



Board Meeting Minutes	
Date & time	20 July 2018, 8:30am – 3:00pm
Location	NZ Transport Agency Boardroom, Level 2, 50 Victoria Street, Wellington
Board Membership	Michael Stiassny (Chair), Nick Rogers, Adrienne Young-Cooper, Nick Rogers, Chris Ellis, Mark Darrow and Vanessa van Uden Leo Lonergan by phone
Apologies	Dame Fran Wilde (Deputy Chair)
NZTA staff in attendance	Fergus Gammie (Chief Executive) Raewyn Bleakley (General Manager Governance, Stakeholders & Communications and Board Secretary), Howard Cattermole (General Manager Investment & Finance), Jenny Chetwynd (General Manager Strategy, Policy & Planning), Brett Gliddon (General Manager System Design & Delivery), Robert Brodnax (Director, Transport Access Delivery), Harry Wilson (Director, Safety & Environment), Tim Barry (Senior Manager, Safety and Wellness), Bob Alkema (Senior Manager, Investment Assurance), and Brett Aldridge (Senior Manager, Regulatory Compliance – Rail System)

1. Introduction and governance matters

1.1 Apologies and welcome

The Chair welcomed Board Members to the meeting.

1.2 Confirmation and overview of the agenda

The agenda was accepted as circulated.

1.3 Declarations of conflicts of interests of Board Members

The schedule of Board Members' interests was noted as tabled.

Nick Rogers noted his standing interest in Tonkin and Taylor.

In terms of matters arising under the Agenda (or future Agendas), the following was noted:

- For future reference in relation to the potential Light Rail route for City Centre to Mangere, the Chair advised his family has property interests in Upper Queen Street and Dominion Road, Auckland.
- Mark Darrow advised he has property interests in Ti Rakau Drive, East Auckland, that are relevant to Agenda item 4.2.

1.4 Declarations of conflicts of interests of Senior Leadership Team Members

The schedule of Senior Leadership Team Members' interests was noted as tabled.

1.5 Draft Minutes of the 15 June 2018 Board meeting and Ratification of Board Decision by circulation

Resolution 1	<i>The NZ Transport Agency Board confirmed the draft Minutes of the 15 June 2018 Board meeting as a true and accurate record of the meeting.</i>
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At the 15 June 2018 Board meeting, discussion concerning Board paper 2018/06/1252 *Rosedale Bus Station and Rosedale Bridge Replacement – Northern Corridor Improvements* led the Board to defer making a decision on the paper pending receipt of further specific information. A supplementary paper was circulated by email to Board Members on 13 July 2018. The supplementary paper responded to the Board’s request by providing information on the need for a bus station at Rosedale; why Park and Ride facility is not proposed for Rosedale; and the wider Park and Ride strategy for the Northern Rapid Transit Corridor.

Board Members agree that the supplementary paper satisfactorily addresses the requested action and resolve the original Board recommendations as proposed.

The inclusion of the following resolution enables this Board decision, following receipt of supplementary information by circulation, to be ratified and recorded within the Minutes of a Board meeting, being this Board meeting.

Resolution 2	<i>The NZ Transport Agency Board:</i> <i>a) Endorsed the new Rosedale Bus Station Detailed Business Case and the recommended transport infrastructure improvements.</i>
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b) **Approved co-funding from the National Land Transport Fund (NLTF), with Auckland Transport, of \$87.4 million, at a funding assistance rate of 51% (\$44.6 million out of the NLTF), for the following projects:**

Activity	P50 Cost Estimate (\$M)	Funding Assistance rate of 51% out of NLTF (\$M)
New Rosedale Station (implementation)	55.1	28.1
Rosedale Station (property acquisition)	10.0	5.1
State Highway 1 Rosedale Bridge Replacement (implementation)	22.3	11.4
Total	87.4	44.6

1.6 Notes in respect of Governance matters

Note regarding authority related to Crown Financial and Information System (CFIS) submission

Board Members discussed the pending Crown Financial and Information System (CFIS) submission by the NZ Transport Agency and noted both the upcoming deadlines and the fact that the Audit, Risk and Assurance (ARA) Board Committee will be considering the 2017/18 CFIS submission at its August meeting.

In light of the deadlines and taking into consideration previous practice, the Board agrees that it resolve to delegate the power to approve and sign-off the 2017/18 CFIS submission and Letter(s) of Representation by the requisite deadlines.

Resolution 3	<i>The NZ Transport Agency Board delegates the power to approve and sign-off the 2017/18 Crown Financial and Information System (CFIS) submission and Letter(s) of Representation on behalf of the Board to any two of the Board Chair, the Audit, Risk and Assurance Board Committee Chair and Leo Lonergan.</i>
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Note regarding revised Terms of Reference for Board Committees – Audit, Risk & Assurance and Investment & Operations

Mark Darrow and Nick Rogers outlined the changes being incorporated and the allocation of ‘responsibilities’ connected to procurement.

Board Members discussed the revised Terms of Reference for the Audit, Risk and Assurance Board Committee and the Investment and Operations Board Committee and agreed to approve the respective revised Terms of Reference as presented.

Resolution 4	<i>The NZ Transport Agency Board:</i> <ul style="list-style-type: none">a) Approved the revised Audit, Risk and Assurance Board Committee’s Terms of Reference.b) Approved the revised Investment and Operations Board Committee’s Terms of Reference.
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1.7 Health and Safety update

[Board paper 2018/07/1260](#)

Chris Ellis noted his interest in health and safety matters as a Director of WorkSafe NZ.

Tim Barry provided an update regarding the timing for the Health and Safety Governance review report and noted work underway on the Management response. Board Members expressed interest in receiving the report, discussed the initial themes emerging and outlined the nature and extent of the Management response required – including a road map, the resource required and how to achieve any necessary culture change.

Board Members discussed various health, safety and wellness issues detailed in the update. This included fatigue management, contractors, use of sanctions for non-compliance and temporary traffic management.

Of particular note, the Board wants direct engagement with contracting companies to clearly outline the Transport Agency's expectations in respect of health and safety, particularly fatigue management and reporting obligations. To reinforce this step, Board Members require that contracts will include appropriate sanctions that can be applied and enforced against contractors, especially where reporting obligations are not met.

Resolution 5	<i>The NZ Transport Agency Board noted the health and safety update.</i>
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1.8 Progress on actions requested at previous meetings

Progress on all actions arising was noted.

2. Chief Executive's Report

2.1 Chief Executive's Report

Fergus Gammie provided Board Members with a summary of the current issues facing the NZ Transport Agency.

Jenny Chetwynd then provided the Board with an overview of its role in adopting the 2018-2021 National Land Transport Programme (NLTP). Board Members noted the steps to this decision making process. In terms of the information and data that will be provided to support the Board's decision making, the Board discussed the moderation process - particularly, the transparency of the assessment process.

Howard Cattermole spoke regarding investment assessment tools, noting the wide interest in the area. Investment Assessment Framework details will be included in the materials provided to the Board.

The potential impact of Government Policy Statement (GPS) 2 on the NLTP was discussed. Decisions already made by the Board were noted.

The Board also discussed the role of the One Network Road Classification (ONRC) system and how it delivers safety and resilience. It was noted the ONRC will be broadened to include walking and cycling to ensure this system is enduring.

Harry Wilson spoke to the road safety programme, noting the focus is on reducing deaths and serious injuries and detailing the priority areas. Board Members discussed the priority areas and the corresponding activities. One activity raised in this regard is the removal of certain vehicles from the New Zealand fleet based on ANCAP ratings and emissions.

Next steps in terms of road safety involve identifying activities, resources required and engaging with other agencies and departments to make progress on matters where there is a shared interest in improving outcomes. Types of activities then canvassed by Board Members included ways to develop

additional pathways for New Zealanders to get a driver licence and to encourage people to maintain their vehicle registration.

Board Members then turned their attention to light rail. It is a complex project, comprising a wide range of risks and opportunities. Accordingly, it is important to clarify the accountabilities of all parties involved and set up appropriate governance structures to reinforce roles and responsibilities. Further, a well-resourced project team with an experienced project director, which has access to sound legal support, will be important.

To ensure the Government's timelines are achieved, there will also need to be appropriate enabling legislation for light rail to be realised through various projects in New Zealand. Regular updates to the Minister of Transport will be critical over the course of projects connected to light rail.

Resolution 6

The NZ Transport Agency Board received the Chief Executive's Report.

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

3.1 Financial Progress Report for the eleven months to the end of May 2018

Board paper 2018/07/1261

Howard Cattermole spoke to the report, noting that all output classes look likely to be within their GPS funding range.

Resolution 7	<i>The NZ Transport Agency Board received the report on the financial performance of the NZ Transport Agency (including the National Land Transport Fund) for the eleven months ended 31 May 2018.</i>
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4. Significant planning, investment and operational matters

4.1 Emergency Works – Bespoke Funding Assistance Rates (FAR) Applications for Gisborne District Council and Stratford District Council

Board paper 2018/07/1262

Brett Gliddon spoke to the paper and answered questions regarding the applications by the two Councils. It was noted that in addition to the monetary support provided by approving these recommendations, the Transport Agency also provides capability support.

Resolution 8	<i>The NZ Transport Agency Board:</i> <ul style="list-style-type: none">a) <i>With respect to the bespoke funding assistance rate application by Gisborne District Council:</i><ul style="list-style-type: none">i. Approves up to a 92% emergency works funding assistance rate, being applied to all emergency works undertaken by Gisborne District Council in respect to multiple storm events from 2016 to 2018ii. Delegates to the NZ Transport Agency Chief Executive the final approval of the bespoke emergency works funding assistance rate for Gisborne District Council, on the basis that it does not exceed 92%
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	<p><i>b) With respect to the bespoke funding assistance rate application by Stratford District Council:</i></p> <ul style="list-style-type: none"><i>i. Approved, retrospectively, an 86% emergency works funding assistance rate, being applied to all emergency works undertaken by Stratford District Council in respect of the June 2015 storm event</i><i>ii. Noted that in order to give effect to the 86% emergency works funding assistance rate retrospectively, a one-off grant of \$525,810 will be provided to Stratford District Council for its consequential reduction in local share for the June 2015 storm event.</i>
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4.2 Auckland Manukau Eastern Transport Initiative (AMETI) Eastern Busway 1 – Implementation Funding

Board paper 2018/07/1263

Mark Darrow noted his property interests in Ti Rakau Drive, East Auckland, due to the route and work proposed as part of AMETI Eastern Busway 1.

Brett Gliddon introduced the paper and summarised the phasing of the project. The Board acknowledged the benefits the project would deliver to East Auckland.

Resolution 9	<p><i>The NZ Transport Agency Board</i></p> <ul style="list-style-type: none"><i>a) Endorse the business case for implementation of Auckland Transport’s Auckland Manukau Eastern Transport Initiative (AMETI) – Eastern Busway 1 activity.</i>
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	<p><i>b) Approve funding for implementation of Auckland Transport’s AMETI – Eastern Busway 1 activity at an estimated cost of \$239.86 million, at a funding assistance rate of 51% (National Land Transport Fund (NLTF) share \$122.33 million), comprising:</i></p> <ul style="list-style-type: none"> <i>i. a construction phase at an estimated cost of \$169.44 million (NLTF share \$86.41 million); and</i> <i>ii. a property phase at an estimated cost of \$70.42 million (NLTF share \$35.92 million).</i>
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Leo Lonergan left the meeting at 12:37pm, after this item.

4.3 Rail Funding Review – Funding Model and Consultation

Board paper 2018/07/1264

Robert Brodnax introduced the paper outlining the next steps in the process of the review.

The Board discussed the features of the funding model and how the proposals will impact the various operators and stakeholders involved.

The Board’s preference is to develop the proposals further to include transitional arrangements for funding, prior to consultation being undertaken. Pending receipt of this further material, the Board deferred making the decisions sought.

Requested Action(s)	Transitional arrangements in terms of funding options are to be developed and provided for Board consideration and approval.
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5. Other updates and general business

5.1 Other updates

Board paper 2018/07/1265

Board Members noted and discussed the various updates. This included details regarding the refreshed Auckland Transport Alignment Project and progress made in respect of the Kaikoura earthquake recovery and reinstatement work and the value for money work stream.

With respect to the improvements to be integrated into the Network Outcomes Contracts, Board members were interested in ensuring that when this type of contract is awarded the work is done to an acceptable standard and those undertaking the work are capable and paid appropriately (bearing in mind such considerations as the living wage).

In terms of regulatory activity and compliance interventions, Board Members noted the nature and extent of this work.

Resolution 10	<i>The NZ Transport Agency Board received the July 2018 other updates.</i>
Requested Action(s)	Management to provide information on the guidance the Transport Agency and/or the public sector has received from the State Services Commission (or anywhere else), on how the living wage, etc is to be implemented and negotiations dealt with at this time (for contractors and staff).

5.2 Draft agendas for 16 August 2018 Special Audit, Risk and Assurance Board Committee meeting and 20 August 2018 Board meeting

Resolution 11	<i>The NZ Transport Agency Board noted the draft agendas for the 16 Special Audit, Risk and Assurance Board Committee meeting and 20 August 2018 Board meeting.</i>
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5.3 Schedule of Board Correspondence and Requests for Board papers

Board paper 2018/07/1266

Resolution 12	<i>The NZ Transport Agency Board received the 20 July 2018 report on:</i> <ul style="list-style-type: none"><i>Recent correspondence received, and sent, by (or on behalf of) the NZ Transport Agency Board Chair; and</i><i>Transport Agency Board papers requested and released under the Official Information Act 1982.</i>
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5.4 General business

The following item of general business was raised or discussed:

- The summary circulated to Board Members regarding declaration of interests and the identification and management of potential conflicts was discussed. An updated policy will now be prepared for consideration and adoption.

6. Board only session

A Board only session was held.

The Board Meeting closed at 2:00pm.

Minutes approved by the Chair	_____
Date	____/____/____