

# NTS Governance Review

## Emerging Recommendations – For Discussion

Updated 30 May 2022

### Introduction

1. The focus of this governance review (Review) is to recommend fit for purpose governance for the National Ticketing Solution (NTS) for initial consideration by the Mobility Payments Governance Group (MPGG) and NTS Steering Group (NTSSG). This paper is largely drawn on insights from a number of parties involved in the current governance structure, including members of the Waka Kotahi Board, MPGG and NTSSG (see Appendix 1 for a list of 1:1 interviewees).

### Executive Summary

2. The overarching recommendation is for the current governance structures to conclude no later than signing of the Participation Agreement/entering into the contract with the preferred ticketing services provider (TSP) and be re-set for the post procurement phases of the NTS (as set out below).
3. The new NTS Governance Board's remit will encompass all strategic aspects of NTS, ensuring NTS is successfully embedded through to effective operation.
4. Transition to the new governance structure needs to be well socialised and communicated, mindful also of the local government elections in October 2022.

### Background/Context

5. The NTS history is well canvassed elsewhere and is not covered in this Review. The project was known as Project NEXT during the procurement phase. It was agreed between the Chief Executives of Waka Kotahi and AT and approved by the PTAs, that Waka Kotahi will act as the shared services organisation and the scheme operator for NTS, in early 2020.
6. The strategic context of the NTS is set out in Appendix 2.
7. In November 2021 a Gateway Review 0-3 (Strategic Assessment/Investment Decision) recommended as follows:
  - 6.1 R 6 - *"The SRO review the current governance arrangement to ensure they are set for the delivery of the Project". More specifically the report states "needs to be increased governance focus on the delivery of the solution to ensure active management of the development and rollout of the system."*
8. All Councils have been actively participating in governance and decision-making of the project to date.
9. Reasonably regular updates/matters for decision regarding the NTS have been considered by the Waka Kotahi Board (or its Risk & Assurance Committee (RAC)).

10. At its December 2021 meeting, the Waka Kotahi Board minuted that the project should actively explore and implement a new governance model by April 2022. The specific action was to provide the Board with oversight of the new governance arrangements for the NTS project. A verbal update was provided to the Waka Kotahi RAC in March 2022 and the project was again before the Waka Kotahi Board in April 2022.
11. NTS updates to the AT Board have been effected in the closed Board meeting sessions through the CE Confidential Business Reports and a NTS paper was presented to the AT Board (closed session) in December 2021. Three papers have been taken to the AT Board subcommittee (Design and Delivery (D&D)) over the last 20 months. The latest update was to the 22 March 2022 D&D meeting was helpfully shared with key members of the Waka Kotahi executive and the NTS lead team prior to the subsequent D&D meeting. There have been no NTS specific board papers in open board sessions over the last 18 months.
12. ECan and GWRC Councils have taken substantive decision papers to their Councils e.g., for Participation Agreement 1 execution. Informal briefings by Waka Kotahi staff have been provided to Councillors.
13. Project governance via online meetings has provided challenges, and together with the geographical spread of participants, means this is likely to remain a challenge in the current environment. The NTSSG has met regularly with a substantive number of additional meetings to ensure awareness of issues and to support key decisions.
14. NTS is a significant national technology programme – i.e. with 6-15-year commitments to financial and ticketing service providers (respectively). It has multiple partners (with different owners/legislative requirements), requires reasonably significant resource across partners, is a new national solution, has a preferred TSP not currently operating in ticketing in Aotearoa, and risk associated with transition from current regional ticketing systems. Waka Kotahi has experience in standing up payments systems, road tolling, RUC and regional fuel tax.

### Current governance structure

15. The current governance structure is summarised in Figure 1 below as follows.

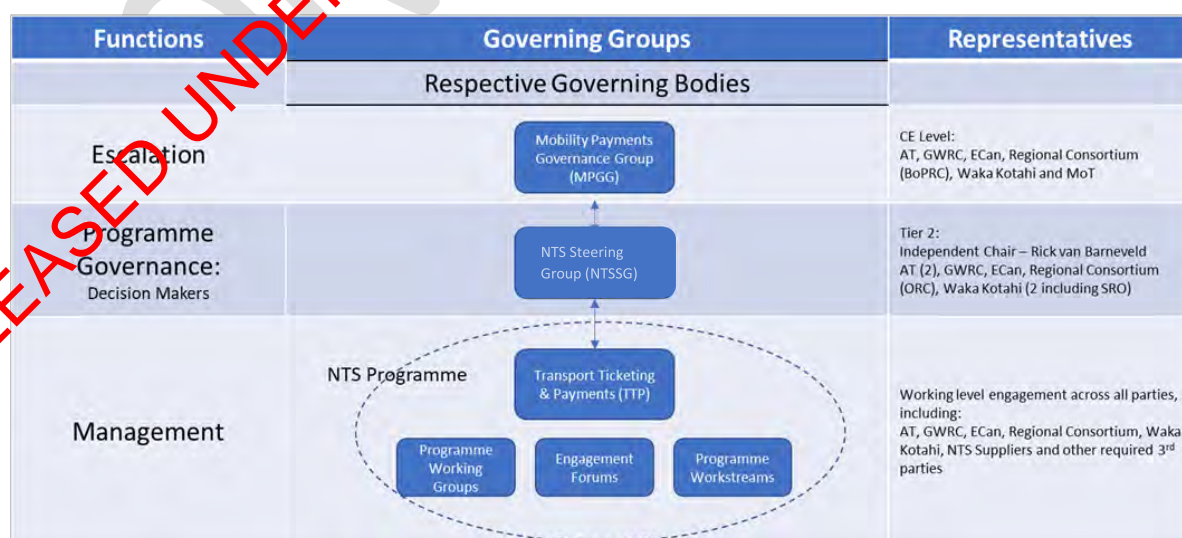


Figure 1

16. The overriding view is that the current governance construct has been reasonably effective in advancing the NTS with the collective/consensus decision-making arguably providing somewhat of a safety valve to date and protecting the interests of stakeholders who vary considerably in size and complexity.
17. Feedback suggests that neither the MPGG nor the NTSSG may be operating quite at the right level. The MPGG has not always been able to address the key issues, and papers are predominantly “updates” as opposed to decisions you might ordinarily seek of Chief Executives. The NTSSG has been involved in NTS strategic, operational and governance decision-making. That said, when asked, the MPGG has empowered NTSSG to lead and govern the project with MPGG providing guidance and direction on an as needs basis, or when NTSSG is unable to reach a consensus decision. There have been some challenges to govern a national solution as opposed to for each region.
18. As the NTS moves into establishment and implementation, it will place considerable pressure on management and governors, to make timely decisions and ensure programme timelines are met. One of the key risks referred to by the preferred TSP is the speed of decision-making in a multi-party environment. The membership across the two governance groups (14 people) does not comprise a member who has implemented a national ticketing solution (or similar) in another jurisdiction. There is currently one digital/technology governor across these two groups.
19. MPGG’s remit is broader than the NTS but since its inception only NTS agenda items have been considered by MPGG. The key terms of reference (ToR) for the two groups, the MPGG and NTSSG, are set out in Appendix 3.
20. As set out in Figure 1, membership across the two governance groups is similar, albeit BoP represents the Regional Consortium on the MPGG while Otago Regional Council represents the Regional Consortium on the NTSSG (given its Bee Card shared services role).
21. The Chief Executive of Waka Kotahi Chairs MPGG, while the NTSSG is chaired by an independent.
22. The Chief Executive of the Ministry of Transport is the system transport leader on the MPGG.

## Roles

23. The multiple roles of Waka Kotahi and PTA are summarised in Fig 2 below.

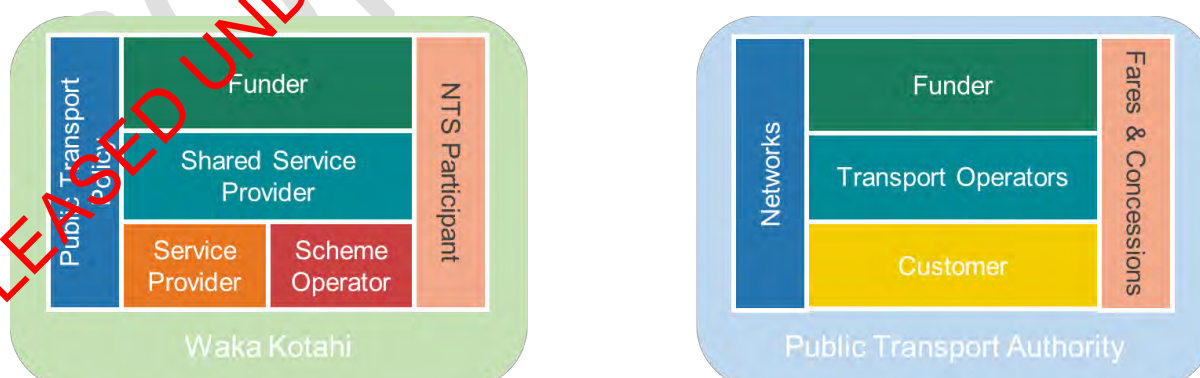


Figure 2

24. Several working groups have been established across the lifecycle of procurement (Project NEXT), and to support the broader project. These working groups will be reviewed, with clear roles and responsibilities, to ensure appropriateness and effectiveness, at future phases. The number and composition will likely ebb and flow based on support required.

25. A new business unit, the Transport Ticketing and Payments (TTP), is being stood up in advance of implementation and early works. in [July/August] 2022.

## Governance: looking ahead and recommendations

### Principles

26. Moving forward there is an opportunity to ensure governance across the NTS is fit for purpose. Agreeing the principles and key behaviours are critical to the success of the NTS – most importantly to attract and retain the right people.
27. Project principles are currently summarised across a range of documents, most comprehensively in the draft P2 agreement.
27. **Emerging Recommendation:** *Ensure the agreed principles are articulated consistently used in project collateral and make any amendments to P2 to ensure the following principles are included.*
- 27.1 Customer focused – the primary lens through which key decisions should be made
  - 27.2 National - shared vision
  - 27.3 Trust – open, honest, and straightforward amongst participants
  - 27.4 Partner and work in a collaborative and timely manner
  - 27.5 Proactively manage issues in a constructive and transparent manner
  - 27.6 Future opportunity focused
  - 27.7 Single mandate – centralised/national solution. Bring partners into a centralised/national solution
  - 27.8 Shared resourcing – one national team
  - 27.9 Effective communication and engagement are at the heart of how participants work together and critical to the successful implementation of NTS
  - 27.10 We are all in this together/joint ownership approach - everyone has skin in the game

### 28. Governance Principles

These must be consistent with the NTS Principles (see above).

- 28.1 Governors have the capacity to commit to their roles
- 28.2 Governor roles and responsibilities are clear
- 28.3 Governance designed to support timely decision-making

## Governance

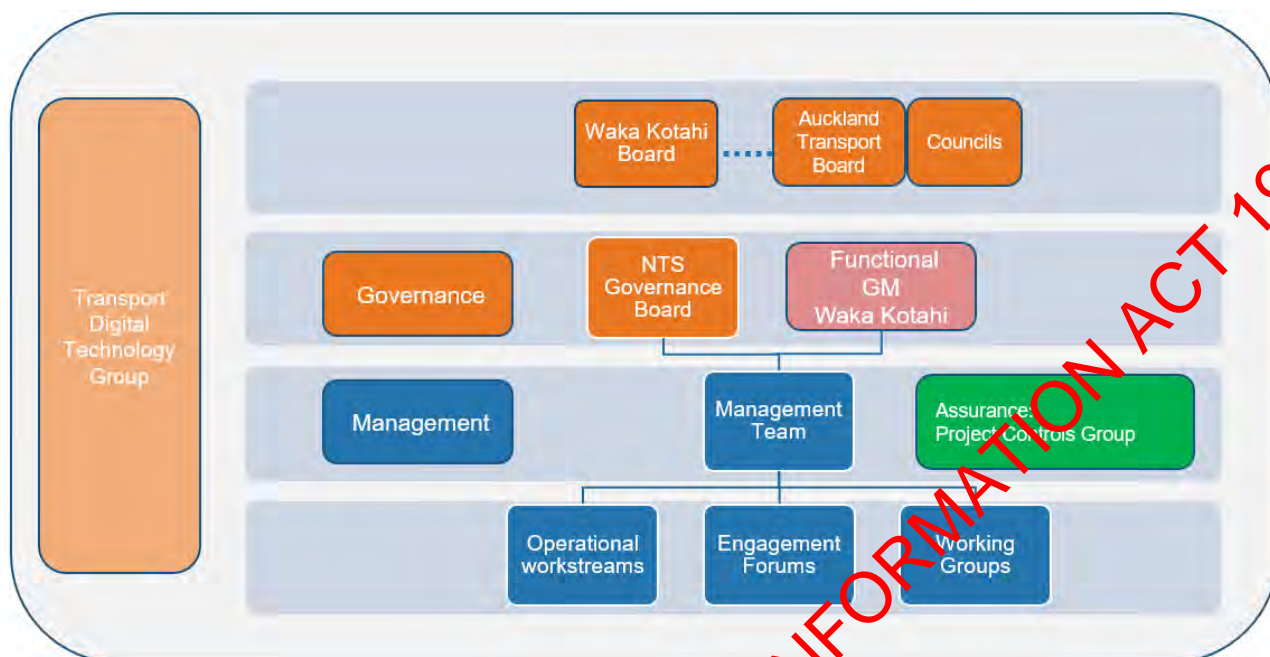


Figure 3

29. Figure 3 above summarises emerging NTS governance structure moving forward. Clarity as to the relationships between each of the above groups is critical, clearly defining in (and out) of scope remits (see below para 46) with clear terms of reference (as relevant). Note also the importance of each organisations' internal management (steering) group (not summarised in the above diagram).

## Boards, Councils, and Executives

### Waka Kotahi and AT Boards

30. **Emerging Recommendation:** WK and AT "Board to Board" (and/or relevant subcommittees) engagement is critical to building trust and should be enhanced moving forward. Where appropriate share (and as appropriate co-draft) any Board papers on NTS.
31. **Rationale:** The success of Waka Kotahi and AT (with respect to this project) is intrinsically linked.

### Executives

32. Internal management (steering) NTS groups are currently operational across Waka Kotahi (Implementation SteerCo), AT and the PTAs. These should continue and perhaps where not in existence for PTAs that are implementing within the next two years, should be established. These internal management (steering) groups may comprise key functional leaders, meet as specific issues arise with the requirement (to meet) potentially reducing with each implementation.
33. The current function of these internal management (steering) groups is to:



- Ensure understanding of how the NTS fits in the broader organisational ecosystem
  - Ensure they are across any organisation specific issues and their role as partners in the NTS
  - Keep their Chief Executives (and executives) updated as appropriate, potentially via their Board/Council risk/assurance/design/delivery subcommittees.
34. These are key assurance groups for each participant.
35. See also potential establishment of a Participants Reference Group (Appendix 4) to support ongoing Chief Executive dialogue.
36. **Emerging Recommendation:** Continue to build on the positive engagement across executives (Digital, Financial, Customer Experience etc) to advance NTS, sharing ideas and learnings across the PTAs. The scope of the Waka Kotahi internal management (steering) group may be too broad with ToR being revised to focus on what management has responsibility for. Each organisation's NTS Governance Board representative may be the appropriate person to lead each organisations internal management (steering) group.
37. **Rationale:** The effectiveness of these internal management (steering) groups is critical to project progress and to support each participant's legislative governance processes.

## MPGG

### MPGG Discontinuation in NTS Governance

38. **Emerging Recommendation:** MPGG to discontinue in a governance role for the NTS. Timing: to conclude no later than signing of the Participation Agreement/entering into the contract with the TSP (same timing for NTSSG disestablishment). This recommendation will accentuate/heighten the importance of effective and timely reporting to the Boards (i.e., Waka Kotahi and each PTA Board) and Chairs/Councils as per above. The Chief Executives of Waka Kotahi and PTAs will rely on being briefed by their respective internal management (steering) groups leads (i.e., likely through their NTS Governance Board representative(s)) and through interactions at an operational level through TTP.
39. **Rationale:** To continue with a group as an escalation for the NTS, i.e. above the NTS Governance Board moving forward would potentially undermine the effectiveness of governance of the project. The lead governance group for this project requires digital/technology leadership. Consideration could be given as to whether current members of the MPGG become members of NTS Governance Board.
40. The Participants Reference Group could be established once MPGG is no longer in existence.

### NTSSG and (new) NTS Governance Board

#### Disestablish the NTSSG and Establish the NTS Governance Board

41. **Emerging Recommendation:** Disestablish the NTSSG and establish a (Joint) NTS Governance Board (**NTS Governance Board**) to conclude no later than signing of the P2/entering into the contract with the preferred ticketing services provider (TSP). PTA representation as per para 50 below, plus two competency/skills based independent board members and an independent chair. A total of 10 members. Consider establishment of new

*NTS Governance Board or at least two members, as early as possible to support governance transition (from MPGG and NTSSG).*

42. **Rationale:** *Capability gaps across current governance. Need to simplify governance with clear accountabilities and to encourage timely decision-making.*
43. Whilst referred to as the NTS Governance Board it is a project board, i.e., board members are not directors (under Companies Act etc)
44. The NTS governance will evolve over time and should be reviewed (terms/scope/membership) every three years
45. The project should also use the opportunity to tighten its approaches and references to governance, assurance, and management.

## Scope

46. The scope of the NTS Governance Board should be clear and articulated through its Terms of Reference. This will include what is out of scope (e.g., fare policy). The P2 agreement also sets out the protections for PTA sovereignty matters. See Appendix 8. Clauses from draft P2 Agreement – PTA's autonomy in relation to the NTS.

## Membership

47. Who will fill these NTS Governance Board positions will be key. It will likely require a 1.5 day per month time commitment, and two days per month for the Chair. A formal process by which the independent competency/skills based members are appointed will be developed.
48. PTAs may seek representative to the NTS Governance Board over time, as the representatives of the PTAs which have completed implementation may step down. PTA appointments could be for a period of two to three years.
49. See Appendix 5 for an indicative NTS Governance Board skills summary.
50. As set out above the NTS Governance Board will comprise 10 members, appointed for three years (minimum). In addition to the two independent competency/skills based board members and the independent Chair, seven additional NTS Governance Board members would comprise representatives from:
  - AT – 2 members
  - GWRC
  - ECan
  - Regional Consortium
  - Waka Kotahi – 2 members
51. The NTS Governance Board must comprise at least two members with digital/technology experience. Consideration should be given as to whether to recruit members with the above skills internationally. The three independent (two plus Chair) NTS Governance Board members would be remunerated. The current NTSSG Independent Chair has indicated he wishes to step back from this role sooner rather than later and given continuation of NTSSG until no later than

signing of P2/entering into the contract with the preferred TSP, consider establishing the NTS Governance Board prior to the discontinuation of MPGG and disestablishment of NTSSG.

52. All Waka Kotahi and Partner representatives must be appropriately skilled.
53. The Regional Councils to continue to work together as represented by the Regional Consortium nominating their representative to the NTS Governance Board over time.
54. As is common practice, diversity of membership on this NTS Governance Board should be encouraged

#### **Chair**

55. Waka Kotahi to appoint the independent Chair.

#### **Observers**

56. The new NTS Governance Board will consider the appropriateness of any observers.
57. Invite the Chief Executive (or his/her delegate) of the Ministry of Transport as observer.
58. If more than one member from one organisation attends a meeting, the capacity in which they attend must be clear.

#### **Terms of Reference**

59. Note the NTS Governance Board is governing a national ticketing programme and has strategic oversight of Waka Kotahi business unit - the Transport Ticketing & Payments (TTP). The NTS Governance Board will have a clear ToR, which will describe the board composition, purpose, scope of responsibilities, meeting arrangements (including setting the agenda, notification of meetings, quorum, replacement attendees etc) and decision-making.
60. Key elements of a draft ToR are summarised in Appendix 6 and will need to ensure consistency with P2 and legal sign off prior to finalisation.
61. The day-to-day management of the NTS managed by the TTP Management Team (see below).

#### **Advisors**

62. A formal list of advisors to the NTS Governance Board (to draw upon) should be established. This may include advisors to support the TSP.

#### **Timing**

63. The NTS Governance Board should not be established until the TTP Management Team can service it, but ideally it would be established in parallel with phasing out of existing governance, i.e. to governance support transition, with potentially at least the independent Chair and one-two other board members by no later than [31 July] 2022.



## Decision-Making

64. The NTS Governance Board will set an annual budget and plan and rolling 3-year plan for NTS and oversee spending of the TTP team. Any decision that would require additional funding will be subject to the processes and approvals for obtaining funding from the relevant funder.
65. Each board member's view (i.e. each board member appointed by Waka Kotahi and the relevant PTA respectively) must be in the context of the NTS (i.e. a national programme), but in any event, would not require a participant to abandon its own interests, for example, a PTA could retain its regional focus.
66. NTS Governance Board members appointed by the relevant PTA or Waka Kotahi will act within the delegations of their appointing body and the terms of reference for the NTS Governance Board.
67. P2 states that the NTS Governance Board would consider a list of 'reserved matters' and matters escalated by a participant to it. Waka Kotahi (through the TTP Management Team) would be responsible for managing and making decisions in relation to the day-to-day operations of the NTS and TTP within the annual budget and 3 year plan, but not on reserved matters.
68. Several options for decision-making were previously considered, including those proposed by the NTS project lawyers and AT lawyers. These included examples of involving the Chief Executive of the Ministry of Transport where consensus could not be achieved.
69. **Emerging Recommendation:** *That the NTS Governance Board will make decisions by consensus.*
70. **Rationale:** *Consensus decision making for highly partnering/collaborative arrangements between public entities is appropriate and it is highly unusual in such collaborative arrangements for consensus not to be reached. It is acknowledged at times, consensus decision making may slow a project or programme.*
71. As part of any agreement on decision-making, a process could be designed and documented to help decision making by consensus. Process options include allowing any party (or parties) a prescribed timeframe "timeout" to further socialise a matter within their organisations, to obtain further advice from a third-party advisor and/or engage a facilitator.
72. **Emerging Recommendation:** *In the event that consensus can't be reached then a dispute resolution process [to be developed] will be triggered. If that still results in non-consensus then a vote can be taken. A simple majority will apply and in the event of a split vote the Independent Chair will have a casting vote.*

## PCG

73. **Emerging Recommendation:** *A project controls group (PCG) should be established to: drive transition; a forum through which the Management Team can further test and agree operational decisions; and to test any Board papers prior to submission to the NTS Governance Board. The PCG could comprise three to five members with experience on the project and a high customer/digital orientation. A PCG would be an assurance function to NTS (as distinct from any participants assurance functions regarding their role in NTS). Members may change in/out based on the project phase, potentially with a higher workload with the first two implementations. A ToR should be developed.*

## TTP Management Team

74. The Transport Ticketing Payments (TTP) management team is the leadership group for NTS as set out in Fig 4 below.

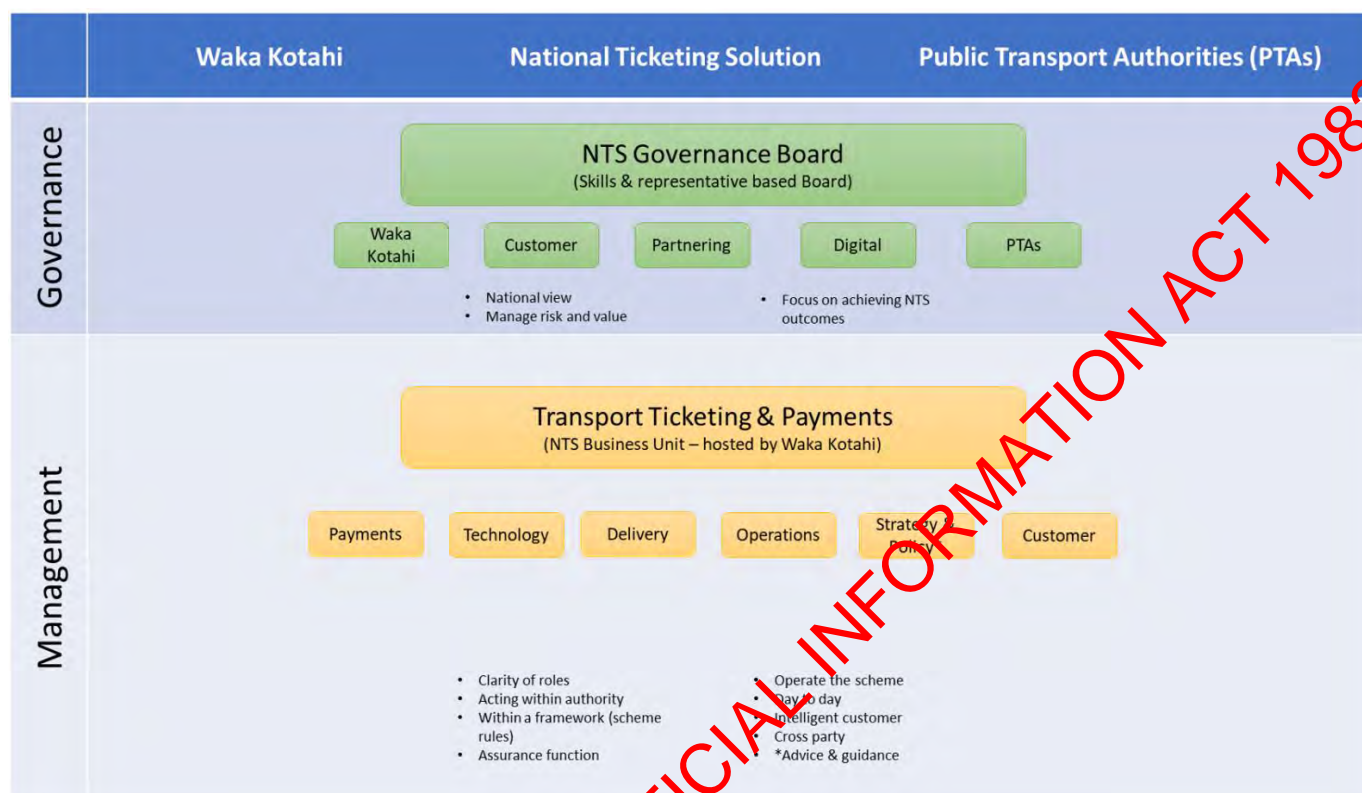


Figure 4

75. The principles/behaviours set out above are key especially given the long history of the project. Attracting and retaining key talent is critical and will require considerable focus and effort from seasoned people and change leads. The key imperative for NTS, given it is a partnering based initiative, is absolute clarity as to the roles and responsibilities across all participants. Considerable time should be invested in getting this right with the TTP working across all PTAs to encourage development and optimising of ticketing resources.
76. **Emerging Recommendation:** Appoint the TTP/Operations Manager, at least acting (i.e. subject P2 agreement/ TSP contract finalisation) as soon as possible. Appoint highly capable people and change leads to help drive the resourcing and people programme. The TTP Management Team must ensure appropriate assurance for the project is in place.
77. The TTP Management Team will need to be resourced adequately to support the NTS Governance Board, and consideration should be given to identifying or recruiting for this resource as a priority.
78. The TTP Management Team should implement robust assurance processes and systems and in addition to the PCG and consider the establishment of any assurance groups to enhance timely decision making.
79. It is important to note that any assurance groups are review and recommendation forums to support management. Clear ToR to be developed if implemented.

## Mana Whenua

80. In working with Mana Whenua, clarity is needed around the outcome sought from their involvement/partnership with the NTS, especially in the establishment and implementation phase. Refer to Appendix 7 on a possible approach.

## Transition

81. As stated above, the current governance structure is designed to take NTS through to the final approval stage and completion of negotiations with suppliers. A detailed project governance transition plan (including a communications plan) will be developed to ensure effective transitioning to the new NTS Governance Board. As set out above, a PCG could have a key role in driving transition.

## Issues/Risks

82. A key risk to the reset of governance is potential de-stabilisation of the NTS programme, especially with the PTAs. The rationale for any change needs to be exceptionally well socialised and communicated with the PTAs and Waka Kotahi executive and functional leads/teams.
83. As referenced above, reviewing governance of the NTS was a key Gateway Review recommendation.

## Next Steps

The recommended next steps are:

1. Socialisation Waka Kotahi leaders – underway
2. Socialisation with/in principle agreement from NTSSG – scheduled for 27 May 2022
3. Further engagement in principle agreement from of MPGG – scheduled for 31 May 2022
4. Development of a governance transition plan
5. Broader engagement/ socialisation with PTAs – iterating based on feedback from 1-2 above
6. P2 implications – including amendment of governance references
7. Legal Review – including Council Controlled Organisation considerations

## Appendix 1: Consultation and engagement interviewees

The following people have been interviewed to date.

	Name	Role	Organisation
1	Nicole Rosie*	Chief Executive	Waka Kotahi
	Shane Ellison	Chief Executive	AT
2	Fiona McTavish	Chief Executive	BOPRC
3	Liz Maguire	GM Digital Transformation/ Chief Digital Officer	Waka Kotahi
4	Roger Jones	EGM Digital	AT
5	Karen Jones	GM Communications	Waka Kotahi
6	Matthew Walker	Portfolio Director	Waka Kotahi
7	Scott Gallagher	GWRC	GWRC
8	Stewart Gibbon	ECan	ECan
9	Nick Donnelly	Otago Regional Council	ORC
10	James Timperley	Establishment Manager, Transport Ticketing & Payments Team	Waka Kotahi
11	Yogesh Anand	Chief Technology Officer	Waka Kotahi
12	Charles Ronaldson	Programme Director - Commercial	Waka Kotahi
13	Graham Alston	Project NEXT	Waka Kotahi
14	Meredith Ussher	Legal	Waka Kotahi
15	Fiona Buckner	Commercial	Waka Kotahi
16	Deb Hume	National Manager Multi-Modal and Innovation	Waka Kotahi
17	section 9(2)(a)	Principal	Independent/Mafic
18	Vanessa Ellis	EGM Customer Experience	AT
19	section 9(2)(a)	Project Lawyer	Independent/MERW
20	section 9(2)(a)	Independent	Independent
21	section 9(2)(a)	Independent Chair NTSSG	Independent
22	Delaney Myers	Manager Public Transport	Waka Kotahi

\* Introductory discussion

## Appendix 2: Strategic Context

### Strategic Context

1. The Government Policy Statement (GPS) on Land Transport requires Waka Kotahi to support better travel options and climate change, including mode shift from private vehicles to public transport and active/shared modes and demand management to accommodate that shift.
2. The draft Emissions Reduction Plan (ERP) specifically identifies “deliver national integrated ticketing for public transport” as an action that will be taken in the first budget period. This requires Waka Kotahi to fund a national integrated ticketing solution because:
3. Under the current GPS, Waka Kotahi investment decisions must be consistent with the transport component of the ERP; and
4. Consistent with the statutory framework and draft ERP, the National Land Transport Plan (NLTP) anticipates delivery of an integrated national ticketing system.
5. The NTS forms a necessary piece of digital infrastructure to support the ERP. A focus on integrated digital options including ticketing will help support people to change the way they travel in a low emission society, by addressing barriers such as affordability, accessibility, safety, and convenience, and by providing useful and timely information and incentives to help them make cheaper transport choices which are better for the environment.
6. *[Note – as per April 2022 Waka Kotahi Board narrative]*



## Appendix 3: MPGG & NTSSG Key Terms of Reference

### Purpose

1. The purpose of the [MP]GG is to facilitate the alignment and advancement of the mobility and transport payment programmes of Local Government and National Government and the New Zealand Transport Agency.

### Role

2. While titled a Governance Group the National Mobility and Payments Governance Group has no role or delegation to decide matters for its participants but does have a role in providing direction and recommendations to participants across mobility and transport payments activities and programmes.
3. The objectives of the group are to:
  - 3.1 Generally, ensure that decisions are not made in isolation
  - 3.2 Enhance the attractiveness of options to reduce the extent and impact of private motor vehicle travel
  - 3.3 Effectively and efficiently collect transport revenues
  - 3.4 Maximise value for money in public transport fare collection
  - 3.5 Facilitate the strategic objectives of local and central government
4. A secondary purpose for the GG is to ensure that information sharing is effective and where necessary, secure alignment where there is divergence.
5. The Governance Group will also be the escalation authority for decisions where consensus cannot be reached by the Steering Group for Project NEXT.

### NTSSG Key Terms of Reference

#### Purpose and Objectives

6. The purpose of the SG is to ensure that the NTS is procured, delivered and operated to collect fare revenue from public transport users and to provide data on public transport use.
7. The objectives of the SG are to:
  - 7.1 Ensure that the NTS is fit for purpose, delivers value for money and provides a high quality customer experience that retains and attracts users to public transport; and
  - 7.2 Deliver Project NEXT and evolve it into the NTS as soon as practicable without creating any undue risks or costs.

#### Role

8. The Role of the SG is to provide collaborative PTA and Waka Kotahi governance and decision-making for the delivery and operation of the NTS including the following:
  - 8.1 Direct progress of the Financial Services and Ticketing Services procurement processes against project plans and act as appropriate to ensure completion of Project NEXT;

- 8.2 Direct (acknowledging Waka Kotahi's day to day accountability) progress of the establishment and in due course operation of the Transport Ticketing and Payment (TTP) functions within Waka Kotahi and the development of that capability to be the Scheme Operator for the NTS;
- 8.3 Make decisions on strategic and other agreed matters in relation to procurement, establishment, future development and operation of the Scheme Operator including those set out in the Procurement Plan decision-matrix and decisions;
- 8.4 Keep key stakeholders informed about progress with the NTS;
- 8.5 Approve and maintain a NTS plan including the Road Map and changes to the agreed scope, cost, schedule;
- 8.6 Approve the appointment, role and responsibilities of the Project NEXT Project Director and endorse the appointment by Waka Kotahi of the TTP Director (or equivalent);
- 8.7 Identify, mitigate and manage project risks;
- i. Ensure all Parties remain in alignment;
  - ii. Endeavour to resolve disputes between the Parties;
  - iii. Escalate matters of non-agreement to the MPCG;
  - iv. Establish any subsidiary bodies considered necessary for the effective delivery of the NTS;
  - v. Approve external communications; and
  - vi. Seek external technical advice as considered necessary

#### **Decisions of the NTS Steering Group**

9. Any decision made by the SG will be valid only if made:
- 9.1 by the consensus of the SG in quorum; or
  - 9.2 by agreement via email.
10. Each SG Member is responsible for ensuring that they have appropriate delegated authority from their organisation to make decisions as part of the SG; and to seek decisions from their organisation where necessary.

## Appendix 4: Participants Reference Group

The MPGG members support that the MPGG will not have a role in terms of any escalation or governance with respect to NTS post completion of the procurement process and P2 finalisation. MPGG members expressed an interest in continuing with a forum that encourages discussion on matters that may impact successful implementation of the NTS project. This could be referred to as the Participants Reference Group (PRG).

### Members

1. Chief Executives of Waka Kotahi, Auckland Transport, GWRC, ECan and the Regional Consortium (CE) representative

### Purpose/Role

2. The PRG provides a forum to collaborate and work together, to support NTS implementation through:
  - 2.1 Discussion on broader issues that may impact the NTS offering – e.g. congestion charging
  - 2.2 Sharing information and insights
  - 2.3 Reinforcing the roles of each organisation in contributing to the success of the NTS project

### Meetings

3. Can be requested by any member, as required but likely quarterly
4. Secretariat: a representative of the TIF Management or Waka Kotahi executive

## Appendix 5: NTS Governance Board Skills

The following summary is a draft overview of NTS Board Governance skills for further discussion and development of a matrix with Waka Kotahi and the PTAs.

Technical skills/Experience	Overview
Maori/Te Ao Maori	Understanding and experience of Maori/Te Ao Maori and could apply this to what NTS means for Maori
Digital/Technology	Experience in digital/technology space in transport or similar sector
Project Implementation/Delivery	Has delivered or as a governance overseen the delivery of a large scale operational or capital project
Ticketing Implementation	Seeks to continuously develop and maintain a comprehensive understanding of the sector
Banking/Payments	Experience in delivering large scale payment platforms systems. Extensive understanding of banking environment
Business Acumen	Monitors, motivates and evaluates management performance and holds management to account. Collectively understands the financial/commercial/risk position of the NTS
Financial fluency	Fluency with a wide range of financial concepts (public and private sector)
Commercial Contracts	Experience in negotiating and finalising commercial/procurement contracts
Managing Risk	Identifies, assesses and manages risk (financial, operational, market, HR, legal)
Performance monitoring	Focuses on results, monitors and evaluates strategic performance, to achieve NTS outcomes
Change Management	Responds to and influences future focused strategic change management
Customer Focus	High orientation to the public transport customer
Government Policy, Regulatory, Statutory and Stakeholder Environment	Overview
Partnering	Acknowledges the imperative to collaborate and partner effectively to optimise success of NTS implementation
Stakeholder Engagement	Engages with co-governors, management and key stakeholders to establish and maintain effective relationships
Government Policy (Transport & Council Policy (incl. AT) (Transport & Digital)	Adapts governance approach to reflect central government environment
	Adapts governance approach to reflect local government environment
Political Awareness	Understands and adapts to the political context and maintains political awareness at a strategic level
Strategic & Governance Leadership, Decision-Making	Overview
Governance orientation	Distinguishes governance from management, understands and performs governance functions
Strategy & Culture	Contributes to/drives strategy formulation and implementation (including communication)
Informed Decision-Making	Achieves consensus (where appropriate) when identifying and mitigating risk, collaborates to achieve collective understanding of NTS opportunities etc
<b>Notes</b>	
Assumes baseline director competency as per Institute of Directors Guidelines - e.g. critical thinking, conceptual reasoning etc	

## Appendix 6: NTS Governance Board – Draft Terms of Reference

In addition to the NTS Governance Board terms references set out in paras 43-67 above, the following additional *draft* terms should be considered (and refined with legal input prior to finalisation).

### Purpose

1. To ensure that the NTS is delivered and operated to collect fare revenue from public transport users and to provide data on public transport use.

### Objectives

2. To ensure that the NTS is fit for purpose, delivers value for money and provides a high-quality customer experience that retains and attracts users to public transport.

### Role/Scope of Responsibilities

3. To provide collaborative PTA and Waka Kotahi governance and decision making for the delivery and operation of the NTS including the following
4. Direct (acknowledging Waka Kotahi's day to day accountability) progress of the establishment and in due course operation of the TTP functions and the development of that capability to be the Scheme Operator for the NTS
5. Make decisions on strategic matters in relation to procurement, establishment, future development, and operation of the Scheme
6. Keep key stakeholders informed about progress with the NTS
7. Approve and maintain a NTS plan including the Road Map and changes to the agreed scope, cost, schedule
8. Approve the appointment, role and responsibilities of the Project lead
9. Ensure appropriate processes in place to identify, mitigate and manage project risks
10. Endeavour to ensure all Parties remain in alignment
11. Endeavour to resolve disputes between the parties
12. Ensure that information sharing is effective and where necessary, secure alignment where there is divergence
13. Approve external communications
14. Seek external technical advice as considered necessary

Note: importance of clarifying what is in/out of scope for the NTS Governance Board.

### Decision-Making (see above paragraphs 64-72)

Administration (e.g., Quorum, ToR amendment, meeting arrangements (including setting the agenda, notification of meetings, quorum, replacement attendees, board member commitment etc))

### Board Composition and Process for appointment of Independents and Chair (refer Project Legal guidance)



## Appendix 7: Mana Whenua Approach

1. The approach with Mana Whenua will likely relate to information management and potentially social/equity issues as Aotearoa moves to an increasingly cashless society.
2. Refer to Waka Kotahi Māori Engagement Framework and Strategy and check each Council/AT strategies and aspirations, to ensure Waka Kotahi and each Council/AT confirms no inconsistency with NTS in addressing/providing for Māori needs.
3. NTS is cognisant of a joint government and Iwi led Data Iwi Leaders Group is developing an approach to data governance that reflects Māori needs and interests in data.

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## Appendix 8: Clauses from draft P2 Agreement – PTA's autonomy in relation to the NTS

*The following clauses are taken from the Workshop version of the draft P2 Agreement that was most recently circulated to all PTAs (in November 2021). These clauses include mark-ups made due to feedback from the workshop and as a result of AT's proposed changes.*

### 2.3 Consequences of the NTS framework

The Parties acknowledge that each PTA will retain its autonomy in certain areas including clause (a).

### 3. Intent and relationship principles

Subject to the other terms of this Agreement and without abandoning its own interests, the Parties agree to:

- (m) take a New Zealand-wide approach, whilst recognising the legal and local autonomy of each Party;

### 4. Objectives for the NTS

Subject to the other terms of this Agreement and unless otherwise agreed by the NTS Participants Group, the Parties agree the objectives of delivering a NTS are to:

- (g) maximise the benefits of a single central solution while allowing each PTA sufficient flexibility to meet its fare and product requirements;

### 5.3 Each PTA's role

- (a) Nothing in this Agreement limits a PTA's right or responsibility to set its own public transport strategy, local fare policy, structure and pricing, transport networks and infrastructure (including network routes) and the delivery of public transport services in accordance with the PTA's legislative roles, functions and responsibilities.

*The following clauses are taken from the most recent Workshop version of the P2 Agreement, as amended after further discussions with AT. This version has been circulated between Waka Kotahi and AT (we are unsure whether it has been circulated to the other PTAs).*

### 2.3 Consequences of the NTS framework

...

- (b) The Parties acknowledge that each PTA will retain its autonomy in certain areas, including the areas described in clause (a) and where it is appropriate for the fulfilment by the PTA of its statutory purpose and the obligations it has in relation to the same.

### 3. Intent and relationship principles

Subject to the other terms of this Agreement and the right of each PTA to take a Regional Focus, and without any Party abandoning its own interests, each Party agrees to:

...

- (m) take a New Zealand-wide approach, whilst recognising the legal and local autonomy of each Party, each Party's statutory duties and the right of a PTA to take a Regional Focus;

### 4. Regional Focus

Each Party acknowledges and agrees:

- a. each PTA has statutory duties in relation to public transport within that PTA's Region;
- b. those duties include delivery of an effective transport system;
- c. there is a benefit for the population of each PTA's Region to have a common ticketing and payment solution nationwide; and
- d. when considering the Customer under this Agreement a PTA is allowed to give priority to the interests of Customers within that PTA's Region where it conflicts with the interests of Customers in other regions or nationwide,

together, a **Regional Focus**.

### 5. Objectives for the NTS

Subject to the other terms of this Agreement and unless otherwise agreed by the NTS Participants Group, the Parties agree the objectives of delivering a NTS are to:

...

- g) maximise the benefits of a single central solution while allowing each PTA sufficient flexibility to meet its fare and product requirements and take a Regional Focus;

#### 1.2 Each PTA's role

- a) Nothing in this Agreement limits a PTA's right or responsibility to maintain a Regional Focus or its right to set its own public transport strategy, local fare policy, structure and pricing, transport networks and infrastructure (including network routes) and the delivery of public transport services in accordance with the PTA's legislative roles, functions and responsibilities.