



**Board Meeting Minutes**

<b>Date &amp; time</b>	14 August 2015, 8.00am – 12.00pm
<b>Location</b>	Novotel Queenstown Hotel, corner of Marine Parade and Earl Street, Queenstown
<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>	Geoff Dangerfield (Chief Executive), Robert Brodnax (Acting General Manager, Planning and Investment), Tommy Parker (General Manager, Highways and Network Operations), Allan Frost (General Manager, Organisational Support) and Deb Te Kawa (Acting Board Secretary) and Tony Fisher (Programme Director, Public Private Partnerships) for three items.

# 1. Introduction and governance matters

## 1.1 Apologies and welcome

All Board members attended.

## 1.2 Confirmation and overview of the agenda

The agenda items were accepted as circulated.

## 1.3 Declarations of interest

Nick Rogers' standing disclosure regarding Tonkin and Taylor was tabled, together with the procedures for managing the same. No additional conflicts of interest were tabled.

## 1.4 Reflections on previous day

The Chair offered his reflections on the previous day and invited others to do the same. The Board views regional visits as an important opportunity for regional leaders to come together and discuss the transport issues we and they jointly face.

The Chair advised a letter – under his signature – would be sent to Ms Vanessa van Uden, Mayor of Queenstown Lakes District to thank her for her time, and the way and manner in which she advocated for the needs of the people living and working in Queenstown and the Wakatipu Basin. He also asked for the minutes to reflect the Board's thanks and appreciation to Jim Harland and Ian Duncan.

<i>Resolution 1</i>	<i>Acknowledge and thank the Mayor of Queenstown Lakes District for her time and guidance in building the Board's understanding of local transport needs. Note thanks and appreciation to Jim Harland and Ian Duncan.</i>
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### 1.5 Draft minutes from the 8 May 2015 Board meeting and 19 June 2015 Special Board meeting

<i>Resolution 2</i>	<i>The draft minutes of the 8 May 2015 Board meeting and 19 June 2015 Special Board meeting are true and accurate records of the meetings.</i>
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### 1.6 Progress on actions requested at previous meetings

Progress on all the actions were noted.

### 1.7 7 August 2015 Remuneration and Human Resources Committee report

Dame Patsy Reddy reported on the recent deliberations of the Committee. She highlighted the positive shift being made on employee engagement and that it was the Transport Agency's best result so far. She talked about why engagement matters – in particular the correlation between engagement and performance. Dame Patsy also recommended the careers video and zero-harm APP to Board members.

<i>Resolution 3</i>	<i>The Board <b>noted and received</b> the report of the Remuneration and HR Board Committee.</i>
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### 1.8 12 August 2015 Special Audit, Risk and Assurance Committee report

Jerry Rickman provided a summary to the Board on the matters considered by ARA at a Special meeting on 12 August 2015. He advised the ARA had sought and received assurance regarding the annual CFIS submission, as well as the draft letters of representation from the Chair to the auditors.

In addition, Jerry advised progress was being made on embedding the total assurance framework, and the Committee was expecting a further submission at its October meeting.

<i>Resolution 4</i>	<i>The Board <b>noted and received</b> the report of the Special Audit, Risk and Assurance Committee held on 12 August 2015.</i>
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## **2. Chief Executive's report and progress against plan**

### **2.1 Chief Executive's report including progress against the 2014–18 Statement of Intent – quarterly report for the period ending 30 June 2015**

**Board paper 15/08/0941**

As part of the regular Chief Executive briefing to the Board, members canvassed the following issues:

- Positive reaction to both the National Land Transport Programme and the regional visits,
- Implementation of the Safer Journeys strategy to 2020,
- Upcoming report back to Ministers on the Public Transport Operating Model,
- The Auckland Transport Alignment Project between the Government and Auckland Council on the strategic direction for transport in Auckland, as well as issues relating to the role and sequencing for particular projects, and
- Progress made with the Road Policing Programme. On this item the Board noted that the 2015–18 Road Policing Programme was now agreed with New Zealand Police for recommendation to the Minister, and that the 2015/16 level of investment be set at

\$323 million, including the \$8 million approved in the 2012–15 NLTP for new speed cameras, within the total investment over the three year period of up to \$960 million.

The Chief Executive then provided the Board with an overview on the quarter four results. Members discussed a number of the key operating assumptions, particularly around urban network capacity. They discussed the progress in the priority areas of freight, customer focus, integrating the network and efficiency in road maintenance. Members canvassed some of the risks that KiwiRail were carrying as the Government makes decisions relating to role and business models. They also noted the work yet to be done in shaping transport choices and safer speeds. Members then discussed organisational capability. They sought and received assurance on the issue of the Transport Agency fleet vehicles being driven over the speed limit and endorsed management’s approach, including the ongoing disclosure of information to the public. Members also discussed and asked for an update on the agility and innovation project.

<p><i>Resolution 5</i></p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> <li><i>a. <b>Received</b> the Chief Executive’s report;</i></li> <li><i>b. <b>Noted</b> that the 2015-18 Road Policing Programme is now agreed with NZ Police for recommendation to the Minister; and</i></li> <li><i>c. <b>Agreed</b> that the 2015/16 level of investment be set at \$323 million, including the \$8 million approved in the 2012-15 NLTP for new speed cameras, within the total investment of up to \$960 million.</i></li> </ul>
<p><i>Requested Action</i></p>	<p><i>To provide the NZ Transport Agency Board an update on the agility and innovation project.</i></p>

## 2.2 Financial results for 2014/15 financial year

### Board paper 15/08/0945

Allan Frost updated the Board on the financial performance for the 2014/15 year. Noting the advice from the Chair of the ARA Committee, the Board approved the increased operational budget, as well as the carry forward of \$1m of corporate capital budgets.

<i>Resolution 6</i>	<i>The NZ Transport Agency Board:</i> <ul style="list-style-type: none"><li><i>a. <b>Noted</b> the additional costs of \$11.6m which is directly offset by additional revenue and \$1m of PCI compliance costs which are funded from retained earnings;</i></li><li><i>b. <b>Approved</b> the impairment of the Intangible Asset of \$6m;</i></li><li><i>c. <b>Approved</b> the additional unbudgeted personnel, project and property costs of \$2.4m; noting this operational overspend can be funded within the overall Transport Agency’s funding position; and</i></li><li><i>d. <b>Approved</b> the carry forward of corporate capital budgets of \$1m.</i></li></ul>
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## 3. Setting sector and organisational direction

### 3.1 The future shape of New Zealand Transport Ticketing Limited

#### Board paper 15/08/0933

Robert Brodnax updated the Board on the governance arrangements for New Zealand Transport Ticketing Limited (NZTTL). He called attention to NZTTL’s need to navigate some emerging regional

challenges in terms of participation in the national ticketing scheme, as well as broader investment opportunities. Members canvassed the nature of the statutory governance framework on NZTTL as a Crown Entity subsidiary. Members received assurance that the existing policies of the Transport Agency would fully apply to NZTTL, and that would include quarterly reporting to the Board, via the usual regime. Members decided that Gill Cox be appointed as NZTTL Chair and that the Chief Executive of the Transport Agency should continue as a Director of NZTTL.

<p><i>Resolution 8</i></p>	<p><i>The New Zealand Transport Agency Board:</i></p> <ul style="list-style-type: none"> <li>a. <b><i>Agreed</i></b> that the NZ Transport Ticketing Ltd (NZTTL) Board will comprise three members: the Chair (to be a Transport Agency Board member), one director appointed in consultation with Auckland Transport and regional councils, and one other director;</li> <li>b. <b><i>Agreed</i></b> that the process to configure the new NZTTL Board will commence immediately;</li> <li>c. <b><i>Agreed</i></b> that an NZTTL ‘Client Reference Group’ or similar, comprising representatives of Auckland Transport and the regional councils, will be established to provide a forum for engaging and advising the NZTTL Board;</li> <li>d. <b><i>Agreed</i></b> a Transport Agency Board member will Chair the NZTTL Board; and</li> <li>e. <b><i>Agreed</i></b> to continue with the Chief Executive of the Agency as a director.</li> </ul>
<p><i>Requested Action</i></p>	<p><i>To incorporate NZTTL as part of the quarterly reporting process to the Board.</i></p>

## 4. Significant planning, investment and operational matters

### 4.1 Strategic context for key upper North Island journeys (Auckland/Hamilton/Tauranga)

#### Board paper 15/08/0939

Robert and Tommy Parker outlined the context and the Board’s previous consideration of the key journeys in the Auckland, Hamilton and Tauranga triangle. Robert called attention to the upcoming programme of work, and how it would advance the agreed strategy. Tommy signalled that seven business cases were currently in development and would come to the Board over the next 18 months. Members commended the outcomes–approach. Adrienne Young–Cooper asked how emerging trends in transport related technology might impact on this and other programmes of work, and it was noted that the Investment & Operations Committee should receive a briefing on this matter.

<p><i>Resolution 9</i></p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> <li><i>a. <b>Agreed</b> the strategic direction for the transport network in the Waikato and Bay of Plenty regions by continuing to focus on delivering clearly defined outcomes of:             <ul style="list-style-type: none"> <li><i>i. efficient freight supply chains through travel time savings on the key journey from Auckland to Tauranga (via SH1/SH29); and</i></li> <li><i>ii. a reduction in deaths and serious injuries and a predictable journey from Pokeno to Tauranga (via SH2).</i></li> </ul> </i></li> <li><i>b. <b>Noted</b> work is underway on seven business cases over eighteen months to refine the Transport Agency’s broad investment strategy for the upper North Island, including work to clearly define investment outcomes and improve</i></li> </ul>
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	<i>road/rail integration within key journeys; and</i> <i>c. <b>Noted</b> that we will report back to the Board on any refinements to the strategy in late 2016 prior to stakeholder consultation.</i>
<b>Requested Action</b>	<i>To brief the Investment and Operations Committee on trends and impacts of technology on transport networks.</i>

#### 4.2 SH1 Cambridge to Piarere – programme business case

##### Board paper 15/08/0940

Robert and Tommy updated the Board on interregional freight and tourist link for two key journeys: SH1/29 South Auckland to Tauranga via Hamilton and SH1 Hamilton to Waiouru. The Board approved the recommended programme as well as funding to develop two business cases: one that will identify the scope of short term safety improvements; and the other that will focus on longer term improvements.

<i>Resolution 10</i>	<i>The NZ Transport Agency Board:</i> <i>a. <b>Noted</b> the case for change to the SH1 Cambridge to Piarere Corridor has been confirmed to address:</i> <i>i. safety issues in the short term; and</i> <i>ii. long term demand responses.</i> <i>b. <b>Supported</b> the SH1 Cambridge to Piarere Programme Business Case;</i> <i>c. <b>Noted</b> the short term safety improvements project construction cost is</i>
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	<p><i>estimated within a range of \$20 to \$50 million and long term improvements within a range of \$250 to \$550 million; and</i></p> <p><i>d. <b>Approved</b> \$8 million for two Business Cases (\$1.50 million for a detailed business case for short term improvements and \$6.5 million for an indicative/detailed business case for long term improvements) for the Transport Agency’s SH1 Cambridge to Piarere Improvements project.</i></p>
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### 4.3 Connecting Northland – Auckland to Whangarei Corridor Strategy

Board paper 15/08/0942

Nick Rogers re-joined the meeting.

Robert and Tommy briefed the Board on the plan to engage with stakeholders on a draft strategy for the Auckland to Whangarei corridor. Robert drew the Board’s attention to how the draft strategy could deliver a safer, more efficient and resilient journey to support economic growth in Northland. The Board endorsed the draft strategy and agreed the engagement plan.

<i>Resolution 14</i>	<p><i>The NZ Transport Agency Board:</i></p> <p>a. <i><b>Endorsed</b> the draft strategy for the corridor, and to discuss it with the Minister of Transport before we commence the next phase of work;</i></p> <p>b. <i><b>Agreed</b> to engagement with our Treaty Partners and stakeholders on a draft strategy for the Auckland to Whangarei corridor aimed at delivering a safer, more efficient and resilient journey to support the regional economy – and options for delivering on this strategy;</i></p> <p>c. <i><b>Agreed</b> to continue to progress the Puhoi to Wellsford RONS, including</i></p>
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	<p><i>progressing route protection for the Warkworth to Wellsford section;</i></p> <p>d. <b>Agreed</b> to develop a business case that considers safety, resilience, and efficiency along the section between Whangarei and SH15A; and</p> <p>e. <b>Agreed</b> to develop a Programme Business Case for the whole corridor, including SH15A and Wellsford section, and report back to the Board with the outcomes of this work and proposed next steps in mid 2016.</p>
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#### 4.4 Auckland Transport 2015–18 – procurement strategy

Board paper 15/08/0935

Robert invited the Board to endorse Auckland Transport’s 2015–18 procurement strategy. The Board agreed to endorse the strategy and noted the conditions. Given the Chief Executive is a non-voting Director of Auckland Transport, and to avoid any perception of a conflict of interest, the Board directed the authority be delegated to the Group Manager, Planning and Investment.

<i>Resolution 15</i>	<p><i>The NZ Transport Agency Board:</i></p> <p>a. <b>Endorsed</b> Auckland Transport’s Procurement Strategy for the period July 2015 to June 2018, subject to Auckland Transport being able to satisfy the Group Manager Planning and Investment that:</p> <p>i. <i>its proposed variations to the standard supplier selection methods set out in the NZ Transport Agency Procurement Manual represent value for money under section 25 of the Land Transport Management Act 2003 (LTMA), and</i></p>
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	<p><i>ii. consultation with industry has been adequate.</i></p> <p><b>b. <i>Delegated authority to the Group Manager Planning and Investment to formally approve, under section 25 of the Land Transport Management Act 2003, the variations to the NZ Transport Agency Procurement Manual proposed by Auckland Transport, once the conditions in recommendation 15 a (i) and (ii) above are met.</i></b></p>
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#### 4.5 Auckland Northern Corridor – pre-implementation funding

##### Board paper 15/08/0936

Robert and Tommy took the Board through the preliminary findings, including the implementation phase of the Northern Corridor Busway Extension from Constellation station to Albany station as part of the NCI project. Members discussed the project, as well as funding the pre-implementation phase prior to the completion of the detailed business case. They also considered the advantage of including the busway extension as part of the core project.

<i>Resolution 16</i>	<p><i>The NZ Transport Agency Board:</i></p> <p><b>a. <i>Approved \$16.24m to fund the pre-implementation phase of the project;</i></b></p> <p><b>b. <i>Noted that the reasons for this are set out in the Reasons for Recommendation section in Attachment 1;</i></b></p> <p><b>c. <i>Noted that the construction phase of the busway extension is not currently included in the Auckland 2015-18 Regional Land Transport Plan – or, as a result, in the 2015-18 National Land Transport Programme;</i></b></p>
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	<p>d. <b>Agreed</b> to include the busway extension as part of the core NCI construction project, subject to project affordability and value for money being confirmed via the Detailed Business Case which is to be brought to the Board for approval in October 2015; and</p> <p>e. <b>Agreed</b> that the busway extension will be included in the project scope for the purposes of public consultation on the Northern Corridor Improvements project in August 2015.</p>
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#### 4.6 East West connection

Board paper 15/08/0943

Tommy updated the Board on the East West Connection project. He took them through the information on scope and costs for what will be reported to the Minister of Transport.

<i>Resolution 17</i>	<p><i>The NZ Transport Agency Board:</i></p> <p>a. <b>Noted</b> the East West Connections proposed alignment and expected costs as recommended by the draft Detailed Business Case;</p> <p>b. <b>Noted</b> the project can only be afforded in part within the current 10 year plan (without significant reprioritisation); and</p> <p>c. <b>Agreed</b> that the Chief Executive will advise the Minister of Transport on the scope and costs as a means of initiating discussions with government officials on how additional funding may accelerate delivery of the project.</p>
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#### 4.7 Northern Gateway Toll Road Tariff Review

[Board paper 15/08/0944](#)

Geoff Dangerfield took the Board through the proposal to increase toll tariffs on the Northern Gateway Toll Road. The Board sought and received assurance about the methodology and timing. The Board agreed the increases.

<i>Resolution 18</i>	<i>The New Zealand Transport Agency Board <b>agreed</b> to increase the Northern Gateway Toll Road tariffs from \$2.20 to \$2.30 for cars/motorcycles and from \$4.40 to \$4.70 for trucks effective from 1 November 2015.</i>
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#### 4.8 Delivery of the State Highway Programme 2015–18

[Board paper 15/08/0937](#)

Tommy took the Board through the Highways and Network Operations 2015–18 State Highway work programme. He invited them to note the increase in both size and complexity of the programme, and the related delivery risks. The Board discussed the resourcing and planning requirements for the programme and whether enhancements to the procurement strategy are warranted. The Board also sought and received assurance on the mitigation strategies.

<i>Resolution 19</i>	<i>The NZ Transport Agency Board:</i> a. <i><b>Noted</b> the increase in size, and complexity of the portfolio of state highway</i>
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	<p><i>programmes that Highways and Network Operations will progress in 2015-18;</i></p> <p>b. <b><i>Noted</i></b> the delivery risks associated with a programme of this size;</p> <p>c. <b><i>Noted</i></b> our Safety Alliance approach to accelerating the development and delivery of activities from the Safer Roads and Roadsides Programme Business Case; and</p> <p>d. <b><i>Noted</i></b> the collaborative approach being taken across the Transport Agency to ensure we are successful in delivery.</p>
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#### 4.9 Wellington Bus Rapid Transit – indicative business case

**Board paper 15/08/0938**

Raewyn Bleakley updated the Board on the indicative business case on the new rapid bus system for Wellington. She called the Board’s attention to the need to also seek approval of funding for the detailed business case so that the remaining options can be thoroughly investigated, and the preferred option progressed to the planning and design phase. Members also sought and received advice on the costing.

<i>Resolution 20</i>	<p><i>The NZ Transport Agency Board:</i></p> <p>a. <b><i>Supported</i></b> the indicative business case for the Wellington Bus Rapid Transit project, signalling that the case for investment is worthy of development through the detailed business case phase; and</p> <p>b. <b><i>Approved</i></b> detailed business case funding for the Wellington Bus Rapid Transit project from the Local Road Improvement activity class, at a total cost of</p>
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	<i>\$1.5m (and NLTF share of \$750,000), subject to Greater Wellington Regional Council and Wellington City Council confirming availability of their local share.</i>
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## 5. Other updates and general business

### 5.1 Media and Communications updates

Board paper 15/08/0931

Board members were provided with a regular update on media events.

### 5.2 Forward agendas

The draft agendas for 18 September 2015 Special Board meeting, 30 October 2015 ARA, I&O and Board meetings were tabled.

### 5.3 General business

Board members resolved to add an additional meeting to the 2016 calendar.

Minutes approved by the Chair	_____
Date	----/----/----