

MINUTES OF THE NZ TRANSPORT AGENCY BOARD MEETING

HELD ON THURSDAY 24 JUNE 2010 AT 2.00PM

**AT THE COUNCIL CHAMBERS, NORTHLAND REGIONAL COUNCIL
36 WATER STREET, WHANGAREI**

AND RECONVENED

ON THURSDAY 25 JUNE 2010 AT 9.00AM

**AT THE FLAMES INTERNATIONAL HOTEL, 1 WAVERLEY STREET,
ONEHARI WHANGAREI**

Approved by the Chair	_____
Date	___/___/___

PRESENT:

Chris Moller (Chair)	Garry Moore
Christine Caughey	Paul Fitzharris
Grahame Hall	Bryan Jackson
Alick Shaw	

IN ATTENDANCE:

Geoff Dangerfield	Harry Wilson
Dave Brash	Wayne McDonald
Colin Crampton	Tommy Parker

INVITEES:

NZ Transport Agency Board meeting – Thursday 24 June and Friday 25 June 2010

i. **Apologies**

No apologies were received.

ii **Confirmation of agenda**

The agenda was confirmed.

iii. **Declarations of Interest**

The Chair noted his interest as a Board member of Rugby New Zealand 2011 Limited in respect of item 3c.

Christine Caughey re-iterated her previous declaration of interest relating to the Waterview project.

Minutes

1c **Confirmation of the 27 May 2010 Board meeting minutes**

Resolved:

That the NZ Transport Agency **confirms** the minutes from the 27 May 2010 NZ Transport Agency Board meeting with the following amendments:

Page 7 – replace 'travel' with 'transport';

Page 15 – replace 'second' with 'quarterly'.

Bryan Jackson / Garry Moore

2c **Confirmation of the 17 June 2010 Board meeting minutes**

Resolved:

That the NZ Transport Agency **confirms** the minutes from the 17 June 2010 NZ Transport Agency Board meeting.

Alick Shaw / Garry Moore

3c **Matters arising from previous Board Meetings**

Board paper 10/06/0388

Resolved:

That the NZ Transport Agency Board:

- a. **receives** Board paper 10/06/0388;
- b. **agrees** to keep Board paper 10/06/0388 in Committee indefinitely, allowing the Board the opportunity to have free and frank discussion on these issues.

4c **Chief Executive's Report for June 2010**

Board paper 10/06/0382

That the NZ Transport Agency Board:

- a. **receives** Board paper 10/06/0382, the Chief Executive's report for June 2010;
- b. **agrees** to keep Board paper 10/06/0382 in Committee, allowing the Board the opportunity to have a free and frank discussion.

Strategy and Policy

5c **10 year financial model**

Board paper 10/06/0386

There NZ Transport Agency Board **noted** that this paper was for information only.

Investment and Operations

6c **Report back from the Special Investment and Operations Board Committee Meeting held on Tuesday, 8 June 2010**

Resolved:

That the NZ Transport Agency Board:

- a. **approves** the draft minutes of the Special Investment and Operations Board Committee meeting held on Tuesday 8 June 2010;
- b. **notes** that NZ Transport Agency Management are to clarify the procedure for minutes of the sub-committees.

Bryan Jackson / Christine Caughey

7c **Report back from the Investment and Operations Board Committee meeting held on Thursday, 17 June 2010**

Resolved:

That the NZ Transport Agency **approves** the draft minutes from the 17 May 2010 NZ Transport Agency Investment and Operations Board Committee meeting.

Bryan Jackson / Paul Fitzharris

8c **ARTA (for Manukau City and Papakura District Councils) Mill Road Corridor – Investigation funding**

Board paper 10/06/0383

Resolved:

That the NZ Transport Agency Board:

- a. **approves** funding for the investigation phase of stage one of ARTA's Mill Road Corridor project within Manukau City Council at an estimated cost of \$0.91million and a funding assistance rate of 53% (NZTA's share \$0.48 million) from N funds, **subject to**, as a condition subsequent:
 - i) a hold point at the macroscope confirmation to enable the Regional Director to consider and endorse the preferred option and revised economic evaluation before lodgement of a Notice of Requirement;
 - ii) development of a funding plan, including possible third party contributions, for the overall corridor;
 - iii) development of an overall corridor BCR (combining both Manukau City Council and Papakura District Council sections); and
 - iv) adoption of a consistent and up to date transport model by both councils;
- b. **notes** that the funding request for stages 2,3 and 4 for the investigation phase of ARTA's Mill Road Corridor project within the Papakura District Council area at an estimated cost of \$4.68 million is expected in the 2011/12 year;
- c. **agrees** that the approval of the investigation phase of ARTA's Mill Road Corridor project within the Papakura District Council area be delegated to the Regional Director Auckland;
- d. **notes** that the construction cost for the Mill Road Corridor is estimated at \$260 million, the estimated 95th percentile and 5th percentile costs are as follows:

	95 th percentile (\$ million)	5 th percentile (\$ million)
Manukau City Council sector	139	83
Papakura District Council sector	233	N/K

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- e. **notes** that the construction of the Mill Road Corridor is not planned to commence until 2020;
- f. **notes** that the reasons for this decision are as set out in the Reasons for recommendation section and that the profile for the activity has been assessed as HMM; and
- g. **agrees** to take Board paper 10/06/0383 out of committee when the Board has published the notice of decision.

Christine Caughey / Alick Shaw

9c **NZTA State Highways operations, maintenance and renewals programme – cost scope adjustment**

Board paper 10/06/0385

Resolved:

That the NZ Transport Agency Board:

- a. **approves** funding for the cost/scope increase for the 2009/12 NZ Transport Agency's state highway operations, maintenance and renewals programme at an estimated cost of \$13.8 million and at a funding assistance rate of 100% from N funds, for pavement renewal activities, **subject to:**
 - i) confirmation that the \$80.4 million allocated in 2009/10 for pavement rehabilitation has been or will be spent for that purpose.
- b. **notes** the request for additional funding for work category 231 associated improvements and notes that minor improvement work could be completed using existing funding in the work category or from other activity classes;
- c. **notes** that the 3-year block allocation for the state highway operations, maintenance & renewals programme is now \$1,353 million, (excluding emergency works, preventive maintenance and administration);
- d. **notes** that approval of this funding may result in an increase in the closing deficit of the NLTF for 2009/12;
- e. **requests** the Group Manager, Regional Partnerships and Planning to undertake a theme audit of construction practises for pavement renewals to determine reasons for increasing trend of early settlement in pavement layers;
- f. **notes** the reasons for this decision are as set out in the Reasons for recommendation section; and
- g. **agrees** to take Board paper 10/06/0385 out of Committee when the Board has published the notice of decision.

Grahame Hall / Bryan Jackson

10c **Peka Peka to Otaki Section**

Resolved:

That the NZ Transport Agency Board:

- a. **notes** the Board had received legal advice and was satisfied that no further matters of substance had been raised at the Special Board meeting held on 17 June, in the submission on the Peka Peka to Otaki section of the RoNS. All Board members had read the papers and were individually asked by the Chair to indicate their support or otherwise for the motion. All Board members indicated support.

Alick Shaw / Garry Moore

General Business

11 **Board and Committee forward work programme**

Board paper 10/06/0384

Resolved:

That the NZ Transport Agency Board:

Receives the forward work programme.

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12 **Matters raised by the Chair**

- a. The requirement for a policy for Board attendance at events. The Board agreed to delegate this to the Chair and CEO to draft.
- b. The Chair asked the CEO to brief the Board regarding the appointment by the NZ Transport Agency of a suitable person to complement the two assessors to be appointed by the State Services Commission to undertake the Performance Improvement Review .
- c. The Chair noted that Grahame Hall and Paul Fitzharris would be stepping down at the end of July and that the July Board meeting would be an appropriate time to celebrate these member's contribution to the NZ Transport Agency.

At 4.30 pm the Meeting was adjourned

At 9.00am 25 June 2010 the Meeting re-convened at Flames International Hotel, 1 Waverley Street, Onerahi Whangarei, to discuss Waterview

13c **NZTA (SH 16 and 20) Auckland Western Ring Route completion package – additional property, detailed design and construction funding and procurement variation**

Board paper 10/06/0390

Resolved:

That the NZ Transport Agency Board:

- a. **approves** funding for detailed design associated with the Western Ring Route completion package at an estimated cost of \$15.00 million from R and/or N funds;
- b. **approves** funding for construction associated with the Western Ring Route completion package at an estimated outturn cost of \$1.832 billion from R and/or N funds, subject to, as a condition precedent, a revised economic efficiency and an independent peer review being carried out to the satisfaction of the Chief Executive;
- c. **approves** funding for additional property purchase associated with the Western Ring Route completion package at an estimated cost of \$19.40 million from R and/or N funds;
- d. **approves**, under s25 of the LTMA, the NZTA's use of a Competitive Alliance requiring approval of a "shared risk" delivery model for the construction of the SH20 Avondale Heights Tunnels and the SH16 Waterview to Whau Creek (Causeway Section), two major projects in the Western Ring Route completion package;
- e. **notes** that the procurement process is occurring in parallel to the consent process;
- f. **notes** that all aspects of standard improvement project development will be applied to all projects irrespective of early approval of construction funding;
- g. **agree** that no construction contract will be entered into until the consent process is complete;
- h. **notes** that the outturn construction, property and development cost for the Western Ring Route completion package remains at \$2.032 billion (\$1.65 billion in 2009 dollars), the 95th percentile cost is estimated at \$2.55 billion and the 5th percentile at \$1.85 billion;
- i. **notes** the reasons for this decision are as set out in the Reasons for recommendation section; and
- j. **agrees** to keep the Board paper 10/06/0390 in Committee until after the completion of the procurement process

Bryan Jackson / Alick Shaw

14c **Western Ring Route (North West) Network Plan**

Board paper 10/06/0389

Resolved:

That the NZ Transport Agency Board:

- a. **notes** the key outcomes of the Network Plan outlined in Board paper number 10/06/0389;
- b. **endorses** the draft Network Plan for the Western Ring Route (North West) as the basis for engagement with the Network Plan funding partners;
- c. **notes** that the local roading improvement activities critical to the operation of the Western Ring Route are set out in paragraph 14 of Board paper 10/06/0389;
- d. requests the Chief Executive to pursue opportunities, such as urban amenity improvements and housing developments, associated with surplus land from the RoNS development; and
- e. **agrees** to take Board paper number 10/06/0389 out of Committee when the Board has published the notice of decision.

Garry Moore / Christine Caughey

15c **Appreciation of efforts of management and staff in getting the Western Ring Route project to the current stage**

Resolved:

That the NZ Transport Agency Board:

- a. **notes** the efforts of management and staff in getting the Western Ring Route project to the current stage.

Next meeting

The next meeting of the NZ Transport Agency Board is confirmed for Friday 29 July in the NZ Transport Agency Board Room, Level 2, National Office, Chews Lane, Victoria Arcade, 44 Victoria Street, Wellington, commencing at 9:30am.

From 4.30pm to 6.00pm on 29 July there will be a function to farewell the outgoing members of the NZTA Board, and reflect on the contribution they have made to NZ Transport Agency during their respective terms.