



Board Meeting Minutes	
Date & time	8 December 2017, 8:30am – 2:30pm
Location	NZ Transport Agency office - Kauri Room, HSBC House, 1 Queen Street, Wellington
Board Membership	Chris Moller (Chair), Dame Fran Wilde (Deputy Chair), Adrienne Young-Cooper, Nick Rogers, Chris Ellis, Leo Lonergan, Mark Darrow and Vanessa van Uden
Apologies	None
NZTA staff in attendance	Fergus Gammie (Chief Executive) Raewyn Bleakley (General Manager Governance, Stakeholders & Communications and Board Secretary), Howard Cattermole (General Manager Investment & Finance), Jenny Chetwynd (General Manager Strategy, Policy & Planning), Barbara Harrison (General Manager People), Tommy Parker (General Manager System Design & Delivery), Robert Brodnax (Director Transport Access Delivery), Martin McMullan (Director Connected Journey Solutions), Harry Wilson (Director Safety & Environment), Brett Gliddon (Senior Manager System Design), Shane Avers (Senior Manager Procurement) and Rhys Clark (Senior Manager, Operational Policy, Planning and Performance).

External attendees	<p><i>At 9:15am, for an hour</i> Nick Brown (Deputy Chief Executive, Governance and Engagement, Ministry of Transport) and Louise Lennard (Principal Adviser, Governance and Commercial, Ministry of Transport).</p> <p><i>At 12:30pm, for 15 minutes</i> Chair Bruce Gordon (Horizons Regional Council), Mayor Grant Smith (Palmerston North City Council), Mayor Helen Worboys (Manawatu District Council), Mayor Andy Watson (Rangitikei District Council), Mayor Michael Feyen (Horowhenua District Council), Mayor Tracey Collis (Tararua District Council), Mayor Hamish McDoull (Whanganui District Council) and Craig Nash (Accelerate25 Project Manager).</p> <p><i>At 2:00pm, for half an hour</i> Hon Julie Anne Genter (Associate Minister of Transport) and Henry Peach (Hon Genter's Political Advisor).</p>
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1. Introduction and governance matters

1.1 Apologies and welcome

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 interests of Board Members

The schedule of Board Members' interests was noted as tabled.

Nick Rogers noted his standing interest in Tonkin and Taylor.

Chris Moller noted his interest as Chair of the Meridian Energy Board and advised that he would leave the room for Agenda item 5.2 *State Highway 3: Manawatu Gorge – Preferred Approach* – as well as the 'presentation' by the Manawatu delegation.

1.4 Declarations of conflicts of interests of Senior Leadership Team Members

The schedule of Senior Leadership Team Members' interests was noted as tabled.

1.5 Draft minutes of the 10 November 2017 Board meeting

Resolution 1	<i>The NZ Transport Agency Board confirmed the draft minutes of the 10 November 2017 Board meeting as a true and accurate record of the meeting.</i>
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1.6 Investment and Operations (I&O) Board Committee Report: 10 November 2017 I&O Board Committee meeting

Nick Rogers provided an overview of the issues considered by the I&O Board Committee at the meeting held on 10 November 2017.

1.7 Health and Safety (H&S) Board Committee Report: Report of 5 December 2017 H&S Board Committee meeting

Chris Ellis noted his interest as a Director of WorkSafe NZ.

An overview of the issues considered by the H&S Board Committee was provided by Chris Ellis.

1.8 Health and Safety update

[Board paper 2017/12/1198](#)

Barbara Harrison introduced the paper noting the work underway in respect of temporary traffic management and fatigue.

Resolution 2	<i>The NZ Transport Agency Board noted the health and safety performance update.</i>
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1.9 Progress on actions requested at previous meetings

Progress on all actions arising was noted.

Board Members acknowledged the receipt of a memo that provided information in response to a number of Board Requested Actions.

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 NZ Transport Agency. This included an update on discussions with Ministers regarding the development of the Government Policy Statement and a brief outline of the next steps involved in the Performance Improvement Framework Review. Board Members discussed the issue of tolling and requested that Management provide further detail on this topic for a future Board meeting.

Resolution 3	<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 NZ Transport Agency Crown Entity Assessment

Board paper 2017/12/1207

Fergus Gammie introduced Nick Brown and Louise Lennard from the Ministry of Transport.

Nick Brown outlined the process undertaken since taking up his new role as Deputy Chief Executive, Governance and Engagement, to form a view of how the assessment process had been working. He noted the purpose of the assessment process was to assist with informing what should be included in the Minister of Transport's Letter of Expectations, as well as assessing performance both qualitatively and quantitatively.

The Board discussed the quality of evidence used for the assessment. The Chair noted that some of the issues raised in correspondence and meetings with the Ministry last year remained of concern in this year's assessment. In response, Nick Brown noted that the Board were looking for the Ministry to

have more engagement with the Transport Agency's Senior Leadership Team during 2018.

Resolution 4	<p><i>The NZ Transport Agency Board:</i></p> <p>a) Notes that the Ministry of Transport's draft 2017 Crown Entity Assessment of the NZ Transport Agency has been received.</p> <p>b) Agrees to ask the Chief Executive to discuss the draft 2017 Crown Entity Assessment of the NZ Transport Agency with the Secretary of Transport.</p>
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3.2 National Land Transport Programme: Future Transport Initiatives – National Programme

Board paper 2017/12/1203

Jenny Chetwynd and Martin McMullan spoke to the paper noting they were looking to international best practice in developing the vision, roadmap and delivery programme.

Resolution 5	<p><i>The NZ Transport Agency Board notes the NZ Transport Agency is leading a process with key stakeholders to develop a national vision, roadmap and accelerated delivery programme for digital and emerging technology initiatives that will realise an effective customer-centred future transport system for New Zealand.</i></p>
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3.3 National Land Transport Programme – Process and Timeline Changes

Board paper 2017/12/1201

Jenny Chetwynd introduced the paper noting the Chief Executive has the authority to change the timeframes for submitting the Regional Land Transport Plans. The Board noted local government had

reacted positively to this decision and had valued the prompt communication from the Minister of Transport and Transport Agency around expectations.

Resolution 6	<p><i>The NZ Transport Agency Board:</i></p> <p>a) Notes the revised timeline for the development of the Regional Land Transport Plans (RLTPs) and the National Land Transport Programme (NLTP) in light of the changes to the process and timelines for releasing the 2018-2021 Government Policy Statement on Land Transport, as follows:</p> <ul style="list-style-type: none">• RLTPs to be submitted to the Transport Agency by 30 June 2018 (previously 30 April 2018); and• NLTP to be adopted by 31 August 2018 (previously 30 June 2018). <p>b) Notes the extension to the expiry deadline for the current 2015-2018 NLTP from 30 June 2018 to 31 August 2018 to ensure that activities in the current NLTP can continue to be approved over the two month period before the 2018-2021 NLTP is adopted.</p> <p>c) Notes the continuation of the existing timeframe for continuous programmes to ensure that the Transport Agency can provide councils with an indication of likely funding levels, as they compile their Long Term Plans.</p>
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4. Quality assurance of key organisational systems, policies and processes

4.1 Financial Progress Report for the four months to the end of October 2017

Board paper 2017/12/1199

Howard Cattermole introduced the progress report noting there was nothing of significance for the Board to be aware of at this early stage of the financial year.

Resolution 7	<i>The NZ Transport Agency Board receives the report on the financial performance of the NZ Transport Agency (including the National Land Transport Fund) for the four months ended 31 October 2017.</i>
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5. Significant planning, investment and operational matters

5.1 Hamilton City Council's Peacocke Growth Area Detailed Business Case

Board paper 2017/12/1200

Fergus Gammie introduced the paper noting this is a combined water and transport project. The Board accepted the need to immediately communicate the Board's decision to the Housing Infrastructure Fund Panel to enable the required timeframes to be met.

Resolution 8	<i>The NZ Transport Agency Board: a) Notes the Hamilton City Council's Peacocke Detailed Business Case has been assessed against the NZ Transport Agency's investment assessment</i>
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	<p><i>framework and has an investment assessment profile of high strategic fit, medium effectiveness and a transport Benefit Cost Ratio of 2.42</i></p> <p><i>b) Endorses the Hamilton City Council’s Peacocke Detailed Business Case (Final)</i></p> <p><i>c) Approves funding of up to \$234 million (Hamilton City Council share \$114.4 million and NZ Transport Agency share \$119.3 million) for implementation (Hamilton City Council share \$90.5 million and Transport Agency share \$94.5 million) and for property purchase (Hamilton City Council share \$23.9 million and Transport Agency share \$24.8 million) of transport infrastructure in Hamilton City Council’s Peacocke growth area, subject to, as conditions precedent:</i></p> <ul style="list-style-type: none"><i>i. Approval from the Ministers of Transport, Housing and Urban Development, and Finance of Crown funds from the Housing Infrastructure Fund being available for the National Land Transport Fund share of the investment; and</i><i>ii. Hamilton City Council borrowing directly from the Housing Infrastructure Fund for its share of the Peacocke growth area activity and not utilising the Transport Agency’s frontloading approach or a different financing approach (such as a special purpose vehicle).</i> <p><i>d) Restricts investment from the National Land Transport Fund (NLTF) to the funding available to the NZ Transport Agency through the Housing Infrastructure Fund (HIF) Crown loan, meaning that any transport-related cost increases after the endorsement of the Hamilton City Council’s Peacocke Detailed Business Case will be covered by Hamilton City Council (unless the HIF Crown loan to the Transport Agency is increased to cover the</i></p>
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	<p><i>NLTF share of the cost increase).</i></p> <p>e) Approves the inclusion of the Peacocke growth area activity in the 2015-18 National Land Transport Programme subject to, as a condition precedent, the inclusion of the Peacocke growth area activity in the 2015-18 Waikato Regional Land Transport Plan.</p> <p>f) Approves drawdown of a \$119.3 million interest free Housing Infrastructure Fund loan for the NZ Transport Agency's share of the Peacocke transport costs (implementation and property costs).</p> <p>g) Approves immediate communication to the Housing Infrastructure Fund Panel of the Board's decision to invest in the Peacocke growth area activity.</p>
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Chris Moller noted his interest as Chair of the Meridian Energy Board and left the room for the duration of the presentation by the Manawatu delegation and Agenda item 5.2 concerning the Manawatu Gorge closure and the associated alternative route investigation. He passed the chairing of the meeting to the Deputy Chair, Dame Fran Wilde.

Presentation by Manawatu delegation

The Board received a brief presentation of views and perspectives from members of a Manawatu delegation regarding their preferred option with respect to Manawatu Gorge and the investigation into an alternative route.

The Board thanked the members of the Manawatu delegation for traveling to present to the Board in person. The Manawatu delegation then left the meeting.

5.2 State Highway 3: Manawatu Gorge – Preferred Approach

Board paper 2017/12/1206

Fergus Gammie introduced the paper noting it sought support for a preferred option.

The Board discussed the progress made on assessing the four short listed options (including the option advocated by the Manawatu delegation), the various aspects related to those options, the importance of resilience for the route and the significance of any decision made by the Board to support a preferred approach or option. Consequently, the Board agreed to defer making a decision on the preferred option and leave the proposed resolution on the table, pending further discussions with local councils and other stakeholders and receipt of further information connected to the short listed options.

The Board noted the need for a media statement to be released prior to Christmas 2017 outlining progress and the current state of affairs connected with making a decision on the Manawatu Gorge alternative route.

Requested Action	<i>The Board requests:</i> <ul style="list-style-type: none">a) <i>further discussions be completed with local councils and other stakeholders regarding the short listed options and the perspectives of these parties in terms of the options being considered and the outcomes sought; and</i>b) <i>assessments of the short listed options be finalised (including how each option supports economic development and growth for the region - noting the need for regional freight connectivity).</i>
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Chris Moller returned to the meeting and resumed the Chair.

5.3 State Highway 16: Brigham Creek to Waimauku – Safety and Capacity Improvements – Option Endorsement and Funding Approval

Board paper 2017/12/1205

Tommy Parker introduced the paper noting the safety and capacity focus. Public communication regarding the options endorsement and funding approvals is to commence in December 2017 in order to progress the project delivery. Board Members noted the differing types of safety improvements to be used depending on the levels of urbanisation along the route.

<p>Resolution 9</p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> a) Endorses the options recommended for sections A to E in the single stage business case for the NZ Transport Agency’s State Highway 16: Brigham Creek to Waimauku. b) Approves \$4.0 million for pre-implementation works for the NZ Transport Agency’s State Highway 16: Brigham Creek to Waimauku Project. c) Approves \$65.2 million for implementation of the NZ Transport Agency’s State Highway 16: Brigham Creek to Waimauku Project (including \$6.1 million for property acquisitions, \$8.9 million for contingency and \$1.5 million for escalation). d) Approves the public communication by the NZ Transport Agency regarding the options’ endorsement and funding approvals connected to State Highway 16: Brigham Creek to Waimauku in December 2017 in order to progress project delivery.
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5.4 NZ Transport Agency’s Weigh Right Programme Implementation Funding

[Board paper 2017/12/1202](#)

Robert Brodnax spoke to the paper noting the options investigated and the outcomes of implementation that will benefit road users. The Weigh Right Programme will reduce heavy vehicle overloading. It also will engender a level playing field for the transport industry, improve productivity and road safety, and ensure that heavy vehicle operators pay their fair share of road maintenance.

In response to Board Members’ queries regarding the technology, such as overseas experience and comparisons with other options available, Martin McMullan noted that the technology to be utilised has been trialled successfully and a watching brief is in place with respect to any relevant overseas developments with the options investigated/to be used.

With respect to ports, the Transport Agency will need to put in place measures with ports to ensure that heavy vehicles leaving port facilities are compliant with relevant regulations.

Board Members noted the 11 December 2017 implementation date for the Weigh Right Programme.

Resolution 10	<i>The NZ Transport Agency Board:</i>				
	<i>a) Approves funding of \$71.36 million (\$88.20 million 95th percentile) for implementation of the New Zealand Transport Agency’s Weigh Right Programme for the following sites:</i>				
	Location	Status	Implementation \$ million	Property \$ million	Total \$ million
	Stanley Street	Upgrade existing site	2.22		2.22
	Paengaroa	Upgrade existing site	3.58		3.58
Glasnevin System Development	New system	12.38		12.38	

Glasnevin Site Works	Upgrade existing site	2.28		2.28
Taupo	New Site	7.03	0.01	7.04
Ohakea	Upgrade existing site	4.03	0.06	4.09
Rakaia	New Site	4.04	0.11	4.15
Tauranga Port	New Site	5.07	2.20	7.27
Napier Port	New Site	3.69	4.60	8.29
Bombay	New Site	5.27	2.45	7.72
MacKays	New Site	10.50	0.03	10.53
<i>Sub Total</i>		<i>60.09</i>	<i>9.46</i>	<i>69.55</i>
Admin fee 2.6%		1.56	0.25	1.81
Total		61.65	9.71	71.36

b) **Notes** that an additional \$11.60 million for the construction of a further two sites at Marsden and Albany will be funded through other National Land Transport Fund funded major capital works projects.

c) **Approves** the commencement of the NZ Transport Agency’s Weigh Right Programme implementation from 11 December 2017.

5.5 Rail Safety Regulatory Function – Funding Review

Board paper 2017/12/1204

Robert Brodnax outlined key features of the regulatory function (including the Transport Accident Investigation Commission’s review findings) and funding review underpinning the proposal for increasing the capability and capacity of the rail safety function.

Resolution 11	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><i>a) Endorses, subject to completion of the funding review, the proposal to increase the capability and capacity of the rail safety regulatory function, and resulting resource requirement.</i><i>b) Notes the funding options proposed for consultation.</i>
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6. Other updates and general business

6.1 Other updates

Board paper 2017/12/1208

Mark Darrow and Nick Rogers spoke about their attendance at the Regulatory Theory and Practice Workshop, organised by the Civil Aviation Authority and facilitated by Professor Malcolm Sparrow. Board Members noted the value of being able to engage at a high level with peers from other government agencies tasked with regulating complex systems.

Robert Brodnax and Jenny Chetwynd spoke to the regulatory management strategy update noting it had been considered by the I&O Board Committee. Board Members noted the approach to decision

making and intent to move from an inspection metric to identifying and reducing risk.

Howard Cattermole provided an update on the Value for Money framework and summarised the programme for the next 18 months. Board Members noted an interest in how safety would be incorporated into the framework.

Tommy Parker provided an update on the Kaikoura Earthquake Recovery and Reinstatement, including the good weather in recent weeks, which had assisted in keeping the work programme on track for re-opening in mid-December 2017. The Board noted what a significant achievement this milestone would be.

Harry Wilson provided a positive update on the 2017 Road Policing Strategy and Operating Model Review. Board Members noted that it was a first principles approach, in conjunction with Police and Ministry of Transport (MoT). Harry Wilson noted the high level involvement of senior staff from both the Police and MoT, which gave him considerable confidence that co-design of the new operating model would be a significant improvement on the existing model.

Jenny Chetwynd provided an update on the development of the Long Term Strategic View.

Resolution 12	<i>The NZ Transport Agency Board receives the 8 December 2017 other updates.</i>
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6.2 Draft agendas for upcoming Board and Board Committee meetings in February and March 2018

Resolution 13	<i>The NZ Transport Agency Board noted the draft agendas for the 8 February 2018 Special Audit, Risk and Assurance Board Committee meeting, 9 February 2018 Special Board meeting, 1 March 2018 Audit, Risk and Assurance Board Committee meeting, 1 March 2018 Investment and Operations Board Committee meeting and 1 March 2018 Board meeting.</i>
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6.3 Schedule of Board Correspondence and requests for Board paper

Board paper 2017/12/1209

Resolution 14	<p><i>The NZ Transport Agency Board receives the 8 December 2018 report on:</i></p> <ul style="list-style-type: none"><i>• Recent correspondence received, and sent, by the NZ Transport Agency Board Chair; and</i><i>• Transport Agency Board papers requested and released under the Official Information Act 1982.</i>
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6.4 Discussion with the Associate Minister of Transport, Hon Julie Anne Genter

The Associate Minister of Transport, Hon Julie Anne Genter, attended the Board meeting and spoke to the letter she had sent to the Transport Agency Chair regarding her ideas to address the rising road toll.

The Board welcomed the discussion with the Associate Minister about these matters and noted the upcoming announcement she would be making about the Boost programme for state highways.

The Chair thanked the Associate Minister for taking the time to meet with the Board in person to discuss these important matters and assured her that the Board would formally respond to her prior to the Christmas and New Year holiday period.

6.5 General business

Dame Fran Wilde spoke on behalf of the Board and staff of the Transport Agency. She expressed formal thanks to Chris Moller, recognising the time and effort he has applied to undertaking his role

and responsibilities as Board Chair since March 2010. Dame Fran Wilde wished him all the best for the future.

7. Board only session

A Board only session was held.

The Board Meeting closed at 2:45pm.

Minutes approved by the Chair	<hr/>
Date	----/----/----