



Board Meeting Minutes	
<b>Date &amp; time</b>	8 May 2015, 1.00 – 3.30pm
<b>Location</b>	NZTA Boardroom, Level 2, 50 Victoria 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), Allan Frost (GM Organisational Support) and Jenny Chetwynd (GM Strategy, Communications &amp; Performance and Board Secretary).</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), Bob Alkema (National Manager Investment), Coral Aldridge (NLTP Development Project Manager), Craig Soutar (Chief Information Officer), Shane Avers (Commercial &amp; Financial Manager), Chris Young (National Manager Network Directions &amp; Performance)</p>
<b>Invited Guests</b>	Dave Cliff, Assistant Commissioner Road Policing, NZ Police

## **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 2 April 2015 Board meeting**

<b>Resolution 1</b>	<i>The draft minutes of the 2 April 2015 Board meeting and 17 April 2015 Special Board meeting are true and accurate records 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 8 May 2015 Investment and Operations Board Committee report**

Adrienne Young-Cooper presented one resolution from the Investment and Operations Committee to the Board relating to Cycling – The Agency’s Role, Our Work Programme and Shaping up the Cycling Investment Programme for the 2015–18 NLTP (Committee Paper 15/05/147).

Adrienne drew Board members' attention to the possibility of an announcement by the Minister of Transport for the Urban Cycleways Programme late in June 2015, and the need to align this announcement with the Board's decisions on the NLTF cycleway investments for 2015–18. The Board discussed this and resolved as follows:

<b>Resolution 2</b>	<i>The NZ Transport Agency Board <b>endorsed</b> support for the early communication of the 2015-18 National Land Transport Programme cycling investments.</i>
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**1.7** Adrienne also provided a summary of the remaining issues canvassed by the Investment and Operations Committee, noting that most of the matters discussed were items to keep the Committee informed and up to date as key policy initiatives developed. She noted the significant work on the Investment Decision Making Review, and that changes to this framework will be considered by the Board at a later date.

**1.8 8 May 2015 Audit, Risk and Assurance Committee report**

Jerry Rickman provided a summary to the Board of the matters considered by the Audit, Risk and Assurance Committee. He noted that KPMG were about to commence the audit programme for the year. He also outlined the emerging thinking in potential changes to the Transport Agency's approach to assurance. He noted the significant workload with the IS Portfolio, noting that progress on some of the initiatives in that portfolio is slower than anticipated but that this was not a cause for concern at this point. He also noted the need to action some of the Audit recommendations to ensure they are completed by 30 June 2015. The good progress with disaster recovery readiness testing was highlighted as was the progress with the review of credit card payment arrangements, noting particularly that the Transport Agency is leading the sector in this area.

## 2. Chief Executive's report & progress against plan

### 2.1 Chief Executive's report including progress against the 2014–18 Statement of Intent – quarterly report for the period ending 31 March 2015

Board paper 15/05/0919

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

- The organisation's focus on developing the 2015–18 draft National Land Transport Programme for the Board's consideration in June 2015, noting that the external context within which this programme is being developed is more complex than in recent years. Members canvassed the importance of regional issues, both in how they are reflected in the draft NLTP and how they are communicated.
- The upcoming milestones in the application of the Public Transport Operating Model as the Transport Agency moves into approving requests for tender documents for the Greater Wellington Regional Council rail operator tender and the Auckland Transport bus services tendering for South Auckland. Members canvassed the challenges in getting the right balance between the principles of PTOM and levels of service, and potential market reactions.
- The implementation of Integrated Ticketing around the country, noting particularly the most significant progress is being made with the recently established regional consortium, and that this is emerging as an effective example of collaboration.
- The continued focus on rail safety, canvassing recent progress at KiwiRail towards a safety culture, noting significantly more change is still needed. Members also canvassed the rail safety obligations and responsibilities on the Transport Agency's Board through the Workplace Health and Safety legislation.

- The performance by the Transmission Gully Design and Construction sub-contractor in environmental compliance. Members noted the work being done by the Transport Agency with the local councils to improve the interface between councils and the contractor.
- Progress made with the Petone to Grenada project, noting the recent decisions of the Wellington City Council and Greater Wellington Regional Council and the different approaches to their support for and involvement in the project. Board members noted that their next discussion on this matter will be to consider a macro-scope options report in preparation for a decision on the preferred alignment.
- The first phase of transport projects for an “Accessible City” in Christchurch, noting that this is progressing to schedule and includes the development of the new bus interchange.
- The transition to the new provider for practical driver testing services, noting the commencement of VTNZ’s contract and the recent reduction in waiting list times, with further reductions expected. Board members noted the incentives put in place by the Transport Agency to achieve these service lifts.
- The Transport Agency’s recent Gallup Survey results, noting the lift in Gallup scores and that these results will provide valuable insights into further improvements that can be achieved.

Members also discussed a recent incident at the Waterview project where faulty concrete was identified and the subsequent reporting of this in the media. Members sought clarification of any risks to the project, including delays. Members received assurance that the issue had been identified in time to ensure all structural components using the faulty concrete are to be replaced and that quality and the delivery programme will not be compromised. There will be no cost to the Agency.

The CE then provided Board members with an overview of the Quarterly Results and Insights Report for January to March 2015, noting that it was an exception report as is the practice in Quarter 3. He drew members’ attention to the fact that the targets were set as stretch targets and the need to review Quarter 3 progress assessments in this light.

Members canvassed overall progress, noting the challenges around making progress with the One Network Road Classification and in the delivery of the extensive State Highway Programme. They particularly discussed and noted:

- The differences between on time and on budget project reporting between the Transport Agency (for its State Highway projects) and local government, the nature of the investment partner story that this is highlighting, and opportunities and risks around leveraging our project management expertise to assist local government project delivery.
- The Safer Speeds priority, noting the need to reconsider the approach to automated enforcement, and discussed the links of this work to the need for an effective road policing model.
- The good progress against the Customer priority, noting the need to ensure the delivery of the Transport Agency’s new website remains on track.
- The good progress against NZTA’s Freight priority noting that the Transport Agency is on track to achieve its end of year targets.
- The challenges inherent in the Transport Agency’s priority to make the most of the urban network capacity, noting the role of the 2015–18 National Land Transport Programme in optimising the right investments that can contribute to this outcome, and the good progress in establishing and operating the Wellington Traffic Operations Centre as a joint entity with our transport partners.

<b>Resolution 3</b>	<i>The New Zealand Transport Agency Board <b>received</b> the Chief Executive’s Report including progress against the 2014-18 Statement of Intent – quarterly report for the period ending 31 March 2015.</i>
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## 3. Setting sector and organisational direction

### 3.1 Dave Cliff, Assistant Commissioner Road Policing, NZ Police

Dave Cliff, Assistant Commissioner Road Policing joined the Board meeting to discuss issues around optimising the Road Policing Programme for the 2015–18 period. The purpose of this conversation was to facilitate a fuller understanding of perspectives before the Board considers and makes its decisions on the 2015–18 NLTP at its meeting in June 2015.

Board members canvassed with Dave Cliff issues around achieving value for money in the Road Policing Programme and the opportunities that may be provided to improve this through *Police Excellence: The Future*. Members also canvassed a number of issues around speed including the challenges in ensuring drivers drive at speeds commensurate to road condition and initiatives that can be taken to influence fatalities in a rural setting. Members also inquired into Police thinking around speed enforcement practices as the numbers of cyclists increase on New Zealand's roads.

Dave left the meeting.

### 3.2 2015–18 NLTP development – improvement activities and other programmes

#### Board paper 15/05/0922

Dave Brash outlined the direction of travel for the proposed improvement activities and the Road Policing Programme that will be included in the draft 2015–18 National Land Transport Programme for the Board's consideration at its meeting on 19 June 2015. Board members particularly canvassed:

- The trade-off between efficiency and safety that was emerging across the programme, noting that this trade-off varies by journey and will be fully quantified once all the projects have been assessed and presented in the full draft NLLP 2015–18.
- The two approaches being taken to ensure value for money is achieved across the programme and the reason for either establishing a single threshold, or moving to different thresholds in each

improvement activity class. They also noted that the investment gateways approach used by the Transport Agency means that any project included in the NLTP has already met a reasonable standard.

- The issues associated with the proposed Road Policing Programme, noting that the approach to developing this programme was to specify the high value outcomes sought through the programme, and to expect the Police to make the choices as to how to deliver those outcomes. Members discussed the incentives that the Transport Agency has put in place in the past to achieve an effective programme. They noted that we will only achieve real dividends from this investment by setting clear performance criteria and requiring the Police to deploy their resources to the highest road safety risks. Members noted their support to ring fence part of the funding allocated to the NZ Police to progress the committed, critical and other improvement initiatives, with the balance to be prioritised by NZ Police against the outcomes specified by the Transport Agency.

<p><b>Resolution 5</b></p>	<p><i>The New Zealand Transport Agency Board <b>received</b> the Transport Agency’s report on issues that may impact on improvement activities and the road policing programme in the 2015-18 NLTP.</i></p>
<p><i>Requested Action</i></p>	<p><i>That the New Zealand Transport Agency Board is provided with advice as to how the Transport Agency understands death and serious injury scenarios for different types of investments, and that this is provided when the draft 2015-18 NLTP is presented for Board consideration at its meeting on June 19 2015.</i></p>



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

### 4.1 Delegation to Approved Organisations – funding decisions

Board paper 15/05/0925

Dave Brash outlined the need for the Board to approve an instrument of delegation to approved organisations to make funding decisions for small improvement projects and approve a sub-delegation to the Chief Executive to enter into an agreement with any approved organisation that sets out the terms and conditions of the delegation.

Members canvassed the benefits and risks associated with these instruments of delegation and were satisfied that they were the most effective means of enabling approved organisations to make such decisions.

<b>Resolution 6</b>	<i>The NZ Transport Agency Board <b>approved</b> and <b>authorised</b> the Chair to sign the Instrument of Board Delegation – Approved Organisations.</i>
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### 4.2 Instrument of Board Delegation – Wairoa District Council Maintenance Management of SH38 Unsealed Sections

Board paper 15/05/0921

Tommy Parker outlined the proposition for the Board to approve a Delegation Agreement allowing Wairoa District Council staff to exercise certain Transport Agency powers and functions for the

purposes of maintaining the unsealed sections of State Highway 38 (SH38), and to authorise the Chief Executive to sign the Delegation Agreement.

Board members noted the benefits of this delegation and the proposals for engaging and communicating with local stakeholders.

<b>Resolution 7</b>	<i>The Transport Agency Board <b>approved</b> the Delegation Agreement – Wairoa District Council Maintenance Management of SH38 Unsealed Sections, and <b>authorised</b> the Chief Executive to sign this delegation.</i>
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## 5. Significant planning, investment and operational matters

### 5.1 Puhoi to Warkworth PPP – update on value for money assurance

Board paper 15/05/0928

Tommy Parker provided an update on the value for money assurance aspect of this project, noting that the key to assurance around value for money was to recognise all the elements that make up a Public Private Partnership: construction, operations and maintenance, financing and the pricing of risk transfer.

9(2)(b)(ii)

<b>Resolution 8</b>	<i>The NZ Transport Agency Board: a. <b>agreed</b> that the Transport Agency’s procurement processes, combined with</i>
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	<p><i>building strong competitive tension, provide a sound platform for ensuring value for money and that the overall cost of capital is appropriate/minimised to risks transferred</i></p> <p>b. [REDACTED] 9(2)(b)(ii)</p> <p>c. [REDACTED]</p>
<p><b>Requested Action</b></p>	<p>[REDACTED] 9(2)(b)(ii)</p>

## 5.2 East West connections

### Board paper 15/05/0924

Tommy Parker outlined the preferred approach for the East West Connections project.

Members discussed the significant transport benefits and environmental outcomes that could be derived from securing a route that deviates away from the existing road. They also noted the consenting risks involved that by pursuing this option may bring in the context of the need for reclamation of the foreshore and the policy objectives of the NZ Coastal Policy Statement and the Proposed Auckland Unitary Plan.

Members also discussed the long timeframe for completion of the connection and sought clarification on issues of staging. Members also noted the importance of dialogue with the

community in communicating the plans for the future of key transport connections through this area, and the appropriateness of a staged approach.

<b>Resolution 9</b>	<p><i>The NZ Transport Agency Board:</i></p> <p>a) <b>Approved</b> a staged complete link between SH1 and SH20 to the north of the Mangere Inlet as the preferred approach for the East West Connections project, to be taken forward for further public consultation and development of a Detailed Business Case; and</p> <p>b) <b>Noted</b> that timing for Stage 3 of the project (to complete the connection west from Captain Springs Road to SH20 and the Neilson Street Interchange) will be subject to ongoing evaluation of demand and benefit thresholds.</p>
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### 5.3 Additional Waitemata Harbour Crossing – route protection

**Board paper 15/05/0927**

Tommy Parker updated the Board on progress with development of the Additional Waitemata Harbour Crossing. He outlined the next steps in progressing to route protection, noting that a Notice of Requirement (NoR) process was initiated in December 2009 but put on hold to allow for more time for investigations into what form the crossing should take.

Board members discussed how to ensure the NoR process is contained tightly to matters relating to route protection only for the future crossing. Members noted the importance of ensuring that any designation secured through the NoR process provides as much flexibility as possible to deliver an optimal design within an environmental envelope, without the need for detailed designs to be

provided at this early stage in the project. Members noted also the need to ensure the NoR and associated communication to stakeholders provides accurate information about the performance expectations of the current Auckland Harbour bridge.

<b>Resolution 10</b>	<p><i>The NZ Transport Agency Board:</i></p> <p>a) <b>Noted</b> progress with the development of the Additional Waitemata Harbour Crossing (AWHC) to complete the route protection and secure the necessary designations</p> <p>b) <b>Noted</b> the estimated cost of the route protection process totals \$27 million, to fund further investigations, preparation of documentation, consultation, and public hearings to secure new designations for the AWHC land-based corridor.</p>
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#### 5.4 Accelerated Regional State Highway package update

**Board paper 15/05/0926**

Tommy Parker updated the Board on progress with the development and delivery of projects within the Accelerated Regional State Highway package, noting that these projects are funded by the Crown directly and are outside the National Land Transport Fund.

<b>Resolution 11</b>	<p><i>The NZ Transport Agency Board:</i></p> <p>a) <b>Noted</b> the progress of the projects within the Accelerated Regional State Highway package</p>
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	<p>b) <b>Agreed</b> that any Tranche 2 projects eligible for inclusion in the NLTP should proceed into the NLTP process but noted that Cabinet may choose to provide a Crown appropriation to accelerate the timing of delivery</p> <p>c) <b>Noted</b> that the Tranche 3 projects are larger and more complex than Tranche 2 and therefore will take longer to investigate; and that in relation to the Rotorua Eastern Arterial project, the Minister has been advised that the Transport Agency will only do minimal further work on investigations until legal issues with the alignment are resolved and the spatial plan is complete.</p>
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## 5.5 Northland Inland Freight Route – reviewing the function of Mangakahia Road

### Board paper 15/05/0923

Tommy Parker outlined the proposal to change the level of service on the Northland Inland Freight Route from arterial to state highway.

Board members canvassed the case for lifting the level of service on this route, noting that this was a one-off assessment for this particular route and not a comprehensive state highway review. Members also noted the route's development and investment history.

Members focussed particularly on the role that the route plays in providing the most efficient link in serving key centres of primary industry and centres of production with North Port. Members also noted the benefits that improved levels of service on this route will bring to the wider network, particularly taking heavy traffic pressure away from the parallel state highway, and in providing a more resilient network for the Northland Region.

Members noted the significant opportunity that this presented to collaborate with the Northland councils to maximise asset management and operation across Northland's network and that a formal

collaboration agreement with the Far North District Council, Kaipara District Council and the Whangarei District Council was essential.

<b>Resolution 12</b>	<i>The NZ Transport Agency Board agreed to <b>support</b> the proposal to lift the level of service on Te Pua Road   Mangakahia Road   Otaika Valley Road   Loop Road North (the Northland Inland Freight Route) to a state highway, subject to the Northland councils: Far North (FNDC), Kaipara (KDC) and Whangarei District Council (WDC); entering into a formal collaborative agreement with the NZ Transport Agency to joint asset management across the Northland network to achieve improved journey management, better resilience and emergency responses, consistency in approach and improved cost effectiveness in delivery of road maintenance activities.</i>
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## **6. Other updates and general business**

### **6.1 Media and Communications updates**

**Board paper 15/05/0918**

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

### **6.2 Draft agendas for 19 June 2015 Special Board meeting, 14 August 2015 I&O Board Committee meeting and 14 August 2015 Board meeting**

Board members noted the draft agendas for June and August 2015. Members noted that a decision as to whether the June 17th Board meeting will be in person or by teleconference will be made and communicated closer to the meeting date, once the extent of papers and supporting material is known.

### 6.3 General Business

Board members raised the issue of the increasing numbers of skateboards being used on footpaths and on roads, particularly in urban areas, and the impacts this can have on road and pedestrian safety. Members requested some advice on this issue at its next meeting.

<b>Requested Action</b>	<i>To provide the NZ Transport Agency Board with advice on the safety impacts of the increased use of skateboards in urban areas.</i>
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<b>Minutes approved by the Chair</b>	_____
<b>Date</b>	----/----/----