two months of the 2012/13 financial year to ensure approved organisations and the NZTA are able to continue business as usual until the NLTP is approved in late August 2012.

<b>Resolution 9</b>	<i>The 2009-12 NLTP allocations are adjusted as follows:</i>	
	<i>Activity Class</i>	<i>Allocation (\$Ms)</i>
	<i>Maintenance and operation of local roads</i>	\$46
	<i>Renewal of local roads</i>	\$46
	<i>Minor improvements for local roads</i>	\$10
	<i>Maintenance and operation of State Highways</i>	\$61
	<i>Renewal of State Highways</i>	\$43
	<i>Minor improvements for State Highways</i>	\$2
	<i>Public transport services</i>	\$50
	<i>Sector Research</i>	\$1
	<i>Management of the Funding Allocation System</i>	\$6
<b>TOTAL</b>	<b>\$ 265</b>	

<b>Resolution 10</b>	<p><i>The 2009-12 NLTP can include improvement activities that the Chief Executive is satisfied meet all of the following criteria:</i></p> <ul style="list-style-type: none"><li><i>• public consultation by Approved Organisations required under the Land Transport Management Act 2003 has been completed;</i></li><li><i>• activities have been included in the appropriate draft 2012-15 RLTP and the NZTA has been advised that they will be included in the final RLTP, and;</i></li><li><i>• activities meet the NZTA’s 2012-15 investment threshold using the priority order published in the Planning &amp; Investment Knowledge Base.</i></li></ul> <p><i>All the activities approved under the interim arrangement will be deemed to be included in the 2012-15 NLTP once this is adopted by the Board.</i></p>
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## **4. Confirming service and financial performance: the 2012/15 Statement of Intent**

### **4.1 Proposed organisational direction**

**Board paper 12/03/0621**

This agenda item concluded the Board’s consideration (started at the February workshop) around the most appropriate organisational direction for 2012-15. The Board formally agreed to a continuation of the NZTA’s current organisational direction, with only two changes: a revision ‘road safety’ priority to focus on the ‘safe system’ and a change of emphasis for the focus on Canterbury (from ‘recovery’ to ‘supporting growth’). Board members emphasised the need to embed value for money, continuous improvements and customer service in all aspects of the Statement of Intent.

## Resolution 11

*The 2012-15 Statement of Intent will be structured around the following organisational direction:*

*a. Desired long-term impacts on the transport sector:*

- *Better use of existing transport capacity*
- *More efficient freight supply chains*
- *A resilient and secure network*
- *Easing of severe urban congestion*
- *More efficient vehicles*
- *Reductions in deaths and serious injuries*
- *More transport mode choice*
- *Reduction in adverse environmental effects from land transport.*

*b. Medium-term priorities:*

- *Planning and delivering the roads of national significance*
- *Embedding the safe system approach* (replacing ‘improving the road safety system’)
- *Improving the efficiency of freight movements*
- *Improving customer service while reducing compliance costs*
- *Improving the effectiveness of public transport.*

*c. Other key areas of focus:*

- *Value for money in all we do*
- *Growing Canterbury* (replacing ‘rebuilding Christchurch’)
- *Growing Auckland.*

*d. Themes for building organisational capability:*

- *Developing our people*
- *Working with others*
- *Achieving together.*

## 4.2 Proposed operating policy statement

Board paper 12/03/0618

In reviewing the NZTA's six key operating policies for the Statement of Intent, the Board also decided to reconfirm the current set of policies. However, Board members asked that the importance of customer service and 'shared services' be emphasised in the 'value for money' operating policy.

<b>Resolution 12</b>	<p><i>The current key NZTA operating policies will be included in the Statement of Intent 2012-15:</i></p> <ol style="list-style-type: none"><li><i>1. Value for Money (as amended to reflect the importance of customer service and shared service or 'whole of government' perspectives)</i></li><li><i>2. Scrutiny and transparency</i></li><li><i>3. Risk management</i></li><li><i>4. Procurement</i></li><li><i>5. Engagement</i></li><li><i>6. Environmental and social responsibility.</i></li></ol>
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## 4.3 Proposed non-financial performance indicators

Board paper 12/03/0623

Following on from the previous two agenda items, the Board considered how to best reflect organisational direction and policy in the non-financial measurement. Following discussion the Board endorsed the advice from the Chief Executive to largely retain the set of result indicators and performance measures from the 2011/14 Statement of Intent for 2012/15. The 2011/14 set was comprehensively and successfully reviewed and favourably noted by Audit NZ. Quarterly reporting against this set of indicators and measures is also proving to be a good balance between broad accountability and a strategic focus.

<b>Resolution 13</b>	<p><i>The 2012/15 Statement of Intent will use the non-financial performance measures set out in Attachments 1-5 of Board paper 12/03/0623, with the exception of the following:</i></p> <ul style="list-style-type: none"> <li><i>The new ‘Embedding the road safety system’ priority requires a less administrative result indicator</i></li> </ul>
<b>Requested action</b>	<p><i>Explore whether the Statement of Intent should set target ranges for the result indicators against long term impacts.</i></p>

#### 4.4 Outline of the Statement of Financial Performance and NZTA budget for 2012-15

##### Board paper 12/03/0628

The Board reviewed the draft Statement of the Forecast Financial Performance and NZTA budget for 2012-15, and agreed that the underlying assumptions and approach should be used to prepare the final and recommended Statement for the Board’s consideration at its 4 May 2012 meeting.

<b>Resolution 14</b>	<p><i>The outline of the Statement of the Forecast Financial Performance for 2012-15 in Board paper 12/03/0628 should be used as the basis for the final recommendation to the Board on 4 May 2012.</i></p>
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## 5. Significant planning, investment and operational matters

### 5.1 Road Maintenance Taskforce: draft recommendations and next steps

Board paper 12/02/0629

The purpose of this agenda item was to engage the Board on some of the initial or emerging findings of the Road Maintenance Taskforce and NZTA State Highway maintenance reviews. Board members noted that asset management practices in road controlling authorities, including the NZTA, are generally strong but that there are opportunities to increase value for money.

Realising such opportunities will be important if the challenge of constrained funding for these activities are to be met without negatively impacting transport users. Board members stressed the importance of positioning such improvements and changes within the overall sector direction of economic growth and productivity, road safety and value for money. Board members also stressed the importance of engagement and communication with the sector, and sought further information on how various findings from the reviews will be consulted on.

<b>Resolution 15</b>	<p><i>Some of the emerging directions for road maintenance, renewals and operations are noted:</i></p> <ul style="list-style-type: none"><li><i>a. business models used to deliver maintenance, renewals and operations need to adapt;</i></li><li><i>b. procurement practices need to improve and adapt to align with new business models;</i></li><li><i>c. there is a need for improved prioritisation and optimisation through level of service differentiation; and</i></li><li><i>d. advanced asset management practices need to be consistently introduced and supported across the sector and within the NZTA.</i></li></ul>
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## 5.2 Implementation of two new give way rules

Board paper 12/02/0622

The Board received a requested update on the communication and intersection adjustment strategies to support the two give way rule changes (that came into effect on 25 March 2012). Board members sought further assurance that local authorities are making the required changes to intersection layouts, and were otherwise satisfied with (and supportive of) the ongoing and planned actions.

# 6. Setting organisational direction and influencing sector direction

## 6.1 NZTA communications strategy

Board paper 12/02/0624

At its November 2011 meeting, the Board requested that the Chief Executive develop a communications strategy for the NZTA that sets direction, expectations and requirements for all communications activities. The Board reviewed the second draft of the strategy and supported the overall direction being taken (the strategy will be completed using feedback from stakeholders in the annual survey to be conducted in May 2012).

Board members stressed the importance of using the most appropriate media spokespersons (which may be technical experts) and the importance of an underlying principle of ‘truth, honesty and integrity’. The discussion touched on the low awareness of what the NZTA does among the general public (and at times the media) and whether in this respect ‘NZTA’ is a helpful ‘name’ for the organisation. The Board also sought more information on the principles and plans for engagement and communication with Maori.

<b>Resolution 16</b>	<i>The principles and key messages of the draft NZTA Communications Strategy are endorsed subject to the receipt of stakeholder survey feedback in May that will confirm the supporting communication themes and priorities.</i>
<b>Requested action</b>	<i>Present the NZTA's principles and plans for engagement with Maori to the Board at its June 2012 meeting.</i>

## 6.2 Transport sector legislative and policy programme update

Board paper 12/02/0630

The Board received with appreciation the overview of expected policy and legislative changes for 2012-15, including work in progress.

## 7. Quality assurance of key organisational systems, policies and processes

### 7.1 Workforce planning

Board paper 12/02/0620

This assurance paper provided the Board with an overview of the approach to workforce planning within the NZTA. In its reflection the Board sought a stronger link between workforce planning and the organisational development strategy, and in particular the aim to be a 'smart' organisation or 'leader in transport solutions'. Such a link may require greater emphasis on staff capability development in workforce planning.



## 7.2 Quality assurance of work performed on the State Highway network

Board paper 12/02/0619

The Board noted with appreciation the various quality assurance practices that reside within the State Highways function to ensure the work undertaken by our suppliers is of appropriate quality.

## 8. Updates and general business

### 8.1 Operational and communication updates

Board paper 12/02/0612

The Board received and noted the regular updates on media management and the integrated ticketing project, and the requested updates on the Clifford Bay business case evaluation and current use of social media by the NZTA.

Minutes approved by the Chair	<hr/>
Date	____/____/____