



Board Meeting Minutes	
Date & time	3 March 2016, 11.30am – 2.15pm
Location	NZTA Boardroom, 50 Victoria Street, Wellington
Board Membership	Chris Moller (Chair), Adrienne Young–Cooper, Gill Cox, Nick Rogers and Mark Oldfield
Apologies	Dame Patsy Reddy (Deputy Chair)
NZTA staff in attendance	<p>Fergus Gammie (Chief Executive) Dave Brash (Group Manager Planning & Investment), Tommy Parker (Group Manager Highways and Network Operations), Allan Frost (Group Manager Organisational Support) and Jenny Chetwynd (Group Manager, Strategy, Communications and Performance).</p> <p>Chris Young (National Manager Network Directions & Performance), Dave Whiteridge (Chief Legal Counsel). Paul Laplanche (Chief Financial Officer), Shelley Des Forges (Business Planning & Directions Manager).</p>

1. Introduction and governance matters

1.1 Apologies and welcome

The Chair welcomed Board members to the meeting, and noted the apologies from Dame Patsy Reddy due to illness. The Chair also welcomed Fergus Gammie to his first Board meeting as Chief Executive.

1.2 Confirmation and overview of the agenda

The agenda items were accepted as circulated.

1.3 Declarations of conflict of interest

Chris Moller noted his standing interest in Westpac New Zealand Limited, particularly with respect to the development of the Payment Card Industry Data Security Standard.

Nick Rogers noted his standing interest in Tonkin and Taylor.

1.4 Draft minutes from the 11 December 2015 Board meeting

Resolution 1	<i>The draft minutes of the 11 December 2015 Board meeting are a true and accurate record of the meeting.</i>
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1.5 Draft minutes from the 12 February 2016 Special Board meeting

Resolution 2	<i>The draft minutes of the 12 February 2016 Special Board meeting are a true and accurate record of the meeting.</i>
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1.6 Progress on actions requested at previous meetings

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

1.7 3 March 2016 Audit, Risk and Assurance Committee report

Gill Cox, Chair of the Audit, Risk and Assurance Committee (ARA Committee) provided Board members with an overview of the issues discussed at the Audit, Risk and Assurance Committee meeting, noting particularly the importance of ensuring that audit and assurance concepts and processes are an integral part of an organisation’s culture. He presented the Committee’s recommendations.

Resolution 3	<i>The NZ Transport Agency Board noted the oral report from the Chair of the Audit, Risk and Assurance Committee.</i>
Resolution 4	<i>The NZ Transport Agency Board authorised the Chair of the NZ Transport Agency Board to sign out the Audit Letter of Engagement for 2015/16</i>
Resolution 5	<i>The NZ Transport Agency Board:</i> <i>a. Agreed to defend the litigation in respect of a statement of claim and notice of proceedings on the NZ Transport Agency from The Party Bus Company, received 26 February 2016; and</i> <i>b. Delegated the functions and powers of the Board necessary to manage the litigation to the Chair of the Board until the April 1 2016 Board meeting.</i>

1.8 3 March 2016 Investment and Operations Committee report

Adrienne Young–Cooper, Chair of the Investment and Operations Committee, provided Board members with an overview of the issues discussed at the meeting. She presented the recommendations to the Board relating to the business case for *An Accessible City*, Christchurch, and mitigation relating to the hockey facility in the vicinity of the Auckland Northern Corridor improvements. Members canvassed these recommendations.

Resolution 6	<i>The NZ Transport Agency Board noted the oral report from the Chair of the Investment and Operations Committee.</i>
Resolution 7	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> <i>a. Supported the Christchurch City Council’s Accessible City Programme Business Case, which includes the streamlined business case for delivering the Phase 1 Transport Programme of the Christchurch Central Recovery Plan;</i> <i>b. Noted that the Transport Agency will make its best endeavours to give effect to the intended direction of the Accessible City Programme Business Case;</i> <i>c. Noted that this support does not imply any commitment to individual activities beyond Phase 1 transport projects, which are already underway. Any future decision to fund a particular future package or project will be prioritised through normal processes and will depend upon the value for money of the business case, relative priority of the activity compared to others, and cash flow.</i>
Resolution 8	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> <i>a. Noted the progress being made with the Northern Corridor Improvements project;</i>

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| | <p><i>b. Noted the options being developed to manage the significant impact on the North Harbour hockey site;</i></p> <p><i>c. Noted the significant cost of the relocation; and</i></p> <p><i>d. Noted that options will be developed least cost for long term benefit for both parties.</i></p> |
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1.9 New Zealand Transport Ticketing Limited Board report

Gill Cox, Chair of the New Zealand Transport Ticketing Limited (NZTTL) Board provided NZ Transport Agency Board members with an overview of the issues discussed at the NZTTL Board meeting held on 17th February 2016. He noted, and members discussed, the importance of clarifying the longer term role of NZTTL in light of the establishment of a National Ticketing Programme, overseen by a governance group comprising the Chief Executives of NZ Transport Agency, Auckland Transport and Greater Wellington Regional Council.

2. Chief Executive's report & progress against plan

2.1 Acting Chief Executive's report

Board paper 16/03/0993

Fergus Gammie provided Board members with an overview of his activities in his first few days as Chief Executive, noting his meeting with Hon Simon Bridges, Minister for Transport, and his visits with staff. He also provided members with an overview of the scope of his *Positioned for Success* review, noting the use of the State Services Commission's Performance Improvement Framework as a basis for the lines of inquiry and the opportunity provided in the review for staff and stakeholder engagement.

Fergus thanked Dave Brash for acting as the NZ Transport Agency’s Chief Executive prior to his arrival, and for welcoming him to the organisation.

Dave Brash presented the Acting Chief Executive’s report and the Board Members specifically discussed:

- The need for the Minister of Transport to be well briefed on current issues associated with the Transport Agency’s activities, and the importance of the Minister’s annual letter of expectation in clarifying his expectations of the Transport Agency’s performance;
- The importance of the Transport Agency being involved in decision-making and communication forums associated with delivering on the Government’s regional economic development objectives;
- The issues associated with development of the new funding methodology for SuperGold, noting the formation of a governance group to develop a principles-based approach and agree a SuperGold plan for each council;
- The Central City Future Access Study (Auckland) and, given the national importance of the Auckland CBD, the need to ensure consideration is given to ensuring integration between transport planning and CBD urban design; and
- The progress being made by the Transmission Gully Joint Venture Consortium.

Resolution 9	<i>The New Zealand Transport Agency Board received the Acting Chief Executive’s Report.</i>
Requested Action	That NZ Transport Agency Board members are provided with a full briefing at its meeting on 1 April 2016, on the progress being made by the Transmission Gully Joint Venture Consortium.

3. Setting sector and organisational direction

3.1 Investor confidence rating preliminary results

Board paper 16/03/0989

Allan Frost outlined the purpose of the investor confidence rating tool and findings with respect to the NZ Transport Agency.

Members noted the value in benchmarking across the state sector. Members noted the strong ‘B’ rating given the Transport Agency’s current performance, and emphasised their expectation that the Transport Agency’s rating would migrate to an ‘A’ the next time this tool was applied, given the nature and quantum of the Transport Agency’s investments.

Members requested that an improvement programme to address the recommendations arising from the Investor Confidence Rating Review be presented at the next Board meeting in April 2016.

<p>Resolution 10</p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> <i>a. Noted the investor confidence rating (ICR) is a rating of an agency’s investment management environment and practices;</i> <i>b. Noted the NZ Transport Agency scored a ‘strong B’ ICR rating; and</i> <i>c. Noted that the NZ Transport Agency is working with the Treasury to finalise the rating and to ensure the continuous improvement programme reflects the areas of required improvement.</i>
<p>Requested Action</p>	<p>That an improvement programme to address the recommendations arising from the Investor Confidence Rating Review be presented at the next Board meeting in April 2016.</p>

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

4.1 Privacy – annual self-assessment report for Government Chief Privacy Officer

Board paper 16/03/0991

Allan Frost outlined the context behind the request for the Board’s endorsement of the Transport Agency’s Annual Privacy Self-assessment Report to the Government Chief Privacy Officer for 2015/16, noting that this issue had been considered by the ARA Committee earlier in the day.

Gill Cox, Chair of the ARA Committee, outlined the earlier consideration given to this issue.

Members noted that the ARA Committee had received management’s written representation that the annual self – assessment report is an accurate reflection of the Transport Agency’s status and progress against its planned programme of privacy improvements, and is meeting the core expectations issued by the Government Chief Privacy Officer. Members also noted that the Committee had received assurance about the level of staff capability to advise members on this issue.

Members emphasised the criticality of due inquiry, and appropriate representations and assurances from Management and the ARA Committee, when Board members are requested to sign their acceptance or endorsement of reports such as these.

Resolution 11	<i>The NZ Transport Agency Board authorised the Chair of the NZ Transport Agency to sign the Transport Agency’s Annual Privacy Self-assessment Report to the Government Chief Privacy Officer for 2015/16.</i>
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4.2 Power of Attorney for new Chief Executive

Board paper 16/03/0988

Allan Frost summarised the matters to be considered in appointing Fergus Gammie as an attorney for the purposes of entering into deeds on behalf of the Transport Agency, and confirmed the Board’s authority to take this decision.

Resolution 12	<i>The NZ Transport Agency Board: a. Resolved to appoint Fergus Gammie, Chief Executive, as the Transport Agency’s attorney for the purposes of entering into deeds on behalf of the Transport Agency; and b. Approved two Board members signing the new power of attorney for Fergus Gammie.</i>
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5. Significant planning, investment and operational matters

5.1 Financial reports for the Transport Agency and NLTF to the end of January 2016, covering seven months of 2015/16

Allan Frost updated the Board on the financial position for the Transport Agency and the National Land Transport Fund (NLTF) for the seven months ended 31 January 2016.

Members noted the revised forecasts for fuel excise duty, road user charges and motor vehicle registrations and discussed the potential implications.

Resolution 13	<i>The NZ Transport Agency Board noted the financial performance of the Transport Agency for the seven months ended 31 January 2016.</i>
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5.2 Preparing for the 2016/17 Statement of Performance Expectations – draft operational budget and business initiatives

Board paper 16/03/0994

Allan Frost provided an overview of the draft operational budget and key business initiatives in support of the development of the Statement of Performance Expectations 2016/17, noting work done to align the budget with key delivery milestones for 2016/17.

Members had a long discussion on the draft operational budget and, inter alia, sought and received clarification on the status of the memorandum accounts, noting the need for them to be zero balanced. Members discussed the potential need and appetite for fee reviews associated with the motor vehicle registration accounts.

Finally, members sought and received advice on the agility of the organisation in the event of an economic downturn in 2016/17.

<p>Resolution 14</p>	<p><i>The NZ Transport Agency Board:</i></p> <p><i>a. noted the proposed options; and</i></p> <p><i>b. noted the emergent opportunities and risks associated with the budget direction.</i></p>
<p>Requested Action</p>	<p>That the following information be provided when the Board next considers the Statement of Performance Expectations for 2016/17:</p> <ul style="list-style-type: none"> • the Transport Agency’s growth in productivity and costs over the last 5 years and of the value for money proposition for the investment proposed; • a summary of the financial options (base and preferred scenarios) and clarity on the drivers for the preferred scenario;

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| | <ul style="list-style-type: none">• a simplified business initiative story showing the costs and risks in a single view. |
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6. Other updates and general business

6.1 Media update

Board paper 16/03/0990

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

6.2 Draft agenda for 1 April 2016 Board meeting

Board members noted the draft agenda for the 1 April 2016 Board meeting, and the additional items for that agenda relating to Transmission Gully, and the improvement programme to address the recommendations arising from the Investor Confidence Rating Review.

6.3 General business

The Chair briefed members on discussions with the Chair of Auckland Transport about the appointment of the Regional Director, Auckland and Northland as the Transport Agency's non-voting Director on the Board of Auckland Transport.

Resolution 15	<i>The NZ Transport Agency Board confirmed the appointment of the Transport Agency's Regional Director, Auckland and Northland to the Board of Auckland Transport as a non-voting director.</i>
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The Chair acknowledged and thanked Dave Brash for acting as Chief Executive and the Senior Leadership Team for leadership and commitment in the period leading up to the arrival of the new Chief Executive.

7. Board only session

A session was held for Board members only.

The meeting ended at 2.15pm.

Minutes approved by the Chair	<hr/>
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