

BOARD MEETING MINUTES

Date & time	27 November 2019, 9:00am – 3:30pm
Location	NZ Transport Agency Boardroom, Level 2, 50 Victoria Street, Wellington
Board membership	Sir Brian Roche (Board Chair), David Smol, Victoria Carter, Ken Rintoul, Patrick Reynolds, Cassandra Crowley
Apologies	Catherine Taylor
NZTA staff in attendance	<p>Mark Ratcliffe (Interim Chief Executive)</p> <p>For specified items only - Chris Lokum (General Manager, People), Greg Lazzaro (General Manager, Safety, Health & Environment), Brett Gliddon (General Manager, Transport Services), Nick Woodward (General Manager, Corporate Support), Howard Cattermole (Chief Financial Officer), Carl Devlin (General Manager, Rail & Mass Transit Services), Lucy Riddiford (General Counsel, Light Rail), Mayurie Gunatilaka (Senior Manager, System Planning), Brigit Stephenson (Lead Advisor, Office of the Chief Executive), Katie Mayes (Manager, System Long Term View)</p>
External attendee(s)	<p>Minister of Transport, Hon Phil Twyford</p> <p>Robert Anderson, Beth Houston</p> <p>Nicole Rosie (new Chief Executive, starting in February 2020)</p>

1. Stakeholder

The Minister of Transport joined the meeting. The Minister provided an overview of the transformational shift the Government is seeking to make in transport, with a particular focus on productivity, sustainability, safety and wellbeing. Improvements in freight, and how to get the best out of rail and coastal shipping, will be an increasing focus, as will mode shift. The Minister's expectation is that the Transport Agency will be responsible for a whole of transport system approach.

The Minister is looking for greater join-up across government to drive improved urban planning and development, of which transport is a key enabler. The Minister and Board discussed the role of the Climate Change Agency and the Infrastructure Commission and the challenges around funding for transport services.

The Minister acknowledged the challenging year the Transport Agency had had, and that he felt positive about how the Agency was now positioned. He noted that the Ministry's monitoring role had been increased. He expressed his thanks to the Interim Chief Executive and Chair for the leadership they have shown.



2. Board and Chief Executive Only Session

A Board and Chief Executive only session was held

3. Introduction and governance matters

3.1 Apologies and welcome

The Board Chair welcomed Board Members and attendees to the meeting. The Chair acknowledged Nicole Rosie, who starts as the Transport Agency's Chief Executive in February 2020.

3.2 Confirmation and overview of the agenda

The agenda was accepted as circulated.

3.3 Declarations of conflicts of interests of Board Members

The schedule of Board Members' interests was noted. Board Members noted in particular Sir Brian Roche's conflict of interest in relation to the Transmission Gully project. David Smol will act as Chair for matters relating to the project.

3.4 Declarations of conflicts of interests of Executive Leadership Team Members

The schedule of Executive Leadership Team Members' interests was noted.

3.5 Draft minutes of the 20 September 2019 Board meeting

The Board discussed the minutes.

Resolution	<i>The Board confirmed the draft minutes of the 31 October 2019 Board meeting as a true and accurate record of the meeting.</i>
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3.6 Progress on actions requested at previous meetings

The Board Secretary provided an update on the information requested by the Board at the 27 November 2019 Board meeting, and noted that the information was available in the Board Resource Centre.

4. Chief Executive's Report

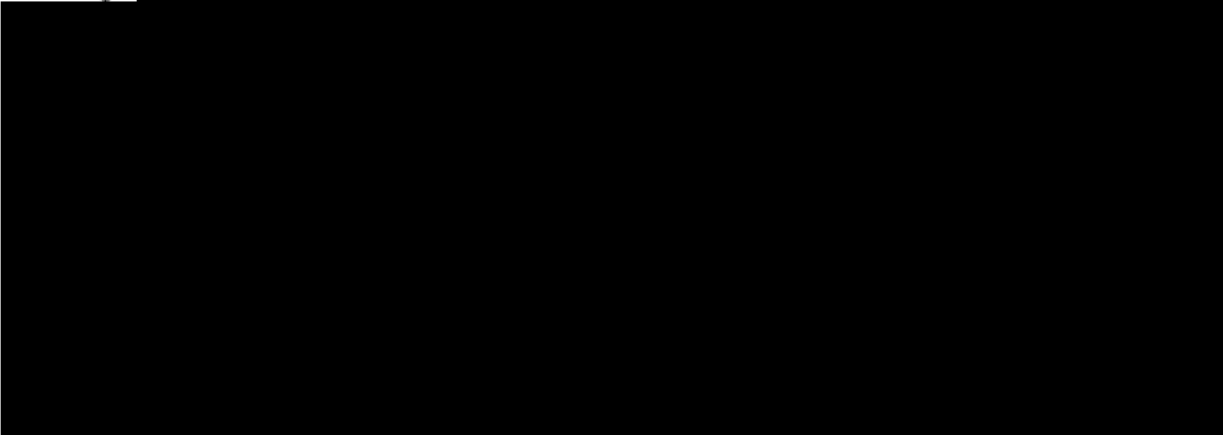
4.1 Chief Executive's Report

Board paper 2019/11/1452

The Interim Chief Executive spoke to the paper, noting in particular Withheld under s9(2)(g)(i) of the OIA
Withheld under s9(2)(g)(i) of the OIA

The General Manager, Rail & Mass Transit Services and General Counsel, Light Rail joined the

meeting. Withheld under s9(2)(ba) of the OIA



Resolution	<i>The Board received the Chief Executive's Report.</i>
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5. Regular Reporting

5.1 Health, Safety, Wellness and Road Safety Update

Board paper 2019/11/1453

The General Manager, Safety, Health & Environment provided an update on health, safety and wellness matters. Withheld under s9(2)(g)(i) and s9(2)(a) of the OIA

[Redacted] He also noted the increased focus on contractors as they come into the summer construction season. Working from heights, temporary traffic management, driving for work and mobile kit continue to be areas requiring focus. An additional 400 audits have been planned.

The Board noted their ongoing concern with the number of deaths and serious injuries. The Board requested a list of the 5-10 things that would have the biggest impact on reducing deaths and serious injuries. The Board also requested that trend data be included in the regular reporting.

Resolution	<i>The Board noted the Health, Safety, Wellness and Road Safety Update.</i>
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5.2 Regulatory Services Board Report

Board paper 2019/11/1454

The General Manager, Regulatory Services introduced the paper, noting that a regulatory strategy would be brought to the Board in March. The Board was interested in the role technology could play in closing some of the historic issues, and the importance leadership and culture would play in maximising any investment in technology. The General Manager, Regulatory Services also noted there was work underway on developing a talent management plan.

The Board discussed the role of the proposed Director of Land Transport, who would have independent decision-making powers. The Board also discussed the impact of the clean car discount on funding and capacity.

Resolution	<i>The Board to noted the Regulatory Services report.</i>
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5.3 Financial Performance and National Land Transport Fund Summary for the four months ended 31 October 2019

Board paper 2019/11/1455

The Board discussed the financial progress, with the Chief Financial Officer noting revenue was down by 5% against forecast. Withheld under s9(2)(g)(i) of the OIA

[REDACTED] The walking and cycling and safety activity classes were noted as being currently underspent, and work was underway to understand what could be done with Approved Organisations to ensure the benefits of approved projects were being fully realised.

The Board discussed the ongoing funding challenges, and options for, other funding sources.

Resolution	<i>The noted the Financial performance summary for the Transport Agency and National Land Transport Fund for the four months ended 31 October 2019.</i>
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6. Decision papers

6.1 Kaikoura District Council’s November 2016 Earthquake Recovery Programme: Clarence Valley Access

Board paper 2019/11/1456

The General Manager Transport Services noted this was a residual issue following the Kaikoura earthquake. While the benefit to cost ratio for the project is low, the bridge is critical for the local community, and the local council has limited funds available. The Board tested that a range of construction options had been considered. The Board approved the funding, but asked Management to continue to explore other funding sources, such as the provincial growth fund.

The Board asked Management to consider seeking guidance from the Ministry of Transport on the policy position around the requirement to maintain roads to isolated communities where the benefit cost ratio for repairs are low, and if so, how the cost implications are managed.

Resolution	<p><i>The Board :</i></p> <p>a) Approved emergency works funding to Kaikoura District Council (KDC) for an increase of \$12,600,000 at a funding assistance rate (FAR) of 95% (\$11,970,000 from the National Land Transport Fund Local Road Maintenance Activity Class) for the Kaikoura November 2016 Earthquake: Clarence Valley Access phase thereby increasing the approved total event cost from \$18,299,000 to \$30,899,000.</p> <p>b) Approved an extension of the bespoke 95% emergency works FAR for the Kaikoura November 2016 Earthquake activity from its current expiry date of 30 June 2020 through to 31 December 2022 to allow completion of the Clarence Valley Access project.</p>
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6.2 North West Rapid Transit (State Highway 16) – Next Steps

Board paper 2019/11/1457

The General Manager, Transport Services noted that only a small amount of funding was being sought for short term work with Auckland Transport. Further funding would be sought for a longer-term programme of work.

Resolution	<p><i>The Board :</i></p> <ul style="list-style-type: none"> a) noted that the Transport Agency will progress short term interventions to provide improved bus services along the SH16 corridor; b) approved funding of \$9.0m from the rapid transit activity class of 100% funding assistance rate to the Transport Agency to complete the Detailed Business Case for future rapid transit in Auckland's North West; c) approved progression of the investigations into longer term rapid transit improvements in a way that could enable both bus-based and light rail based technologies to be delivered; d) noted that governance and cost share arrangements will be established with Auckland Transport before commencement of the business case.
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6.3 Auckland Transport Road Safety Programme Business Case

Board paper 2019/11/1458

The General Manager, Transport Services provided an overview of Auckland Transport's Road Safety programme business case, noting the business case does not go so far as to identify prioritisation and how the programme will be funded. Each project would need to be approved through the normal funding channels.

Resolution	<p><i>The Board:</i></p> <ul style="list-style-type: none"> a) endorsed Auckland Transport's Road Safety Programme Business Case which has estimated P50 implementation cost of \$604 million (range of \$406 to \$750 million) between 2021/22 and 2027/28; b) noted that funding is not currently being sought for the programme. Projects will be assessed on both alignment to the programme and on their individual merits, and where required will go through the business case approach.
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6.4 Peka Peka to Otaki Expressway Price Level Adjustment

Board paper 2019/11/1459

The General Manager, Transport Services explained that this was a project designed and tendered with output-based specifications. A number of projects tendered using this method were now having

issues with pavements, and work was needed to proactively mitigate pavement issues arising. This historic approach to design and tendering is no longer used, with the Transport Agency now specifying pavement requirements, so this is a legacy issue.

Resolution	<i>The Board approved the price level adjustment for the Peka Peka to Otaki Expressway of \$92,701,665, bringing the total funding from \$399,598,447 to \$492,300,142.</i>
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6.5 At-Risk Remuneration Policy Review

Board paper 2019/11/1460

The General Manager, People provided an overview of the paper. Withheld under s9(2)(g)(i) of the OIA

The Board requested that Management come back to the Board with the proposed Executive Leadership score card. The Board also discussed the Transport Agency's remuneration policy, and the challenges of competing with the private sector.

Resolution	<p><i>The Board:</i></p> <ul style="list-style-type: none"> a) approved the scheme rules that would be effective from 1 January 2020 attached to the paper; b) approved changes to the participants of the At-Risk Scheme effective from 1 January 2020; c) approved the recommended remuneration package adjustments and transition plan for current participants to align to the new scheme rules.
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6.6 Funding and Fees Review: Consideration of draft Cost Recovery Policy

Board paper 2019/11/1461

The General Manager, Regulatory Services introduced the paper, noting a proposed funding and fees proposal would be brought back to the Board next year. The Board noted the challenging position from a funding perspective and the need to address this as quickly as possible. The Board also discussed the importance of having a process that was transparent, with regular adjustments.

Resolution	<p><i>The Board:</i></p> <ul style="list-style-type: none"> a) noted the goal of the funding and fees review is to ensure the new regulatory strategy is funded, and the cost recovery regime that supports it is sustainable, stable and straightforward; b) discussed the draft cost recovery policy, which is designed to ensure the NZ Transport Agency Board can exercise its stewardship obligations over the cost recovery regime.
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6.7 Board Charter, Code of Conduct and Committee Terms of Reference

Board paper 2019/11/1462

The Board Chair provided an overview of the Board governance documents, noting they were modelled on similar documents from the public and private sector. The Board agreed it would be prudent to review the documents in 6 months' time.

Resolution	<i>The Board:</i> a) approved the updated Board Charter and Board Code of Conduct; b) approved the revised Board Committee Terms of Reference.
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7. Information papers

7.1 Audit and Risk Update

Board paper 2019/11/1463

The General Manager, Corporate Support and Senior Manager Risk and Assurance provided an overview of the current audit and risk work underway. The sixteen key risks are reviewed by the Executive Leadership Team each month, and the Chair has been kept up to date until the Risk and Assurance Board Committee meets in the new year. A risk workshop will be held with the Board in the new year.

The Board discussed the importance of having an effective whistleblowing mechanism to avoid a repeat of past issues, and noted the Speak Up campaign.

Resolution	<i>The NZ Board noted the content of the Audit and Risk update paper.</i>
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7.2 Arataki – Our Plan for the Land Transport System

Board paper 2019/11/1464

The Senior Manager, System Planning, Lead Advisor, Office of the Chief Executive, and Manager, System Long Term View joined the meeting. Arataki is a 10 year plan for the land transport system, with view on what is needed to deliver on long term outcomes and short term priorities. It provides a national story, is evidence based and aligns with the Government Policy Statement. As well as providing a guide for planning, investment and delivery for the Transport Agency, it provides a line of sight between the Government's outcomes and Approved Organisation projects, allowing the Transport Agency to partner more effectively.

The Board provided positive feedback on the accessibility of the document and the way it had been written.

Resolution	<i>The Board:</i> a) approved the release of Arataki – Our Plan for the Land Transport System for engagement with Councils, partners and stakeholders;
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	b) noted that the Board will be updated in May 2020 on feedback from Councils, partners and stakeholders, and on any changes that may be required to the next version.
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7.3 New Zealand Transport Agency response to stakeholder surveys
Board paper 2019/11/1465

Resolution	The Board noted the actions the Transport Agency is taking in response to the findings of the three reports.
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8. General business

8.1 Draft Agenda for 31 October 2019 Board meeting

The Board noted the draft agenda.

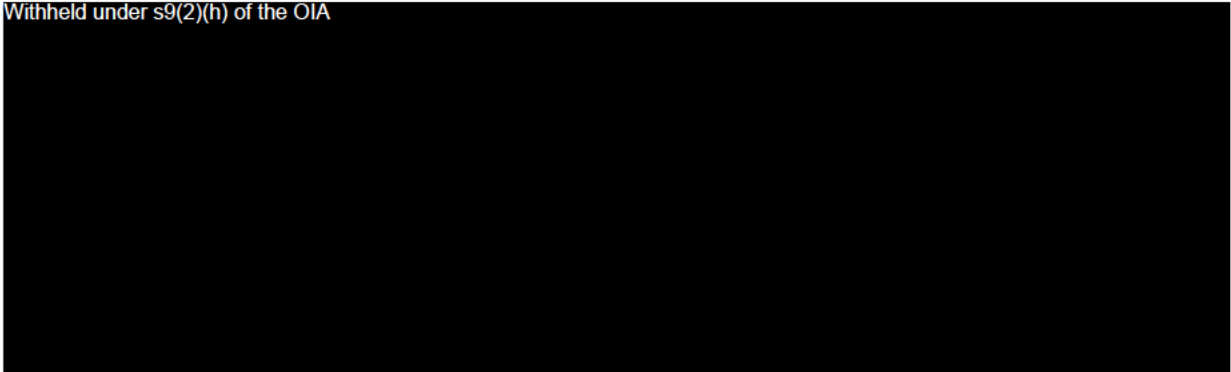
8.2 General business

Sir Brian Roche left the meeting, and Mr Smol assumed the role of Chair.

The General Manager, Transport Services joined the meeting. An update was provided to the Board on the Transmission Gully dispute.

Legally privileged

Withheld under s9(2)(h) of the OIA




9. Board only session

A Board only session was not held.

10. Additional Information

No additional information was provided.

Minutes approved by the Chair	
Date	<u>30</u> / <u>1</u> / <u>20</u>