



Board Meeting Minutes	
Date & time	13 December 2013, 8.40am – 12.30pm
Location	NZTA Office, HSBC House, 1 Queen Street, Auckland
Board Membership	Chris Moller (Chair), Adrienne Young-Cooper, Alick Shaw, Gill Cox, Jerry Rickman, Nick Rogers, Patsy Reddy and Tony Lanigan
Apologies	None
NZTA staff in attendance	<p>Geoff Dangerfield (Chief Executive)</p> <p>Allan Frost (GM Organisational Support), Celia Patrick (GM Access & Use), Dave Brash (GM Planning & Investment), Colin Crampton (GM State Highways), Ernst Zöllner (GM Strategy & Performance & Board Secretary), Jenny Chetwynd (Director, Central) and Stephen Town (Director, Northland and Auckland)</p> <p>Brandon Mainwaring (National Manager Performance), Clare Sinnott (Project lead, FAR review), Kevin Reid (National Manager, Professional Services) and Colin Bates (Chief Advisor, State Highways)</p>

1. Introduction and governance matters

1.1 Apologies

All Board members attended the meeting.

1.2 Confirmation and overview of the agenda

The agenda was accepted as circulated.

1.3 Declarations of conflicts of interest

The schedule of Board members' interests was noted as tabled, and no additional declarations were made.

1.4 Draft minutes from the 1 November 2013 Board meeting

The minutes were confirmed as tabled.

Resolution 1	<i>The draft minutes of the 1 November 2013 Board meeting are a true and accurate record of the meeting.</i>
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1.5 Draft minutes from the 29 November 2013 Special Board meeting

The minutes were confirmed as tabled.

Resolution 2	<i>The draft minutes of the 29 November 2013 Special Board meeting are a true and accurate record of the meeting.</i>
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1.6 Progress on actions requested at previous meetings

Progress on all the actions was noted.

2. Chief Executive's matters

2.1 Chief Executive's report

Board paper 13/12/0777

Geoff Dangerfield and Board members highlighted and discussed several strategic and operational matters, including:

- Progress on establishing an expert panel on cycling safety, as recommended by a coroner in November 2013
- Presentation of the 2012/13 annual reports at the Parliamentary Select Committee
- Financing arrangements for the new electric commuter rail rolling stock for Auckland
- Implications of the newly designated 'special housing areas' in Auckland for land transport investment.

Resolution 3	<i>The Board receives the Chief Executive's Report for December 2013.</i>
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2.2 Financial reports for the Transport Agency and NLTF to the end of October 2013

Board paper 13/12/0782

Allan Frost presented to the Board the financial results for the four months ended 31 October 2013.

Resolution 4	<i>The Board receives the financial report for the four months ended 31 October 2013.</i>
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3. Setting sector and organisational direction

3.1 Our health and safety policy

Board paper 13/12/0769

At its 1 November meeting the Board requested several changes to the proposed ‘health and safety policy’ for the Agency, including further clarification of the concepts of ‘zero harm’ and ‘occupational health’. Geoff presented the revised policy, and the Board agreed that it adequately addressed the issues that were raised in November and adopted it as tabled.

Resolution 5	<i>The NZ Transport Agency is committed to all its people going home healthy and safe; to actively works towards creating zero harm workplaces; to being a leader of workplace health and safety performance with suppliers and through industry actions; and to each staff member taking responsibility to keep themselves safe and stop unsafe acts when they are observed. These commitments will be given effect through the required leadership, systems, compliance and clear responsibilities at all levels of the organisation.</i>
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3.2 Preparing for the 2014 Statement of Performance Expectations

Board paper 13/12/0781

As part of the process of preparing the 2014-18 Statement of Performance Expectations, the Board considered and adopted a revised set of ‘value for money’ targets to guide detailed activity business planning and budgeting for 2014-18. The Board will receive further material towards its 2014-18 accountability statements at its February and April 2014 Board meetings.

Resolution 6	<i>The Board agrees to the 10 draft ‘value for money’ service delivery and investment targets for the 2014-18 Statement of Performance Expectations as recommended in Board agenda item 3.2.</i>
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3.3 2015-18 National Land Transport Plan: Early planning and investment signals and programme focus

Board paper 13/12/0775

Dave Brash presented to the Board the initial (and mainly procedural) planning and investment guidance for Approved Organisations and the wider transport sector to assist with the preparation of the 2015-18 National Land Transport Programme (NLTP). A finalised set of ‘signals’ (investment guidance) will be presented to the Board for formal adoption once the Government Policy Statement for 2015-18 has been finalised in July 2014.

Resolution 7	<i>The Board supports the approach of issuing early planning and investment guidance for the 2015-18 National Land Transport Programme.</i>
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3.4 Funding Assistance Rates (FAR) review – options discussion document

Board paper 13/12/0786

Clare Sinnott and Jenny Chetwynd presented the *Funding Assistance Rates Review Options Discussion Document* to the Board, and sought agreement to its public release - as the basis of the planned consultation on possible options. The Board supported the ‘options’ document as the basis for the next stage of engagement, and emphasised its willingness to consider other options that may be presented during consultation (including retaining the status quo). Board members also urged the

project team to keep publicised material simple and to ensure that all key stakeholder groups are adequately engaged with.

Resolution 8	<i>The NZ Transport Agency will release the ‘Funding Assistance Rates Review Options Discussion Document’ to support a conversation with its stakeholders to help the Board decide on the optimal combinations of factors and approaches for setting funding assistance rates.</i>
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3.5 Sector legislative and policy programme update

Board paper 13/12/0774

Twice a year the Board receives an overview and update on significant policy and legislative changes.

Resolution 9	<i>The Board receives the update on policy and legislative changes and notes the participation of Transport Agency staff in the development of the future direction for the transport sector.</i>
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3.6 Intelligent Transport Systems: making more effective use of technology

Board paper 13/12/0783

Allan Frost presented a proposed strategic approach for the Agency towards the rapidly emerging area of intelligent transport systems, and a summary of the Ministry of Transport’s draft Intelligent Transport Systems Action Plan for 2014-18.

Resolution 10	<i>The Board receives the proposed strategic approach to intelligent transport systems and notes the Ministry of Transport’s draft ‘Intelligent Transport Systems Action Plan’ for 2014-18.</i>
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3.7 Update on the establishment of the New Zealand Transport Ticketing Ltd (NZTTL) and public transport technology and ticketing

Board paper 13/12/0779

The purpose of the agenda item was to seek endorsement of the previously approved approach to the establishment of NZTTL. Dave Brash asked the Board to note that the investment to date in national public transport ticketing is sound and able to evolve as wider payments opportunities arise, and that the transfer of responsibility (from the Agency to the new entity) is now likely to occur in the second half of 2014 due to delays in completing the Auckland ticketing programme. Board members supported the proposals and emphasised the opportunity for new entity to play an important role in the development of intelligent transport systems (with reference to agenda item 3.6).

Resolution 11	<i>New Zealand Transport Ticketing Ltd (NZTTL) will be established as a stand-alone entity, initially wholly owned by the Transport Agency whose ownership and governance will again be reviewed when future business cases for new investments in NZTTL are presented to the Transport Agency.</i>
Requested action	<i>That the Chief Executive discusses with Auckland Transport and regional council chief executives what an appropriate form of engagement between their organisations and the NZTTL Board could be.</i>

4. Quality assurance of key organisational systems, policies and processes

4.1 Implementing the Public Transport Operating Model (PTOM)

Board paper 13/12/0767

Dave Brash presented to the Board an update on the implementation of PTOM, as requested at the 1 November meeting. Board members sought assurances that the planned ‘value for money’ gains from the new procurement framework will be realised. Board members also suggested that setting ‘clear markers for success’ will be important as this is a significant change for the industry.

Resolution 12	<i>The Board receives the assurance that the Transport Agency is fulfilling the requirements to implement the Public Transport Operating Model, as set out by the Secretary for Transport in his letter of 30 March 2012 to the Chair of the Board.</i>
Requested action	<i>That the Chief Executive write to the Secretary for Transport advising him that the Transport Agency has implemented the operational policy for the Public Transport Operating Model and is continuing to work with regional councils to implement the new model.</i>

4.2 NLTF long-term liability status update

Board paper 13/12/0768

The purpose of the agenda item was to assure the Board that the Agency has the operational policies and tools in place to ensure that any increase in long-term financial commitments are prudent in the context of our current and proposed long-term financial commitments, and also factor in risks with regards to future National Land Transport Fund (NLTF) revenue and changing interest rates.

Resolution 13	<i>The Board receives the assurance that long term financial liabilities arising from both current and future commitments will remain within existing long-term financial liability policy guidelines.</i>
Requested action	<i>That the Agency’s long-term financial liability policy that restricts borrowing to a maximum of 7.5% of annual National Land Transport Fund income be reviewed as an appropriate stage, for further discussion by the Board.</i>
Requested action	<i>That a further paper on revenue diversification for the National Land Transport Fund be presented to the February 2014 Board meeting.</i>

5. Significant planning, investment and operational matters

5.1 Auckland accelerated projects status report – variation to the NLTP and funding

Board paper 13/12/0771

The agenda paper sought the Board’s approval for changes to the National Land Transport Programme that would give effect to the Auckland accelerated investment programme.

<p>Resolution 14</p>	<p><i>The Board:</i></p> <ul style="list-style-type: none"> a) <i>approves a variation to the National Land Transport Programme 2012-15 to include three of the Auckland accelerated projects - namely ‘Southern Corridor Improvements’, ‘Northern Corridor Improvements’ and ‘SH20A to Auckland Airport’; and</i> b) <i>approves funding of \$12.0 million for the project development phase (investigation and design) of the three projects from the National Land Transport Fund. It is proposed that this will be reimbursed from Crown funding once Cabinet approves the accelerated programme.</i>
<p>Requested action</p>	<p><i>That a paper outlining options for the ‘east-west link’ in Auckland be presented to the Board at an appropriate meeting early in 2014.</i></p>

5.2 State highway procurement strategy endorsement

Board paper 13/12/0770

The purpose of the agenda item was to seek the Board's endorsement of an amendment to the *State Highway Procurement Strategy 2010* (the Portfolio Procurement Strategy 2010) and procurement procedure approval. This endorsement enables the letting of three new state highway 'network outcomes contracts' for asset management prior to the Board being asked to endorse a new procurement strategy at its 28 February 2014 meeting.

Resolution 15	<p><i>The Board:</i></p> <ul style="list-style-type: none">a) <i>approves, under section 25(1) of the Land Transport Management Act 2003, an extension to the term of the State Highway Portfolio Procurement Strategy 2010 from August 2013 to 30 June 2014;</i>b) <i>endorses an amendment to the State Highway Portfolio Procurement Strategy 2010 to extend its scope to encompass the letting of three network outcomes contracts; and</i>c) <i>approves, under section 25(1) of the Land Transport Management Act 2003, the use of a contract term of up to nine years for the three state highway network outcomes contracts specified in Board paper 13/12/0770.</i>
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5.3 State highway procurement review

Board paper 13/12/0773

Colin Crampton advised the Board of state highway procurement improvements that are being implemented following an independent review of the Transport Agency’s state highway procurement approach. The Board noted the actions being taken, and requested that a further discussion on the recommendations take place at its next meeting.

<p>Resolution 16</p>	<p><i>The Board:</i></p> <ul style="list-style-type: none"> a) <i>receives the State Highway Procurement Review Issues Report noting that the Transport Agency is seen as demonstrating best practice public procurement in New Zealand, and is the equal of its counterparts in Australia; and</i> b) <i>agrees to incorporate the idea of a more flexible approach to setting maintenance standards for particular classes of roads in the 2015-18 National Land Transport Programme through the State Highway Activity Management Plan and other planning documents.</i>
<p>Requested action</p>	<p><i>That the Chief Executive reports to the Board in February on progress with addressing the findings of the review, in the context of seeking Board endorsement of the State Highway Procurement Strategy.</i></p>

5.4 Transmission Gully public private partnership – financial close assurance

Board paper 13/12/0784

Colin Crampton presented the proposed plan of engagement with the Board in moving from the announcement of preferred bidder, to a position of achieving financial close for the Transmission Gully public private partnership. Colin also outlined the Agency’s negotiation strategy to the Board, and agreed to ensure that health and safety issues are strongly emphasised in the negotiations.

Resolution 17	<i>The Board receives the assurance that the negotiation strategy for the Transmission Gully project PPP is fit for purpose and addresses the areas of specific interest to the Board, and agrees to the four-part plan for engagement with the Board.</i>
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6. Other updates and general business

6.1 Media and communications update

Board paper 13/12/0772

The Board noted the regular update on media events.

6.2 Capital budget amendment covering Road User Charges and Tolling systems changes

Board paper 13/12/0778

The purpose of this administrative item was to seek the Board’s agreement to changes to the 2013/14 capital budget for the Transport Agency.

Resolution 18	<p><i>The Board:</i></p> <ul style="list-style-type: none"> <i>a) approves an increase to the capital budget for 2013/14 totalling \$1.517m;</i> <i>b) approves the following projects be added to the capital programme and provide funding of \$1.37m for the Road User Charges system changes, \$357k for replacement of the tolling systems and provide \$300k for the dynamic cost modelling software; and</i> <i>c) approves the deferment of \$510k for the time limits on driver licences project from 2013/14 to 2014/15.</i>
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6.4 Review of Board Committee structure and functioning

Board paper 13/12/0776

Ernst Zöllner presented the findings of a review into the Board’s current Committee structure and features, which drew on the individual views of Board members, managers, a review of past agendas and comparisons with other relevant organisations.

Resolution 19	<p><i>The Board agrees:</i></p> <ul style="list-style-type: none"> <i>a) that its current committee structure, including the current committee meeting frequency (3 standard meetings per year), typical meeting length (2 hours) and general levels of delegation, is retained;</i> <i>b) that the charter of the I&O committee is comprehensively reviewed, for consideration at its February meeting (followed by consideration at the next Board meeting);</i> <i>c) that the charters for the ARA and Remuneration & HR committees are also discussed at their respective next meetings, and that any possible changes are</i>
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	<p><i>referred to the Board for consideration; and</i></p> <p><i>d) that the each committee has 3 to 4 members, and that the membership of each committee is reviewed and confirmed after February 2014.</i></p>
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6.5 Instrument of Board Delegation: review of fit for purpose and terms used

Board paper 13/12/0785

The agenda item sought the Board’s approval to amend the Board’s *General Instrument of Delegation in order to* facilitate the operations of the transport operations centres in Auckland and Christchurch.

Resolution 20	<p><i>The Board:</i></p> <p><i>a) approves the revised Instrument of Board Delegation at Attachment 3 in Board paper 13/12/0785;</i></p> <p><i>b) authorises the Chair of the Board to sign the Instrument of Board Delegation at Attachment 3;</i></p> <p><i>c) approves the Instrument of Board Delegation – Joint Transport Operations Centre at Attachment 4;</i></p> <p><i>d) authorises the Chair of the Board to sign the Instrument of Board Delegation – Joint Transport Operations Centre at Attachment 4;</i></p> <p><i>e) approves the Instrument of Board Delegation – Christchurch Transport Operations Centre at Attachment 5; and</i></p> <p><i>f) authorises the Chair of the Board to sign the Instrument of Board Delegation – Christchurch Transport Operations Centre at Attachment 5.</i></p>
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6.6 General business

On behalf of the Board, Chris Moller expressed the Board’s gratitude and thanks to Colin Crampton and Stephen Town for their services and commitment to the Transport Agency and its predecessors. Colin is leaving the Agency in January to become Chief Executive of Capacity in Wellington, and Stephen is also leaving in January to become Chief Executive of Auckland Council.

7. Workshop

7.1 State Highway Resilience

Board paper 13/12/0780

Kevin Reid and Colin Bates discussed with Board members the emerging strategic thinking around the resilience response framework on the State highway network. Board members agreed that the next steps are to finalise the investment priority framework (which sets out the acceptable levels of risk and service) and for this to be presented to the Board in mid 2014 for further discussion and review, as an input to the 2015-18 National Land Transport Programme.

Minutes approved by the Chair	<hr/>
Date	----/----/----