



Board Meeting Minutes	
Date & time	1 November 2013, 8.30am – 2.00pm
Location	NZTA Boardroom, Level 2, 50 Victoria Street, Wellington
Attendance	Chris Moller (Chair), Patsy Reddy, Adrienne Young-Cooper, Alick Shaw, Gill Cox, Tony Lanigan, Jerry Rickman and Nick Rogers
Apologies	None
NZTA staff in attendance	Geoff Dangerfield (Chief Executive) Colin Crampton (GM Highways & Network Operations), Dave Brash (GM Planning & Investment), Ernst Zöllner (GM Strategy & Performance & Board Secretary), Sara Broadhurst (GM, People & Capability), Jenny Chetwynd (Regional Director, Central) and Stephen Town (Regional Director, Northland and Auckland) Clare Sinnott (Project lead, FAR review)

1. Introduction and governance matters

1.1 Apologies

All Board members attended the meeting.

1.2 Confirmation and overview of the agenda

The agenda was accepted as circulated.

1.3 Declarations of conflicts of interest

The schedule of Board members' interests was noted as tabled, and no additional declarations were made.

1.4 Draft minutes from the 16 August and 20 September 2013 Board meetings.

These minutes were confirmed as tabled.

Resolution 1	<i>The draft minutes of the 16 August and 20 September 2013 Board meetings are a true and accurate record of the meetings.</i>
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1.5 Progress on actions requested at previous meetings

Progress on all the actions was noted.

1.6 Report-back from the Audit, Risk and Assurance Board Committee meeting held on 31 October 2013

Jerry Rickman highlighted some of the items addressed at the committee meeting, and noted that the Agency's new auditors from KPMG were introduced to the Committee at the start and attended the remainder of the meeting.

- **Risk assurance update report.** The committee was advised of recent activity with respect to the risk management, assurance and business continuity work completed or planned by the Risk Assurance team. Discussion included a need to ensure that the shared services support to other transport agencies does not put at risk the Transport Agency's own priorities, and that the Agency is not exposed to unnecessary risks when undertaking this work; this may need addressing in an MOU.
- **Risk profile and management.** The Committee received a verbal presentation on the risk management strategy of the Strategy, Communications and Performance Group. Ernst outlined how the group manages three key risks in relation to each of its three goals: 1. define the Agency's strategic direction; 2. assess and report performance against strategic direction; and 3. maintain and build the Transport Agency's external reputation.
- **Business and information system risk update report.** The Committee was advised of recent activity with respect to current business and information systems.
- **State highway valuation process.** The Committee was advised about progress in improving State highway inventory information. Work as part of the Operations and Maintenance review over the next three years will provide the opportunity for a 'stock-take' of the state highway assets and improving recording in the various asset databases (including RAMM). This will in turn give rise to an overall improvement in the valuation process.
- **Financial report.** The Committee was informed about progress of some key financial management initiatives, particularly SAPenable and reporting standards for public benefit entities.
- **State Highway 94: health and safety review.** Cos Bruyn (Chief Executive of Downer) gave a presentation about the workplace fatality of a road worker on State Highway 94 in 2012 and discussed the lessons learnt and actions taken. A particular point noted was that, after an event like this, there may be immediate safety issues that can be drawn to the attention of all those working in this sector.

- **Insurance programme renewal.** The Committee was provided with an overview of the Transport Agency’s insurance programme in terms of its coverage, uninsured risks and value. Committee members focussed specifically on progress on the Transport Agency’s Christchurch earthquake claim; the need to tender for insurance brokerage services was identified as an opportunity that need to be taken.

1.1 Report-back from the Investment and Operations Board Committee meeting held on 31 October 2013

Alick Shaw highlighted some of the items addressed at the committee meeting.

- **Capital project reporting – enhanced approach.** The Committee gave feedback on the quarterly report summarising progress on capital projects in the 2012-15 NLTP. This report was developed at the request of the Committee at its July 2013 meeting. Committee members expressed a range of views about the format, including what the ‘cut off’ for the inclusion of projects should be. Overall the Committee supported the scope and contents of the report. The Committee also discussed the importance of the Board’s Significance Policy being applied as intended, and asked the Chief Executive to ensure that this occurs at all times.
- **One Network Road Classification – progress update.** Committee members supported the key elements of the framework, and stressed the importance of applying the proposed levels of service to all new roads, including those developed by the private sector.
- **Urban design: our approach.** The Committee received a briefing on the Agency’s position on urban design as set out in *Bridging the Gap: NZTA urban design guidelines*. The Committee was very supportive of this work, and in particular that it applies a definition of urban design that incorporates urban form and structure. In relation to landscape design and public art, Committee members in particular supported the transformation of ‘ordinary’ infrastructure elements through the application of appropriate design processes.

- **Crash Analysis System (CAS) – value for money.** In response to a request made at the May Board meeting, the Committee received the value for money case behind the strategy to improve the Crash Analysis System (CAS). The Committee noted that the 5-year strategy aims to make this critical road safety data source more reliable, cost effective and accessible. Expressions of interest in a new software system will be invited in November 2013. The Committee requested that the Chief Executive include progress with the CAS software replacement in his regular reports to the Board.
- **Maintenance and operations review – update and post implementation results.** The Committee received a progress report on the significant change programme to increase the efficiency and effectiveness of State highway operations and maintenance, including responding to the holding of current budgets to 2011/12 levels. The Committee focused on the three key highlighted risks and how these could be best mitigated.

2. Chief Executive's matters

2.1 Chief Executive's report

Board paper 13/11/0761

Flowing from his regular report the Chief Executive discussed key strategic and operational matters with the Board, including:

- the development of integrated transport network operating plans for the main metropolitan areas
- progress on developing the Auckland accelerated transport programme and with the roll-out of integrated ticketing in Auckland
- mitigating the impact of the Western Ring Route construction on motorists and public transport users
- reasons for the lower than forecast bus patronage growth in Auckland, and initiatives underway to encourage the use of public transport
- the introduction of the '50 MAX' permitting system for heavy trucks, the productivity benefits this would generate, and the overall positive response from road controlling authorities
- the good progress being made by the Road Efficiency Group, and in particular by the best practice asset management stream of work
- progress on the Christchurch recovery, and in particular the new governance arrangement for the horizontal infrastructure rebuild
- as requested at the last meeting, factors that may be contributing to the increase in road trauma (per capita) of older road users
- our staff engagement results compared to other leading NZ state sector organisations.

Resolution 2	<i>The Chief Executive's Report for October 2013 is received.</i>
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2.2 Progress against the 2013-16 Statement of Intent: quarter ending 30 September 2013

Board paper 13/11/0756

The Board reviewed the Agency’s progress report for the first quarter of 2013/14.

Resolution 3	<i>The report of performance against the 2013-16 Statement of Intent for the period ended 30 September 2013 is received.</i>
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3. Setting sector and organisational direction

3.1 Our role and responsibilities in health and safety

Board paper 13/11/0758

The discussion on the proposed health and safety policy for the Transport Agency focussed on the definition of some of the key concepts such as “zero harm” and the obligations regarding “health” in the workplace. The bounds of the proposed policy were also discussed in terms of the obligations towards road users regarding construction sites as workplaces and general use of road networks. The Board requested that the wording of the draft health and safety policy be considered further in light of the discussion and that it is discussed again at the December Board meeting.

Resolution 4	<i>The good governance guidelines for Board member responsibilities in relation to health and safety (as developed by the Institute for Directors in NZ and the Ministry of Business, Innovation and Employment) are received.</i>
Requested actions	<p><i>That the Chief Executive:</i></p> <ul style="list-style-type: none"> • <i>revise the draft health and safety policy for the Transport Agency in light of Board feedback, and presents it for consideration at the 13 December Board</i>

	<p><i>meeting</i></p> <ul style="list-style-type: none">• <i>ensures that the Board receives the appropriate information and advice to enable it to discharge its responsibilities under the good governance guidelines outlined in this report</i>• <i>updates the Board on their responsibilities as the new health and safety legislation is developed.</i>
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3.2 Health and safety in employment: assessment and performance reporting framework

Board paper 13/11/0763

The Board considered the steps that the Agency is taking to manage our health and safety obligations, and agreed to the proposed three-part framework for future quarterly health and safety reporting. The Board requested that visitors to our offices and construction sites be explicitly incorporated in the framework, as highlighted in the revised resolution.

Resolution 6	<p><i>The NZ Transport Agency will apply a three-part reporting and assurance framework for health and safety matters relating to: (1) our employees and visitors; (2) acting as principal to contracts; and (3) as a regulator of the land transport system.</i></p>
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3.3 Statement of Intent for 2014-18

Board paper 13/11/0760

The Board’s re-confirmed the NZ Transport Agency’s goals, objectives and priorities and related indicators and targets for the 2014-18 Statement of Intent. This signals a continuation of the current organisational direction and priorities. Board members requested that the progress indicators in relation to the ‘delivery highway solutions for customers’ be reviewed, and in particular what the appropriate indicators are to assess performance on resilience and social and environmental responsibility.

Resolution 7	The longer term direction for the NZ Transport Agency is:	
	Long Term Goal	Medium Term Objectives
	1. Integrate one network for customers	1. Integrate land uses and transport networks to shape demand at national, regional and local levels
		2. Integrate national and local transport networks to support strategic connections and travel choice
		3. Improve freight supply chain efficiency
	2. Shape smart transport choices	4. Implement the Safe System approach to create a forgiving land transport system that accommodates human error and vulnerability
		5. Incentivise and shape smart and efficient travel choices using a customer-focused approach
		6. Reduce costs for transport users through better regulation and willing compliance
	3. Deliver highway solutions for customers	7. Greater resilience of the state highway network
		8. Deliver consistent levels of customer service that meet current expectations and anticipate future demand
		9. Plan for and deliver the Roads of National Significance
	4. Maximise returns for New Zealand	10. Align investment to agreed national, regional and local outcomes, and improve value for money in all we invest and deliver
		11. Ensure effective and efficient co-investment with our partners
		12. Explore innovative revenue pricing and financing approaches that enhance the value delivered by land transport investments

Resolution 8	The shorter term priorities for the NZ Transport Agency are:	
	Priority 1. Putting customers at the heart of our business	
	Key Indicator	Target
	Average Gallup score for staff who identify their team uses feedback from customers to improve our services	2012 Baseline - 3.68 2016 Target - 4.05
	Priority 2. Making the most of urban network capacity	
	Key Indicator	Target
	Network productivity – vehicle speed and flow on urban networks in Auckland.	2012 Baseline 68% 2016 Target 68 - 70%
	Value Add of Achieving Target	
	\$60 million in social and operating cost savings by 30 June 2016	
	Priority 3. Moving more freight on fewer trucks	
	Key Indicator	Target
	% of travel by high productivity motor vehicles (HPMV) as a total heavy vehicle kilometres travelled	2012 Baseline – 13% 2016 Target – 30%
	Value Add of Achieving Target	
	\$150 - 195 million cost savings to freight sector by 30 June 2016	
	Priority 4. Safe speeds to reduce deaths and serious injuries	
	Key Indicator	Target
	Number of deaths and serious injuries on open (80km-100km/h) roads	2012 Baseline - 1,353 2016 - 1,107
	Value Add of Achieving Target	
	\$650 million in social cost savings by 30 June 2016	

	Priority 5. Efficient road maintenance investment and delivery	
	Key Indicator	Target
	Programmed savings in maintenance and operations activity in 2012-15 NLTP	\$210 million by 30 June 2016
Requested action	<i>That the current progress indicators for State highway resilience, as well as social and environmental responsibility, be reviewed to ensure they are the most appropriate indicators for 2014-17.</i>	

3.4 2015-18 National Land Transport Programme – timeframes, processes and key decisions

Board paper 13/11/0762

The Board considered the proposed timetable and engagement plan for the development of the 2015-2018 National Land Transport Programme (NLTP), and agreed to the proposed dates and approach.

Resolution 9	<p><i>The key dates for the development of the 2015-18 NLTP will be:</i></p> <ul style="list-style-type: none"> • <i>the Transport Agency will adopt the 2015-2018 NLTP by 30 June 2015</i> • <i>regional transport committees will submit final regional land transport plans to the Transport Agency by 30 April 2015</i> • <i>regional transport committees will publish regional land transport plans by 31 July 2015.</i>
Requested action	<i>That management engages with the Board on the development of the 2015-2018 NLTP as set out in the proposed timetable.</i>

3.5 Funding assistance rates (FAR) review – testing our current thinking

Board paper 13/11/0759

The Board considered three principles that will underpin the development of new funding assistance rate options, for consultation with local authorities and the wider sector. These address the principle of a 50-50 (or thereabouts) co-investment framework; that the ability to raise local share will then be used to set individual local authority co-investment rates above or below 50%; and, more specifically, that emergency work funding assistance rates should not be used to fund events that should reasonably be expected to be planned for.

Resolution 10	<p><i>The development of detailed options for implementing the provisional funding assistance rates framework will:</i></p> <ul style="list-style-type: none"><i>include a currently preferred option of setting the overall National Land Transport Fund (NLTF) co-investment rate at 50%</i><i>concentrate on differences in local authorities' ability to raise the local share of the costs of achieving land transport outcomes, rather than factors that relate to differences in costs between local authorities, when determining which councils get funding assistance rates higher than the overall co-investment rate</i><i>only apply elevated emergency works funding assistance rates to costs arising from natural events that are rare, or are unusually large in magnitude or severity, for the area.</i>
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4. Quality assurance of key organisational systems, policies and processes

4.1 Improving the Transport Agency’s rail safety regulator function

Board paper 13/11/0764

An independent review of the Transport Agency’s rail safety regulatory function identified both good practices and areas for improvement, and the Board considered the appropriateness of the Agency’s response.

Resolution 11	<i>The findings of the independent review of the Agency’s rail safety regulatory function and the actions to be undertaken in response are noted and supported.</i>
Requested action	<i>That the Chief Executive provides a progress update on the rail safety action plan to the 2 May 2014 Board meeting</i>

5. Significant planning, investment and operational matters

5.1 Transmission Gully public private partnership - update

Board paper 13/11/0757

The Board discussed progress on the project, and in particular the performance of the outcome based public private partnership (PPP) model now that tenders have closed for the Transmission Gully project. A special Board meeting will be held on 29 November 2014 to consider the tenders and select a preferred respondent, if there is a qualifying bid.

6. Other updates and general business

6.1 Media update

Board paper 13/11/0755

The Board noted the update on media events.

6.2 Operational updates

Board paper 13/11/0765

The Board received requested updates on the National Land Transport Revenue forecast as well as a region-by-region comparison of transport operator compliance performance. The Board also dealt with a procedural matter regarding the delegation to and authorisation of agents.

Resolution 12	<p>The New Zealand Transport Agency Board:</p> <ol style="list-style-type: none">a. Approved the ratification of the exercise of driver licensing functions, vehicle licensing and transaction services, and the issue of RUC licences by the Tasman District Council from 31 August 2013 to the date the Instrument of Ratification at Attachment 1 is signed.b. Approved the delegation of functions and powers relating to driver testing and licensing services to Tasman District Council, as set out in the Instrument of Board Delegation at Attachment 2.c. Approved the delegation to the Tasman District Council to issue RUC licences set out at Attachment 3.d. Approved the delegation of functions and powers relating to driver testing and licensing services to Chatham Islands Council, as set out in the
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	<p>Instrument of Board Delegation at Attachment 4.</p> <p>e. Approved the delegation to the Chatham Islands Council to issue RUC licences set out at Attachment 5.</p> <p>f. Authorised the Chair of the Board to sign the Instrument of Ratification at Attachment 1, the Instruments of Board Delegation at Attachments 2, 3, 4, 5.</p>
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6.3 General business

The Board noted the draft agenda for its 13 December meeting in Auckland, and the Chair also introduced the need for a short review of the Board’s committee structure, delegations and how the committees operate.

Requested action	<i>That the Board Secretary undertakes a review of the Board’s committee structure and delegations, and presents his recommendations to the 13 December 2013 Board meeting.</i>
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Minutes approved by the Chair	_____
Date	____/____/____