



Board Meeting Minutes	
Date & time	4 November 2016, 11.30am – 4.50pm
Location	NZTA Boardroom, 50 Victoria Street, Wellington
Board Membership	Chris Moller (Chair), Fran Wilde (Deputy Chair), Adrienne Young–Cooper, Gill Cox, Mark Oldfield, Chris Ellis and Nick Rogers
Apologies	Leo Lonergan
NZTA staff in attendance	Fergus Gammie (Chief Executive), Robert Brodnax (Acting GM Planning & Investment), Tommy Parker (GM Highways & Network Operations), Celia Patrick (GM Access & Use), Jenny Chetwynd (GM Strategy & Performance and Board Secretary), Allan Frost (GM Organisational Support), Paul Laplanche (Chief Financial Officer), Lisa Rossiter (National Manager Strategy), Brandon Mainwaring (National Manager Accountability & Performance), Barbara Tebbs (National Manager, Information Monitoring and Public Transport), Leigh Mitchell (National Manager Direction).
Guests	Peter Mersi (Chief Executive), Gareth Chaplin (General Manager Sector Performance), Helen White (Manager of the Government Policy Statement 2018 project), and Louise Lennard (Governance Advisor) of the Ministry of Transport

1. Introduction and governance matters

1.1 Apologies

Leo Lonergan was an apology.

1.2 Confirmation and overview of the agenda

The agenda was accepted as circulated, with the exception of Item 5.2 NZ Transport Agency Board Conflicts of Interest Policy, which was withdrawn for the purpose of simplification and referred to the meetings of the Audit, Risk and Assurance Committee and the Board on the 2nd March 2017.

1.3 Declarations of conflicts of interest

The schedule of Board members' interests was noted as tabled. Nick Rogers noted his standing interest in Tonkin and Taylor.

1.4 Draft minutes of the 3 October 2016 Special Board meeting and the 10 October 2016 Board meeting

Resolution 1	<i>The draft minutes of the 3 October 2016 Special Board and 10 October 2016 Board meeting are true and accurate records of the meetings.</i>
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1.5 3 November 2016 Remuneration and Human Resources Committee meeting report

Adrienne Young-Cooper provided an overview of the issues discussed at the Remuneration and Human Resources Committee.

Members noted the upcoming review of the Transport Agency's remuneration and reward system to ensure that this system supports acquisition and retention of the skills and capability required to deliver on the Transport Agency's revised strategic direction.

Members also noted the set-up of the transformation office and the recruitment of staff into that office, in support of the implementation of the organisation's strategy, operating model, structure and culture changes.

1.6 4 November 2016 Audit, Risk and Assurance Committee meeting report

Gill Cox provided an overview of the issues discussed at the Audit, Risk and Assurance Committee meeting.

Board Members noted the intention to schedule a Board workshop on the Transport Agency's approach to both organisational risk and insurance in the third quarter of 2016/17.

Board members also noted that the discussion on protected disclosure processes had been deferred to the Audit, Risk and Assurance Committee and Board meetings in March 2017.

Board members discussed the Transport Agency's borrowing cap and capacity to borrow. The Board Members noted that the Audit, Risk and Assurance Committee will receive further information on the borrowing cap and how servicing and principal repayments are treated within the cap at the March 2017 Committee meeting.

1.7 4 November 2016 Investment and Operations Committee meeting report

Nick Rogers provided an overview of the issues discussed in relation to the Network Outcomes Contract Performance 2015/16 and the effectiveness of the Road Safety Advertising Programme.

Members noted the significant economic gains that have been achieved with the Network Outcomes Contracts.

Members congratulated Transport Agency Management on the recent awards for advertising (an award for Best International campaign and one of eleven Gold awards, both for the “Mistakes” campaign) received at the 2016 Institute of Practitioners in Advertising (IPA) Effectiveness Awards. Members noted the significance of these awards as they are recognition of the effectiveness of the campaigns, rather than awards for only creative merit.

1.8 Progress on actions requested at previous meetings

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

2. Chief Executive’s Report

2.1 Chief Executive’s Report

Fergus Gammie provided Board Members with an overview of the current issues facing the Transport Agency.

Board Members specifically discussed the collaboration between the Transport Agency and Auckland Transport in co-creating a working proof of concept for a ‘Mobility as a Service’ product and its benefits in allowing customers to source any safe and reliable mobility service through a single customer-facing application. Members canvassed the appropriate split between public and private roles in this initiative.

Board members discussed the Gateway Report (assurance methodology for major investments) for Auckland’s City Rail Loop.

Resolution 2	<i>The NZ Transport Agency Board received the Chief Executive’s Report.</i>
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3. Setting sector and organisational direction

3.1 Ministry of Transport presentations

Board paper 16/11/1088

The Chair welcomed Peter Mersi, Chief Executive, Ministry of Transport and his staff to the meeting.

Gareth Chaplin provided an overview of the Ministry's approach to the development of the Government Policy Statement (GPS) for 2018/21, and of the outcomes of the assessment of the Transport Agency using the Ministry's Crown Entity Assessment Framework.

[Information redacted section 9(2)(g)(i) Official Information Act 1982].

Members also canvassed with Ministry staff several issues for the next GPS to address including: investment in transport for tourism purposes as a wider economic enabler; mandating the One Network Road Classification; and retaining economic growth and productivity as a key driver.

The Chair thanked Peter Mersi and his staff for their attendance and for the discussion.

Resolution 3	<p><i>The NZ Transport Agency Board received the November 2016 update on:</i></p> <ul style="list-style-type: none"><i>• The Ministry of Transport's draft assessment of the NZ Transport Agency against the Ministry's Crown entities assessment framework.</i><i>• The development of the Government Policy Statement on Land Transport 2018-21.</i><i>• The Ministry of Transport's regulatory work programme.</i><i>• The work the Ministry of Transport is undertaking to develop the strategic outcomes for its own accountability documents.</i>
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3.2 Long term strategic view

Board paper 16/11/1082

Robert Brodnax provided a summary of the role and purpose of the Long Term Strategic View, how it is being structured, its relationship with the National Land Transport Programme and how it informs the Transport Agency's emerging strategy refresh.

Board members discussed the need to ensure that the Long Term Strategic View incorporates a customer perspective and takes into account New Zealand's obligations under the Paris Climate Agreement 2015 commitment to reducing carbon emissions.

Resolution 4	<i>The NZ Transport Agency Board received the November 2016 update on the Transport Agency's Long Term Strategic View.</i>
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3.3 National Ticketing Programme – funding for business case development

Board paper 16/11/1083

Fran Wilde noted her past interests as a member and Chair of the Greater Wellington Regional Council until June 2015.

Robert Brodnax outlined the reasons for escalating this funding decision for the Stage 1 and Stage 2 business cases for the integrated ticketing solution to the Board for its consideration. He provided an overview of previous ticketing decisions made by the Transport Agency Board and outlined the proposed phased approach to integrated ticketing on a national basis.

Board Members canvassed the quantum of investment required for the business cases. Members noted Management's assurance that significant benefits can be gained by integrated ticketing.

Members also noted that the expenditure was necessary to develop a good understanding of the business requirements across the councils, the types of business processes and technologies involved and the options available for an integrated ticketing solution.

Board Members discussed the need for a detailed breakdown of the costs for Stages 1 and 2 and the importance of agreement to multi-party funding by the relevant regional councils prior to commencement of the Stage 2 detailed business case and market procurement.

Resolution 5	<p><i>The NZ Transport Agency Board, subject to the provision and confirmation of acceptable detailed cost breakdowns for Stages 1 and 2 business cases:</i></p> <ul style="list-style-type: none">• <i>Approved funding in the range of \$1.75 million to \$2.14 million, with a base estimate of \$1.95 million, for the NZ Transport Agency’s share of the costs for completion of Stage 1 (indicative business case) for the integrated ticketing solution for Greater Wellington Regional Council, Environment Canterbury and a regional consortium of other councils responsible for public transport, to be developed under the National Ticketing Programme.</i>• <i>Approved in principle the Transport Agency’s share of the costs in the range of \$3.81 million to \$5.51 million with a base estimate of \$4.24 million for completion of Stage 2 (detailed business case and market procurement) for that integrated ticketing solution, subject to all relevant councils approving their local share of the Stage 2 costs.</i>• <i>Delegated confirmation of the detailed cost breakdowns for the Stage 1 and Stage 2 business cases for the integrated ticketing solution to the Chair of the Transport Agency Board and the Chair of NZ Transport Ticketing Limited</i>• <i>Noted that the Transport Agency is a partner to the National Ticketing</i>
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	<p><i>Programme and the decision sought now is a necessary next step in the process under this joint programme, which will enable progress and provide certainty to the National Ticketing Programme partners in a complex, multiple-party environment.</i></p> <ul style="list-style-type: none"> • <i>Delegated the approval of a terms of reference for a lessons learnt review into Transport Agency integrated ticketing decisions to the Transport Agency Board Chair.</i>
<p>Requested Action</p>	<p><i>Board Members are to receive detailed cost breakdowns for the Stage 1 and 2 business cases for the integrated ticketing solution for Greater Wellington Regional Council, Environment Canterbury and the regional consortium of other Councils responsible for public transport to be developed under the National Ticketing Programme.</i></p>

4. Assessing progress against the Transport Agency’s strategy and plans

4.1 Quarterly results and assurance report for the period ending 30 September 2016 (Quarter 1)

[Board paper 16/11/1079](#)

Brandon Mainwaring outlined the key highlights of the report for Quarter 1 of 2016/17. Board Members noted the areas of strong performance including the service delivery metrics.

Members also noted the under performance in the local road improvements activity class. Members canvassed the actions the Transport Agency takes in working with local authorities in the delivery of

transport initiatives funded through the National Land Transport Programme, where their programmes are significantly and materially behind schedule and requested more information on those actions.

Members also noted the possibility that that the maximum of the funding range for the walking and cycling activity class will be exceeded and the work underway with the Ministry of Transport to address this issue in the current GPS 2015/18.

Fergus Gammie updated Board Members on progress on the Speed Management Guide.

Resolution 6	<i>The NZ Transport Agency Board received the quarterly results and assurance report for the period ended 30 September 2016.</i>
Requested Action	<i>Board Members are to receive advice, by email, on actions taken in working with local authorities in the delivery of transport initiatives funded through the National Land Transport Programme where their programmes are significantly and materially behind schedule.</i>

5. Assuring quality of key organisational systems, policies and processes

5.1 Zero Harm due diligence gaps and plan

Board paper 16/11/1087

Chris Ellis noted his interest in Worksafe New Zealand as a member of the Worksafe NZ Board. Mr Ellis noted his interest did not create any conflict with the need for him to be fully informed in

relation to his health and safety obligations as a Member of the Transport Agency. Mr Ellis noted that should a situation arise where there was any conflict of interests between his obligations as a Member of the Transport Agency and those as a Member of Worksafe NZ, he would manage this through Worksafe NZ, where this approach is practicable.

Fergus Gammie provided an overview of the recent review undertaken in the Transport Agency’s Zero Harm practices and procedures.

Board members discussed and noted the Transport Agency’s good performance in effective external supplier management and the opportunities for improvement, particularly in the establishment of safety management system metrics and internal end-to-end risk identification and management.

Members discussed the high level of detail and activity in the proposed Zero Harm three year action plan and agreed to establish an ad-hoc Board Committee to assist with rationalising and finalising that plan.

Resolution 7	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">• <i>Resolved</i> to establish an ad-hoc Zero Harm Action Plan Board Committee, with the inaugural members being Chris Ellis and Adrienne Young-Cooper.• <i>Delegated</i> approval of the term of reference for that Committee and the ability to select the Chair of the Committee, to the Chair of the Transport Agency Board.
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5.2 NZ Transport Agency Board conflicts of interest policy

Board paper 16/11/1084

This paper was withdrawn and placed on the agenda for the Transport Agency Audit Risk and Assurance Committee meeting and the Transport Agency Board meeting on 2 March 2017.

Requested Action	<i>The NZ Transport Agency Board conflicts of interest policy is to be added to the agenda for the Transport Agency Audit Risk and Assurance Committee meeting and the Transport Agency Board meeting on 2 March 2017.</i>
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6. Significant planning, investment and operational matters

6.1 East West Link

Board paper 16/11/1081

Tommy Parker outlined the progress made to date with the East West Link project.

Board Members noted that a number of them have interests in companies that are part of the Auckland Regional Chamber of Commerce or are members of the NZ Automobile Association, both of which are organisations that are part of the Auckland Business Forum that the Transport Agency is engaging with in relation to the project. It was also noted that Mark Oldfield and Leo Lonergan have minor financial interests in Auckland International Airport Limited, which is another stakeholder that the Transport Agency is engaging with in relation to the project.

Board Members discussed the significant environmental benefits that this transport project would deliver and the nature of support or interest in the project from key stakeholders, including Onehunga residents and businesses, Auckland Transport, Auckland Council, mana whenua, the Department of Conservation and the Royal Forest and Bird Protection Society.

Board Members discussed the reasons for the increase in costs in the latest project cost estimate, noting that these increases are largely associated with the significant environmental mitigation measures being put in place. Members discussed the potential impacts on the National Land Transport Programme of these cost increases.

Board Members noted the process and likely timeframes for securing the environmental approvals required for the East West Link and the key risks in relation to that process.

Resolution 8	<i>The NZ Transport Agency Board received the November 2016 update on the East West Link project.</i>
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6.2 2016–19 Regulatory Programme

Board paper 16/11/1080

Celia Patrick provided an overview of progress against the 2016/17 regulatory programme and emerging priorities for the 2017/18 programme and beyond.

Resolution 9	<i>The NZ Transport Agency Board received the November 2016 update on:</i> <ul style="list-style-type: none">• <i>Progress against the 2016/17 regulatory programme.</i>• <i>Emerging priorities for the 2017/18 programme and beyond.</i>
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7. Other updates and general business

7.1 Other updates

Board paper 16/11/1085

Jenny Chetwynd provided an overview of the key issues in the paper.

Board Members specifically canvassed the Transport Agency's approach to protect and future proof key strategic routes and transport networks and its approach to strategic property purchase, noting the importance of the principles and methodology underpinning property valuation.

Resolution 11	<p><i>The NZ Transport Agency Board received updates on the:</i></p> <ul style="list-style-type: none"><i>• Opportunities for the sale of Transport Agency registry suite intellectual property.</i><i>• Launch of the Speed Management Guide.</i><i>• Auckland Unitary Plan appeals.</i><i>• Withheld under section 9(2)(f)(iv) of the Official Information Act.</i><i>• Transport Agency's approach to protect and future-proof key strategic routes and transport networks and its strategic approach to property purchase.</i><i>• Work that the Transport Agency has been doing with the Ministry of Business Innovation and Employment to release land for the Ministry's affordable housing initiative.</i><i>• A prototype of a 'Mobility as a Service' marketplace to be tested in Auckland in February 2017.</i>
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7.2 Draft agenda 9 December 2016 Board meeting

Board Members discussed and noted the draft agenda for the Board meeting on 9 December 2016, and that the schedule for the Auckland stakeholder visits and events would be provided as soon as possible.

Resolution 12	<i>The NZ Transport Agency Board noted the draft 9 December 2016 Board meeting agenda.</i>
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7.3 Schedule of Board Correspondence and Official Information Act requests for Board papers

Board paper 16/11/1077

Members noted the correspondence and Official Information Act requests.

Resolution 13	<i>The NZ Transport Agency Board received the November 2016 report on:</i> <ul style="list-style-type: none"><i>• Recent correspondence received by the NZ Transport Agency Board Chair.</i><i>• Transport Agency Board papers released under the Official Information Act 1982.</i>
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7.4 General Business

There was no general business.

8. Board Only Session

A Board only session was held.

Resolution 15	<p><i>The Transport Agency Board:</i></p> <ul style="list-style-type: none">• <i>Resolved</i> to establish an ad-hoc Transformation Board Committee, with the inaugural members being Chris Moller, Fran Wilde and Adrienne Young-Cooper• <i>Delegated</i> approval of the terms of reference for that Committee and the ability to select the Chair of the Committee to the Chair of the Transport Agency Board.
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The Board Meeting closed at 4.50pm.

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