



Board Meeting Minutes	
Date & time	14 December 2018, 8:30am – 3:00pm
Location	Kauri Room, Level 11, HSBC House, 1 Queen Street, Auckland
Board Membership	Michael Stiasny (Chair), Dame Fran Wilde (Deputy Chair), Nick Rogers, Adrienne Young-Cooper, 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 and Finance), Jenny Chetwynd (General Manager Strategy, Policy & Planning), Barbara Harrison (General Manager People), Brett Gliddon (General Manager System Design & Delivery), Charles Ronaldson (General Manager Customer Design & Delivery and Acting), Giles Southwell (General Manager Corporate Services), Harry Wilson (Director Safety & Environment) and Tim Barry (Senior Manager, Safety and Wellness).
External attendees	Minister Julie Anne Genter and Henry Peach, Ministerial Adviser (for a meeting with Board Members, canvassing subject matter of interest to the Minister)

Steve Haszard, Meredith Connell (for Agenda items 4.1 *Regulatory Non-Compliance Project Update* and 4.2 *Regulatory Costs*)

Peter Mersi, Chief Executive, Ngaire Best, Manager, Governance & Commercial, and Robert Anderson, Principal Advisor, Governance & Commercial, Ministry of Transport (for Agenda item 5.2 *The Ministry of Transport Monitoring Approach for the NZ Transport Agency*)

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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.

In terms of matters arising under the Agenda:

- Michael Stiasny declared a conflict with respect to the item in the Chief Executive's Report about Waikato Bus Services as he has looked at Go Bus financials (Agenda item 3.1).

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- Adrienne Young-Cooper declared an interest in the Auckland Dockline Tram (Wynyard Quarter) in her capacity as Chair of Panuku Development Auckland (Agenda item 4.6).

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 9 November 2018 and 16 November 2018 Board meetings and Ratification of Board Decision by circulation

Resolution 1	<p><i>The NZ Transport Agency Board confirmed the draft Minutes of the following meetings as true and accurate records of those meetings:</i></p> <ul style="list-style-type: none"><i>• 9 November 2018 Board meeting; and</i><i>• 16 November 2018 Board meeting.</i>
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At its 5 October 2018 meeting, the Board endorsed the proposed revised approach for the State Highway (SH) 1 Ōtaki to north of Levin corridor. This involves immediate safety improvements in the short term; and establishing a new two lane offline route that will bypass Levin in the longer term.

A decision regarding the preferred corridor had been planned for the 14 December 2018 Board meeting; however, given the late scheduling of this meeting, very little time would have been available to inform stakeholders and affected property owners before the end of 2018. Further, stakeholders and potentially affected property owners had been advised that the NZ Transport Agency would be making a decision on the preferred route for the new offline route for SH1 by the end of the year. Consequently, an out-of-cycle decision on this matter, by the Board, was sought.

Board paper *2018/12/1307 Otaki to north of Levin – Indicative Business Case and Preferred Corridor* was circulated by email to Board Members on 29 November 2018, with a request for response by close of play, Friday 30 November 2018

In addition to seeking and being given further detail around certain aspects of the preferred option, Board Members provided feedback and supported the Board recommendations as proposed.

The inclusion of the following resolution enables this Board decision, following receipt of the noted Board paper by circulation, to be ratified and recorded within the Minutes of a Board meeting, being this Board meeting.

Resolution 2	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Endorsed the Otaki to north of Levin Indicative Business Case and its recommended preferred route for the new off-line route for State Highway 1.b) Notes funding for the next phase of investigation (Detailed Business Case plus Resource Management Act route protection) will be requested via Board paper 2018/12/1328 Inclusion of Re-evaluated Activities in the National Land Transport Programme, to be presented to the 14 December 2018 Board meeting.c) Noted the re-evaluation process recommends investigation of staging transport investment including two lane options.d) Noted the Otaki to north of Levin corridor is split into northern and southern options. During the evaluation process these were investigated separately. The recommendation includes a northern and southern option, which forms the preferred corridor.
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Also, on 29 November 2018, Board Members received, via email, a memorandum which sought agreement from Board Members to accelerate the progressing of two urgent speed limit reviews (Kaikoura and Tasman) as a Road Controlling Authority, ahead of the Board's consideration of committing to the implementation approach contained in the Speed Management Guide at its 14 December 2018 meeting.

Under the Land Transport Rule: Setting of Speed Limits (2017) (the Rule), the Transport Agency has responsibilities as both:

- a) a Regulator for advising on speed limit proposals and approving Road Controlling Authorities to set certain speed limits; and
- b) a Road Controlling Authority for setting speed limits on state highways.

In terms of Kaikoura, an emergency speed limit of 80km/h in the areas north and south of Kaikōura was put in place for one year, when State Highway (SH) 1 re-opened after being closed for over a year due to the 2016 Kaikōura earthquakes. Permanent safe and appropriate speed limits needed to be set by 15 December 2018, being the expiry date for the emergency speed limit. Engineering up to 100km/h for these sections is not appropriate as the coastal and hill country terrain make the projects environmentally and cost prohibitive. The new road construction north of Kaikōura was engineered to an 80km/h curve design standard for this reason.

With respect to SH60 Richmond, Tasman, a spate of high profile crashes over Christmas 2017 led to work with the Tasman District Council to reduce the speed limit in certain areas in time for the 2018 holiday period. The current National Land Transport Programme does not intend to invest in bringing this section of SH60 to 100km/h standard. Substantial land requirements along the whole length for curve realignment and median barriers would be needed. The implementation approach for Safer Network Programme focuses on sections with higher rate investment returns, which this section is within.

The Transport Agency as a Road Controlling Authority intends to:

- set the road lengths on SH1 near Kaikoura at 80km/h permanent speed limit, except for 10.4 kilometres over the Hunderlees which will be set at 60km/h permanent speed limit.
- change nine kilometres of SH60, from Three Brothers Roundabout to Maisey Road, from 100km/h to 80km/h, jointly with Tasman District Council and change speed limits on the adjoining local roads.

The proposals were in accordance with the Rule, the Speed Management Guide and the Transport Agency's advice as Regulator.

Board Members provided feedback and supported accelerating the progression of the two urgent speed limit reviews (Kaikoura and Tasman) in the Transport Agency's capacity as a Road Controlling Authority.

The inclusion of the following resolution enables this Board decision, following receipt of the noted Memorandum by circulation, to be ratified and recorded within the Minutes of a Board meeting, being this Board meeting.

Resolution 3	<p><i>The NZ Transport Agency Board agreed to the NZ Transport Agency in its capacity as a Road Controlling Authority, accelerating the progression of two urgent speed limit reviews in order to:</i></p> <ul style="list-style-type: none"><i>a) set the road lengths on State Highway (SH) 1 near Kaikoura at 80km/h permanent speed limit, except for 10.4 kilometres over the Hunderlees, which will be set at 60km/h permanent speed limit.</i><i>b) change nine kilometres of SH60, from Three Brothers Roundabout to Maisey Road, from 100km/h to 80km/h, jointly with Tasman District Council and change speed limits on the adjoining local roads.</i>
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1.6 Governance Matter(s)

No matters discussed.

1.7 Progress on actions requested at previous meetings

Progress on all actions arising was noted.

2. Health, Safety and Wellness matters

2.1 Health, Safety and Wellness Update

Board paper 2018/12/1308

Chris Ellis noted his interest in health and safety matters as a Director of WorkSafe NZ.

The various matters within the update were canvassed by Board Members. This discussion covered the incorporation of health and safety requirements (including drug and alcohol policy) into contractual and policy documents (such as and including the Vehicle Inspection Requirements Manual); the critical risks review underway; the provision of onsite psychological support services; and the recruitment of further staff.

In terms of the recruitment of regulatory focused roles, eight roles have been filled –including the two heavy certification officer roles. Of the eight filled, some have already started in their roles, while others have start dates up to and including the end of January 2019. There is also 17 roles at an interview stage; four roles at reference check stage; and seven roles are in the pre-recruitment stages of position description development. This progress update was well received by Board Members.

An update regarding the critical risks review was requested for the next Board meeting in light of the upcoming workshops and steps forming the review process. The Board noted management advice that the approach to mental health support is tactical, with a view to rectifying cause(s), where this is possible.

With respect to the proposed Board Health and Safety Charter, the Board noted the material provided and requested that a draft be prepared by Charles Ronaldson and Chris Ellis for the March 2019 Board meeting.

In terms of the incidents recorded, discussion focused on the poor performance of certain contract providers with significant issues and less than satisfactory explanations. Management noted one contract provider was served this week in respect of failing to meet specific requirements. An update is to be provided at the next Board meeting.

Board Members noted that there was some ‘overlap’ with how the key measures have been applied to incidents. By way of example, lost time injury (LTI) has been used in the current update for incidents that have also involved medical treatment and/or hospitalisation. The classification of the injuries will be reviewed and adjusted as discussed.

Resolution 4	<i>The NZ Transport Agency Board noted the latest health, safety and wellness update.</i>
Requested Action(s)	The Board requested that a draft Board Health and Safety Charter be prepared for the March 2019 Board meeting. Management is to work with Chris Ellis on this document.

3. Chief Executive's Report

3.1 Chief Executive's Report

Michael Stiassny declared a conflict with respect to the item in the Chief Executive's Report about Waikato Bus Services as he has looked at Go Bus financials.

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

Board Members noted the intended Sustainability Strategy and focus points; however, it is not considered ambitious enough. One person at a senior level will be responsible for this piece of work as it is important to all concerned. A draft strategy and implementation plan is to be presented to the next Board meeting, with adaptation to be included as a theme.

Fergus Gammie spoke to the Let's Get Wellington Moving (LGWM) item, summarising what the Minister has proposed to the Councils involved in LGWM. Howard Cattermole noted the Mayor's willingness to agree to the proposal. Affordability appears to be the big question. It was agreed that the discussions between the Minister and Councils needed to proceed. Once there was a clear outcome, the Transport Agency could consider its position, as the Minister's proposal places heavy loading on the National Land Transport Fund.

The Board noted both the steps taken thus far in respect of an unsolicited proposal for the Penlink Project and the likelihood of an out of cycle decision from the Board being required before the next Board meeting in March 2019.

The approach Auckland Transport is considering with respect to public transport fares was discussed. More information, as mentioned, is required. Board Members asked what would be required to become the centre of excellence to enable the extent of mode shift envisaged by the Government. Further information in this regard is to be provided by management to the Board in March 2019.

Board Members acknowledged receipt of the phase one report connected to the external review of the implementation of the new Wellington bus services.

The Waikato Regional Council’s issue with respect to Waikato bus services was noted – as well as their proposal to address the funding gap. The risks involved were noted and thus care is required. Notwithstanding any in principle support for the living wage concept, payment of wages is not an aspect of public transport that the Board would agree to be funded via the National Land Transport Fund. The matter should not be dealt with as an isolated case. One option is for the Transport Agency to present the issue and associated cost for a national approach to the Minister.

Fergus Gammie spoke to the approach to ensure effective delivery of transport outcomes for Auckland between the Transport Agency and Auckland Transport.

Board Members noted that the business case review work is very important and should be done as a priority. It was agreed that going forward the work would be led by Vanessa van Uden and involve the Investment and Operations Board Committee and the management team undertaking this work.

Resolution 5	<i>The NZ Transport Agency Board received the Chief Executive’s Report.</i>
Requested Action(s)	<ul style="list-style-type: none"> A. A draft sustainability strategy and implementation plan is to be presented to the next Board meeting, with adaptation to be included as a theme. B. The Board is to be provided further information about the public transport fares situation, but also details regarding what would be required to become the centre of excellence to enable the extent of mode shift envisaged by the Government. C. The business case review work is to be led by Vanessa van Uden and include the Investment and Operations Board Committee and the management team presently undertaking this work.

4. Regulatory matters

4.1 Regulatory Non-Compliance Project Update

Board paper 2018/12/1309

Board Members noted the update.

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The impact on Auckland is relative to the population spread and the fact that it is also a base or national office for many service providers. On review, vehicles identified as requiring re-assessment have been failing; however, it is early on and more information is required to get a more accurate picture of the percentage of vehicles for which a warrant or certificate should not have been issued. There is no way to cancel the warrants and certificates issued by those service providers now suspended or for whom their authorisation has been revoked.

It was noted that there are limited options available to ensure that those with the identified seat belts, found to be faulty, are located and the vehicles flagged. Management is to clarify one option with NZ Police and come back to the Board regarding the response via email.

The Board enquired after the team involved noting the impact of intense scrutiny and workload – and the change in reporting lines for the staff making up the regulatory area. Management noted that the recruitment process for the new General Manager, Regulatory role has commenced; additional external capacity will be brought in to assist until the new General Manager starts in their role; and the Transport Agency is closed for the two weeks over Christmas and New Year.

Resolution 6	<i>The NZ Transport Agency Board noted the update on the Regulatory Non-Compliance work programme being led by law firm, Meredith Connell.</i>
Requested Action(s)	Management is to clarify one option with NZ Police concerning whether they can add a flag manually to the vehicles identified as impacted by the faulty seat belt issue and come back to the Board regarding the NZ Police response via email.

4.2 Regulatory Costs

Board paper 2018/12/1310

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The Board noted the options [REDACTED] outlined via the paper. Management were instructed to formalise the position concerning the funding approach and advise the Ministry of Transport and Treasury of the final decisions.

Board Members noted the potential need to canvas the issue with the Office of the Auditor-General, in due course, to ensure agreement with whatever treatment is applied in terms of the Transport Agency's financials.

It is important to note that the status-quo funding approach is an interim measure. Revenue lines supporting regulatory matters will need to be properly reviewed in light of stabilisation costs, rectification costs and higher future costs in providing a more effective regulatory function.

Resolution 7	<p><i>The NZ Transport Agency Board:</i></p> <p>a) <i>Noted the options [REDACTED] for funding the additional costs of the current regulatory project and any future changes to the regulatory function in the short, and in the longer, term.</i></p>
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- b) **Noted** the final approach to funding regulatory costs will be advised to the Ministry of Transport and Treasury and that the final approach may vary depending on the total costs eventually incurred.
- c) **Endorses** the status-quo funding approach, pending decisions on a final approach, which is to continue with the NZ Transport Agency's existing practice, that is, to:
 - i. fund short-term costs by using "bridging finance" as necessary from the National Land Transport Fund; and
 - ii. account for all regulatory costs as charges against the appropriate memorandum account(s), predominantly standards development and certifications.
- d) **Noted** the current status of engagement with the NZ Transport Agency's insurers.

4.3 Future Registers and Regulatory Technology

Board paper 2018/12/1311

The proposed vision and approach were noted as being on the right track. The Board though requires greater detail regarding who, what and how – including a far more focused process. Management is to provide this to the Board in March 2019.

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4.4 Board Oversight of Regulatory Policy Programme

Board paper 2018/12/1312

Jenny Chetwynd spoke to the paper, noting it is essentially a stock take – focusing on safety. Board Members noted the update and agreed with the proposed approach.

Resolution 8	<p><i>The NZ Transport Agency Board:</i></p> <p>a) Received the NZ Transport Agency update on in-flight legislative projects.</p> <p>b) Endorses the proposed regulatory policy programme approach to strengthen Board oversight of the NZ Transport Agency’s regulatory policy function.</p>
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4.5 Review of a No Conflict of Interest Approach to Certification and Licensing

Board paper 2018/12/1313

Although the objective is supported, the Board considers further detail regarding the process and in-depth data is required to justify the approach recommended. Management was directed to [REDACTED] plan to progress implementation of the objective more quickly than the time frames indicated for making this type of change. This plan is to be circulated to Board Members by email.

Requested Action(s)	<p>Management is to prepare a plan to progress implementation of the objective more quickly than the time frames indicated for making this type of change. [REDACTED] the plan circulated to Board Members by email by the end of January 2019.</p>
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4.6 Rail Safety Funding Review: Final Funding Option

Board paper 2018/12/1314

Adrienne Young-Cooper declared an interest in the Auckland Dockline Tram (Wynyard Quarter) in her capacity as Chair of Panuku Development Auckland.

Board Members discussed the consultation key themes and the final recommendations consequently sought to be endorsed. Discussion focused on the costs needing to be covered by the fees to provide the regulatory function and the sources of funding. The contribution from the National Land Transport Fund was noted as legitimate given the interface between users of road and rail.

Resolution 9	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> a) Endorses the licence-class-based annual levy (\$3,150,000), direct fees (\$250,000) and National Land Transport Programme contribution (\$743,600), as the future funding model for the NZ Transport Agency Rail Safety Regulatory function. b) Endorses the following Transport Agency Rail Safety Regulator hourly fees and annual fixed and variable safety levy rates: <ul style="list-style-type: none"> i. an annual fixed safety levy of \$500.00 for each class of licence held - access provider and/or operator ii. an annual variable safety levy for any train operator, 16.11 cents for every passenger service kilometre travelled iii. an annual variable safety levy for any access provider, 8.05 cents for each train kilometre operated on its network.
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	<p>c) Endorses a variable safety levy exemption for registered charity and volunteer not for profit Tourist and Heritage rail participants with an annual income of less than \$100,000.</p> <p>d) Agrees this funding model for the NZ Transport Agency Rail Safety Regulatory function be forwarded to the Ministry of Transport, to be progressed through the Parliamentary process and drafting of regulations.</p>
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5. Setting sector and organisational direction

5.1 Te Ara Kotahi – NZ Transport Agency Māori Strategy

Board paper 2018/12/1315

The Board noted the paper and agreed to adopt the strategy – with changes to clarify intent of wording in the action plan.

Resolution 10	<p><i>The NZ Transport Agency Board:</i></p> <p>a) Supports the adoption of the proposed Te Ara Kotahi – the NZ Transport Agency Māori Strategy.</p> <p>b) Supports the proposed next steps for implementing Te Ara Kotahi – the NZ Transport Agency Māori Strategy.</p>
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5.2 The Ministry of Transport Monitoring Approach for the NZ Transport Agency

Board paper 2018/12/1316

Peter Mersi, Ngaire Best and Robert Anderson from the Ministry of Transport joined the meeting for this Agenda item. The Board acknowledged the separate material provided by the Ministry of Transport for this item.

The Minister has identified areas of focus for the Ministry with respect to the Transport Agency, which include health and safety, data, procurement, risk management and assurance. It is considered important to move from being overly compliance and detail orientated (with an over-reliance on quarterly reporting) to assisting the Transport Agency to become a high performing organisation. This will include forming a system-wide approach with shared outcomes. The intention is for representatives from the Ministry and the Transport Agency to meet every six months for discussion of how things are progressing. The Ministry also intends to be more transparent and open as a monitor.

Key amongst the concerns raised by Board Members was all the various types of the performance reporting required and working to limit the amount of overlap. Any tailoring to fit the Transport Agency's set of circumstances is welcomed.

Resolution 11	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Notes that the Ministry of Transport is changing its approach to monitoring transport sector agencies.b) Noted the proposed approach will mean that the Minister of Transport will receive Ministry of Transport's monitoring reports on a quarterly basis, using the 'lines of enquiry' approach.
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	<p>c) Noted the new approach will involve engagement with NZ Transport Agency stakeholders and third party experts, as well as more direct engagement with boards.</p> <p>d) Notes the start date for the revised monitoring framework is yet to be confirmed, but it is expected that the new approach will be in place for Quarter 4 reporting.</p>
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5.3 Statement of Intent and Statement of Performance Expectations – Performance Measures

Board paper 2018/12/1317

Jenny Chetwynd spoke to this paper, outlining the purpose of the measures is to enable ongoing monitoring of performance against the Transport Agency’s new Position Statements.

There is a mixture of qualitative (number or percentage based) and quantitative (activity and milestone based) measures in the set. Some of the target states connected to the Position Statements are about the impact the Transport Agency will have made, while others are about the deliverables that will have been achieved, within the specific time frames set.

After some discussion of the performance measures developed and the wording used, the Board endorsed them.

Resolution 12	<i>The NZ Transport Agency Board endorses the performance measures for the new NZ Transport Agency strategic Position Statements.</i>
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5.4 NZ Transport Agency Ten Year Property Plan

Board paper 2018/12/1318

Board Members noted the overview contained in the paper and the Corporate Property Strategic Plan (prepared with Colliers International). Management stated that the present review of the State Highway portfolio, being undertaken with external assistance, will be completed by the end of March 2019.

With respect to the Auckland move, management advised that this decision had been done under delegation. The Board requested a copy of the document(s) on which the approval was made.

In terms of the next steps, the Board noted a copy of the Property Plan is to be submitted to the Government Property Group (based at the Ministry of Business, Innovation and Employment).

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The Board requested that the ten per cent limit on staff number movements within one of key operating assumptions in the Property Strategic Plan be removed (refer to page 4 of the Property Strategic Plan).

Resolution 13	<i>The NZ Transport Agency Board notes the NZ Transport Agency's Ten-Year Property Plan (2018/19 to 2027/28).</i>
Requested Action(s)	A. A copy of the document(s) that supported a decision made under delegation in respect of the HSBC – AMP move is/are to be provided to the Board.

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| | <div data-bbox="616 314 2094 405" data-label="List-Group"><ul style="list-style-type: none">C. Remove the staff number movements limit of ten per cent from the relevant key operating assumption in the Property Strategic Plan.</div> |
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6. Assessing progress against strategy and plans

6.1 Financial Progress Report for the four months to the end of October 2018

Board paper 2018/12/1319

The Board noted the various matters outlined in the progress report.

Close monitoring of the revenue and expenditure indicates the Transport Agency is 2 to 3% over budget. An updated forecast is being undertaken to review certain significant items that may impact on the Transport Agency's operational budget – such as additional regulatory activity, roles and costs.

In terms of the fee reviews, the rail safety funding review is well underway. Management noted the preparatory work required for the driver licensing review has been completed, in anticipation of being wrapped into the wider review work.

Resolution 14	<i>The NZ Transport Agency Board:</i> <ul style="list-style-type: none">a) Received the report on the financial performance of the NZ Transport Agency (including the National Land Transport Fund) for the four months ended 31 October 2018.
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b) *Noted a forecast on certain key balances and expenditure categories is being carried out in November 2018 for reporting against from the Quarter 2 report.*

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

7.1 Internal Policy Project Update

Board paper 2018/12/1320

Howard Cattermole spoke to the paper, introducing the process being followed by the Internal Policy Project and noting the policies involved.

Board Members indicated that in terms of the principles outlined for an Alcohol and Drugs in the Workplace policy, random testing should be included (for all levels of the Transport Agency). The principles outlined, plus this additional principle, are agreed by the Board.

The Credit Card policy and the Gifts and Hospitality policy were agreed.

With respect to the Sensitive Expenditure, Board Members raised a number of issues including the need to revisit the lists of spend, re-wording of the component of the policy specific to being charged for the cost of personal use of work telephones and mobiles; and review of the amounts that can be incurred and/or reimbursed in terms of accommodation and meals while travelling on Transport Agency business. A revised form of this policy will be submitted to the Board in March 2019.

A copy of the Raising Issues and making Protected Disclosures policy, with changes requested incorporated, was requested to be circulated by email to Board Members.

<p>Resolution 15</p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> a) Approved the proposed approach to developing and approving internal policies that was endorsed by the Audit, Risk and Assurance Board Committee at their 8 November 2018 meeting. b) Endorses the proposed list of internal policies that will be developed and submitted to the Board for approval. c) Approves the Credit Card Policy and Gifts and Hospitality Policy that were submitted and endorsed (subject to a number of amendments) by the Audit, Risk and Assurance Board Committee at their 8 November 2018 meeting. d) Notes the Sensitive Expenditure Policy, in a revised form will be submitted to the Board for approval in March 2019. e) Endorses the principles for the development of the Alcohol and Drugs in the Workplace Policy, including the addition of random testing. f) Notes that remaining policies will be progressively submitted to the Board for approval over Board meetings in the second half of 2018/19 financial period.
<p>Requested action(s)</p>	<p>A copy of the Raising Issues and making Protected Disclosures policy, with changes requested incorporated, is to be circulated by email to Board Members.</p>

7.2 Options to Accelerate the Cyber Security Practice

Board paper 2018/12/1321

Board Members noted the strategy and the steps outlined in the paper that needed to be taken to achieve an appropriate level of cyber security maturity for the Transport Agency. There is a keenness to work toward best possible practice, noting the advice provided in the paper that ‘Managed’ is regarded as an appropriate general level of security, with ‘Enhanced’ reserved for key systems such as the Driver Licence/Motor Vehicle Registries and Transport Operation Control Centres.

Management will provide clarification of the points raised regarding the options available to accelerate work toward achieving the appropriate level.

Resolution 16	<i>The NZ Transport Agency Board</i> <i>a) Notes the NZ Transport Agency’s Cyber Security Strategy.</i> <i>b) Endorses the option to accelerate the increase in the NZ Transport Agency's cyber security maturity.</i>
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8. Significant planning, investment and operational matters

8.1 SeaPath Project – Approval of Detailed Business Case and Funding

Board paper 2018/12/1322

The Board agrees with the approach proposed, noting the interface between, and interdependencies of, the SeaPath Project with the SkyPath Project. Consequently, management is to check the alignment of the priorities for the two projects.

Resolution 17	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Endorses the Detailed Business Case for the SeaPath Project, which provides for a 4 kilometre walking and cycling connection between Northcote Point and Esmond Road in Takapuna.b) Approves funding allocation of \$6 million (50th percentile) for pre-implementation in respect of the SeaPath Project.c) Approves funding allocation of \$5.85 million (50th percentile) for property acquisition in respect of the SeaPath Project.d) Notes that the total cost of construction of the SeaPath Project is estimated to be \$62.4 million – \$73 million (50th to 95th percentile range), with an investment assessment profile of HL (Benefit Cost Ratio (BCR) 1.0-2.9) (High Results alignment and a BCR of 1.2).
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8.2 Auckland Light Rail

Board paper 2018/12/1323

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Board Members noted the updates supplied via the Board paper. It is apparent that the unsolicited proposal from NZ SuperFund and Caisse de dépôt et placement du Québec is being considered and evaluated by the Ministry of Transport and Treasury, with a view to a decision likely in March 2019.

This led to a discussion concerning the need to seek confirmation from the Minister of Transport regarding the Transport Agency’s role – particularly given the impending appointment of the Programme Director for Light Rail and the need to communicate with the public and (potential) stakeholders regarding the City Centre to Mangere Project and other light rail projects. A letter is to be immediately written to the Minister of Transport. This is to set out the Board’s understanding of the status of the City Centre to Mangere Project, pending assessment of a more detailed proposal from NZ SuperFund and Caisse de dépôt et placement du Québec and highlight the steps being undertaken and needing to be undertaken by the Transport Agency in order to progress this project in line with the Government’s earlier advised ‘schedule’.

This section of the Minutes of the 14 December 2018 Board meeting is withheld under section 9(2)(b) of the OIA as there is a need to protect (the source of) information where making the information available would be likely to unreasonably prejudice the (supply of information or) commercial position of the person who supplied or who is the subject of the information. The Transport Agency has determined that the interests being maintained outweigh any public interest in making the information available.

Requested Action(s)	Letter to be written to the Minister of Transport noting status and pending matters connected to the City Centre to Mangere Project.
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8.3 Auckland Transport – Airport Access: Short Term Improvements Single Stage Business Case (Puhinui Interchange)

[Board paper 2018/12/1324](#)

Brett Gliddon spoke to the paper and the steps taken with respect to this work.

Board Members discussed the work, as it pertains to the Puhinui Interchange, including the importance of safety for the station.

In terms of the recommendations proposed, the Board requested that a limit, based on the estimate incorporated, be applied to the delegations to the Chief Executive in terms of approvals. The resolution passed (refer below) reflects this change.

Resolution 18

The NZ Transport Agency Board:

- a) **Endorses** Auckland Transport's Airport Access - Short-term improvements Single Stage Business Case as it pertains to the Puhinui Interchange.
- b) **Approves** funding for the pre-implementation phase of Auckland Transport's Airport access - Short-term improvements – Puhinui Interchange project at a total estimated cost of \$5.10 million, with a National Land Transport Fund (NLTF) share of \$3.85 million, at a targeted enhanced funding assistance rate (TEFAR) of 75.5%; subject to the ongoing requirements for the TEFAR being met.
- c) **Delegates** authority to the NZ Transport Agency Chief Executive to approve the final Single Stage Business Case, addressing the outstanding bus network and priority improvements along with walking and cycling connections, as well as approval for subsequent additional funding for pre-implementation, implementation and property phases of this activity, on the basis that such approvals do not exceed the indicative total costs for all elements, per the estimate set out in this resolution below.
- d) **Notes** that the indicative total cost for all elements of this activity is estimated at \$74.74 million, with a \$56.43 million NLTF share at a TEFAR of 75.5% from the Public Transport Improvements (531) work category, under the Public Transport Improvement Activity Class.

8.4 Hamilton to Auckland Passenger Rail Start Up Service – Business Case Approval and Funding of Transitional Rail and Public Transport Activity

Board paper 2018/12/1325

Brett Gliddon introduced the paper, noting the Business Case had been prepared jointly by Waikato Regional, Hamilton City and Waikato District Councils. The Transport Agency had been involved in the development of the business case only as an advisor and had indicated a number of areas where more detailed investigation was necessary throughout the business case development process.

Board Members discussed the merits of the Business Case; noting the Benefit Cost Ratio of 0.5 raised concern about the strength of the economic case, but that it is a strategically sound proposition for the long term resulting in a High results alignment. It was noted that start up passenger services such as these rarely have high Benefit Cost Ratios due to time required for the service to build patronage. The nature and length of the trial were discussed. It was confirmed the trial was planned to span a five year period to enable demand to be thoroughly tested and assessed.

The termination of the route at Papakura was noted. There was discussion around the investigation of continuing to Puhinui. The Business Case did look at this option, but at this time the case was made for a service to Papakura. The Board noted the option of continuing the service to Puhinui in the future would provide a better transport link between Auckland and Hamilton.

The Board clarified that the funding was for rolling stock to be purchased from Auckland Transport, refurbishing of that rolling stock and below rail track infrastructure and platforms at stations – along with funding for the operation of the service and integrated ticketing costs.

Board Members noted the conditions included in the resolutions and asked management to ensure there were clear patronage targets set for success and that these were measured closely throughout the five year period. The Board also requested that everything possible be considered to make the service attractive to the user.

The Board determined that a fast train to Waikato is a logical transport solution and the Business Case for a trial is the first step towards this outcome. On that basis, the Board supported the resolutions.

Resolution 19	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Endorses the Hamilton to Auckland Passenger Rail start up service Single Stage Business Case, subject to a condition subsequent that independent Stage Gate Reviews are undertaken during Pre-implementation to consider and approve: revised and updated costs (capital and operating), improved demand forecasts, robust Customer Service & Marketing Plan, updated Project Delivery & Assurance Plans, and full operational safety sign off.b) Approves funding to Waikato Regional Council (fully funded Transitional Rail activity class) for purchase of rolling stock; subject to a condition precedent where the costs are agreed and signed off by the NZ Transport Agency Chief Executive.c) Approves funding to Waikato Regional Council (fully funded Transitional Rail activity class) for Pre-implementation work associated with refurbishment of the rolling stock, subject to:<ul style="list-style-type: none">i. a condition precedent where the NZ Transport Agency Chief Executive reviews and approves the proposed level of funding; andii. a condition subsequent of the right of the Transport Agency to re-use the asset should the start up service not proceed, or be withdrawn during or at the end of the five year period.
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- d) **Approves** funding to the relevant councils (fully funded Transitional Rail activity class) for Pre-implementation work associated with rail below-track infrastructure and platforms, subject to a condition precedent where the NZ Transport Agency Chief Executive reviews and approves the proposed level of funding.
- e) **Approves** funding to Waikato Regional Council (funded from Public Transport infrastructure at a targeted funding assistance rate of 75.5%) for Pre-implementation work associated with the operation of the service, including integrated ticketing, subject to a condition precedent where the NZ Transport Agency Chief Executive reviews and approves the proposed level of funding.
- f) **Notes** that the total cost for all elements of the project is currently estimated at \$78.249 million (of which \$58.641 million is within the National Land Transport Programme 2018-21), with further work required to gain greater certainty as to the final costs.
- g) **Notes** that for the National Land Transport Programme 2018-21 the project is assessed as having High results alignment with a cost-benefit appraisal of Benefit Cost Ratio of 0.5, which requires approval by exception, on the basis that it is a trial service that could be further developed to provide an impetus to the wider corridor spatial planning work in the next five years.
- h) **Notes** that approval of Implementation funding will be subject to Pre-implementation work satisfactorily addressing the risk mitigation proposals and proceeding through independent Stage Gate Review; and will require a further Board decision at the appropriate time.

	<p>i) Notes that the impact of costs of the project to the National Land Transport Programme Transitional Rail activity class is lower than information supplied in the October 2018 Board meeting, due to updated costings for the proposed start-up service and a revised interpretation of costs that constitute Transitional Rail rather than Public Transport. This change lowers the risk exposure to the overall over-programming in the Transitional Rail activity class for 2018-21 by around \$12 million.</p>
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8.5 Wellington to Hutt Valley Walking and Cycling Link Programme: Approval to proceed to next phase for the Ngauranga to Petone section

Board paper 2018/12/1326

The Board noted that the Associate Minister of Transport Center supported the Transport Agency taking a leadership role in the delivery of this programme.

The paper was discussed, with a particular focus on resilience benefits.

<p>Resolution 20</p>	<p><i>The NZ Transport Agency Board:</i></p> <p>a) Endorses the seaward side walking and cycling facility for the Ngauranga to Petone section of the Wellington to Hutt Valley (W2HV) Walking and Cycling Link Programme, as recommended in the 2018 Addendum to the Detailed Business Case for the W2HV Walking and Cycling Link Programme that was approved in 2015.</p>
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- b) **Approves** funding to the NZ Transport Agency of \$7.2 million for the Ngauranga to Petone section pre-implementation phase from the walking and cycling activity class.
- c) **Notes** the implementation cost of the Ngauranga to Petone section is expected to be \$76 million (50th percentile), with an upper estimate of \$94 million (95th percentile).
- d) **Delegates** to the NZ Transport Agency Chief Executive approval for implementation of the Ngauranga to Petone section, up to the 95th percentile upon conclusion of the statutory consenting phase.

8.6 Re-evaluation Findings: East West Link and Petone to Grenada

Board paper 2018/12/1327

Board Members discussed the proposed revised approaches, as outlined in the paper, for East West Link and Petone to Grenada.

The Board agreed with the revised approach proposed for Petone to Grenada. The road is required, along with some short term projects along State Highway 58. Funding will be considered as a separate matter.

Further work though is required with respect to the proposed revised approach for East West Link. The Board expects this to be presented to them in March 2019.

This section of the Minutes of the 14 December 2018 Board meeting is withheld under section 9(2)(h) of the OIA as there is a need to maintain legal professional privilege. The Transport Agency has determined that the interests being maintained outweigh any public interest in making the information available.

Resolution 21	<i>The NZ Transport Agency Board endorsed the proposed revised approach for Petone to Grenada, noting that re-evaluation for this corridor is now complete.</i>
Requested Action(s)	The East West Link proposed revised approach needs further work, including greater certainty and improved benefits, with a view to being presented to the Board in March 2019.

8.7 Inclusion of Re-evaluated Activities in the National Land Transport Programme 2018–2021

Board paper 2018/12/1328

Board Members noted the nature and extent of over-programming involved in, and the impact on, the existing National Land Transport Programme adopted in August 2018.

Any decision with respect to the variation of the existing National Land Transport Programme is deferred. This needs to be discussed with the Minister of Transport in order to ascertain his view on what can be done and agreed – with particular regard to the re-evaluated activities.

Resolution 22	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> <i>a) Notes the National Land Transport Programme and State highway and regional improvements programmes for 2018-21 are fully allocated.</i> <i>b) Notes if funding was available, Scenario Three provides the best balance for including re-evaluated state highway activities back into the National Land Transport Programme 2018-21, as the included activities would improve:</i> <ul style="list-style-type: none"> <i>i. safety outcomes on high risk corridors; and</i> <i>ii. access and transport choices in growing regional cities</i>
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	<p>c) Notes that Scenario Three would:</p> <ul style="list-style-type: none"> i. add \$350 million to the State highway improvements activity class over the National Land Transport Programme (NLTP) 2018-21, and \$1.3 billion over the NLTP 2018/27; and ii. significantly extend the over targeting of the State Highway Improvement activity class to well in excess of the 115% used in previous NLTPs.
<p>Requested action(s)</p>	<p>The nature and extent to which the Minister of Transport may be willing to vary the existing National Land Transport Programme needs to be canvassed with him, in light of the over-programming involved at present and the priority accorded to the re-evaluated activities.</p>

8.8 Melling Transport Improvements – Recommended Option

Board paper 2018/12/1329

The Board noted the option recommended and the next steps in the process for progressing the Melling Transport improvements.

<p>Resolution 23</p>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> a) Endorses the “Queens Direct” option, as the recommended option for the Melling Transport Improvements. b) Noted that the NZ Transport Agency Board will consider the full Detailed Business Case (DBC) for the Melling Transport Improvements in mid-2019.
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	<p>c) Approves funding of \$1.1 million to complete the Melling Transport Improve DBC phase.</p> <p>d) Noted the estimated costs for the implementation phase has an expected cost between \$120 million and \$175 million (50th – 95th percentile range). These costs are based on estimates completed at the Indicative Business Case stage. The re-evaluation project recommends the implementation works in the long term beyond the year 2028.</p> <p>e) Notes the intention to publicly announce these decisions in January 2019.</p>
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8.9 Western Bay of Plenty Urban Form and Transport Initiative

Board paper 2018/12/1330

The paper outlining the establishment of, and terms of reference for, the Western Bay of Plenty Urban Form and Transport Initiative was taken as read.

Resolution 24	<p><i>The NZ Transport Agency Board:</i></p> <p>a) Supports the establishment of a Western Bay of Plenty Urban Form and Transport Initiative Project to be progressed jointly between the Bay of Plenty Regional Council, Tauranga City Council, Western Bay of Plenty District Council and the NZ Transport Agency.</p> <p>b) Endorses the draft Urban Form and Transport Initiative Project Terms of Reference.</p>
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	<p>c) Agrees that the Chief Executive or their delegate will have the power to agree the final Urban Form and Transport Initiative Project Terms of Reference.</p> <p>d) Notes that, subject to the Board supporting the establishment of the Urban Form and Transport Initiative, funding decisions to progress this Project will be made through standard delegations.</p>
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8.10 Speed Management Direction

Board paper 2018/12/1306

Management confirmed the intention to look at the top ten per cent of the network’s corridors and then report back to the Board. Consequently, none of the recommendations sought in the paper presented will be approved.

Board Members would like a presentation on Vision Zero in March 2019. Management noted that the programme of educating the public is consistent with Vision Zero on four prongs. KiwiRAP is integrated in this work.

The Board is to approve all speed limit review decisions from now on.

Requested Action(s)	A presentation is to be made to the Board in March 2019 on Vision Zero.
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9. Other updates and general business

9.1 Other Updates

Board paper 2018/12/1331

Board Members noted the updates on a wide range of matters and projects.

Resolution 25	<i>The NZ Transport Agency Board received the December 2018 other updates.</i>
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9.2 Draft agendas for meetings of the Audit, Risk and Assurance Board Committee, Investment and Operations Board Committee and Board in February and March 2019

Resolution 26	<i>The NZ Transport Agency Board noted the draft agendas for the meetings of the Audit, Risk and Assurance Board Committee on 21 February 2019 and 8 March 2019, the Investment and Operations Board Committee on 8 March 2019 and Board on 1 March 2019 and 18 March 2019.</i>
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9.3 Schedule of Board Correspondence and requests for Board paper

Board paper 2018/12/1332

Resolution 27	<i>The NZ Transport Agency Board: a) Received the December 2018 report on recent correspondence received, and sent, by the NZ Transport Agency Board Chair and the Audit, Risk and Assurance Board Committee Chair.</i>
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b) *Noted that no Transport Agency Board documents have been released under the Official Information Act 1982 since the 9 November 2018 Board meeting.*

9.4 General business

The Board Chair spoke on behalf of the Board. He expressed formal thanks to Fergus Gammie, recognising his work as Chief Executive since March 2016. The Board Chair wished him well for the future.

10. Board only session

A Board only session was held.

11. Board meeting with Minister

Minister Julie Anne Genter, an Associate Minister of Transport and Minister for Climate Change, met with Board Members, accompanied by officials from the Ministry of Transport (Peter Mersi, Ngaire Best and Robert Anderson) and her office (Henry Peach).

A wide range of matters were covered during this meeting. They included:

- Road safety
- Vision Zero approach

- Road Controlling Authorities and their role
- Preventing the importation of 1 and 2 star vehicles and damaged/written off into New Zealand
- The manner in which the public is educated on safety, including advertising (particularly speed and enforcement)
- Car quality issues, while maintaining/improving safety and achieving accessibility (including social and economic implications)
- The way in which communications and public engagement (such as targeted intervention – for example, putting on seatbelt “make it click”) supports policies specific to speed and safety
- Transport infrastructure (including design)
- Engagement with, and involvement of, Councils in terms of projects, planning and infrastructure
- Managing and dealing with expectations of key stakeholders (including Councils) connected to significant projects

The Board Meeting closed at 2:56pm.

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