



Board Meeting Minutes	
Date & time	15 June 2018, 8:15am – 3:00pm
Location	NZ Transport Agency Boardroom, Level 2, 50 Victoria Street, Wellington
Board Membership	Michael Stiassny (Chair), Dame Fran Wilde (Deputy Chair), Nick Rogers, Adrienne Young-Cooper, Nick Rogers, Chris Ellis, Leo Lonergan and Mark Darrow Vanessa van Uden by phone.
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), Vanessa Browne (Acting General Manager System Design & Delivery), Charles Ronaldson (General Manager Customer Design & Delivery), Robert Brodnax (Director, Transport Access Delivery), Brett Gliddon (Senior Manager, System Design and Delivery), Gareth Hughes (NLTP Programme Manager), Bob Alkema (Senior Manager, Investment Assurance), John Coulter (Senior Manager, Operational Policy, Planning and Performance, Investment & Finance), Lisa Rossiter (Senior Manager, Strategic Interventions) and Richard Hancy (Project Director – Light Rail)

1. Introduction and governance matters

1.1 Apologies and welcome

The Board 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.

Two Board Members advised the following changes to their declared interests:

- 'Steelpipe NZ Limited' should correctly be shown as 'SteelPipe NZ Limited' and for the description for SteelPipe NZ Limited, now Director instead of Advisor to Board (Chris Ellis).
- Involvement in project working with freight companies about collaborating to simplify access into the Queenstown Central Business District (Vanessa van Uden).

In terms of matters arising under the Agenda, the following was noted:

- Nick Rogers' standing interest in Tonkin and Taylor.
- Adrienne Young-Cooper's interest as a Non-Executive Director of HLC, in light of HLC being referred to as part of the (proposed) City to Mangere Light Rail Project Governance Group (Agenda item 6.2).
- Mark Darrow's interest as an Independent Director of Balle Bros Group Limited, who is a property owner at the Rama Rama interchange, due to the work proposed as part of the Papakura to Bombay Project (Agenda item 6.4).

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 20 April 2018 Board meeting and Ratification of Board Decision by circulation

Resolution 1	<i>The NZ Transport Agency Board confirmed the draft minutes of the 20 April 2018 Board meeting as a true and accurate record of the meeting.</i>
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The Minister of Transport wrote to the NZ Transport Agency Board to initiate formal consultation on the draft Government Policy Statement on Land Transport (GPS). As the scheduled May 2018 meeting had been cancelled, a paper outlining the changes made to the draft GPS (since an earlier presentation), along with the draft submission (and copies of the draft GPS and Minister's letter), was circulated to Board Members on 18 May 2018. This was followed up with a teleconference facilitated by the Chief Executive on 21 May 2018, to discuss the Board's draft submission, ahead of the Board's meeting with the Minister on 23 May 2018.

Board Members provided feedback and supported the Board recommendations as proposed. The Board provided a formal response to the Minister by letter dated 24 May 2018. 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.

Resolution 2	<i>The NZ Transport Agency Board:</i> <i>a) Received the draft Government Policy Statement on Land Transport for formal consultation.</i>
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	<p><i>b) Approved the draft submission from the Transport Agency Board on the draft Government Policy Statement on Land Transport, provided for consideration, subject to any agreed changes that Board Members wish to have made to the submission, prior to the submission's finalisation and delivery to the Minister on or before 25 May 2018.</i></p>
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1.6 Audit, Risk and Assurance (ARA) Board Committee Report: Draft Minutes of the 11 May 2018 ARA Board Committee meeting

Mark Darrow outlined the matters considered at the ARA Board Committee meeting on 11 May 2018. In particular, the meeting covered the assurance programme, probity process and reporting requirements including quarterly reporting, half yearly financial statements and debt reporting.

Board Members noted the inclusion of targeted reviews of procurement as part of the NZ Transport Agency Assurance Programme 2018/19. Interest was expressed as to what areas were being targeted. Management advised that this information can be identified and reported back to the Board.

1.7 Investment and Operations (I&O) Board Committee Report: Draft Minutes of the 11 May 2018 I&O Board Committee meeting

Nick Rogers provided an overview of the matters considered by the I&O Board Committee meeting on 11 May 2018. This included the merit in continuing with the Road Efficiency Group (REG) and the development of the proposed 2018-2021 REG programme; the range of issues connected to investigating the condition of the network and then determining levels of repair and maintenance; and the proposed regulatory management strategy (which is being presented to the Board for endorsement).

1.8 Health and Safety update

Board paper 2018/06/1243

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

Board Members discussed the matters outlined by Chris Ellis that were considered at the last meeting of the ad-hoc Health and Safety Board Committee, held earlier in the week. Going forward, these matters will be dealt with directly by the full Board, as part of its standard agenda.

Barbara Harrison then spoke to the update and the progress made on developing and implementing various health and safety measures. These measures included the release of a mental health and wellbeing toolkit for use by Transport Agency staff.

Board Members talked over the update and requested that an employee assistance programme (EAP) component be added to the information provided to the Board as part of the Health and Safety update.

Resolution 3	<i>The NZ Transport Agency Board noted the health and safety update.</i>
Requested Action(s)	Board Members requested that an employee assistance programme (EAP) component be added to the information provided to the Board as part of the Health and Safety update.

1.9 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 Transport Agency.

There was discussion regarding the Transport Agency's strategic direction; the Government's Urban Growth Agenda; the range of issues facing local government; and implementation of the Government Policy Statement on Land Transport 2018.

Resolution 4	<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 National Land Transport Programme – Work to address Opportunities and Barriers with Local Government New Zealand

[Board paper 2018/06/1244](#)

Jenny Chetwynd summarised the paper and the proposal for which a decision is sought.

Board Members discussed the work undertaken, the progress made with local government and the proposal. They agreed to the proposal, subject to the resolution being amended to reflect that the targeted enhanced funding assistance rate (FAR) be for a set period (aligned with the National Land Transport Programme) and capped to an upper limit. This takes into account that the proposal needs to encourage the type of work to be done, but that it also delivers in a timely way on the Government's priorities.

The 'candidate' national programmes identified and selected by the Joint Sector Reference Group for their alignment with the increased funding available against key strategic priorities were noted. They are Safety on Local Roads; Improving the Effectiveness of Public Transport; Walking and Cycling Improvements; Improving Network Resilience and Regional Improvements.

Management noted that the national programme approach gives the Transport Agency a leadership role and enables review and monitoring of the work. Also, care will be taken in managing expectations with good communications. Board Members agreed that this is important.

In terms of assistance, Management advised that the Transport Agency would be offering capability in the delivery space as well.

Resolution 5	<p><i>The NZ Transport Agency Board approved a targeted enhanced funding assistance rate (FAR):</i></p> <p><i>a) that is:</i></p> <ul style="list-style-type: none"><i>i. set halfway between normal funding assistance rates and 100%, with a maximum enhanced FAR capped at 90%, to ensure that Approved Organisations (AOs) continue to have a level of cost ownership and strive for value for money;</i><i>ii. for all locally delivered improvement activity classes for high and very high priority projects included in agreed national programmes;</i><i>iii. time-limited to the duration of the 2018-2021 National Land Transport Programme;</i><i>iv. subject to specific conditions that AOs maintain their planned level of investment in transport; and</i><i>v. subject also to specific conditions, as considered necessary, on a case by case basis; and</i>
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	<i>b) for which the total amount invested in such priority projects does not exceed the upper limit of the activity class set in the Government Policy Statement on Land Transport.</i>
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3.2 National Land Transport Programme – Initiatives to give effect to the Government Policy Statement on Land Transport

Board paper 2018/06/1245

The Board noted the matters outlined in the paper and agreed to the recommendations.

Resolution 6	<i>The NZ Transport Agency Board:</i> <i>a) Endorsed establishing an Alcohol Interlock Device Subsidy Scheme within the Road Safety promotion and Demand Management activity class; and</i> <i>b) Approved top-ups to local government from the National Land Transport Fund (public transport activity class), should patronage or service costs increase beyond the SuperGold 2018-2021 Government Policy Statement on Land Transport.</i>
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3.3 National Land Transport Programme – Approval of the Investment Assessment Framework

Board paper 2018/06/1246

Board Members discussed the extent to which the Investment Assessment Framework has been changed to incorporate feedback from engagement, the Government Policy Statement on Land Transport and the Government’s key priority of safety.

They also noted the further initiatives proposed to support the development of the National Land Transport Programme.

Resolution 7	<i>The NZ Transport Agency Board approved the Investment Assessment Framework (IAF), subject to any changes that may be required as a result of final changes to the Government Policy Statement on Land Transport (GPS).</i>
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3.4 NZ Transport Agency Regulatory Management Strategy – Final Strategy

[Board paper 2018/06/1247](#)

Jenny Chetwynd introduced the paper.

Board Members discussed the proposed Regulatory Management Strategy. Progress in developing the strategy was acknowledged and it was noted that there was more work required to embed the strategy in the organisation in order to achieve the outcomes sought. Management was requested to develop a plan for embedding the strategy to bring back to a future Board meeting.

Board Members also discussed a related regulatory matter with the Board recommending that the Board Chair write to the Minister of Transport regarding issues related to the rail fee review.

Resolution 8	<i>The NZ Transport Agency Board endorsed the proposed NZ Transport Agency Regulatory Management Strategy.</i>
Requested Action(s)	<ol style="list-style-type: none"> 1. The Board requested that Management develop a plan for embedding the strategy and to bring this back to a future Board meeting. 2. The Board Chair is to write to the Minister of Transport regarding issues related to the rail fee review.

4. Confirming service and financial performance targets

4.1 2018/19 NZ Transport Agency Business Plan and Budget

Board paper 2018/06/1248

Howard Cattermole spoke to the paper.

Board Members discussed the operational plan and budget, the overlap with the National Land Transport Programme, priorities and drivers.

The need to advise any budget adjustments in August 2018 to align with the final requirements of the Government Policy Statement on Land Transport (GPS) was noted.

As well, the increased demands on the Transport Agency with the changes in Government policy, including the GPS, and investment in technology were noted. The Board requested further detail regarding what is covered by the technology component of the budget.

Resolution 9	<i>The NZ Transport Agency Board:</i>	
	<i>a) Approved a NZ Transport Agency operational budget for 2018/19 to support delivery of the first year of the 2018-2021 Business Plan and 2018-2021 National Land Transport Programme (NLTP):</i>	
	<i>\$million</i>	<i>2018/19</i>
	<i>Operating expenditure including initiatives</i>	<i>356</i>
	<i>Capital expenditure</i>	<i>21</i>
	<i>b) Delegated responsibility to the NZ Transport Agency Chief Executive to approve operational budget transfers between operating and capital</i>	

	<p><i>expenditure.</i></p> <p>c) Noted that any budget adjustments necessary to deliver the requirements of the final Government Policy Statement on Land Transport will be presented to the Board for approval in August 2018, in conjunction with the amended Statement of Performance Expectations (SPE).</p>
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5. Quality assurance of key organisational systems, policies and processes

5.1 Financial Progress Report for the ten months to the end of April 2018

Board paper 2018/06/1249

The Board noted the various matters outlined in the progress report. There was discussion of the Transport Agency’s approach to balance sheet management.

Resolution 10	<i>The NZ Transport Agency Board received the report on the financial performance of the NZ Transport Agency (including the National Land Transport Fund) for the ten months ended 30 April 2018.</i>
Requested Action(s)	The Board requested further information regarding the Transport Agency’s balance sheet management.

6. Significant planning, investment and operational matters

6.1 Interim National Land Transport Fund Funding Arrangements for the 2015-2018 National Land Transport Programme and Extension of Delegated Funding Agreement to Auckland Transport

Board paper 2018/06/1250 (and Addendum)

Howard Cattermole introduced the paper.

Board Members discussed the nature and extent of the interim allocations – as well as the extension of the delegation to Approved Organisations (AO) of the power to make funding small improvement projects, subject to the AO meeting certain terms and conditions.

Resolution 11	<i>The NZ Transport Agency Board:</i>		
	<i>a) Approved cost-scope adjustments to the relevant Approved Organisation and NZ Transport Agency's activities in the 2015-2018 National Land Transport Programme (NLTP), for the following operational activities, which are based on 20% of the current forecast for 2018/19:</i>		
	Activity type	Total Cost (\$M)	NLTF (\$m)
	<i>Local Road Maintenance (maintenance, operation and renewal programmes and emergency works)</i>	242	131
	<i>Local Road and Regional Improvements (low cost/low risk programmes)</i>	28	15

<i>State Highway Maintenance (maintenance, operation and renewal programmes and emergency works)</i>	<i>132</i>	<i>132</i>
<i>State Highway and Regional Improvements (low cost/low risk programmes)</i>	<i>13</i>	<i>13</i>
<i>Public Transport (service and infrastructure operations)</i>	<i>136</i>	<i>71</i>
<i>Investment Management (sector research and management)</i>	<i>1</i>	<i>1</i>
<i>Management of the Funding Allocation System</i>	<i>8</i>	<i>8</i>
<i>TOTAL</i>	<i>560</i>	<i>371</i>
<p><i>b) Recommends an interim investment of \$70 million for 2018/19 to the Minister of Transport to approve the Road Safety Partnership Programme (RSPP), in consultation with the Ministers of Police and Finance. This is 20% of the forecast spend for the RSPP during 2018-19 of \$353 million.</i></p> <p><i>c) Agreed to delegate authority to the Chief Executive to include activities proposed for the 2018-2021 National Land Transport Programme (NLTP) into the 2015-2018 NLTP, subject to them meeting the following criteria:</i></p> <ul style="list-style-type: none"> <i>i. completion of public consultation by Approved Organisations, as required under the Land Transport Management Act 2003;</i> <i>ii. inclusion of the activities in the appropriate draft 2018-2021 Regional</i> 		

	<p><i>Land Transport Plans (RLTPs), where the NZ Transport Agency has also been advised that the activities will be included in the final RLTPs; and</i></p> <p><i>iii. the activities meet the Transport Agency's 2018-2021 investment requirements for funding approval.</i></p> <p><i>d) Agrees that all the activities approved under this interim arrangement will be deemed to be included in the 2018-21 National Land Transport Programme, once this is adopted by the Board in August 2018</i></p> <p><i>e) Approved and authorised the NZ Transport Agency Board Chair to, with respect to funding decisions for small improvement projects outside of minor improvements programmes, which are included in the 2018-2021 National Land Transport Programme and have an estimated construction cost below \$5 million per activity:</i></p> <ul style="list-style-type: none"><i>i. delegate the power to Approved Organisations (AOs) to make those funding decisions, provided that before any AO may exercise the delegation, the AO enters into an Agreement with the Transport Agency that sets out the terms and conditions of the operation of the delegation, and</i><i>ii. delegate to the Transport Agency Chief Executive the power to enter into any Agreement with an AO recording the terms and conditions of such a delegation.</i> <p><i>f) Noted the intention for the NZ Transport Agency to enter into a new Agreement with Auckland Transport with respect to the delegation of certain funding decisions for small improvement projects, with an implementation cost of \$5 million or less, subject to Auckland Transport meeting (and continuing to meet) specific terms and conditions.</i></p>
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6.2 Auckland City Centre to Mangere Urban Development and Light Rail – Project Update and Approval to Proceed with Formal Market Engagement

Board paper 2018/06/1251

Adrienne Young-Cooper noted her interest in HLC as a Non-Executive Director. HLC is part of the (proposed) City to Mangere Light Rail Project Governance Group.

Vanessa Browne introduced the paper.

The Board discussed the project – as well as the interdependencies and relationships required to progress the project and meet the desired urban development and transport outcomes.

It was agreed that a half day Board Workshop be held to allow Board Members to develop a deeper understanding of the full range of issues related to the City Centre to Mangere Light Rail Project.

Resolution 12	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><i>a) Noted the adoption of the City Centre to Mangere name for the Project.</i><i>b) Noted the NZ Transport Agency's City Centre to Mangere Light Rail Project's phased approach to procurement strategy development.</i><i>c) Noted the NZ Transport Agency will be initiating and leading an international market engagement exercise for the City Centre to Mangere Light Rail Project.</i>
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6.3 Rosedale Bus Station and Rosedale Bridge Replacement

[Board paper 2018/06/1252](#)

Board Members discussed the additional cost against the benefits gained – noting that the intention of Auckland Transport is that any Park and Ride facility will not occur until a later stage. In this regard, Board Members require greater detail and a plan regarding the overall strategy to ensure the Board has a level of comfort around future connections to Rosedale Bus Station.

Consequently, the Board deferred making a decision, leaving the proposed resolutions open, pending further information.

Requested Action(s)	Management to provide greater detail and a plan regarding the overall strategy related to Rosedale Bus Station to ensure the Board has a level of comfort around future connections to Rosedale Bus Station.
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6.4 State Highway 1: Papakura to Bombay Project – Approval of Detailed Business case and Funding

[Board paper 2018/06/1253](#)

Mark Darrow noted his interest as an Independent Director of Balle Bros Group Limited, who is a property owner at the Rama Rama interchange, due to the work proposed as part of the Papakura to Bombay Project.

The Board noted the various matters outlined by Vanessa Browne – including the overall size of the project and the staged approach to the corridor, with some work to take place in the current corridor. Board Members requested management investigate and plan as part of this project a major park and ride at the, to be electrified Drury Rail Station, with easy State Highway 1 access.

Board Members are interested in how the Transport Agency can achieve accelerated delivery and the scope of land acquisition possible for transport purposes.

Resolution 14	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Supports the Detailed Business Case for long term improvement for the NZ Transport Agency's State Highway 1 Papakura to Bombay Project.b) Noted that the total cost of construction of the State Highway 1 Papakura to Bombay improvements project is estimated to be \$1.016 - \$1.173 billion (50th - 95th percentile range), with an investment assessment profile of HL (BCR 1.0-2.9) (High Results alignment and a Benefit Cost Ratio of 2.5).c) Approved \$46.5 million (50th percentile) for pre-implementation, including route protection works, for the NZ Transport Agency's State Highway 1 Papakura to Bombay Project.d) Approved \$44 million for net property for the Stage 1 - Papakura to Drury section.e) Approved \$316 million (50th percentile) for implementation, for the total cost of construction of the Stage 1 - Papakura to Drury improvements; subject to, as condition precedent, approval of the final key performance indicators and scope of works for the investigation and delivery of multi-modal solutions at pre-implementation.f) Delegated final approval of the implementation funding to the NZ Transport Agency Chief Executive per the conditions precedent set out above resolutions.
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6.5 State Highway 2: Waihi to Omokoroa – Funding Approval for Implementation

[Board paper 2018/06/1254](#)

Board Members noted the information set out in the paper provided and discussed the safety treatments outlined.

Resolution 15	<i>The NZ Transport Agency Board approved \$87.1 million, as the balance of funds required, for the implementation of the State Highway 2: Waihi to Omokoroa Safety Improvements (excluding Katikati) from the National Land Transport Fund (2018-2021 National Land Transport Programme).</i>
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6.6 Endorsement of Road Safety Blueprint

[Board paper 2018/06/1255](#)

Board Members discussed the package of interventions outlined in the paper and its attachment.

While they support the approach, it is considered that further work is necessary to develop the Road Safety Approach, before it is endorsed or discussed externally.

Resolution 16	<i>The NZ Transport Agency Board noted the NZ Transport Agency Road Safety Blueprint, dated June 2018.</i>
Requested Action(s)	The Board requested further development of the Road Safety Approach.

6.7 Road Safety Partnership Programme – Consultation Feedback and Recommendations

[Board paper 2018/06/1256](#)

The paper outlining the Road Safety Partnership Programme was noted by the Board.

Resolution 17	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Endorsed the 2018–2021 Road Safety Partnership Programme (RSPP) and investment, as per the following recommendations to the Minister of Transport, which meet the requirements of sections 18I, 18J and 18K of the Land Transport Management Act 2003, including consultation with the Commissioner and the Secretary.b) Recommends to the Minister of Transport to approve, in consultation with the Minister of Police:<ul style="list-style-type: none">i. a core investment of \$341.1 million from the National Land Transport Fund (NLTF) for the Road Safety Partnership Programme in 2018/19; andii. investment of up to \$18.5 million in Special Projects from the NLTF for 2018-2021, subject to the NZ Transport Agency’s Chief Executive’s endorsement of a Business Case by NZ Police for some or all of the Special Projects.c) Noted the core programme of \$341.1 million, plus a 2018/19 allocation of \$11.6 million for Special Projects, means a total Road Safety Partnership Programme allocation for the 2018/19 year of \$352.7 million.d) Recommends to the Minister of Transport to approve, in consultation with the Minister of Police, an additional \$692.3 million to be provisionally available for the 2019/20 and 2020/21 core Road Safety Partnership
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	<p><i>Programme (RSPP), with a decision on the amount to be made available, after completion of the review of the road policing operating model. This means indicative National Land Transport Fund provisional allotment for 2018-21 of \$1.045 billion (including Special Projects), for the core RSPP with any revisions targeted to be presented to the NZ Transport Agency Board by December 2018.</i></p> <p>e) <i>Noted that a detailed programme of activities has been developed in the Road Safety Partnership Programme for 2018/19 only.</i></p> <p>f) <i>Recommends to the Minister of Transport that the interim Road Safety Partnership Programme be approved, in accordance with section 18L of the Land Transport Management Act 2003 (LTMA), on the basis that it should be varied during 2018/19, in accordance with section 18M of the LTMA, to provide for a partnership programme of activities for 2019/20 and 2020/21 that will take into account the improved operating model and investment approach for road policing.</i></p> <p>g) <i>Delegated to the NZ Transport Agency Chief Executive the finalisation of the 2018/19 Road Safety Partnership Programme, should any changes to the programme of activities be required once the draft Government Policy Statement on Land Transport and Investment Assessment Framework are finalised.</i></p>
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6.8 Let's Get Wellington Moving – Update

Board paper 2018/06/1257

Board Members noted the progress that has been achieved – including the public engagement undertaken.

Resolution 18	<i>The NZ Transport Agency Board noted the progress update regarding Let's Get Wellington Moving (LGWM).</i>
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7. Other updates and general business

7.1 Other Updates

Board paper 2018/06/1258

The Board noted the updates received, including progress on the Kaikoura Earthquake Recovery and Reinstatement.

Resolution 19	<i>The NZ Transport Agency Board received the 15 June 2018 other updates.</i>
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7.2 Draft agenda for 20 July 2018 Board meeting

Resolution 20	<i>The NZ Transport Agency Board noted the draft agenda for the 20 July 2018 Board meeting.</i>
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7.3 Schedule of Board Correspondence and requests for Board paper

Board paper 2018/06/1259

Resolution 21	<i>The NZ Transport Agency Board received the 15 June 2018 report on:</i> <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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7.4 General business

No general business was raised or discussed.

8. Board only session

A Board only session was held.

The Board Meeting closed at 2:10pm.

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