



Board Meeting Minutes	
<b>Date &amp; time</b>	20 April 2018, 9:00am – 3:00pm
<b>Location</b>	NZ Transport Agency – Tauranga Office, Level 3, Harrington Place, 32 Harrington Street, Tauranga
<b>Board Membership</b>	Michael Stiasny (Chair), Dame Fran Wilde (Deputy Chair), Nick Rogers, Adrienne Young-Cooper, Chris Ellis, Leo Lonergan, Vanessa van Uden and Mark Darrow
<b>Apologies</b>	None
<b>NZTA staff in attendance</b>	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), Vanessa Browne (Acting General Manager System Design & Delivery), Robert Brodnax (Director, Transport Access Delivery), Gavin Armstrong (Manager, Organisational Performance), John Coulter (Senior Manager, Operational Policy, Planning and Performance, Investment & Finance), Bob Alkema (Senior Manager, Investment Assurance), Brett Gliddon (Senior Manager, System Design and Delivery), Kevin Reid (Senior Manager, Operational Policy, Planning and Performance, System Design & Delivery), Brett Aldridge (Senior Manager, Regulatory Compliance – Rail

	System) Barbara Harrison (General Manager People) and Martin McMullan (Director Connected Journey Solutions) by telephone
<b>External attendees</b>	Peter Mersi (Chief Executive), Bryn Gandy (Deputy Chief Executive, Strategy and Investment) and Helen White (Manager, Investment) – all Ministry of Transport

# 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.

## 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 1 March 2018 Board meeting and Ratification of Board Decision by circulation

<b>Resolution 1</b>	<i>The NZ Transport Agency Board <b>confirmed</b> the draft minutes of the 1 March 2018 Board meeting as a true and accurate record of the meeting.</i>
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In line with advice provided at the 1 March 2018 Board meeting, a Board paper [2018/03/1223], accompanied by the draft Investment Assessment Framework (IAF), was circulated by email to Board Members on 19 March 2018 for noting and seeking feedback from Board Members by 22 March 2018.

Board Members' email replies provided feedback and supported the Board recommendation be resolved as proposed. The inclusion of the following resolution enables the Board's decision by circulation to be ratified and recorded within the Minutes of a Board meeting, being this Board meeting.

<b>Resolution 2</b>	<i>The NZ Transport Agency Board noted that the draft Investment Assessment Framework is being released for engagement with stakeholders.</i>
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#### **1.6 Audit, Risk and Assurance (ARA) Board Committee Report: 17 April 2018 Special ARA Board Committee meeting**

Mark Darrow outlined the matters considered by the Special ARA Board Committee meeting on 17 April 2018. In particular, he noted the revised approach to developing the NZ Transport Agency's Statement of Intent 2018–22 and Statement of Performance Expectations 2018/19 to align with finalisation of the initial Government Policy Statement on Land Transport.

#### **1.7 Remuneration and Human Resources (Rem & HR) Board Committee Report: 17 April 2018 Rem & HR Board Committee meeting**

Adrienne Young-Cooper outlined a summary of the issues considered by the Rem and HR Board Committee at its meeting on 17 April 2018.

### 1.8 Health and Safety (H&S) Board Committee Report: 17 April 2018 H&S Board Committee meeting

Chris Ellis provided an overview of the matters considered by the H&S Board Committee meeting on 17 April 2018. Board Members agreed the Safety Review would go directly to the Board, along with Management’s view, and that this should happen as quickly as possible.

### 1.9 Health and Safety update

[Board paper 2018/04/1229](#)

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

Barbara Harrison highlighted there has been both an improvement in the reporting of events and a mental health kit developed. Board Members discussed the increase in Lost Time Injuries arising out of unexpected weather events and noted greater attention to weather forecasts in planning would assist in mitigating this issue.

Barbara Harrison discussed the actions being taken to reduce risks associated with temporary traffic management. The Chair shared that Vector were developing an App which identified vehicles speeding as they approached worksites. Barbara Harrison will make contact with Vector to explore using this approach for the NZ Transport Agency.

<b>Resolution 3</b>	<i>The NZ Transport Agency Board notes the health and safety update.</i>
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### 1.10 Progress on actions requested at previous meetings

Progress on all 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 NZ Transport Agency.

There was discussion concerning the Government Policy Statement on Land Transport (GPS); associated work with Local Government New Zealand and the refresh of the Auckland Transport Alignment Project (ATAP). Board Members also discussed safety issues to do with a particular certifying engineer and noted Management’s plan for action to address this.

In light of the focus on road safety, the Board considers it timely to invite the Associate Minister of Transport with responsibility for road safety to attend a Board meeting in the next few months.

<b>Resolution 4</b>	<i>The NZ Transport Agency Board <b>received</b> the Chief Executive’s Report.</i>
<b>Requested action(s)</b>	An invitation is to be sent, within the next month, by the Chair to the Associate Minister of Transport to attend an upcoming Board meeting to discuss road safety matters.

## 3. Setting sector and organisational direction

### 3.1 Presentation from Ministry of Transport – Draft Government Policy Statement on Land Transport 2018–2021

Representatives of the Ministry of Transport, Peter Mersi (Chief Executive), Bryn Gandy (Deputy Chief Executive, Strategy and Investment) and Helen White (Manager, Investment), joined the meeting and

provided an overview of the initial Draft GPS 2018–2021 recently released for public consultation. There was also discussion regarding the next phase of work required to prepare for GPS 2018–2021 stage two, which is anticipated to be issued by the end of 2018. In particular, this later iteration will provide more detail on the rail activity class.

<b>Requested Action(s)</b>	Management to ensure that the Board has an opportunity to engage with Ministers over the next iteration of the Government Policy Statement on Land Transport.
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### 3.2 Statement of Performance Expectations (SPE) 2018/19

[Board paper 2018/04/1230](#)

Jenny Chetwynd provided an overview of the approach to the Transport Agency’s Statement of Intent and Statement of Performance Expectations in response to the timing for the finalised GPS.

Board Members discussed the targets included in the interim Statement of Performance Expectations and emphasised the need for clear messaging that the Statement of Performance Expectations document to be provided to the Minister of Transport at this point was interim and should include appropriate disclaimers and explanations within the document.

<b>Resolution 5</b>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><li>a) <b>Notes</b> the revised approach to developing the NZ Transport Agency’s Statement of Intent 2018–22 and Statement of Performance Expectations 2018/19 to align with finalisation of the Government Policy Statement on Land Transport, the adoption of the 2018–21 National Land Transport Programme and finalisation of the Transport Agency core operating and capital expenditure budgets.</li><li>b) <b>Approves</b>, subject to changes and amendments agreed to by the Board, the draft interim Statement of Performance Expectations 2018/19, including the prospective financial statements, being provided to the Minister by 1 May 2018.</li><li>c) <b>Delegates</b> responsibility to the Chairs of the Board and Audit, Risk and Assurance Board Committee to approve any subsequent amendments to the interim Statement of Performance Expectations 2018/19, prior to its publication.</li></ul>
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### 3.3 National Land Transport Programme (NLTP) Decisions: Endorsement of Indicative Investment Levels for Continuous Programmes

**Board paper 2018/04/1241**

Jenny Chetwynd introduced the paper and the draft Transport Agency Investment Proposal explaining their purpose – and the importance to Councils of the decisions sought and the release of the draft Transport Agency Investment Proposal in enabling Councils to complete their Regional Land Transport Plans and Long Term Plans.



Management took note of suggestions for clearer messaging in the draft Transport Agency Investment Proposal. The Board was advised that the draft of this proposal document will be released as soon as possible after the Board meeting.

<b>Resolution 6</b>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><li>a) <b>Notes</b> that the updated State Highway Investment Proposal (SHIP) has become incorporated in what will be called the NZ Transport Agency Investment Proposal (TAIP); which includes the proposed State Highway Investments, the Transport Agency’s National level proposals and other activities delivered by the Transport Agency in the wider transport system.</li><li>b) <b>Endorses</b> the updated SHIP component of the draft TAIP for submission to Regional Transport Committees (RTCs) for their consideration for inclusion in Regional Land Transport Plans (RLTPs).</li><li>c) <b>Notes</b> that the State highway improvement component of the TAIP, submitted to RTCs for inclusion in their RLTPs is larger than the funding range of the draft Government Policy Statement on Land Transport (GPS).</li><li>d) <b>Notes and agrees</b> that there will be a need to re-scope some projects that have already been approved by the Board, and that in such cases, a variation to the current approval(s) will be sought from the Board.</li><li>e) <b>Approves:</b><ul style="list-style-type: none"><li>i. funding for ‘below track’ rail activities to give effect to the ‘transitional rail’ activity class at a funding assistance rate of up to 100%;</li><li>ii. new policy for ‘rapid transit’ activities to be funded (in full or in part)</li></ul></li></ul>
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	<p><i>from the National Land Transport Fund;</i></p> <p><i>iii. funding of feasibility studies and trial services for inter-regional rail initiatives as part of the existing public transport activity class; and</i></p> <p><i>iv. new policy for footpath maintenance funded under ‘Local Road maintenance’.</i></p> <p><b>f) Approves:</b></p> <p><i>i. an earlier full transition to higher normal FARs for 21 Approved Organisations commencing from 1 July 2018; and</i></p> <p><i>ii. an extension to the targeted enhanced funding assistance rate of 85% for expenditure on accelerated light emitting diode (LED) streetlight replacement programmes to 30 June 2021.</i></p> <p><b>g) Endorses</b> the indicative investment levels for continuous improvement programmes for public transport services, road safety promotion and local road and state highway maintenance programmes in the 2018–2021 National Land Transport Programme (NLTP), as summarised in the table below:</p>	
	<b>Continuous Improvement Programme</b>	<b>Indicative investment level \$million</b>
	Local road maintenance – investment in operation, maintenance and renewal of existing local roads (excluding emergency works)	\$1,783

	State highways maintenance - investment in operation, maintenance and renewal of existing local roads (excluding emergency works)	\$1,814
	Road safety promotion – investment in road safety promotion by Approved Organisations and Transport Agency groups	\$152
	Public transport services – investment in existing public transport services and operation	\$1,080

### 3.4 Resilience Framework and Strategic Work Programme

[Board paper 2018/04/1231](#)

Jenny Chetwynd introduced the paper noting the Resilience Framework had been developed with stakeholder and Board input and was now being presented for endorsement.

As part of the work to refine the Resilience Framework and progress the strategic approach to the Transport Agency’s Work Programme, it was agreed that Management would include work to confirm the Transport Agency’s most vulnerable assets and the impact of sea level rise.

<b>Resolution 7</b>	<i>The NZ Transport Agency Board <b>endorses</b> the proposed Resilience Framework.</i>
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## 4. Quality assurance of key organisational systems, policies and processes

### 4.1 Financial Progress Report for the eight months to the end of February 2018

Board paper 2018/04/1232

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

<b>Resolution 8</b>	<i>The NZ Transport Agency Board <b>received</b> the report on the financial performance of the NZ Transport Agency (including the National Land Transport Fund) for the eight months ended 28 February 2018.</i>
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## 5. Significant planning, investment and operational matters

### 5.1 Request for NZ Transport Agency Capital Budget Increase

Board paper 2018/04/1233

Howard Cattermole and John Coulter spoke to the paper. The Board acknowledged the underlying explanations for the capital budget increase request and noted the revised timings applicable to the projects underway – including the reforms related to driver licensing.

<b>Resolution 9</b>	<i>The NZ Transport Agency Board <b>approves</b> an increase in the NZ Transport Agency capital budget of \$3.0 million.</i>
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## 5.2 Auckland Airport to City: Light Rail – Project Establishment and Business Case Funding Approval

Board paper 2018/04/1234

Fergus Gammie spoke to the paper outlining the project. Board Members discussed the light rail project, potential implications and the next steps in the process.

It was agreed that the Chair would convey to the Minister of Transport the Transport Agency's advice on the process to accelerate the project.

<b>Resolution 10</b>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><li>a) <b>Endorses</b> the NZ Transport Agency taking lead responsibility for the Auckland Airport to City: Light Rail Project, including the single-stage business case.</li><li>b) <b>Approves</b> funding of \$15 million, with \$1 million of this funding amount to be released immediately (from the current National Land Transport Programme, Public Transport Activity Class), to establish the Auckland Airport to City Light Rail Project, including project establishment and development of the Single-Stage Business Case.</li><li>c) <b>Delegates</b> to the Chief Executive of the NZ Transport Agency the authority to approve the defined scope of the Single-Stage Business Case.</li></ul>
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This section of the Minutes of the 20 April 2018 Board Meeting (pages 14 and part page 15) is withheld under the following sections of the Official Information Act 1982:

- section 9(2)(i) as there is a need to enable any department or organisation holding the information to carry on, without prejudice or disadvantage, commercial activities; and
- section 9(2)(j) as there is a need to enable any department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations.

The NZ Transport Agency has determined that the interests being maintained outweigh any public interest in making the information available.

## 5.4 Funding and Completion of the Accelerated Regional State Highway Programme

Board paper 2018/04/1236

Vanessa Browne introduced the paper noting the Transport Agency has committed to the Government to complete these projects and recommended that the Board approves the additional funding from the National Land Transport Fund to enable this to happen.

<b>Resolution 12</b>	<i>The NZ Transport Agency Board:</i>					
	a) <i>Notes that the NZ Transport Agency has made a commitment to the Government to deliver the Accelerated Regional State Highway Programme (Programme).</i>					
	b) <i>Approves a funding approach to deliver the remainder of the Programme based on the principle that the transport benefits are funded from the National Land Transport Programme, and wider benefits and project acceleration are funded by the Crown.</i>					
	c) <i>Approves funding of \$71.3 million to deliver the following:</i>					
	<b>Project</b>	<b>Status</b>	<b>Assessment Profile 2018</b>	<b>BCR 2018</b>	<b>Total (cost to complete) \$m</b>	<b>NLTF contribution</b>
<b>Tranche 1</b>						
Kawarau Falls Bridge	Implementation	HM3-5	4.3	27.95		
Normanby Overbridge Realignment	Post-Imp.	HM3-4.9	3.2	18.29		
SH1 Akerama Curves Realign & PL	Implementation	HM1-2.9	2.3	19.40		

Mingha Bluff to Rough Creek	Implementation	MM1-2.9	1.1	24.24		
<b>Total</b>				<b>89.90</b>	<b>11.10</b>	<b>78.80</b>
<b>Tranche 2</b>						
Opawa Bridge Replacement	Procurement	MM1-2.9	1.3	29.30	29.30	0.00
SH3 Awakino Tunnel Bypass	Procurement	HM1*	0.8	38.90	30.90	8.00
<b>Total</b>				<b>68.20</b>	<b>60.20</b>	<b>8.00</b>
<b>Grand Total</b>				<b>158.10</b>	<b>71.30</b>	<b>86.80</b>
<p>d) <i>Delegates to the Chief Executive the approval of future changes to the cost, scope and funding source of the Programme, within the contingencies noted above.</i></p>						

## 5.5 Rail Funding Review – Funding and Phasing Options and Progress Update

[Board paper 2018/04/1237](#)

Robert Brodnax introduced the paper. Board Members noted that the Rail Funding Review had been an ongoing process the Transport Agency had been working on for over four years, in order to reposition the Transport Agency to carry out its functions effectively and recover costs appropriately.

Board Members expressed support for a transitional approach for the industry, with good engagement and communication with the industry, including smaller operators.



This section of the Minutes of the 20 April 2018 Board Meeting is withheld under section 9(2)(f)(iv) of the Official Information Act 1982, as there is a need to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials in the course of their duty. The NZ Transport Agency has determined that the interests being maintained outweigh any public interest in making the information available.

## 5.6 Investing in a Next Generation Payment Solution for Public Transport – Funding for Completion of Procurement and Detailed Business Case

Board paper 2018/04/1238

Fergus Gammie provided a summary of how the National Ticketing Programme had reached this juncture and clarified the Transport Agency’s role.

<b>Resolution 14</b>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><li>a) <b>Approves</b> funding in the range of \$9.3 million for the NZ Transport Agency’s share for completing a detailed business case and procurement of a national payment solution for public transport under the National Ticketing Programme subject to:<ul style="list-style-type: none"><li>i. Greater Wellington Regional Council approving their local share of costs (all other participants have confirmed); and</li><li>ii. endorsement by the NZ Transport Agency of the National Ticketing Programme Procurement Strategy.</li></ul></li><li>b) <b>Agrees</b> that a funding of procurement does not commit the NZ Transport Agency to fund the purchase of a new payment solution and that the decision to invest in a new payment solution, and associated financial services, is subject to future decisions informed by the completion of a detailed business case.</li><li>c) <b>Rescinds</b> the application of previous NZ Transport Agency policy decisions, particularly linking investment from the National Land Transport Fund to the requirement that all regional payment solutions must use the payment ‘back office’ solution currently used in Auckland to deliver AT HOP and the requirement to adopt the National Integrated Ticketing Interoperability</li></ul>
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	<i>Standards for the procurement of any additional components required to deliver payment services, to any new national payment solution for public transport under the National Ticketing Programme.</i>
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## 6. Other updates and general business

### 6.1 Other updates

Board paper 2018/04/1239

The Board noted the process followed in developing the new Auckland Motorway Maintenance Contract.

Board Members also noted the upcoming extension of opening hours for State Highway 1, north and south of Kaikoura.

<b>Resolution 15</b>	<i>The NZ Transport Agency Board received the 20 April 2018 other updates.</i>
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### 6.2 Draft agendas for Audit, Risk and Assurance Board Committee, Investment and Operations Board Committee and Board meetings on 11 May 2018

The agendas were discussed. Board Members agreed to cancel the 11 May 2018 Board meeting with papers scheduled for that Board meeting to be deferred to the 15 June 2018 Board meeting where this is possible, but proceed with the Board Committee meetings as scheduled.

<b>Resolution 16</b>	<i>The NZ Transport Agency Board noted the draft agendas presented for the Audit, Risk and Assurance Board Committee, Investment and Operations Board</i>
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*Committee and Board meetings on 11 May 2018.*

### 6.3 Schedule of Board Correspondence and requests for Board papers

Board paper 2018/04/1240

<b>Resolution 17</b>	<p><i>The NZ Transport Agency Board received the 20 April 2018 report on:</i></p> <ul style="list-style-type: none"><li><i>• Recent correspondence received, and sent, by the NZ Transport Agency Board Chair</i></li><li><i>• Transport Agency Board papers requested and released under the Official Information Act 1982; and</i></li><li><i>• Transport Agency Board papers requested and released to Treasury as part of the Portfolio, Programme, and Project Management Maturity Model (P3M3) review across the NZ Transport Agency to inform the Investor Confidence Rating (ICR) assessment of the Transport Agency.</i></li></ul>
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### 6.4 General business

No general business was raised or discussed.

## 7. Board only session

A Board only session was held.

The Board Meeting closed at 2:55pm.

<b>Minutes approved by the Chair</b>	_____
<b>Date</b>	____/____/____