



Board Meeting Minutes	
<b>Date &amp; time</b>	3 May 2017, 8.00am – 12.45pm
<b>Location</b>	Copthorne Hotel, Tau Henare Drive, Paihia, Waitangi
<b>Board Membership</b>	Chris Moller (Chair), Dame Fran Wilde (Deputy Chair), Adrienne Young-Cooper, Nick Rogers, Chris Ellis, Leo Lonergan and Vanessa van Uden
<b>Apologies</b>	Mark Darrow
<b>NZTA staff in attendance</b>	<p>Fergus Gammie (Chief Executive)</p> <p>Robert Brodnax (Acting GM Planning &amp; Investment), Tommy Parker (GM Highways &amp; Network Operations), Jenny Chetwynd (GM Strategy &amp; Performance and Board Secretary) and Raewyn Bleakley (GM Governance, Stakeholders and Communications).</p> <p>By telephone: Allan Frost (GM Organisational Support), Barbara Harrison (GM People &amp; Capability) and Harry Wilson (Director, Safety and Environment), Paul Laplanche (Chief Financial Officer), Brandon Mainwaring (National Manager Accountability &amp; Performance)</p>

# 1. Introduction and governance matters

## 1.1 Welcome and Apologies

The Chair welcomed the Transport Agency's new Board Member, Vanessa van Uden, to 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. Nick Rogers noted his standing interest in Tonkin and Taylor.

## 1.4 Draft Minutes of the 2 December 2016 Special Board meeting, 2 March 2017 Board meeting and 28 March 2017 Special Board meeting

<b>Resolution 1</b>	<i>The draft minutes of the following meetings are true and accurate records:</i> <ul style="list-style-type: none"><li>• 2 December 2016 Special Board meeting;</li><li>• 2 March 2017 Board meeting;</li><li>• 28 March 2017 Special Board meeting.</li></ul>
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## 1.5 Draft Minutes of the 2 March 2017 Audit, Risk and Assurance Committee meeting and 18 April 2017 Special Audit, Risk and Assurance meeting

<b>Resolution 2</b>	<i>The draft minutes of the following meetings are noted:</i> <ul style="list-style-type: none"><li>• 2 March 2017 Audit, Risk &amp; Assurance meeting;</li><li>• 18 April 2017 Special Audit, Risk &amp; Assurance meeting.</li></ul>
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## 1.6 Draft Minutes of the 2 March 2017 Investment and Operations Committee meeting

### Resolution 3

*The draft minutes of the 2 March 2017 Investment and Operations Committee meeting are noted.*

## 1.7 Remuneration and Human Resources Board Committee report

Adrienne Young-Cooper provided an overview of the issues considered recently by the Remuneration and Human Resources Board Committee meeting on 3 April 2017. Board Members noted the Committee's discussion about the Transport Agency's Remuneration Framework in light of the upcoming end of year staff performance assessment processes. Board Members also noted the results of the review recently undertaken into gender pay equity and diversity across the Transport Agency.

## 1.8 Progress on actions requested at previous meetings

Progress on all the actions arising was noted.

## 1.9 Health and safety update

Barbara Harrison gave an overview of the new approach to providing Board Members with regular information on Health and Safety issues across the organisation. Board Members noted that this approach would provide them with data and information on both NZ Transport Agency employees and the employees of the Transport Agency's supplier partners, and it would focus on areas of critical risk as well as both lead and lag indicators. Board Members also noted that this reporting is in its early stages of development and the data's integrity will improve over time, in conjunction with improvements to the Transport Agency's safety culture.

### Resolution 4

*The NZ Transport Agency Board **approved** the use of the Zero Harm dashboard as a means of maintaining effective oversight of health and safety performance.*

## 2. Chief Executive’s Report

### 2.1 Chief Executive’s Report

Fergus Gammie provided Board Members with an overview of the current issues facing the Transport Agency.

Board Members discussed the preparations for the opening of the Auckland Waterview tunnel noting the extensive testing of the operation of the tunnel currently underway.

Board Members discussed the number of construction and maintenance projects on Auckland’s state highways and the potential for significant disruption to the levels of service for customers as a result of this high level of activity. Board Members requested further advice on Auckland transport network’s current real time performance, how this is being managed and how it is being perceived by road users.

Board Members discussed the spate of recent rainfall events across the country and their effect on the resilience of parts of the transport network already impacted by earlier earthquake and rainfall events. Board Members requested more information on the Transport Agency’s approach to network resilience in this current context.

<b>Resolution 5</b>	<i>The NZ Transport Agency Board <b>received</b> the Chief Executive’s Report.</i>
<b>Requested Action</b>	<p><i>A workshop is to be arranged for Board Members and management on the Auckland transport network real time performance and approach.</i></p> <p><i>A workshop is to be arranged for Board Members and management on the Transport Agency’s strategic response to network resilience.</i></p>

### 3. Quality assurance of key organisational systems, policies and processes

#### 3.1 Quarterly results and assurance report for the period ending 31 March 2017 (Quarter 3)

Board paper 2017/05/1132

Brandon Mainwaring provided an overview of the Transport Agency’s performance for quarter three of 2016/17. Board Members discussed the overall performance, noting that 88% of the Transport Agency’s milestones were on track and that four milestones are at risk due to adverse weather events.

Board Members discussed the reasons for the 2015-18 National Land Transport Programme and Crown Funded projects expenditure underspend to date in respect of local road improvements and the regional accelerated programme activity classes.

Board Members requested further advice on how local authorities can be encouraged to bring capital projects forward in the local road improvements activity class in the 2015-18 National Land Transport Programme, including how this message should be communicated.

<b>Resolution 6</b>	<i>The NZ Transport Agency Board <b>received</b> the quarterly results and assurance report for the period ended 31 March 2017.</i>
<b>Requested Action</b>	<i>Board Members are to receive advice on how local authorities can be encouraged to bring forward capital projects for local roads, given the current and projected underspend in the Local Roads Improvements Activity Class in the 2015-18 National Land Transport Programme.</i>

## 4. Significant planning, investment and operational matters

### 4.1 Bespoke funding assistance rate for Hurunui District Council – supplementary information

Board paper 2017/05/1133

Robert Brodnax provided an overview of the additional information requested by Board Members at the Board meeting on 31 March 2017 in relation to the consideration of a bespoke funding assistance rate request from Hurunui District Council. Board Members canvassed the wider infrastructure impact from the November earthquake, the Crown assistance package and the rating impact of the local share that Hurunui District Council will be required to cover.

<b>Resolution 7</b>	<p><i>The NZ Transport Agency Board <b>approved</b> a bespoke 84% emergency works funding assistance rate being applied to all emergency earthquake recovery works undertaken by Hurunui District Council in respect of the November 2016 Kaikoura earthquake event up to 30 June 2020, subject to:</i></p> <ul style="list-style-type: none"><li><i>As a condition precedent, NZ Transport Agency endorsement of the procurement approach for permanent reinstatement works being obtained by Hurunui District Council.</i></li></ul>
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### 4.2 Review of Funding Assistance Rates for the 2018- 21 National Land Transport Programme

Board paper 2017/05/1134

Robert Brodnax summarised the outcome of the Funding Assistance Rates (FAR) Review exercise undertaken between 2012 and 2014, where the normal funding assistance rate policy and methodology was substantially reset. He noted the commitment made during this FAR review to update the normal funding assistance rate for each approved organisation in the year prior to the next National Land Transport Programme.

Board Members noted the updates made to the inputs used in the methodology for calculating the funding assistance rates to reflect changes in network length, capital valuation and number of rating units, as well as the increases proposed to the normal funding assistance rates for some approved organisations in light of this for the 2018-21 National Land Transport Programme.

Board Members discussed the costs and benefits of undertaking a full FAR review at this stage, noting the absence of an update to the socio-economic deprivation index (an input in the calculation methodology), and the fact that many approved organisations are still transitioning from their 2014/15 start points and the recalculation rate applies to the end of transition rate.

Board Members also canvassed the overall timing of a review of assistance rates prior to a new National Land Transport Programme, in order to provide approved organisations with clarity and certainty.

<b>Resolution 8</b>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><li>• <b>Noted</b> the normal funding assistance rates have been recalculated to reflect changes in network length, capital valuation and number of rating units as required under the NZ Transport Agency funding assistance policy.</li><li>• <b>Noted</b> that the socio-economic deprivation index, the fourth element in determining normal funding assistance rates, will <u>not</u> be updated until after the 2018 New Zealand Census.</li><li>• <b>Approved</b> the increases in the recalculated normal funding assistance rates and the rate of transition to normal funding assistance rates to apply for the 2018-21 National Land Transport Programme.</li><li>• <b>Agreed</b> to defer the decreases in the recalculated normal funding assistance rates until the 2021-24 National Land Transport Programme when the impact of the updated socio-economic deprivation index can be considered.</li></ul>
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#### 4.4 Northern Corridor Improvements – funding for implementation, project procurement, enabling works and main construction

Board paper 2017/05/1141

Tommy Parker summarised Board Members previous decisions made in respect of the Northern Corridor Improvements project, noting the inclusion of this project in the Government’s Accelerated Auckland Package announced in 2013, with the intention to accelerate the delivery of the project to a 2021/22 opening.

Board Members noted the lodgement of the consent applications with the Environmental Protection Authority (EPA) in December 2016. Board Members also noted the expected timeframe for the conclusion of the EPA’s consenting processes.

Board Members were advised of the early enabling works required to meet the expectations around the accelerated delivery timeline and the discussion and agreement reached with all key stakeholders in respect of the relocation of the North Harbour Hockey Stadium to Rosedale West.

Board Members emphasised the importance of effective communication to stakeholders and the public about the benefits of the project once the outcome of the EPA’s consenting processes is determined.

<b>Resolution 10</b>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><li>• <b>Approved</b> funding for the NZ Transport Agency’s Northern Corridor Improvements project’s enabling works at an estimated cost of \$33 million.</li><li>• <b>Delegated</b> to the NZ Transport Agency Chief Executive the power to sign the Agreement with the North Harbour Hockey Charitable Trust covering the relocation of the North Harbour Hockey Stadium to Rosedale West.</li></ul>
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	<ul style="list-style-type: none"> <li>• <b>Approved</b> inclusion of the SH1 Upper Harbour Drive Interchange south facing ramp (from SH1 northbound to SH18 westbound) in the scope of the project, <b>subject to demonstration of value for money.</b></li> <li>• <b>Approved</b> the delivery of Auckland Transport’s Rosedale Bus Station as part of the Northern Corridor Improvements project.</li> <li>• <b>Approved</b> funding for implementation of the Northern Corridor Improvements project at an estimated cost of \$676 million <b>subject to, as conditions precedent:</b> <ul style="list-style-type: none"> <li>- Board of Inquiry approval to consent the project; and</li> <li>- Planning approvals being obtained for the State Highways 1 to 18 ramp.</li> </ul> </li> </ul>
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#### 4.5 Delegation of state highway powers and functions to local authorities

**Board paper 2017/05/1135**

Tommy Parker provided an overview of the reasons and benefits of delegating some state highway powers and functions to local authorities. Board Members noted that this is standard and efficient practice for minor activities that local authorities can undertake more effectively.

<b>Resolution 11</b>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"> <li>• <b>Approved</b> the template Instrument of Delegation as the format to present delegation agreements for minor State highway functions and powers.</li> <li>• <b>Delegated</b> to the Chair the power to approve the delegation of State highway functions and powers provided the agreements are made in the form of the template document.</li> <li>• <b>Noted</b> that the agreement for delegating functions and powers to Invercargill</li> </ul>
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*City Council is complete.*

#### 4.6 Third party proposal to establish an aesthetic lighting installation on the Auckland Harbour Bridge

Board paper 2017/05/1136

Chris Moller noted his position as Chair of Meridian Energy.

Tommy Parker provided an overview of Vector and Auckland Council's proposal for an aesthetic lighting installation on the Auckland Harbour Bridge and the risks that need to be mitigated before a Licence to Occupy can be granted.

Board Members canvassed the benefits to Vector arising from the proposal and the wider aesthetic benefits that Auckland city would receive from a lighting installation on the bridge.

Members discussed the need to ensure the Transport Agency had sufficient grounds in the lease to terminate the licence should that be required. Members also discussed the opportunity to take a more commercial approach to this and other proposals in the future involving the use of transport infrastructure assets in order to maximise their value.

<b>Resolution 12</b>	<p><i>The NZ Transport Agency Board:</i></p> <ul style="list-style-type: none"><li>• <b><i>Noted</i></b> the concept design, the risks and mitigations of the proposed aesthetic lighting installation on the Auckland Harbour Bridge.</li><li>• <b><i>Delegated</i></b> the NZ Transport Agency Chief Executive to grant a Licence to Occupy to Vector for the aesthetic lighting installation on the Auckland Harbour Bridge once all Transport Agency requirements are satisfied.</li></ul>
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#### 4.8 2015- 18 Road Policing Programme – Ratification of Board decision by circular Board paper

**Board paper 2017/05/1137**

Harry Wilson briefly summarised the decisions made previously by Board Members in respect of a variation to the 2015-18 Road Policing Programme. He also provided an overview of the importance of a joint review of the Road Policing Programme content and mechanics, to be undertaken with the NZ Police, noting this review was a condition of the Board’s approval of the variation to the 2015-18 Road Policing Programme.

Board Members discussed the involvement of senior NZ Police personnel in this review and that this would bring a strategic perspective. Board Members noted the opportunity to use an independent chairperson to lead the review and supported the intent to include a wide range of stakeholders to ensure a broad spectrum of views is taken into account.

Board Members agreed with the intention to incorporate the Government’s Performance Improvement Framework, and the Transport Agency’s Value for Money approach in the review methodology.

<b>Resolution 14</b>	<i>The NZ Transport Agency Board <b>received</b> the paper and noted that the Board approved resolutions for a variation to the 2015-18 Road Policing Programme on 20 April 2017.</i>
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### 5. Other updates and general business

#### 5.2 Draft agendas for 9 June 2017 Board, Audit, Risk and Assurance, and Investment and Operations Committee meetings

Board Members noted the draft agendas for the 8 June 2017 Board, ARA and I&O Committee meetings.

### 5.3 Schedule of Board Correspondence and Official Information Act requests for Board papers

**Board paper 2017/05/1138**

Board Members noted the correspondence and Official Information Act requests.

<b>Resolution 16</b>	<p><i>The NZ Transport Agency Board <b>received</b> the 3 May 2017 report on:</i></p> <ul style="list-style-type: none"> <li>• <i>Recent correspondence received by the NZ Transport Agency Board Chair;</i></li> <li>• <i>Transport Agency Board papers released under the Official Information Act 1982.</i></li> </ul>
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### 5.4 General Business

Membership of the Audit, Risk and Assurance Committee was confirmed as: Mark Darrow (Chair), Chris Moller, and Leo Lonergan.

Membership of the Investment and Operations Committee was confirmed as: Nick Rogers (Chair), Dame Fran Wilde, Chris Ellis and Vanessa van Uden.

Chris Moller expressed the Board’s thanks to all those involved in organising and presenting at the transport system site visits in the Far North area and requested letters of thanks be sent to key stakeholders.

<b>Requested Action</b>	<p><i>Letters of thanks to be written and sent to key stakeholders associated with the Far North site visits.</i></p>
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## 6. Board Only Session

A Board only session was held.

The Board Meeting closed at 12.45pm.

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