



Board Meeting Minutes	
<b>Date &amp; time</b>	2 April 2015, 8.30am – 10.30am
<b>Location</b>	Co-operative Building Boardroom, Level 9, 20 Ballance Street, Wellington
<b>Board Membership</b>	Chris Moller (Chair), Dame Patsy Reddy (Deputy Chair), Adrienne Young-Cooper, Gill Cox, Jerry Rickman, Nick Rogers, Tony Lanigan and Mark Oldfield
<b>Apologies</b>	None
<b>NZTA staff in attendance</b>	<p>Geoff Dangerfield (Chief Executive)                      Dave Brash (GM Planning &amp; Investment), Tommy Parker (GM Highways and Network Operations), Celia Patrick (GM Access and Use), Jenny Chetwynd (GM Strategy, Communications &amp; Performance and Board Secretary) and Allan Frost (GM Organisational Support)</p> <p>Brandon Mainwaring (National Manager Accountability &amp; Performance), Peter Casey (Regional Manager Auckland Northland and National Manager, Investment Development), Douglas Robertson (Investment Framework Manager) and Tony Fisher (Programme Director PPP) for specific items.</p>

## 1. Introduction and governance matters

### 1.1 Apologies and welcome

All Board members attended the meeting.

### 1.2 Confirmation and overview of the agenda

The agenda items were accepted as circulated.

### 1.3 Declarations of interest

Nick Rogers declared his interest in Tonkin and Taylor.

### 1.4 Draft minutes from the 5 March 2015 Board meeting

<b>Resolution 1</b>	<i>The draft minutes of the 5 March 2015 Board meeting are a true and accurate record of the meeting.</i>
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## 2. Chief Executive's report & progress against plan

### 2.1 Chief Executive's report

Board paper 15/04/0906

As part of the regular CE's briefing, Board members specifically discussed:

- The Canterbury Mayoral Forum's request for the Minister of Transport to review the governance arrangements for public transport in greater Christchurch, focussing on possible outcomes of any review and the relationship between Environment Canterbury and the Christchurch City Council.

- The preparation for the designation process for an additional Waitemata Harbour Crossing in Auckland. Members noted that this preparation work was re-invigorating a process started by the Agency several years ago but which was put on hold with the Agreement of the Auckland City Council. Members canvassed issues around the timing of the project, noting that the process, timeline and Board decision making points would be outlined in a paper at their meeting on 8 May 2015.

**Resolution 2**

*The New Zealand Transport Agency Board **received** the Chief Executive's Report.*

**2.2 Financial Reports for the Transport Agency and NLTF for the 8 months to the end of February 2015**

**Board paper 15/04/0911**

Allan Frost updated the Board on the finances of the Transport Agency and the National Land Transport Fund for the eight months ended 28 February 2015. He noted specifically two areas of interest, being the underspend on the Christchurch Earthquake recovery and the progress with the State Highways Improvement Programme.

Board members canvassed possible reasons behind the underspend with the Christchurch Earthquake recovery activity and noted the efforts of the Agency in encouraging efficient claiming behaviour by the Agency's partner organisations. Members discussed the progress on the state highways programme and the end of year budget position, and noted that this is a product of both timing in a large capital programme, and of stretch targets that the Board sets for the Agency. Members discussed the actions being taken to bring some projects forward.

**Resolution 3**

*The NZ Transport Agency Board **noted** the financial performance and position of the Transport Agency and NLTF for the eight months ended 28 February 2015.*

### 3. Setting sector and organisational direction

#### 3.1 Proposed budget principles and draft NZTA budget for the 2015-19 SPE

Board paper 15/04/0914

Allan Frost summarised the key points in the draft NZTA operational budget including proposed business initiatives for the 2015-19 Statement of Performance Expectations.

Board members canvassed issues around the nature of this budget and the pressures on the Agency's operating expenditure in 2015/16. They noted that some of these reasons were unavoidable such as increased levels of demand-driven services and the larger delivery programme arising from the approximately \$400m of additional Government funds outside of the National Land Transport Fund to deliver the Auckland Accelerated Package, the Accelerated Regional State Highway Package, and the Urban Cycleways initiatives. Board members were satisfied the budget was well based.

<b>Resolution 4</b>	<i>The New Zealand Transport Agency Board reviewed and <b>approved</b> the proposed 2015-2018 NZTA operational budget.</i>
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#### 3.2 NLTP development decisions – endorsement of indicative investment levels for programmed activities

Board paper 15/04/0913

Dave Brash outlined the key issues with the indicative investment levels for programmed activities in the 2015-18 National Land Transport Programme (NLTP). He highlighted the Agency's scrutiny over all approved organisations' asset management plans to ensure that their road maintenance requests are reasonable and evidence based. He also drew Board members' attention to the Funding

Assistance Rate decisions made last year by the Board and how they have removed any potential local authority bias towards capital projects.

Members discussed areas of any potential gaps between expectations and indicative investment levels, and canvassed the processes followed by the Agency in developing Regional Land Transport programmes in different parts of the country.

Members also discussed the extent of the Agency’s liaison with rural and provincial councils across the country, noting the regular contact with Local Government New Zealand’s Rural and Provincial sector group, and the intent to brief them specifically on the Board’s indicative and final NLTP decisions. Board members requested that they be kept apprised as this develops.

Members sought and received clarification that the key reason for the increase in the maintenance budget for state highways was due to the relative high growth in state highway networks compared to local roads, and the maintenance requirements implications of this. Members noted that this issue will need to be communicated deliberately.

<b>Resolution 5</b>	<i>The NZ Transport Agency Board:</i>  <i>a) <b>Endorsed</b> the following indicative investment levels for Approved Organisations and the Transport Agency for public transport service, road safety promotion, and local road and state highway maintenance programmes in the 2015-18 NLTP:</i>
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<b><i>Programme</i></b>	<b><i>Indicative investment level \$ million</i></b>
<i>Public transport services - investment in existing public transport services and operation, excluding infrastructure and service improvements.</i>	890
<i>Road safety promotion – investment in road safety promotion programmes by Approved Organisations and Transport Agency groups.</i>	102
<i>Local road maintenance – investment in operation, maintenance and renewal of existing local roads, excluding emergency works.</i>	1,427
<i>State highways maintenance – investment in operation, maintenance and renewal of existing state highways, excluding emergency works.</i>	1,530

b) **Agreed** to advise each Approved Organisation of the indicative investment levels for each of its programmes, to assist with development of its Long Term Plan.

c) **Noted** that the indicative investment levels for the four programmes have been developed through an optimisation process that has ensured they will deliver ‘fit for purpose’ levels of service on a sustained basis.

### 3.3 2015-18 NLTP – engagement and communications approach for public launch

#### Board paper 15/04/0910

Jenny Chetwynd outlined the proposed approach to engaging and communicating with stakeholders once the NLTP is considered and approved by the Board in June 2015, drawing Board members' attention particularly to the intention to involve Regional Transport Chairpersons in telling the total transport investment story from a regional perspective, and that this was a change from the Agency's previous approach.

Board members noted that these engagement initiatives provided a useful opportunity to ensure our stakeholders understand the Crown funding context around the Auckland Accelerated Package, the Regional Accelerated State Highway Package and the Urban Cycling initiatives, and how this Crown investment sits alongside and is optimised with road user and ratepayer transport investments.

Board members also noted the importance of communicating clearly to stakeholders how the Regional Accelerated Programme has developed, and what this looks like on a region by region basis.

<b>Resolution 6</b>	<i>The New Zealand Transport Agency Board <b>noted</b> the proposed approach to engaging and communicating with our stakeholders once the NLTP is approved by the Board in June 2015.</i>
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### 3.4 Draft Statement of Intent 2015-19

#### Board paper 15/04/0912

Jenny Chetwynd summarised the content of the draft Statement of Intent (SOI), highlighting specifically the new content around the refreshed priorities and results. She outlined the process followed to develop the draft Sol, noting previous conversations the Board has had on this topic.

Board members canvassed and requested various changes to the content of the refreshed priorities with a specific focus on ensuring the priorities were well positioned and the intent was clear.

Members noted their satisfaction with the document regarding the processes followed to develop the content, and that it presented sufficient stretch in the goals and targets to ensure a high performing organisation.

<b>Resolution 7</b>	<i>The NZ Transport Agency Board <b>noted</b> the draft SOI key content: specifically the Agency’s operating intentions framework, finalised priorities, and approach for following through on SOI 2013-16 commitments, that will be put before the Board for approval on 17 April 2015.</i>
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### 3.5 Motor vehicle registration and licensing delegations

**Board paper 15/04/0909**

Allan Frost outlined the need for Board approval of an instrument of delegation to staff of functions and powers of the Registrar of Motor Vehicles; and an instrument of authorisation to certified users to issue licenses, certificates of registration and registration plates for motor vehicles.

Board members noted the key change being that the delegation is no longer time bound.

<b>Resolution 8</b>	<i>The NZ Transport Agency Board <b>approved and authorised</b> the Chair to sign the following instruments:</i> <ul style="list-style-type: none"><li>• <i>Motor Vehicle Registration – instrument of delegation from Board to staff.</i></li><li>• <i>Motor Vehicle Registration – instrument of authorisation from Board to “certified users”.</i></li></ul>
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## 4. Quality assurance of key organisational systems, policies and processes

### 4.1 Health and Safety Due Diligence – guidance for site visits

Board paper 15/04/0908

Allan Frost summarised the guidance on how to actively demonstrate a commitment to due diligence required by the upcoming Health and Safety Reform Bill, particularly when visiting NZTA project construction sites.

Board members noted that this information had been provided in response to their request at their meeting on 12 December 2014 for additional guidance on the types of health and safety issues they need to look for and discuss when carrying out site visits. Members expressed their satisfaction with the guidance and noted a need to revisit this guidance at regular intervals.

<b>Resolution 9</b>	<i>The NZ Transport Agency Board <b>noted</b> the requirement to actively demonstrate a commitment to due diligence in the upcoming Health and Safety Reform Bill, and the guidance provided on how to discharge this responsibility including the importance of wearing the correct personal protective equipment and participating in site induction processes when visiting any physical works site or state highway works.</i>
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## 5. Significant planning, investment and operational matters

### 5.1 Puhoi to Warkworth Public Private Partnership – update on procurement process and optimisation of borrowing capacity

Board paper 15/04/0907

Tommy Parker updated the Board on the Agency’s recent work in strengthening the assessment of the value for money case for progressing the Puhoi to Warkworth project as a Public Private Partnership (PPP).

Members noted that applying a PPP model was not a one size fits all approach. They discussed issues ranging from process documentation to managing debt, the opportunity to build on the lessons learnt in the application of a PPP to Transmission Gully, and the opportunity to explore [REDACTED]

9(2)(b)(ii)

Members canvassed issues around the development of the public sector comparator, noting its importance, as the final analysis and decision to proceed with a PPP depends on the financial position relative to the public sector comparator. Members requested advice on how this will be calculated, and the associated risk and sensitivities of doing this in the absence at this stage in the project of a specimen design.

<b>Resolution 10</b>	<i>The NZ Transport Agency Board:</i> a. [REDACTED] 9(2)(b)(ii)
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	<p style="text-align: center; color: red;">9(2)(b)(ii)</p> <p>b. <i>noted the updated approvals process for the Puhoi to Warkworth PPP</i></p>
<p><b>Requested Action</b></p>	<p><i>That the NZ Transport Agency Board is provided with advice on how the public sector comparator will be calculated.</i></p>

## 6. Other updates and general business

### 6.1 Media and Communications updates

Board paper 15/04/0905

Jenny Chetwynd provided Board members with the regular update on media events.

### 6.2 Draft agendas for 17 April 2015 Special Board meeting, 8 May 2015 I&O Board Committee meeting and 8 May 2015 Board meeting

The Board noted the draft agendas for April and May 2015.

### 6.3 General Business

Board members expressed their thanks to Raewyn Bleakley, Central Regional Director, and the Central Region team for a successful and informative regional site visit. They especially appreciated seeing the progress made on the MacKays to Peka Peka Expressway Project, and seeing first-hand how effective the project Alliance arrangement has been in the delivery of this project, particularly in the strength of the relationships that have been developed with the Kapiti community, the Kapiti Mayor and Chief Executive, and with tangata whenua.

Board members noted the issues associated with the Petone to Grenada project, and the assessment of options. Members requested an update at their next meeting on the progress made in refining the options to address the predicted increase in traffic flow on State Highway 1 north of Tawa, once the Transmission Gully and Petone to Grenada Link Roads are completed.

<b>Requested Action</b>	<i>That the NZ Transport Agency Board receives an update at its meeting on 17 April 2015 on progress made in refining the options to address the predicted increase in traffic on SH1 north of Tawa, once Transmission Gully and the Petone to Grenada Link Road are completed.</i>
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<b>Minutes approved by the Chair</b>	_____
<b>Date</b>	____/____/____