



Board Meeting Minutes

Date & time	2 March 2017, 1.00 – 5.00pm
Location	NZTA Boardroom, 50 Victoria Street, Wellington
Board Membership	Chris Moller (Chair), Dame Fran Wilde (Deputy Chair), Adrienne Young-Cooper, Nick Rogers, Gill Cox, Mark Oldfield, Chris Ellis and Leo Lonergan.
Apologies	None
NZTA staff in attendance	Fergus Gammie (Chief Executive) Robert Brodnax (Acting GM Planning & Investment), Tommy Parker (GM Highways & Network Operations), Jenny Chetwynd (GM Strategy & Performance and Board Secretary), Allan Frost (GM Organisational Support), Paul Laplanche (Chief Financial Officer), Brandon Mainwaring (National Manager Accountability & Performance), Bob Alkema (National Manager Investment)
Guests	Barry Mein (Let’s Get Wellington Moving Programme Director) Gareth Chaplin (General Manager Sector Performance, Ministry of Transport), Helen White (GPS Programme Manager, Ministry of Transport)

1. Introduction and governance matters

1.1 Apologies

The Chair welcomed Board Members to the meeting.

1.2 Confirmation and overview of the agenda

The agenda was accepted as circulated.

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 9 December 2016 Board meeting and the 10 and 15 February 2017 Special Board meetings

Resolution 1	<i>The draft minutes of the 9 December 2016 Board meeting and the 10 and 15 February 2017 Special Board meetings are true and accurate records of the meetings.</i>
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1.5 Draft Minutes of the 4 November 2016 and 9 February 2017 ARA Committee meetings, and 2 March 2017 ARA Committee report

Gill Cox provided an overview of the matters considered at the ARA Committee meetings on 4 February 2017, 9 February 2017 and 2 March 2017.

Members specifically discussed KPMG's trial project in providing positive assurance across the application of the Transport Agency's Scrutiny Principle, noting the request for further advice to the ARA Committee on the costs and timeframes of proceeding to positive assurance across the Transport Agency's activities.

Members noted the ARA Committee's request for a review of the language of the Transport Agency's Protected Disclosures Policy and process documents to ensure that they are an effective communication tool and that they

support the organisation’s culture transformation. Members discussed the importance of this policy in enabling the Transport Agency to manage the risk of fraudulent activity.

Resolution 2	<i>The NZ Transport Agency Board received advice from the 2 March 2017 ARA Committee that the Transport Agency’s protected disclosure processes have been reviewed and improvements to those processes have been identified for implementation.</i>
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1.6 Draft Minutes of the 4 November 2016 I&O Committee meeting and 2 March 2017 I&O Committee report

Nick Rogers provided an overview of the matters considered at the Investment and Operations Committee meeting on 2 March 2017.

Mr Rogers outlined the discussion on the recommended route for the additional Waitematā Harbour Crossing, drawing Members’ attention to the recommendations of the Committee to the NZ Transport Agency Board that it endorses the recommended route. Board Members emphasised the importance of the alternative route analysis, noting this had been covered in the Committee’s discussion.

Mr Rogers outlined the discussion on progress made with the Petone to Grenada Link project in Wellington. He highlighted the Committee’s request for more information to be provided to the Board on how the transport and wider economic benefits were calculated for the Petone to Grenada Link Road project including how resilience and flood protection benefits have been taken into account in the calculation of the wider economic benefits.

Mr Rogers provided an overview of the Committee’s discussion on the Transport Agency’s approach to the evaluation of projects for tolling suitability, drawing Members’ attention to the Committee’s recommendation to the Board to support tolling for 4 key projects. Board Members reiterated the importance of tolling as a key demand management lever in managing the demands of the transport system, emphasised their support of tolling in this context, and agreed that the 4 tolling opportunities outlined in the paper represent an opportunity to expedite demand management practices.

Board Members also noted the Committee’s request for advice to the Board on the actions that can be taken to pursue or protect the option to establish a toll road for Transmission Gully in Wellington, including the process, timeline and critical path elements.

<p>Resolution 3</p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> • Endorsed the recommended route for the additional Waitemata Harbour Crossing project between the Central Motorway Junction and Esmonde Road, which forms the basis of proposed designations to protect the land required for the project, along with a coastal occupation permit for the tunnel section located within the coastal marine area. • Endorsed the recommended approach to secure designations for rail in addition to the state highway designations
<p>Resolution 4</p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> • Supported, subject to Ministerial approval, the intention to toll the Tauranga Northern Link, Transmission Gully, Petone to Grenada and Puhoi to Warkworth projects in the context of expediting demand management practice across the land transport system. • Noted that the NZ Transport Agency will continue to engage with the Ministry of Transport on the future of tolling in the context of demand management.

1.7 23 February 2017 Zero Harm Board Committee report

Chris Ellis provided an overview of the issues discussed at the Zero Harm Board Committee on 23 February 2017. He noted the Committee’s review of progress against the urgent deliverables on the Zero Harm programme. While the next 6 months will be critical for this programme, he noted the Committee’s confidence that the programme can be implemented.

Board Members emphasised the need for a standing item to be added to the Board agenda to improve the way the Board considers organisational Health and Safety issues. Members noted the need for the Health and Safety reporting dashboard, currently under development, to be finished and available as soon as practicable.

Requested Action	<i>A new Health and Safety standing item to be added to the beginning of the Board Agenda to enable Board Members to regularly consider Health and Safety issues.</i>
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1.8 Progress on actions requested at previous meetings

Progress on all the actions arising was noted.

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 discussed the progress made with clearing the Kaikoura slips and the trial for moving the Fur Seals at Ohau Point in preparation for clearing the Ohau Point slip.

In the context of progress made by the Ministry of Business, Innovation and Employment in establishing the Housing Infrastructure Fund (HIF), Board Members noted the need to be kept updated with progress on the establishment of the HIF Independent Assessment Panel, as membership and a Terms of Reference have still to be confirmed.

Resolution 5	<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 Draft Government Policy Statement on Land Transport

Board paper 2017/03/1108

The Chair welcomed Gareth Chaplin and Helen White from the Ministry of Transport to the meeting. Gareth Chaplin provided an overview of the purpose of the Government Policy Statement on Land Transport Funding (GPS), the processes followed to date in developing the current draft GPS, and a summary of its key features.

Board Members discussed the important role the GPS plays as an essential lever in building a competitive and productive economy and driving New Zealand’s economic growth by setting the direction for investment in the transport system.

Board Members discussed their expectations that the GPS would take a whole of system view to directing transport investment and noted the opportunity for the GPS to provide guidance on the role of and timeframes for demand management practices as a key transport lever.

Board Members also canvassed the opportunity for the GPS to identify the risks and opportunities with the existing revenue flow for the National Land Transport Fund, and to provide direction on the extent to which the Government anticipates innovation in identifying alternative funding sources, mechanisms and partnerships to deliver value across New Zealand’s transport system.

Resolution 6	<i>The NZ Transport Agency Board received the Minister of Transport’s engagement draft of the Government Policy Statement on Land Transport for 2018-19 to 2027-28.</i>
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4. Confirming service and financial performance targets

4. Statement of Intent 2017-21 and Statement of Performance Expectations 2017/18

[Board paper 2017/03/1109](#)

Brandon Mainwaring provided an update on progress with developing the NZ Transport Agency’s Statement of Intent 2017-21 and Statement of Performance Expectations 2017/18, noting that these documents now reflect the Transport Agency’s new strategy and will reflect KPMG best practice standards for integrated reporting.

Board Members received and discussed the 2017/18 Letter of Expectations for the New Zealand Transport Agency from the Minister of Transport, Hon Simon Bridges. Members noted that both the Statement of Intent and the Statement of Performance Expectations will highlight how the Transport Agency will deliver on these expectations. Board Members noted the opportunity, in future years, to better align the Output Class measures and targets with the Transport Agency’s strategic direction.

Resolution 7	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">• Received the 2017/18 Letter of Expectations for the New Zealand Transport Agency from the Minister of Transport, Hon Simon Bridges.• Received an update on the process for developing the Transport Agency’s Statement of Intent 2017-21 and Statement of Performance Expectations 2017/18.• Received the draft outlines and design concept for the Statement of Intent and Statement of Performance Expectations.• Approved the Transport Agency’s non-financial performance information to be provided to the Ministry of Transport for the Estimates for Vote Transport.
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5. Quality assurance of key organisational systems, policies and processes

5.1 2017/18 Draft financial budget update

Board paper 2017/03/1110

Allan Frost provided an update on the progress for developing the financial elements of the NZ Transport Agency’s Statement of Intent 2017-21 and Statement of Performance Expectations 2017/18.

Board Members noted that the budgeting and business planning processes were running in parallel, and the intention to run a multi phased budget process for 2017/18 in order to ensure the financial and non-financial elements are aligned, and reflect the Transport Agency’s refreshed strategy and transformation process.

Resolution 8	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">• Received the March 2017 update on the process for developing the financial elements of the Transport Agency’s Statement of Intent 2017-21 and Statement of Performance Expectations 2017/18.• Endorsed the assumptions / principles to be used for developing the financial elements of the Transport Agency’s Statement of Intent 2017-21 and Statement of Performance Expectations 2017/18.
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5.2 Value for money framework update

[Board paper 2017/03/1114](#)

Allan Frost provided an update on the progress made in the development of the Transport Agency’s Value for Money framework.

Board Members noted the Transport Agency’s innovative approach to the development of a value for money maturity assessment and performance assessment framework, noted the involvement of KPMG in the development process and acknowledged Transport Agency staff for the high standard of work.

Board Members discussed the findings from the performance assessments for the “efficiency” element of the framework across each of the Transport Agency’s nine largest output classes, noting the intention to develop an action plan to respond to the opportunities identified to enhance the Agency’s overall efficiency.

Board Members noted the next steps to complete the value for money framework, particularly the intention to provide reporting across the remaining three elements of the framework (Economy, Effectiveness and Equity), and

the intention to apply the value for money performance framework to the Transport Agency’s new strategy framework including the Focus Areas.

Resolution 9	<i>The NZ Transport Agency Board received the March 2017 update report on the progress made on the development of the Transport Agency’s value for money framework.</i>
Requested Action	<i>KPMG is to provide a report to the Transport Agency Board on the findings and recommendations arising following completion of the Value for Money maturity assessments.</i>

5.3 NZ Transport Agency Board Disclosure and Management of Interests Policy

[Board paper 2017/03/1115](#)

Gill Cox provided an overview of the ARA Committee’s discussion on the disclosure of Board Member’s interests, and the identification and management of conflicts arising from that disclosure.

Board Members discussed the obligation on individual members to disclose any relevant interests pertaining to a particular matter, and the collective power of the Board’s decision making in deciding whether or not conflicts arise, and how to manage them. In light of this, Board Members agreed that the policy should be referred to as the “NZ Transport Agency Board Disclosure and Management of Interests Policy”.

Resolution 10	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> • Approved the proposed NZ Transport Agency Board Disclosure and Management of Interests policy • Agreed to the NZ Transport Agency Board Governance Charter being amended to incorporate that policy.
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6. Significant planning, investment and operational matters

6.1 Bespoke funding assistance rates for earthquake-affected Councils

[Board paper 2017/03/1111](#)

Robert Brodnax outlined the reasons for applying a bespoke 95% emergency works funding assistance rate to all emergency earthquake recovery works undertaken by the Kaikoura District Council in respect of the November 2016 earthquake event.

Board Members noted that the Transport Agency's emergency works funding policy enables consideration of a bespoke funding arrangement where there is evidence that the recovery costs of a qualifying event will be beyond the ability of the approved organisation to raise sufficient local share and continue to deliver transport related levels of service. Members agreed that the application of the policy in these circumstances was appropriate and would not be perceived as setting a precedent for future scenarios.

Board Members also noted the importance of ensuring the application of the 95% emergency works funding assistance rate was not an indefinite arrangement and was set for a fixed period of time.

Resolution 11	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">• Approved a bespoke 95% emergency works funding assistance rate being applied to all emergency earthquake recovery works undertaken by Kaikoura District Council, up to 30 June 2020, in respect of the November 2016 Kaikoura earthquake event.• Agreed that the Kaikoura District Council's 'end of transition' normal funding assistance rate of 51% be brought forward to apply immediately (from 1 July 2016) for all approved programme activities.
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| | <ul style="list-style-type: none">• Agreed that the standard emergency works funding assistance rate will apply to all emergency earthquake recovery works undertaken by Marlborough District Council in respect of the November 2016 Kaikoura earthquake event. |
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6.2 Let's Get Wellington Moving – programme update

Board paper 2017/03/1116

Board Members noted Dame Fran Wilde's previous involvement with earlier stages of this initiative while she was the Chair and a Member of the Greater Wellington Regional Council.

The Chair welcomed Barry Mein, Let's Get Wellington Moving Programme Director, to the meeting.

Barry Mein provided an update on progress with the Let's Get Wellington Moving programme.

Board Members noted the inclusion of a set of clearly defined metrics that will enable a robust assessment of the scenarios that are being developed and noted the work currently underway on the development of the short list of scenarios.

Board Members also discussed the importance of timing of public consultation on these scenarios in order to ensure this consultation is as effective as possible.

Board Members emphasised the need to ensure that the solution options that are put forward for public consultation are proposed in the context of an integrated, whole of transport approach to the transport system and are considered as an overall package of interventions and not as individual elements.

Resolution 12	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">• Received the March 2017 report on progress with the Let's Get Wellington Moving programme.
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	<ul style="list-style-type: none"> • Noted the proposed <i>Let's Get Wellington Moving</i> performance measures.
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6.3 Kaeo Bridge funding approval

[Board paper 2017/03/1113](#)

Robert Brodnax summarised the Board’s decision in August 2016 to support a package approach to the implementation of the four Northland bridges currently included in the 2015/18 National Land Transport Programme, noting the Board’s request for the resolution of the flooding and design issues for Kaeo bridge to be resolved and reported back to the Board prior to a decision on construction funding.

Board Members noted that with the design alterations for Kaeo bridge, the Northland package targets a range of interventions that together will enhance connectivity between Auckland and Northland, the tourism journey experience, and the resilience of the Twin Coast Highway.

<p>Resolution 13</p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> • Approved \$16.7 million to fund the implementation, consenting and construction of the Kaeo bridge in addition to the \$51.5 million confirmed in August 2016 for the other four projects in the ‘Northland package’ (the two Matakohe bridges, Taipa bridge, and the Loop Road to Smeatons Hill project). • Noted that the Northland package, including Kaeo Bridge, will have an investment profile of high strategic fit and medium effectiveness and that the benefit cost ratio is 1.0 under the Transport Agency’s standard investment assessment methodology (without taking into account wider economic benefits, and not fully accounting for the resilience benefits in terms of flood management).
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6.4 State Highway 2 – Waihi to Tauranga programme

[Board paper 2017/03/1117](#)

Tommy Parker provided an update on progress made with the State Highway 2 – Waihi to Tauranga corridor programme.

Board Members noted the close proximity of the proposed Katikati bypass to an area of land west of the Katikati township that has been identified as a future urban growth area. Members discussed the risks of inappropriate management of development in this area on the integrity and future function of the proposed Katikati bypass. Members emphasised the need to continue dialogue with the Western Bay of Plenty District Council in order to reach an agreed understanding that residential and commercial/industrial growth in this area should be planned in an integrated manner to protect the integrity and future function of the bypass.

Board Members noted the amenity benefits that will also be realised by leveraging the Western Bay of Plenty District Council's investment as part of the corridor programme in a Town Centre Action Plan to revitalise the Katikati town centre.

Resolution 14	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">• Received the March 2017 update on the State Highway 2 - Waihi to Tauranga corridor programme.• Approved the addition of a Katikati bypass as a variation to the existing State Highway 2 – Waihi to Tauranga corridor programme at an additional cost of \$65 to \$73m, bringing the revised estimated cost for the programme to between \$585m and \$593m.• Endorsed the Transport Agency investigating accelerating the timing of potential capacity improvements between Omokoroa and Te Puna.• Noted that, if the proposed changes were approved, the State Highway 2 - Waihi to Tauranga programme would continue to have a high strategic fit and High effectiveness
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	<i>with an economic efficiency rating of 1-3.</i>
Requested Action	<i>The Transport Agency Chief Executive is to write to the Western Bay of Plenty District Council to communicate that planning for future development in the area of land to the west of the Katikati township (including Busby and Henry Roads) in close proximity to the proposed Katikati bypass identified as a Fourth Generation Future Urban Growth Area should be carried out in a way that protects the integrity and future function of the bypass.</i>

6.5 Auckland Advanced Bus Study

[Board paper 2017/03/1112](#)

Board Members noted that Leo Lonergan and Mark Oldfield have minor shareholdings in Auckland International Airport Limited and that Adrienne Young-Cooper is the Chair of Housing New Zealand.

Peter Clark summarised the context behind the Auckland Advanced Bus Study, its objectives and key findings.

Board Members noted that Auckland Transport will be leading the next phase to develop the business case to support the protection of the City to Airport Mass Transit route, in partnership with the Transport Agency and Auckland Council. Board Members discussed the transition from a bus to light rail corridor noting that a key element of this business case phase will be understanding how the system could transition over time, and the triggers for the transition steps.

Board Members noted that more detailed work on understanding the problem and opportunities, the customer insights, operational requirements and financial elements will also be part of this next phase, and that the Board’s support will be sought on completion of the business case prior to proceeding with route protection and the proposed transition plan.

Resolution 15	<i>The NZ Transport Agency Board:</i>
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	<ul style="list-style-type: none"> • Agreed: <ul style="list-style-type: none"> ➤ <i>In principle, that there will be a staged, integrated transition from bus to light rail transit along the preferred ‘Airport to City’ route.</i> ➤ <i>That a business case for route protection for the ‘Airport to City’ route, including a plan identifying the triggers for transition steps, will be progressed with urgency to future-proof options for both advanced bus and light rail.</i> ➤ <i>That a business case for route protection will also be progressed for the eastern connection from the Airport to Manukau City Centre.</i> • Supported <i>the general strategic direction of a package of short term improvements being developed to address urgent Auckland Airport access issues.</i>
Requested Action	<p><i>Board Members are to receive a paper outlining the results of the business case to support the protection of the City to Airport Mass Transit Route prior to proceeding with route protection and the development of a transition plan.</i></p>

7. Other updates and general business

7.1 Other updates

Board paper 2017/03/1119

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Board Members noted that both Leo Lonergan and Mark Oldfield have minor shareholdings in Auckland International Airport Limited.

Board Members discussed the complexity of the Auckland SkyPath project and emphasised the importance of the resilience of the Auckland Harbour Bridge. Board Members canvassed the options for the Transport Agency’s

involvement with SkyPath, concluding that working with Auckland Council to ensure the public private partnership agreement sufficiently protected the Auckland Harbour Bridge with the Transport Agency taking a greater role in governance, delivery and operations, but not assuming additional financial responsibilities was the most appropriate role for the Transport Agency to take.

Board Members discussed the importance of engagement with port and airport companies at a strategic level to facilitate the alignment of plans and investments.

Resolution 17	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">• Endorsed the NZ Transport Agency working with Auckland Council to ensure the public private partnership agreement sufficiently protected the Auckland Harbour Bridge, with the Transport Agency taking a greater role in governance, delivery and operations, but not assuming additional financial responsibilities, as the preferred approach (Option 2) to the Transport Agency's role in the delivery and operation of SkyPath.• Received updates on:<ul style="list-style-type: none">- Government's proposals in relation to urban development authorities;- The Housing Infrastructure Fund;- SuperGold card funding policy;- How port and airport planning was factored into the development of the NZ Transport Agency's Long Term Strategic View;- Actions the Transport Agency is taking to monitor the uptake of cycleways around the country;- Work the Transport Agency is doing with Auckland Transport to monitor the delivery of projects;
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	<ul style="list-style-type: none">- <i>The Royal Forest and Bird Protection Society of New Zealand’s view of the East West Link project;</i>- <i>Royal Forest and Bird’s appeal on the Auckland Unitary Plan;</i>- <i>The Otaki to North Levin project;</i>- <i>The LED supply market;</i>- <i>[Contains confidential information]</i>- <i>Aggregate and bitumen supply.</i>
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7.2 Draft agendas for late March 2017 and 20 April 2017 Special Board meetings

Board Members noted the draft agendas for the late March 2017 and 20 April 2017 Special Board meetings.

7.3 Schedule of Board Correspondence and Official Information Act requests for Board papers

Board paper 2017/03/1120

Board Members noted the correspondence and Official Information Act requests.

Resolution 18	<p><i>The NZ Transport Agency Board received the March report on:</i></p> <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

Board Members discussed the proposed schedule of events and dates for the opening of the Waterview Tunnel in Auckland.

Requested Action	<i>Board Members are to receive advice, for discussion at a future Board meeting, on the operation of the western ring route connections post the opening of the Waterview Tunnel in Auckland.</i>
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7. Board Only Session

A Board only session was held.

The Board Meeting closed at 5.50pm.

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