



Board Meeting Minutes	
Date & time scheduled	18 April 2019, 8:00am – 10:00am
Location	Kauri Room, Level 11, HSBC House, 1 Queen Street, Auckland NZ Transport Agency Boardroom, Level 2, 50 Victoria Street, Wellington
Board Membership	Michael Stiassny (Chair), Nick Rogers, Mark Darrow, Sheridan Broadbent and David Smol Leo Lonergan via telephone
Apologies	Vanessa van Uden
NZTA staff in attendance	Brett Gliddon (Acting Chief Executive) Howard Cattermole (General Manager Investment and Finance), Jenny Chetwynd (General Manager Strategy, Policy & Planning), Giles Southwell (General Manager, Corporate Services), Kane Patena (General Manager, Regulatory), Greg Lazzaro (General Manager, Safety, Health & Environment), Gavin Armstrong (Manager, Organisational Performance) and Richard May (Senior Manager, Government & Governance)
External attendees	--

1. Introduction and governance matters

1.1 Apologies and welcome

The Board Chair welcomed Board Members and attendees 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.

Standing interests of certain Board Members noted:

- Nick Rogers - Tonkin and Taylor (Minor shareholder)
- Sheridan Broadbent – Stellar Consulting Group Limited (Grant Broadbent, who is Sheridan's brother, is a Director and Shareholder of this software company, which is working with the NZ Transport Agency and is on a panel, from which it can be selected to undertake further work.)

1.4 Declarations of conflicts of interests of Executive Leadership Team Members

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

1.5 Draft minutes of the 18 March 2019 Board meeting and 8 April 2019 Board meeting and Ratification of Board Decisions by circulation

Board Members discussed the drafts of the two sets of minutes presented.

Some minor amendments were requested:

- *18 March 2019 Board meeting:*

This section of the Minutes of the 18 April 2019 Board Meeting is withheld under section 9(2)(g)(i) of the Official Information Act 1982 (“OIA”), as there is a need to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members of an organisation or officers and employees of any Department or organisation in the course of their duty. The NZ Transport Agency has determined that the interests being maintained outweigh any public interest in making the information available.

- *8 April 2019 Board meeting:*

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Resolution 1

*Subject to the additions, deletions and/or amendments discussed being made, the NZ Transport Agency Board **confirmed** the draft minutes of the 18 March 2019 Board meeting and the 8 April 2019 Board Meeting as a true and accurate record of the meetings.*

1.6 Audit, Risk and Assurance (ARA) Board Committee Report: 16 April 2019 ARA Board Committee meeting

Mark Darrow outlined the matters considered at the ARA Board Committee meeting on 16 April 2019.

With respect to the Amended Sol and SPE, he noted the ARA Board Committee had considered the level of assurance provided to the ARA Board Committee on how the content of the draft documents had been developed. The ARA Board Committee had resolved to accept management's assurances that the draft documents met legislative requirements, and where relevant, complied with generally accepted New Zealand accounting practice – as well as the ARA Board Committee's recommendation to the Board that the documents be approved, subject to the various matters raised being appropriately addressed.

A significant page turn had canvassed better sequencing and delved into the Memorandum Accounts. The under-recovery in the regulatory space was noted – as was the urgent requirement for fee reviews and the likely use of the seasonal facility. Specific themes worth noting were the large cost of running the Transport Agency (proposed 11% increase); making sure the settings are right; and improving transparency around certain issues, such as where activity classes are coming into conflict with Government Policy Statement on Land Transport (GPS) parameters.

The next ARA Board Committee meeting on 17 May 2019 has a big agenda.

One paper provided to the ARA Board Committee for discussion was a Board paper that had already been provided to Board Members for the 18 April 2019 Board meeting. During discussion of this paper, the ARA Board Committee Members requested that a proposed recommendation/resolution related to delegating to the Chief Executive an ability to approve movements between opex and capex be removed. A revised version of the Board paper was uploaded for Board Members prior to the 18 April 2019 Board meeting.

1.7 Progress on actions requested at previous meetings

Progress on all actions arising was noted.

Going forward, dates are going to be included to indicate anticipated or proposed dates for meeting the (elements of the) actions. As also discussed at the recent ARA Board Committee meeting, the Board Secretary is to meet with the ARA Board Committee Chair to discuss the actions.

With respect to the NZ Police flag issue, it was noted NZ Police can add a flag for the safety purpose for which the Transport Agency approached them. This adds a whole lot of options the Transport Agency did not think were possible. This is really important and a great additional measure to engage when seeking to address particular safety issues, if they can. To follow up and see whether the Transport Agency can receive a specific response to whether NZ Police will agree to flag, instead of whether they can flag.

2. Confirming service and financial performance targets

2.1 2019/20 NZ Transport Agency Operational Budget and Business Plan Initiatives

Board paper 2019/04/1367

[REDACTED] There are four key areas of concern in terms of the Transport Agency meeting its obligations and fulfilling the requirements of its (statutory) functions – regulatory, health and safety, technology and System Design and Delivery.

When directly broached with each of the relevant General Managers, it became clear that the proposed budget will address what needs to be undertaken immediately or in the short term, but will not enable steps to be taken or measures to be put in place to achieve the future state envisaged.

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Board Members noted the interrelationships and interdependencies, particularly in respect of the use of technology, between these key areas of concern. The importance of ensuring an overarching, but integrated plan was emphasised – especially as technology must be used to its best advantage and to support the Transport Agency in meeting its obligations and fulfilling its functions. The usual issues around staffing, available skills, appropriate resources and value for money were also canvassed.

The Board requested the proposed operational budget be reviewed and revised, with a view to ensuring a contingency that can be utilised for the identified areas of concern. Once this is completed, it is to be circulated to Board for consideration and decision out-of-cycle.

Resolution 2	<i>The NZ Transport Agency Board noted the proposed operational budget for the NZ Transport Agency for 2019/20 to support delivery of the Business Plan 2019/20 and National Land Transport Programme 2018-2021, but did not approve it.</i>
Requested Action(s)	Management is to: a) urgently revise the proposed operational budget for the NZ Transport Agency for 2019/20 in the manner requested by the Board; and b) provide the revised operational budget to the Board for its approval out-of-cycle.

3. Setting sector and organisational direction

3.1 Approval of draft Amended Statement of Intent 2018- 2022 and draft Statement of Performance Expectations 2019/20

Board paper 2019/04/1368

Board Members noted the earlier summary provided covering the process for the development of the content for the draft Amended Statement of Intent 2018-2022 (Amended Sol), and the draft Statement of Performance Expectations 2019/20 (SPE) – as well as the overview of the matters raised by the ARA Board Committee Members to be addressed in respect of the Amended Sol and SPE.

In particular, Board Members canvassed the following with respect to the Amended Sol:

- addressing the key points in the Minister of Transport's Letter of Expectations
- the Board's role in setting the measures, targets and the like for the Transport Agency, limiting the reliance on outcomes and inputs from external parties and their work streams
- the breadth of matters dealt with by the Transport Agency – not just roading (state highways)
- the need to signal to the Minister of Transport:
 - the increasing costs to meet the obligations and functions expected of the Transport Agency (to seek resource and endorsement of direction); and
 - the potential outcomes, if only short term objectives are funded, in light of the aim to put in place a transport system that attains the priorities set out in the GPS (as a minimum) – being a safe, well-regulated and resilient system that is accessible, and environmentally motivated and sustainable
- providing appropriate explanations around the forecast budget, deficit and assumptions relied upon

- progressing significant matters – including mode shift, worker safety, transport technology, the environment, sustainability, road safety partnership programme, staffing levels and regulatory functions – and ensuring they remain front of mind and are considered when dealing with the variety of work undertaken by the Transport Agency.

There were no comments on the SPE (noting that the material has been thoroughly canvassed – as outlined in the ARA Board Committee meeting report back).

Board Members noted the next steps in providing the draft Amended Sol and the draft SPE to the Minister of Transport for his comment, noting that material issues raised by the Minister will be referred back to the Board for its consideration.

On the basis of the ARA Board Committee Chair's report back to the Board, the recommendations of the ARA Board Committee and the content outlined in the paper, Board Members agreed that all major and relevant requirements relating to the preparation of the Amended Sol and SPE had been met, subject to the various comments made and requests raised at the ARA Board Committee meeting and by Board Members being addressed.

Resolution 3	<p><i>The NZ Transport Agency Board:</i></p> <p><i>a) Approved, subject to the assurance that can be provided and subject to the various comments made and requests raised by Board Members, at both the 16 April 2019 Audit, Risk and Assurance Board Committee meeting and the 18 April 2019 Board meeting, being addressed:</i></p> <ul style="list-style-type: none"><i>the drafts of the Amended Statement of Intent 2018-2022 and the Statement of Performance Expectations 2019/20, and</i>
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	<ul style="list-style-type: none">• provision of the drafts of the Amended Statement of Intent 2018-2022 and the Statement of Performance Expectations 2018/19 to the Minister of Transport.b) Delegates responsibility, with respect to the NZ Transport Agency's Amended Statement of Intent 2018-2022 and Statement of Performance Expectations 2019/20, to the Chairs of the Board and the Audit, Risk and Assurance Board Committee to approve:<ul style="list-style-type: none">• any subsequent amendments to the drafts of the Amended Statement of Intent 2018-2022 and the Statement of Performance Expectations 2019/20 (drafts) before they are provided to the Minister of Transport; and• in due course, publication electronically, following receipt and due consideration of the Minister of Transport's feedback on the drafts.
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4. General business

4.1 Draft agendas for 8 May 2019 Board meeting, 17 May 2019 Audit, Risk and Assurance Board Committee meeting and 17 May 2019 Investment and Operations Board Committee meeting

Resolution 4	<i>The NZ Transport Agency Board noted the draft agendas for the May 2019 Board and Board Committee meetings.</i>
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4.2 General business

The following items of general business were raised or discussed:

- **Health and Safety**

Greg Lazzaro, General Manager, Safety, Health and Environment, gave a health and safety update, leading into the Easter break. This included noting the latest on-site incident, being a medical event. There will be more detail provided to the Board at the 8 May 2019 Board meeting.

- **Investigation of Connected Journey Solutions (CJS)**

Board Members discussed the investigation.

- **Recruitment**

Board Members canvassed various matters pertinent to the recruitment of a new General Manager for People (Human Resources). It was noted that there is a clear need for a strategy to ensure the right skills to ensure a long-term appointment, rather than a short-term fix.

- **Transmission Gully delegation**

In light of actions taken under the existing form of the delegation, the Board had requested an alternative to ensure the right matters would be brought to the attention of the Board. The proposed new wording was considered, and Board Members confirmed they were happy with this new form of the delegation.

The Board Secretary is to circulate the new form of the delegation to relevant parties.

5. Board only session

A Board only session was held.

The Board Meeting closed at 9:51am.

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