

# BOARD MEETING MINUTES

<b>Date &amp; time</b>	18 December 2019, 10:00am – 12:00pm
<b>Location</b>	NZ Transport Agency Boardroom, Level 2, 50 Victoria Street, Wellington
<b>Board membership</b>	Sir Brian Roche (Board Chair), Ken Rintoul, Patrick Reynolds, Cassandra Crowley, Catherine Taylor  By audio: Victoria Carter
<b>Apologies</b>	David Smol
<b>NZTA staff in attendance</b>	Mark Ratcliffe (Interim Chief Executive)  Brett Gliddon (General Manager, Transport Services), Nick Woodward (General Manager, Corporate Support), Howard Cattermole (Chief Financial Officer), Andrew Thackwray (Senior Manager, Project Deliver), Simon Penlington (General Counsel, Litigation), Emma Harris (Manager, Partnership Investments), Mike Birchler (General Counsel, Governance)
<b>External attendee(s)</b>	None

## 1. Introduction and governance matters

### 1.1 Apologies and welcome

The Board Chair welcomed Board Members and attendees to the meeting.

### 1.2 Declarations of interests

The schedule of Board Members' interests was noted. Board Members requested the following additional interests be added to the register:

- Cassandra Crowley has been appointed as Chair of the Taranaki District Health Board, and as a Member of the Bledisloe Park Board.
- Ken Rintoul's son works for Northland Transport Limited.

Sir Brian Roche noted his role connected to the Transmission Gully project. In David Smol's absence, the Board agreed that Cassandra Crowley would act in the role of Chair for matters relating to the project.

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

### 1.3 Draft minutes of the 27 November 2019 Board meeting

The Board discussed the minutes and requested minor typographical errors be corrected.

<b>Resolution</b>	<i>The NZ Transport Agency Board <b>confirmed</b> the draft minutes of the 27 November 2019 Board meeting as a true and accurate record of the meeting.</i>
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## 2. Chief Executive’s Report

### 2.1 Chief Executive’s Report

The Interim Chief Executive provided a verbal update, Withheld under s9(2)(g)(i) of the OIA

## 3. Regular Reporting

### 3.1 Health, Safety, Wellness and Road Safety Update

#### Board paper 2019/12/1466

The Board noted the incidents involving contractors falling asleep at the wheel and asked Management to include this as an ongoing area of focus. Management noted that, following one of the incidents the Agency required the site to be closed down until the principal contractor put a plan in place to address the issue.

The Board requested that Management organise a workshop to consider contractor health and safety-related matters, including the impact that funding has on these matters.

<b>Resolution</b>	<i>The NZ Transport Agency Board resolved to <b>note</b> the Health, Safety, Wellness and Road Safety Update.</i>
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### 3.2 Security Update

#### Board paper 2019/12/1467

The Interim Chief Executive noted Management had been actively engaging with the Government Chief Digital Officer and Government Communications Security Bureau (GCSB) on security risks. Both had been complementary of the work the Transport Agency had been undertaking. The Board noted the Transport Agency remained vulnerable, and requested that Management continued to maintain focus on it, particularly given the level of identity information the Transport Agency holds.

The Board requested that Andrew Hampton from GCSB and the Government Chief Digital Officer be invited to talk to Board. The Board also requested that the Risk and Assurance Board Committee be updated on security matters quarterly.

<b>Resolution</b>	<i>The NZ Transport Agency Board resolved to <b>note</b> the Security Update report.</i>
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### 3.3 Forecast operational expenditure 2019/20

#### Board paper 2019/12/1468

The Chief Financial Officer, General Manager Corporate Support, General Counsel Governance and Senior Manager, Procurement joined the meeting.

The Chief Financial Officer introduced the paper, noting the requested increase to budget was due to cost pressures in the Transport Agency’s regulatory and technology areas of work, as well as the increasing expectations on what work the Transport Agency will undertake. Additional funding will

be needed to cover the additional costs, and Management confirmed they would come back to the Board if that additional funding is not received.

The Board discussed the interplay between the interim funding required to cover the FY20 budget and the fees and funding review which will address funding gaps in future years. The Board expressed caution in assuming that the fees and funding review would be approved by Government in an election year. Management confirmed there were processes in place to ensure there was transparent consultation to support any proposal.

The Board inquired as to whether there were processes in place to ensure any spend was efficient. While there was some testing in place, the Board asked that further assurance processes be put in place to provide confidence that any Transport Agency spend was productive and efficient. Management will propose how this will be done as part of the next business planning round.

In relation to the fiscal stimulus package announced by the Government, Management confirmed their understanding that the increased cost to the Agency was included in the funding.

<b>Resolution</b>	<p><i>The NZ Transport Agency Board resolved to:</i></p> <p><b>a) Approve increases of operational expenditure in 2019/20 compared to budget of up to:</b></p> <ul style="list-style-type: none"> <li>• Operating expenditure \$406m (vs budget of \$365.4m)</li> <li>• Capital expenditure \$23.8m (vs budget of \$14.6m)</li> </ul> <p><b>b) Note the associated regulatory funding pressures and uncertainty regarding further Crown decisions; and</b></p> <p><b>c) Note the Transport Agency’s financial results for the five months to 30 November 2019.</b></p>
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## 4. Decision papers

### 4.1 Auckland Transport Rail Procurement Strategy

#### Board paper 2019/12/1469

The Senior Manager, Procurement introduced the paper, noting the proposed change by Auckland Transport towards a more vertically integrated model that was expected to deliver better customer outcomes, mode shift and safety. She confirmed the procurement strategy had been approved by the Auckland Transport Board.

The Board discussed the role of the Transport Agency, noting a desire to ensure the Agency’s funding role was used appropriately to support clear customer outcomes, mode shift, safety and treatment of the workforce. The Board asked that Management come back to the Investment and Delivery Board Committee if they had any concerns around delivery in these areas.

The General Manager Corporate Support, Chief Financial Officer, General Counsel Governance and Senior Manager Procurement left the meeting.

<b>Resolution</b>	<p><i>The NZ Transport Agency Board resolved to <b>approve</b> the Auckland Rail Franchise Procurement Strategy.</i></p>
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## 4.2 Auckland Harbour Bridge Walking and Cycling Single Stage Business Case

### Board paper 2019/12/1470

The General Manager Transport Services, Senior Manager, Project Deliver and Manager, Partnership Investments joined the meeting.

Because the Auckland Harbour Bridge Shared Path and SeaPath were so integral to each other, the General Manager Transport Services noted that both projects were being considered together. He explained that the Board was being asked to approve funding for the pre-implementation, property acquisition and implementation phases of the projects, and that Management would come back next year regarding the award of the project to any alliance.

Because 8 residential properties would be affected by the project, the Board inquired as to the process for informing property owners. Management confirmed there would be individual conversations with property owners before further announcements were made, and that there was a broader communications plan being developed. Iwi will be engaged given the cultural significance of the land.

<b>Resolution</b>	<p><i>The NZ Transport Agency Board resolved to:</i></p> <ul style="list-style-type: none"> <li>a) <b>Approve</b> the Auckland Harbour Bridge Shared Path Single Stage Business Case;</li> <li>b) <b>Approve</b> funding from the National Land Transport Fund Walking and Cycling Activity Class for the pre-implementation phase of the Auckland Harbour Bridge Shared Path at an expected P50 cost of \$25.0m and a P95 cost of \$28.8m; and</li> <li>c) <b>Approve</b> funding from the National Land Transport Fund Walking and Cycling Activity Class for the property acquisition phase of the Auckland Harbour Bridge Shared Path at an expected P50 cost of \$21.9m and a P95 cost of \$25.1m.</li> </ul>
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## 4.3 Whangarei City Transportation Network Strategy Programme Business Case

### Board paper 2019/12/1472

The General Manager Transport Services explained that the Board was being asked to endorse the programme business case, but that no funding was being approved at this stage.

The Board inquired as to whether there had been adequate consultation with relevant stakeholders, and requested that Management confirm that the relevant councils had been consulted. The Board discussed the potential impact of Auckland port being moved, and asked that Management consider those impacts over the next 12 months.

The Board held a Board-only session.

The Manager, Partnership Investments left the meeting.

<b>Resolution</b>	<p><i>The NZ Transport Agency Board resolved to:</i></p>
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	<p>a) <b>Endorse the Whangarei City Transportation Network Strategy Programme Business Case at an estimated cost of \$460m - \$750m over a 30 year period;</b></p> <p>b) <b>Note that the Transport Agency will advise Whangarei District Council (WDC) that any endorsement of the Programme Business Case does not mean funding has been approved 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. Endorsement of the programme business case will enable the WDC to seek funding from the National Land Transport Fund at a later date to implement key activities included with the recommended programme.</b></p>
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#### 4.4 Transmission Gully Settlement Approval

Board paper 2019/12/1471 and 2019/12/1472

Sir Brian Roche left the meeting and Cassandra Crowley assumed the role of Chair. The General Manager Transport Services, Senior Manager, Project Delivery and General Counsel Litigation joined the meeting.

The Interim Chief Executive introduced the paper, Withheld under s9(2)(h) of the OIA

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[REDACTED]

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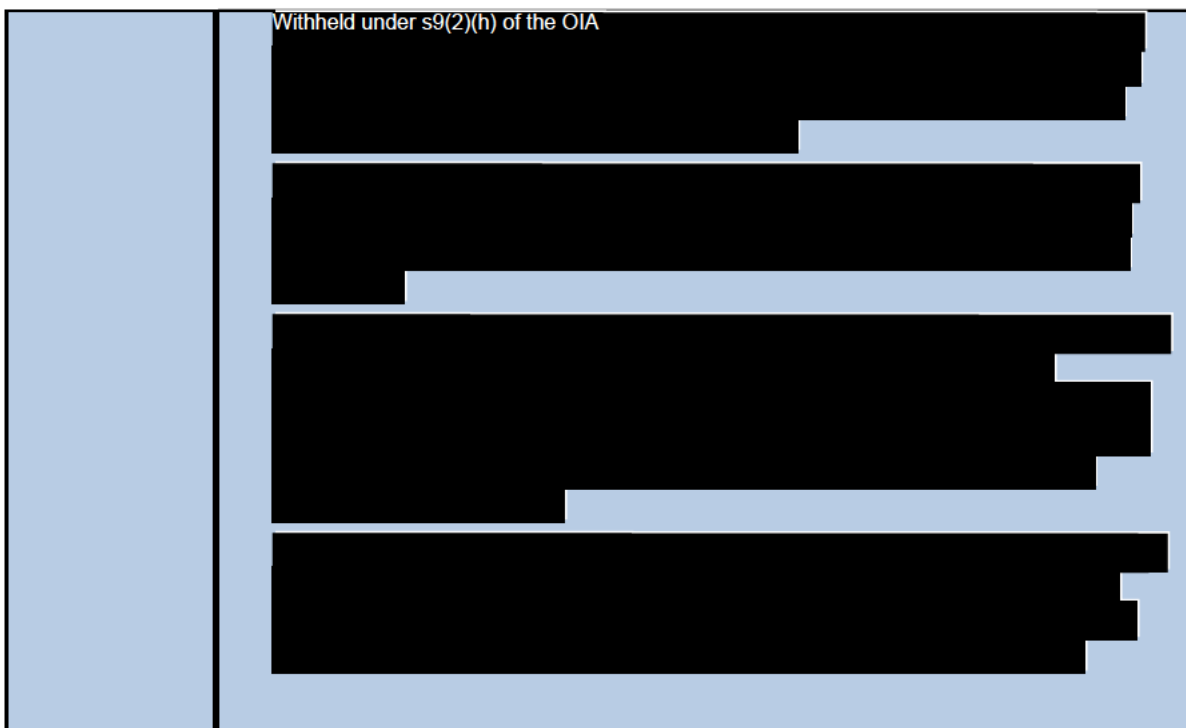
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## 5. General business

Sir Brian Roche re-joined the meeting, assumed the role of Chair and provided an overview of the Annual Transport and Infrastructure Select Committee held on 12 December 2019, noting the fiscal stimulus package announced the previous day.

While Treasury had engaged with the Transport Agency on the fiscal stimulus package, the details of what will be funded will not be confirmed until January 2020. Work is underway to ensure the work is appropriately resourced, and is likely to have independent governance to support delivery. Consideration is also being given to how the projects can be future-proofed and delivered faster.

The Board discussed network resilience in light of recent storm events. Tonkin Taylor are doing a resilience study for the Transport Agency. This year will see one of the biggest summer maintenance programmes across the network.

Withheld under s9(2)(g)(i) of the OIA

Board Committee meetings will resume in February. The Board agreed that Board Committee members will be confirmed by the Board Chair.

The Board Chair noted correspondence from the former Interim Chair regarding the approach to the Auckland Light Rail Board document leak.

**Minutes approved by the Chair:**

A handwritten signature in cursive script, appearing to read "Cecy", is written over a horizontal line.

Cassandra Crowley, 1 April 2020