



**Board Meeting Minutes**

<b>Date &amp; time</b>	11 December 2015, 8.00am – 12.00pm
<b>Location</b>	NZTA, HSBC House, 1 Queen Street, Auckland
<b>Board Membership</b>	Chris Moller (Chair), Dame Patsy Reddy (Deputy Chair), Adrienne Young-Cooper, Gill Cox, Nick Rogers and Mark Oldfield
<b>Apologies</b>	None
<b>NZTA staff in attendance</b>	Geoff Dangerfield (Chief Executive) Dave Brash (GM Planning & Investment), Tommy Parker (GM State Highways and Network Operations), Celia Patrick (GM Access and Use), Ernst Zöllner (Regional Director Auckland & Northland), Jenny Chetwynd (GM Strategy, Communications & Performance and Board Secretary), Allan Frost (GM Organisational Support). Peter Casey (Regional Manager Auckland/Northland, National Manager Investment Development), Brett Gliddon, HNO Manager, Auckland and Northland.
<b>Invited guests</b>	Dr Lester Levy (Chair) and Dr David Warburton (Chief Executive), Auckland Transport

## **1. Dr Lester Levy (Chair) and Dr David Warburton (Chief Executive) of Auckland Transport**

Dr Levy and Dr Warburton discussed with Board members issues relating to the significant growth pressures facing Auckland and the implications of this on the transport network. They noted particularly the importance of, and progress made with the Auckland Transport Alignment Project.

Members explored the nature of the Auckland growth pressures over the last 5 years and canvassed issues around the optimising the Auckland rail network for both freight and passenger services.

The Chair thanked Dr Levy and Dr Warburton for their discussion and insights and highlighted the importance of the continuing partnership between Auckland Transport and the NZ Transport Agency.

Dr Warburton recognised and thanked Geoff Dangerfield for his contribution to the transport sector during his time as Chief Executive of the NZ Transport Agency.

## **2. Introduction and governance matters**

### **2.1 Apologies and welcome**

The Chair welcomed Board members to the meeting. No apologies were received.

### **2.2 Confirmation and overview of the agenda**

The agenda items were accepted as circulated.

Item 1 – Board Only Session was deferred to the end of the meeting.

## 2.3 Declarations of conflict of interest

Chris Moller noted his interest in Opus, relevant to Item 6.2 – Review of the Operating Model for Tolling and Item 6.4 – Wellington Northern Corridor Road of National Significance: PekaPeka to Otaki Section.

Nick Rogers noted his standing declaration of interest in Tonkin and Taylor.

## 2.4 Draft minutes from the 30 October 2014 Board meeting

<b>Resolution 1</b>	<i>The draft minutes of the 30 October 2015 Board meeting are a true and accurate record of the meeting.</i>
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## 2.5 Ratification of decisions taken in between meetings

The Chair recapped the process followed by the Board on 25 November 2015 in considering the issues associated with the Auckland Northern Corridor Improvements detailed business case. He noted that members recorded their unanimous support for the proposal and the resolutions below.

<b>Resolution 2</b>	<p>1. <i>In relation to the Auckland Northern Corridor Improvements (NCI) – detailed business case, the New Zealand Transport Agency Board:</i></p> <p>a. <i>Noted in August 2015, the Transport Agency Board agreed to include construction of the Northern Busway extension (from Constellation bus station to Albany bus station) as part of the core NCI project, subject to project affordability and value for money being confirmed via the Detailed Business Case;</i></p> <p>b. <i>Noted that the Detailed Business Case has now been completed and the assessment profile for the preferred NCI project option with the Northern Busway extension has been confirmed as being of ‘High strategic fit, High</i></p>
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	<p><i>effectiveness; and with a benefit cost appraisal result of 3.1. The project has been assigned as Priority 2;</i></p> <p><i>c. <b>Noted</b> that the Northern Busway extension has now been included in Auckland’s 2015-18 Regional Land Transport Plan and can be funded under the 2015-18 National Land Transport Programme;</i></p> <p><i>d. <b>Agreed</b> that constructing the Northern Busway extension (from Constellation bus station to Albany bus station) as part of the core NCI project is affordable and will deliver value for money; and</i></p> <p><i>e. <b>Approved</b> the preferred option for the NCI project as set out in the Detailed Business Case.</i></p>
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## 2.6 Progress on actions requested at previous meetings

Progress on all the actions was noted. No issues were raised.

## 3. Chief Executive’s report & progress against plan

### 3.1 Chief Executive’s report

Board paper 15/12/0982

As part of the regular Chief Executive’s briefing, Board members specifically discussed:

- The current challenges in the Agency’s work in reducing deaths and serious injuries attributable to speed. Members noted the importance of the Transport Agency’s work in changing the conversation on speed and discussed the need to build the case for community acceptance for

changing speed limits. Members also noted the important contribution that the Automobile Association makes to this debate.

- The successful opening of the Nelson Street Cycleway. Members requested a report on post implementation use of this and other cycleways as they are developed and integrated across networks.
- The success of Upper North Island Freight Accord in getting all parties involved and the challenges in ensuring the strategy is owned by the Transport Agency's freight partners.
- Regional integrated ticketing, noting the work underway with the consortium of 10 regional Councils in extending the core integrated ticketing system. Members canvassed the issues raised by the Mayor of Wellington, and emphasised the importance of ensuring Regional Councils carefully assess their procurement options for integrated ticketing services and ensure transparency.
- The progress made in developing the allocation methodology for SuperGold Card funds under the new bulk funding framework.
- The upcoming opening of the Cambridge section of the Waikato Expressway on 15 December, noting the great result in completing the project ahead of schedule and within budget. The importance of ensuring that changes made to the Investment Assessment Framework to capture emerging Government priorities are regularly reported to the Board in order for the Board to note the changes and generate understanding.
- The recognition of graduated driver licensing within the NZ Qualifications framework, noting that this was part of a wider picture in improving the effectiveness of the driver licensing system.

**Resolution 3**

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

<b><i>Requested Action</i></b>	<i>That a report be provided on post implementation use of new cycleways as they are developed and integrated across networks.</i>
<b><i>Requested Action</i></b>	<i>That changes made to the Investment Assessment Framework to accommodate emerging Government priorities are reported to the Board in order for the Board to note the changes and generate understanding.</i>

## **4. Setting sector and organisational direction**

### **4.1 Auckland Greenfield Growth Areas**

#### **Board paper 15/12/0970**

Ernst Zöllner provided an update on the Transport Agency's work over the last 5 years in shaping the Auckland planning framework, and on current work with the Auckland Council Group (including Auckland Council, Auckland Transport and Watercare) to improve certainty around transport network requirements for the coming 10-30 years in relation to the Auckland Greenfield Growth areas.

Members discussed the need to align public sector planning and investment with private sector investment, development aspirations and programmes. They noted the risks of out-of-sequence development and the importance of fronting up to discussions about priorities and benefits. Board members received assurance that the Transport Agency has the systems in place to address these sequencing issues.

<b>Resolution 5</b>	<p><i>The New Zealand Transport Agency Board:</i></p> <ul style="list-style-type: none"><li><i>a. Received the update on the Transport Agency's collaboration with Auckland Council and Auckland Transport on strategic transport planning to help guide and support urban growth and expansion in Auckland; and</i></li><li><i>b. Noted the work underway to prepare a draft network development plan by March 2016, and supporting business case by mid-2016, to provide urgently needed planning certainty across Auckland's greenfield growth areas.</i></li></ul>
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## 5. Quality assurance of key organisational systems, policies and processes

### 5.1 Preparing for the 2016/17 Statement of Performance Expectations

Board paper 15/12/0975

Jenny Chetwynd outlined the revised approach to the process for developing the Statement of Performance Expectations (SPE) 2016/17.

Members noted the proposed touch points for the Board and the efforts being made to streamline this process. Members requested that the role of the Audit, Risk and Assurance Committee in this process is made clear.

Members also noted that separate, but related to this, is the upcoming work to revise and streamline the Transport Agency's target and measurement framework.

Members briefly canvassed the initial 2016/19 operation budget assumptions noting the need for the Transport Agency's Remuneration and HR Committee to examine the assumptions around increases in base salaries.

<b>Resolution 8</b>	<i>The NZ Transport Agency Board <b>supports</b> the proposed approach and associated timeline for developing the 2016/17 NZ Transport Agency Statement of Performance Expectations, and <b>noted</b> the financial assumptions being built into the 2016-19 operational budgets.</i>
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## 5.2 Financial results summary November 2015

Allan Frost presented an overview of the financial performance of the Transport Agency and the National Land Transport Fund for the five months ended 30 November 2015.

Members discussed and noted the permanent efficiency dividend as a result of the roll out of the new Network Operating Contracts. Members also discussed the increase in investment in emergency activities and local road maintenance, noting the key driver of this was the Transport Agency's assistance to the Wanganui and Taranaki regions following the significant flood event in June 2015.

<b>Resolution 9</b>	<i>That the New Zealand Transport Agency Board <b>noted</b> the financial performance of the Transport Agency for the five months ended 30 November 2015.</i>
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## 5.3 Delegation to external parties and amendment to General Instrument of Board Delegation

Board paper 15/12/0972



Allan Frost summarised the reasons behind the need to cure delegations that may be invalid due to an invalid approval by the Ministry of Transport and why clarity regarding the ability of the Chief Executive’s sub-delegates (Group Managers) to further sub-delegate functions and powers to staff is required.

Members canvassed more broadly the scope of their current delegations and the need for a review of these delegations in light of the appointment of a new Chief Executive for the Transport Agency. Members requested a review of the existing delegated authorities be undertaken, in consultation with the new CEO, and that this review be brought back to the ARA Committee on 11 February 2015, and to the Board meeting on 3 March 2015.

<p><b>Resolution 10</b></p>	<p><i>The New Zealand Transport Agency Board <b>agreed</b> to execute, and <b>authorised</b> the Chair to sign, the following instruments:</i></p> <ul style="list-style-type: none"> <li>a. <i>‘Tairawhiti Roads’ – instrument of delegation from Board to certain employees of Gisborne District Council employed at the ‘Tairawhiti Roads’ Joint Roding Management Business Unit;</i></li> <li>b. <i>Related Practical Driver Licensing Functions – instrument of delegation from Board to Vehicle Testing New Zealand;</i></li> <li>c. <i>Funding Decisions for Small Improvement Projects – instrument of delegation from Board to Approved Organisations; and</i></li> <li>d. <i>General Instrument of Board Delegation – instrument of delegation from the Board to Transport Agency staff.</i></li> </ul>
<p><b>Requested Action</b></p>	<p><i>That a review of the Board’s existing delegated authorities be undertaken, in consultation with the new CEO, and that this review be brought back to the ARA</i></p>

*Committee on the 11<sup>th</sup> February 2016, and to the Board meeting on 3 March 2016.*

#### 5.4 Privacy and management of personal information

Allan Frost outlined the Government Chief Privacy Officer’s expectations for the management of personal information by state sector agencies, the Transport Agency’s response to these expectations, and the key elements of the proposed Transport Agency’s Personal Information Management Framework.

Members canvassed the growing level of risk in managing personal information as the Transport Agency increases its cross government collaborating activities to develop better outcomes for citizens. Members also discussed and noted their need for appropriate assurance that the Transport Agency is meeting its obligations, beyond the self-assessment report that is required, and that such assurance should be linked to the Total Assurance Framework overseen by the Audit, Risk and Assurance Committee.

<p><b>Resolution 12</b></p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> <li><i>a. <b>Endorsed</b> the Personal Information Management Framework;</i></li> <li><i>b. <b>Noted</b> that the first annual report to the Government Chief Privacy Officer is due on 31 March 2016, and will be presented for approval at the Board’s 3 March 2016 meeting; and</i></li> <li><i>c. <b>Agreed</b> that assurance on the Transport Agency’s compliance with its obligations under the Privacy Act 1991 is provided through the Transport Agency’s Total Assurance Framework, overseen by the Audit, Risk and Assurance Committee.</i></li> </ul>
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## 6. Significant planning, investment and operational matters

### 6.1 Delivering long- term value for money through business transformation

Celia Patrick summarised the key achievements in delivering long term value for money through business transformation in the Access and Use group. She noted that there is still additional value that can be drawn from the transformation process and that this will be the subject of careful prioritisation and resourcing.

Board members discussed the performance, congratulated the team on its achievements, and noted that the outstanding focus on the customer, evident in the results being achieved.

### 6.2 Review of the operating model for tolling

**Board paper 15/12/0973**

Celia Patrick provided an overview of the scope and approach for reviewing the operating model for tolling operations following the extension of tolling services to support the addition of Tauranga Eastern Link (TEL) and Takatimu Drive toll roads.

Board members canvassed the benefits of the review in defining the nature of the offering to the market. Members also discussed the importance of testing the market for the provision of tolling services on the completion of this review, to ensure the Transport Agency is securing value for money.

<b>Resolution 13</b>	<i>The New Zealand Transport Agency Board:</i> a. <b>Noted</b> the review underway to assess alternative options for delivery of tolling operations;
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	<p>b. <i>Noted the engagement with the Ministry of Transport and Treasury to ensure alignment with assurance needs associated with Ministers’ request for advice on Transport Agency back office infrastructure; and</i></p> <p>c. <i>Noted the report back to the Board in March 2016 on progress of this review.</i></p>
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### 6.3 Wellington Northern Corridor Road of National Significance: Peka Peka to Otaki Section – construction investment

**Board paper 15/12/0977**

Tommy Parker summarised the key issues associated with the request for construction funding for the Peka Peka to Otaki Expressway section of the Wellington Northern Corridor Road of National Significance (RoNS).

Board members received assurance that the conditions of the Board resolution 08/06/3115 relating to the Wellington Northern Corridor Roads of National Significance had been met for the investigation and design phase of this project. Board members also sought and received assurance that any risks arising from a perception of contractor advantage in the tendering process would be managed.

<b>Resolution 15</b>	<p><i>The NZ Transport Agency Board:</i></p> <p>a. <i>Noted that all conditions of Board resolution 08/06/3115 relating to the Wellington Northern Corridor Roads of National Significance funding conditions for the Investigation and Design phases have been met for the Peka Peka to Otaki Expressway project;</i></p> <p>b. <i>Approved funding for the construction of the NZ Transport Agency’s State Highway 1 Peka Peka to Otaki Expressway project at an estimated cost of</i></p>
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	<p><i>\$312 million from national funds;</i></p> <p><i>c. Noted that the expected total construction cost of the project, including property and escalation, is estimated at \$341 million, the 95th percentile cost is estimated at \$359 million and the 5th percentile at \$283 million; and</i></p> <p><i>d. Noted that the project has been assessed under the Transport Agency’s Investment Assessment Framework as a component of the Wellington Northern Corridor package with a profile of high strategic fit, high effectiveness and a benefit cost ratio of 1.6, and that the reasons for this decision are set out in the ‘Reasons for recommendation’ section in Attachment 1.</i></p>
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#### 6.4 Otaki to North Levin section of the Wellington Northern Corridor – preferred option

[Board paper 15/12/0983](#)

Tommy Parker outlined the reasons for extending the scope of the investigations currently underway in the progressive upgrade of the Otaki to North Levin section of the Wellington Northern Corridor (WNC).

Board members canvassed the importance of broadening out the conversation with the community on the range of potential solutions. Members also received clarification on the quantum of the potential financial difference between off-line solutions and on-line solutions.

<b>Resolution 16</b>	<p><i>The Transport Agency Board <b>agreed</b> to the extension of the scope of the investigations to include on-line and off-line proposals to progressively upgrade the Otaki to North Levin section of the Wellington Northern Corridor (WNC).</i></p>
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#### 6.5 Christchurch Southern Motorway Stage 2 – investment approval

[Board paper 15/12/0979](#)

Dave Brash outlined the reasons for seeking the Board's approval for investment in the Christchurch Southern Motorway Stage 2 construction.

Board members discussed the procurement method for this project. Members also sought and received confirmation that there were no outstanding issues relating to the connections between this section of the Southern Motorway and the town's city's commercial centre.

Members noted that this was the final section of the Christchurch Road of National Significance.

<b>Resolution 17</b>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><li>a. <b>Approved</b> funding for construction of the Transport Agency's State Highway 76 Southern Motorway Stage 2 project at an estimated cost of \$232 million;</li><li>b. <b>Approved</b> an \$18.6 million increase in funding for property acquisition for the Transport Agency's Southern Motorway Stage 2 project, from \$64.1 million to \$82.7 million, due to the removal of direct access to properties on the four-laning section for safety reasons;</li><li>c. <b>Noted</b> that the project has been assessed under the Transport Agency's Investment Assessment Framework as a component of the Christchurch Motorways Roads of National Significance programme with an assessment profile of high strategic fit, high effectiveness and a benefit-cost ratio of 4.6 (HH4.6) and that the reasons for the decision are shown at Attachment 1; and</li><li>d. <b>Noted</b> the total expected out-turn cost for the Southern Motorway Stage 2 is estimated at \$315 million (inclusive of construction phase and property). The 5th percentile cost is estimated at \$288 million and the 95th percentile at \$330 million.</li></ul>
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## **7. Other updates and general business**

### **7.1 Media update**

**Board paper 15/12/0981**

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

### **7.2 Draft agendas for 12 February 2016 Special Board meeting**

Board members noted the draft agenda for the 12 February 2016 Special Board meeting and that this will be a teleconference.

### **7.3 General Business**

The Chair recognised and thanked Geoff Dangerfield for his outstanding efforts and achievements as Chief Executive of the Transport Agency over the last 8 years.

The Chair also recognised and thanked Sara Broadhurst, General Manager People and Capability, for everything she has achieved during her time with the Transport Agency.

Finally, the Chair thanked Ernst Zöllner and the Auckland staff for the site visits and the insights into the transport network requirements for the coming 10-30 years in relation to Auckland's Greenfield Growth Centres.

The meeting ended at 12.00pm.

A Board Only session followed the conclusion of the Board meeting.

<b>Minutes approved by the Chair</b>	_____
<b>Date</b>	____/____/____