



Board Meeting Minutes	
Date & time	20 August 2018, 8:30am – 2:00pm
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, 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), Charles Ronaldson (General Manager Customer Design & Delivery), Giles Southwell (General Manager Corporate Services), Robert Brodnax (Director Transport Access Delivery), Jim Harland (Director – Regional Relationships, South Island) Tim Barry (Senior Manager, Safety and Wellness), Pete Clark (Senior Advisor, Travel Demand Management), Richard Hancy (Project Director – Light Rail), Kevin Reid (Senior Manager, Operational Policy, Planning and Performance, System Design & Delivery), Gareth Hughes (NLTP Programme Manager), Bob Alkema (Senior Manager,

	Investment Assurance), Gavin Armstrong (Manager, Organisational Performance), and John Coulter (Senior Manager, Operational Policy, Planning and Performance, Investment & Finance)
External attendees	Mike Cosman and Helen Parkes, CosmanParkes (Agenda item 2.2)

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, the following was noted:

- Chris Ellis: Interest in health and safety matters as a Director of WorkSafe NZ. (Agenda items 2.1 and 2.2)
- Michael Stiasny and Adrienne Young-Cooper: Interest in certain Queenstown Lakes District matters as Directors of Queenstown Airport Corporation. (Agenda items 3.1)
- Leo Lonergan: Interest in certain Queenstown Lakes District matters as he owns a home near Arrowtown. (Agenda items 3.1)

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 July 2018 Board meeting and Ratification of Board Decision(s) by circulation

Board Members confirmed the Minutes for the 20 July 2018 Board meeting, but expressed the general view that minutes of Board meetings need to be more detailed.

In light of this view, the Board would like external legal advice sought regarding the application and implications of the Official Information Act 1982 on the minutes and their publication and the NZ Transport Agency's obligation to publish on its website certain decisions under the Land Transport Management Act 2003.

Resolution 1	<i>The NZ Transport Agency Board confirmed the draft minutes of the 20 July 2018 Board meeting as a true and accurate record of the meeting.</i>
Requested Action(s)	Meeting with an external lawyer, specialised in dealing with Official Information Act 1982, to be organised for the Board Chair and Board Secretary to obtain advice regarding the preparation and publication of the minutes for Board meetings.

At the 20 July 2018 Board meeting, discussion concerning Board paper 2018/07/1264 *Rail Funding Review – Funding Model and Consultation* led the Board to defer making a decision on the paper pending receipt of further specific information. A supplementary paper was circulated by email to Board Members on 3 August 2018. The supplementary paper responded to the Board's request by outlining options to alleviate the financial burden of proposed increased regulatory fees and charges, including possible transitional arrangements.

Board Members supported the Board recommendations as proposed, on the basis that the funding model to be proposed (for consultation) be amended to include suggested new features.

The inclusion of the following resolution enables this Board decision 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 proposed principles underpinning the business case seeking National Land Transport Programme funding. b) Endorsed the proposed Rail Safety Fees and Charges Funding Model (including principles), as the basis of public consultation. c) Agreed that this Rail Safety Fees and Charges Funding Model can be forwarded to Government for approval for public consultation to occur.
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1.6 Note on Governance Matter(s)

Note regarding Approval of new Conflicts of Interest Guidelines for NZ Transport Agency Board

The new Conflicts of Interest Guidelines for the Board were approved, as presented. Board Members will now update their interests in line with the new guidelines.

A response to Ministry of Transport’s recent correspondence on this matter will be prepared providing an update of Board Members’ interests and assurance the Transport Agency’s Conflicts of Interest Guidelines for the Board aligns with recent guidance issued by the State Services Commission.

Resolution 3	<p><i>The NZ Transport Agency Board approved the new Conflicts of Interest Guidelines for the NZ Transport Agency Board.</i></p>
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<p>Requested Action(s)</p>	<ol style="list-style-type: none"> 1. Board Members will now update their interests, in line with the new guidelines. 2. A response to the Ministry of Transport’s recent correspondence will be prepared providing an update of Board Members’ interests and assurance the Transport Agency’s Conflicts of Interest Guidelines for the Board aligns with recent guidance issued by the State Services Commission.
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1.7 Audit, Risk and Assurance (ARA) Board Committee Report: 16 August 2018 ARA Board Committee meeting

Mark Darrow outlined the matters considered at the ARA Board Committee meeting on 16 August 2018. In particular, this meeting included items covering:

- The findings and recommendations of a review of alliance financial management. This includes moving to use NZ Transport Agency IT systems, rather than using alliance partners’ IT systems, to minimise risk.
- The appointment of a new Head of Cyber Security (tier 3 level) and the roll out of new cyber security online training modules. Management is to ensure a 100% completion rate of the cyber security online training modules by the next ARA Board Committee meeting.
- Regulatory matters and interventions were discussed. Despite the effort being applied, Management was urged to increase resource so as to build capability and capacity; but also to explore options to urgently bring on more resource to assist with the current workload.
- An issue with the financial results concerning the one-off adjustments to the state highway network valuation. The increase in value is primarily a result of the valuation improvement project. KPMG and Treasury are comfortable with the accounting treatment applied to the adjustments. The Office of the Auditor-General (OAG) has now agreed they will be treated as

changes in estimates, not errors. Discussions by KPMG and Treasury with the OAG are continuing about the nature of the estimates, with a view to achieving an unqualified report.

- The intention to impair Manawatu Gorge to zero, with no residual liability.

Requested Action(s)	Management to develop terms of reference and then seek a legal opinion concerning whether the Transport Agency can fully write off its liability and limit its responsibility and risk in respect of Manawatu Gorge (as indicated) – including any accounting treatment connected to this portion of State highway.
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1.8 Remuneration and Human Resources (Rem & HR) Board Committee Report: Draft Minutes of the 8 August 2018 Rem & HR Board Committee meeting

Adrienne Young-Cooper provided an overview of the matters considered at the Rem & HR Board Committee meeting on 8 August 2018 and mentioned the inclusion of a Rem & HR Board Committee paper for noting by Board Members only. In particular, this meeting included items regarding:

- Work underway on the workforce strategy, Gender Pay Gap and Diversity and Inclusion Plan. A paper on the Gender Pay Gap and Diversity and Inclusion Plan will be presented for discussion at the 5 October 2018 Board meeting.
- Discussion on the State Services Commission elimination of at risk payments as a component of remuneration.
- Metrics available – noting the high level of leave liability that will be managed down, and the ‘reasonableness’ of staff turnover when compared with other public service entities.

Requested Action(s)	1. Paper to be presented to Board at its 5 October 2018 meeting reporting back on the Gender Pay Gap and the Diversity and Inclusion Plan.
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	2. Report back regarding the workforce strategy to the 14 December 2018 Board meeting.
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1.9 Progress on actions requested at previous meetings

Progress on all actions arising was noted.

Requested Action(s)	Invitation to be sent to the Hon James Shaw, Acting Associate Minister of Transport and Minister for Climate Change, to attend an upcoming NZ Transport Agency Board meeting.
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2. Health, Safety and Wellness matters

2.1 Health, Safety and Wellness Update

[Board paper 2018/08/1267](#)

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

Barbara Harrison provided an overview of the update – with Tim Barry speaking to specific content. Of note, the pilot for mental health first aid training has concluded with good anecdotal feedback.

A draft contractor non-compliance framework has been developed for consultation. It is a form of escalation and intervention model. Board Members noted the usual steps in such a model – warning to monitoring to being stood down; but indicated that any model developed needs to be able to deal immediately with an intentional breach causing a fatality, as a warning would not be sufficient or appropriate in such circumstances. This should be the starting point – moving back from there.

Issues noted regarding legally privileged information; however, Board Members stated contractually this should not be an impediment to obtaining information concerning incidents, as ultimately they have occurred on (Transport Agency) sites implementing Transport Agency projects.

Board Members discussed the nature of the incident reports provided, noting the seriousness and the need to resolve any failures by contractors to report in an adequate manner by the due dates, or to change their practices. Some further details were sought on certain incidents.

If existing contract terms do not allow stronger action to be taken by the Transport Agency at present, then contracts need to be changed. The Transport Agency needs to be in a position to ensure the standards, practices and reporting required are adhered to by contractors (and those employed by them), and if not, options in terms of sanctions are available. This intention needs to be signalled to contractors with existing contracts/projects with the Transport Agency (or with which the Transport Agency is involved as a party).

Resolution 4	<i>The NZ Transport Agency Board noted the latest Health, Safety and Wellness update.</i>
Requested Action(s)	Signal to contractors the intention to require changes to the contractual terms to incorporate the escalation and intervention model connected to health, safety and wellness obligations and reporting and find out who will not agree to do this – noting that new contracts going forward will contain these contractual terms.

2.2 Health, Safety and Wellness Governance Review Report, Management Response and Work Programme

[Board paper 2018/08/1268](#)

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

This paper was discussed during Board Member only sessions, with separate attendances by:

- Mike Cosman and Helen Parkes, both of CosmanParkes, who undertook the Health, Safety and Wellness Governance Review, and
- the Chief Executive.

Board Members expressed disappointment with the proposed Management Response and Work Programme – in light of the findings of the Health, Safety and Wellness Governance Review Report received by the Transport Agency.

Given the information outlined in terms of resourcing requirements, Board Members considered external assistance is required, with one current internal leader focused on this ‘work stream’. It is considered important that the Transport Agency take on the additional resource identified as necessary, as soon this is possible.

Resolution 5	<i>The NZ Transport Agency Board noted the findings of the Board-requested Independent Health and Safety Governance Review.</i>
Requested Action(s)	<p>The NZ Transport Agency Board requests Management assign and take on more resource (including from external sources, as necessary), to undertake the work required as a consequence of the findings of the Board-requested Independent Health, Safety and Wellness Governance Review, including but not limited to:</p> <ul style="list-style-type: none"> a) further development of the proposed: <ul style="list-style-type: none"> i. NZ Transport Agency Management Response; and ii. NZ Transport Agency Health, Safety and Wellness Work Programme. b) obtaining agreement to the Management Response and endorsement of the Health, Safety and Wellness Work Programme from the Board;

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| | <ul style="list-style-type: none">c) undertaking the actions, and implementing the changes, contained in the above Management Response, once agreed by the Board; andd) putting into effect the noted Health, Safety and Wellness Work Programme, once endorsed by the Board. |
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3. Chief Executive's Report

3.1 Chief Executive's Report

Michael Stiasny and Adrienne Young-Cooper both noted their interest in certain Queenstown Lakes District matters as they are Directors of Queenstown Airport Corporation.

Leo Lonergan also noted an interest in certain Queenstown Lakes District matters as he owns a home near Arrowtown.

Fergus Gammie outlined the matters of particular focus for the Transport Agency since the previous Board meeting and those matters contained in his report.

An update regarding Let's Get Wellington Moving (LGWM) was provided – including detail on the progress of the Recommended Programme of Investment (RPI) and next steps.

Progress with the Urban Growth Agenda was discussed, including the roles of the proposed Infrastructure Commission, existing NZ Infrastructure Board (within Treasury) and proposed Urban Development Authority. Board Members noted the recently announced Infrastructure Commission will be advisory in nature.

An update was provided in respect of Light Rail. Formal market engagement has commenced, with the launch event attended by over 400 representatives from 170 companies, from over 20 countries. A list of those who have expressed interest is to be provided to the Board.

Risks and considerations related to Light Rail, such as the size, cost, type of arrangement used (such as a Public Private Partnership (PPP)), route options, integration of a range of modes of transport and possible change in government (or government priorities) in the future, were canvassed by Board Members. Proposals for legislation to assist in effecting Light Rail are now being discussed by the Minister of Transport with relevant Ministers. Board Members requested to see Ministry of Transport advice before it is provided to the Minister.

Board Members' discussion then turned to financing options and arrangements, as there are a number of big projects in the pipeline. The Board noted the policy it adopted on when to use PPP, which was a good generic policy and requested a copy of this policy be circulated. In future, liaison with Councils and local Board Chairs in respect of major and/or significant projects is to involve the Board Chair and Board Members. The need to ensure that ultimate ownership of assets is retained by those who have the responsibility and liability to maintain the asset(s) was noted. Work in respect of governance, determining responsibilities and establishing appropriate arrangements is underway. Useful background research to come out of University College of London was referred to by Management and Board Members requested a copy.

Alliances and working on major development projects with Councils as partners has resulted in mixed success for integrated land use and transport outcomes. Board Members discussed the need for the Transport Agency to position itself and use National Land Transport Fund (NLTF) investment to achieve desired integrated land use and transport outcomes that incorporate multi modal options and align with Government priorities. It was noted that some Councils are failing to ensure efficient land use patterns, or consider the cost of infrastructure and operations, in the course of consenting certain development within their districts. In terms of the noted Queenstown Lakes District Council developments, Board Members noted the importance of Transport Agency engagement and effective governance arrangements.

Resolution 6

The NZ Transport Agency Board received the Chief Executive's Report.

Requested Action(s)	<ol style="list-style-type: none">1. The following are to be provided to the Board:<ol style="list-style-type: none">a) a list of those parties who have expressed interest in the Light Rail Project;b) a copy of the Board adopted policy on when to use a Public Private Partnership;c) a copy of the Ministry of Transport paper provided to the Minister of Transport outlining proposals for legislation related to Light Rail; andd) a copy of the noted useful background research to come out of University College of London.2. The Transport Agency is to engage with the Queenstown Lakes District Council on an integrated approach to land use and network planning – including setting appropriate limits, agreed local share and thresholds for staging development.
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4. Setting sector and organisational direction

4.1 National Land Transport Programme (NLTP) – Adoption of the NLTP 2018 – 2021

Board paper 2018/08/1269

Jenny Chetwynd spoke to the paper outlining the importance of the National Land Transport Programme (NLTP), the approach to developing the NLTP, proposed investment levels and activities, the way the proposed NLTP supports the Government's priorities, the re-evaluation of certain State highway projects and the communications and engagement specific to NLTP.

Board Members discussed the major changes incorporated into the NLTP due to the Government Policy Statement on Land Transport (GPS) now in place. The need for effective communication

outlining how the new NLTP gives effect to the GPS priorities and what differences this will result in for investment compared with the previous NLTP was noted by the Board – including breakdown comparisons across activity classes, regions and so forth.

The change of focus to safety, access, resilience, environmental impact and implications, and regional improvements was acknowledged. Management noted that these features have been factored into identifying, assessing and prioritising the best mix of activities. Further, a higher level of regional improvement investment is occurring in this NLTP, which balances the increased spend in urban areas in Rapid Transit and Public Transport.

There was a comprehensive discussion by Board Members on the focus points, priorities and risks related to the NLTP and its development. The Board requested improved clarity around the definition of resilience and risk tolerance and queried whether key roads likely to be impacted by the effects of climate change have been mapped out and this factored into assessments.

Management noted that the Board was provided an update paper in June 2018, *Resilience Risk on State Highway System* and a mapping project of the type outlined has not been undertaken, partly as this is an aspect considered in business cases concerning roading projects.

Board Members noted that the definitions used are derived from the GPS and differ from the position statements of (and being worked on by), the Transport Agency. There was discussion around areas where access most impacted social outcomes and areas of particular concern would be the West Coast and Gisborne.

Discussion by the Board then turned to the SkyPath project, noting it had been approved in principle, pending further investigative work. Management confirmed it is a buildable project, which can run in conjunction with vehicles, subject to the need to control flow. The project is in the cycling activity class (as proposed), with final funding yet to be approved. Board Members noted the possibility of an advance announcement of this project by Ministers and the importance of the wording of any announcement regarding this project.

Resolution 7 *The NZ Transport Agency Board:*

a) **Approved** the National Land Transport Fund (NLTF) investment levels to activity classes set out in the table below:

<u>GPS Activity Classes - all in NLTF \$millions</u>	Recommended Allocations 2018-21		GPS funding ranges 2018-21	
	Target	Upper allocation limit	Lower	Upper
Public Transport	1,765	1,835	1,490	2,040
Rapid transit	463	760	150	760
Walking and cycling improvements	300	330	235	360
Local road improvements	740	800	430	1,030
Regional improvements	405	450	200	530
State highway improvements	3,425	3,600	3,000	3,850
Road policing (as approved by the Minister on the recommendation of the Board)	1,063	1,063	980	1,110
Promotion of road safety and demand management	188	200	155	225
State highway maintenance	1,987	1,997	1,810	2,130
Local road maintenance	2,019	2,055	1,800	2,120
Investment management	215	225	195	235
Transitional rail	376	435	145	435
Draft target allocation Total	12,946			

b) *Approved* NLTF funding for the combinations of activities shown in the table below:

Activity Class	Total value of bids submitted \$millions	Total Value recommended allocation \$millions	NLTF share recommended allocation to AOs \$millions	Commentary
Public Transport - Existing services	1,985	1,858	1,075	Minor increase of \$3 million from indicative allocations approved in April
Passenger Transport Improvements-Low Cost Low Risk programme allocations	131	131	67	
Road safety promotion programme	189	189	151	nil
State highway maintenance	1,817	1,800	1,800	nil
Local road maintenance	3,361	3,208	1,760	Several small from indicative allocations approved in April: increases for errors and omissions in original bid requests and /or reductions in final request overall change ~+ \$3 million; plus Road Efficiency Group programme costs \$8million plus NZTA rail regulator funding \$2 million = overall change + ~ \$13m NLTF share
State Highway Improvements Low Cost Low Risk programme allocation	191	190	190	
Local Road Improvements - Low Cost Low Risk programme allocations	720	720	394	

Notes: maintenance approved allocations are for Core maintenance programmes excluding emergency works
 NLTF forecast share of Local road improvements LCLR does not account for impact of enhanced FAR at this time

c) *Approved* activity lists for each activity class to be included in the National Land Transport Programme (NLTP) 2018 – 2021.

d) *Endorsed* the approach to engagement and communication of the NLTP 2018 – 2021.

	e) Adopted the NLTP 2018 – 2021, which includes the activity lists and the funding for each activity class.
Requested Action(s)	Letter to be sent to the Minister of Transport regarding the SkyPath Project, promptly after the Board meeting.

4.2 National Land Transport Programme – Assurance

Board paper 2018/08/1270

Board Members noted the assurance provided by the paper in respect of the development of the National Land Transport Programme (NLTP) – as well as the need to continue to improve Māori engagement and consultation processes for future NLTP engagement processes.

Management advised that Te Ara Kotahi – the NZ Transport Agency Māori Strategy and its underpinning Action Plan is well underway. The Board will be provided updates as this progresses, including specifically the framework for Māori engagement on the NLTP.

Resolution 8	<i>The NZ Transport Agency Board received assurance that the proposed National Land Transport Programme 2018-2021 [refer to Board paper 2018/08/1269] meets the requirements of the Land Transport Management Act 2003.</i>
Requested Action(s)	The Board will be provided with an update on the development of Te Ara Kotahi – the NZ Transport Agency Māori Strategy and its underpinning Action Plan.

4.3 Developing Position Statements

Board paper 2018/08/1271

Board members noted the position statements as drafted, along with the update regarding work undertaken to this point on them.

Clear feedback by Board Members was given regarding the position statements – particularly with respect to transport safety, resilience, climate change, regulatory and liveable communities.

The Board requested new position statements be prepared and circulated to them by email, following discussion of them by the Senior Leadership Team.

Resolution 9	<i>The NZ Transport Agency Board received an update on the development of Position Statements and measures for incorporation within the existing strategic architecture of the NZ Transport Agency.</i>
Requested Action(s)	Taking into account feedback received from the Board, new position statements will be prepared and discussed with and agreed by the Senior Leadership Team, before being circulated by email to all Board Members.

5. Confirming service and financial performance targets

5.1 NZ Transport Agency Year-End Unaudited Non-financial Results

Board paper 2018/08/1272

Board Members noted the paper and year-end performance summary of the non-financial results.

In particular, details within the capital projects programme update were discussed.

Resolution 10	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Received the NZ Transport Agency's unaudited year-end results for the focus area significant activities and key performance indicators and progress on capital projects for the year ended 30 June 2018.b) Agreed to the release of a copy of this Board paper to the Ministry of Transport for the purpose of Crown monitoring.
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5.2 Draft 2017/18 Financial Results

Board paper 2018/08/1273

Board Members noted the ARA Committee had considered the draft 2017/18 Financial Results at their recent meeting. The paper providing an overview, and identifying key features, of the draft financial results was taken as read.

Resolution 11	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Approved the accounting treatment of:<ul style="list-style-type: none">i. \$6.2 billion state highway network valuation adjustment; andii. \$43.8 million state highway impairment for Manawatu Gorge.b) Agreed to the release of a copy of this Board paper to the Ministry of Transport for the purpose of Crown Monitoring.c) Noted that an equivalent version of this paper has been reviewed by the Audit, Risk and Assurance Board Committee.
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6. Quality assurance of key organisational systems, policies and processes

6.1 Current and Future Financing Arrangements

Board paper 2018/08/1274

Howard Cattermole spoke to the paper, outlining the nature and extent of current and future financing arrangements for different key projects – including how they all work together, forming a type of framework.

Further detail and context, building on the material received, was requested by the Board in terms of the financing options and arrangements. The intended report back to the 5 October 2018 Board meeting was noted.

Resolution 12	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none">a) Received the information set out in this Board paper in response to the Board's request for additional information on the monitoring and management of the NZ Transport Agency's borrowings and other long-term liabilities and associated risks.b) Noted the next steps being undertaken by the NZ Transport Agency to investigate funding and financing arrangements for the Auckland Light Rail Project and Let's Get Wellington Moving (LGWM).c) Noted the next steps being undertaken by the NZ Transport Agency towards further optimisation of existing financing and tolling arrangements.
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7. Significant planning, investment and operational matters

7.1 Detailed Business Cases for Specific Housing Infrastructure Fund Projects – Auckland North West, Te Tumu and Ladies Mile

Board paper 2018/08/1275

Howard Cattermole provided an overview of the projects – with Jim Harland, Bob Alkema and Kevin Reid speaking to specific content.

Board Members discussed the projects and the risks associated with them, noting the conditions included in any approvals and/or endorsements sought.

The importance of the Transport Agency achieving an integrated approach to land use and network planning that incorporates (and encourages use of) multi modal options and aligns with Government priorities was noted. Any conditions or limits incorporated into arrangements need to be enforceable by the Transport Agency.

Board Members noted care needs to be taken with future communications and engagement with respect to Housing Infrastructure Fund projects.

Resolution 13	<p><i>The NZ Transport Agency Board:</i></p> <p>a) Noted that each of the following Housing Infrastructure Fund (HIF) Detailed Business Cases has been assessed against the NZ Transport Agency's investment assessment framework and each has the investment profile as noted:</p> <p>i. <i>Auckland Council's (AC) North West Growth Area – High results alignment and a high benefit cost appraisal (priority 3);</i></p>
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- ii. *Tauranga City Council's (TTC) Te Tumu Urban Growth Area – High results alignment and low benefit cost appraisal (priority 5); and*
- iii. *Queenstown Lakes District Council's (QLDC) Ladies Mile – High results alignment and a low benefit cost appraisal (priority 5).*

b) **Endorses** the final HIF DBC for each of:

- i. *AC's North West Growth Area;*
- ii. *TCC's Te Tumu Urban Growth Area; and*
- iii. *QLDC's Ladies Mile.*

c) **Noted** that Board approval is being sought for QLDC's Ladies Mile HIF DBC due to the significance of balancing housing priority and road capacity.

d) **Noted** that the Auckland Transport (AT) local share will be funded by the HIF Crown loan drawn down by the NZ Transport Agency, to be repaid by AT under a front-loading agreement.

e) **Approved** funding, for pre-implementation and implementation of eligible transport infrastructure in each final HIF DBC, of up to:

- i. *\$214.3 million (AT share \$105.0 million and NZ Transport Agency share \$109.3 million) for the North West growth area, subject to, as a condition precedent, AT signing the proposed front loading agreement;*
- ii. *\$62.4 million (TCC share \$31.9 million and Transport Agency's share \$30.5 million, estimated cost share to be confirmed) for the Te Tumu growth area, subject to, as condition precedent, a signed cost sharing agreement between Tauranga City Council and the Transport Agency regarding the Papamoa East Interchange; and*

iii. \$12.70 million (QLDC share \$6.22 million and Transport Agency share \$6.47 million) for the Ladies Mile growth area, subject to, as a condition precedent, QLDC formalising the existing policy pause to reflect the staged 450, 750 and 1100 consent thresholds, or implementing an equivalent staging mechanism as agreed in a signed Memorandum of Understanding,

with each of the above funding approvals also being subject to, as conditions precedent:

- i. approval from the Ministers of Transport, Housing and Urban Development, and Finance of Crown funds from the HIF being available for the National Land Transport Fund (NLTF) share of the investment; and*
 - ii. each of AC, TCC and QLDC borrowing directly from the HIF for their respective shares of the infrastructure costs to support the growth areas directly from the HIF, and no party utilising an alternative financing approach (such as special purpose vehicle – unless agreed in writing with the Transport Agency prior to any drawdown(s)).*
- f) **Restricts** investment from the NLTF to the funding available to the NZ Transport Agency through the HIF Crown loans, meaning that any transport-related cost increases after the endorsement of the final Detailed Business Cases will be covered by the AC (AT), TCC and QLDC respectively (unless the HIF Crown loan(s) to the Transport Agency is/are increased to cover the NLTF share of the cost increase(s)).*
- g) **Delegated** to the NZ Transport Agency Chief Executive the authority to:*

	<ul style="list-style-type: none"><i>i. sign the negotiated cost sharing agreement with TCC, and amend the funding distribution and loan drawdown approvals, if required, to match allocation of cost share within the approved \$62.4 million;</i><i>ii. release implementation funding for Te Tumu when satisfied that the final designs are integrated and align with the multi modal objectives of the Tauranga Transport Programme; and</i><i>iii. approve funding for the Transport Agency to progress with urgency a Queenstown long term corridor and network feasibility business case, including park and ride, when satisfied that the scope will sufficiently deliver a robust understanding of the mechanisms available and appropriate triggers to implement future system capacity.</i> <p><i>h) Approves drawdown of an interest free HIF Crown loan for the NZ Transport Agency share of the respective transport infrastructure costs (for pre-implementation and implementation) including:</i></p> <ul style="list-style-type: none"><i>i. \$214.3 million for Auckland North West (including AT's share, per front loading agreement)</i><i>ii. \$30.5 million for Tauranga Te Tumu (subject to the terms of the cost sharing agreement with TCC)</i><i>iii. \$6.47 million for Queenstown Ladies Mile.</i> <p><i>i) Approved the inclusion of the HIF DBC activities into the National Land Transport Programme 2015 – 2018 (until the National Land Transport Programme 2018 – 2021 is adopted).</i></p> <p><i>j) Approved immediate communication to the HIF Panel of the NZ Transport Agency Board's decision to invest (or otherwise), including conditions</i></p>
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precedent, in the transport infrastructure for the HIF applications made by AC, TCC and QLDC.

7.2 Provincial Growth Fund – Tairāwhiti Roothing Package

Board paper 2018/08/1276

Raewyn Bleakley spoke to the paper outlining the strong community support for a roading focused package for Tairāwhiti, being considered by Ministers to be funded from the Provincial Growth Fund (PGF), and the interrelationship with certain activities and projects considered as part of the National Land Transport Programme 2018–2021. The Board noted that \$14.7 million was the minimum level of investment from the NLTF to the projects to be investigated, as part of the PGF application and it may increase.

The Board agreed that a letter be sent to the Minister of Transport and the Minister of Regional Economic Development, promptly after the Board meeting, regarding the Tairāwhiti Roothing Package.

Resolution 14	<i>The NZ Transport Agency Board:</i>					
	a) <i>Noted</i> the Tairāwhiti Roothing Package being considered by Ministers to be funded from the Provincial Growth Fund:					
		NLTF share	PGF share (up to)	Total cost (up to)	Cumulative PGF total (up to)	Cumulative Total investment (up to)
	1. Physical works package	██████	██████	██████	██████	\$33.90m
	2. Emergency works	\$TBC	\$4.80m (TBC)	\$4.80m (TBC)	██████	\$38.70m
3. Resource support	\$0m	\$1.0m	\$1.0m	██████	\$39.70m	
4. Five year pipeline						

Parts of the table on pages 25 and 26 of the Minutes of 20 August 2018 are withheld under sections 9(2)(i) and (j) of the Official Information Act 1982 as there is a need to enable any department or organisation holding the information to carry on, without prejudice or disadvantage, commercial activities and negotiations. The NZ Transport Agency has determined that the interests being maintained outweigh any public interest in making the information available.

Priority package	Route Security: Tiniroto Road	██████	██████	██████	██████	██████
	Passing opportunities	██████	██████	██████	██████	██████
	Route Security: East Cape Road	██████	██████	██████	██████	██████
Secondary priority package	Waikare Gorge (SH2 Gisborne to Napier)	██████	██████	██████	██████	██████
Tertiary Priority Package	Kings Road/Harper Road	██████	██████	██████	██████	██████
	Route Security: State Highway 35	██████	██████	██████	\$137.0m	\$151.70m
Totals		\$14.70m	\$137.0m	\$151.70m		

- b) **Noted** that Cabinet is meeting on 20 August 2018 to agree on the amount of Provincial Growth Fund (PGF) funding to commit towards the four components of the Tairāwhiti Roding Package, with joint Ministers deciding on which projects receive PGF funds, once the National Land Transport Programme 2018 – 2021 is adopted.
- c) **Noted** that Ministers and Cabinet are aware that the NZ Transport Agency Board is meeting on 20 August 2018 to consider the National Land Transport Programme 2018 – 2021 and that the Board remains the decision maker on which projects receive National Land Transport Fund funds.

	<p>d) Supports the Tairāwhiti Roding Package and the submission of the Tairāwhiti Roding Package for Provincial Growth Fund funding.</p> <p>e) Endorses the activities proposed to be carried out on the state highway network.</p>
Requested Action(s)	A letter is to be sent to the Minister of Transport and the Minister of Regional Economic Development, promptly after the Board meeting, regarding the Tairāwhiti Roding Package.

8. Other updates and general business

8.1 Other updates

Board paper 2018/08/1277

Board Members discussed and noted the updates received. This included details on progress made in respect of the Kaikoura earthquake recovery and reinstatement work, the use of special vehicle lanes and the heavy vehicle certification review.

Robert Brodnax and Charles Ronaldson provided a comprehensive overview of compliance activity and enforcement action taken since the previous Board meeting and to be taken over the next few months. Board Members reiterated the earlier view, arising out of the ARA Board Committee meeting report, that despite the effort applied, the nature and extent of the work being undertaken and needing to be actioned requires increased resource so as to build capability and capacity and to assist with the current workload.

Resolution 15	<i>The NZ Transport Agency Board received the August 2018 other updates.</i>
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8.2 Draft agendas for 17 September 2018 Special Audit, Risk and Assurance Board Committee meeting and 21 September 2018 Special Board meeting

The draft Agendas were noted as tabled.

Board Members agreed to changing the duration (from 1:00pm – 3:00pm to 11:00am – 3:00pm) and location (Teleconference to the Transport Agency’s premises in Auckland) for the 21 September 2018 Special Board meeting. This is due, in part, to enable the Board Workshop Session: *Future of Transport – Creating a Customer focused Vision for the Transport System*, originally scheduled to follow the 20 August 2018 Board meeting, to take place.

Resolution 16	<i>The NZ Transport Agency Board noted the draft agendas for the 17 September 2018 Special Audit, Risk and Assurance Board Committee meeting and 21 September 2018 Special Board meeting.</i>
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8.3 Schedule of Board Correspondence and requests for Board paper

Board paper 2018/08/1278

Resolution 17	<p><i>The NZ Transport Agency Board received the 20 August 2018 report on:</i></p> <ul style="list-style-type: none"> <i>• Recent correspondence received, and sent, by the NZ Transport Agency Board Chair; and</i> <i>• Transport Agency Board papers requested and released under the Official Information Act 1982.</i>
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8.4 General business

No general business was raised or discussed.

9. Board only session

A Board only session was held.

The Board Meeting closed at 2:50pm.

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