

Governance Group Meeting  
MINUTES

Meeting Information

<b>Time:</b>	2:30 – 4:00 pm
<b>Date:</b>	Thursday 20 September 2018
<b>Location:</b>	Room 5.16, Majestic Centre, 100 Willis Street, Wellington
<b>Present:</b>	Raewyn Bleakley (NZTA) Fergus Gammie (NZTA) Mayor Justin Lester (WCC) Cr Chris Calvi-Freeman (WCC) Cr Chris Laidlaw (GWRC) Cr Barbara Donaldson (GWRC)
<b>In Attendance</b>	Dame Fran Wilde (NZTA) Barry Mein (Programme Director) Peter Clark (NZTA) Emma Speight (NZTA) Kevin Lavery (WCC) David Chick (WCC) Luke Troy (GWRC) Harriet Shelton (GWRC) Willy Trolove (LGWM)

Minutes

Item	Description
1	<b><u>Apologies</u></b> Mayor Wayne Guppy (UHCC) Greg Campbell (GWRC)
2	<b><u>Minutes of 5 September 2018 Governance Group meeting</u></b> Minutes from the previous meeting held on 5 September 2018 were accepted as a true and correct record. There were no matters arising

<p>3</p>	<p><b><u>Funding and financing</u></b></p> <p>The Programme Director spoke to the paper and highlighted the assumptions and conclusions from the financial modelling exercise.</p> <p>The Governance Group discussion stressed the need to be clear that the assumptions described in the paper are illustrative only, for the purpose of testing funding and financing scenarios. The revenue assumptions are not to be interpreted as a proposal for new funding mechanisms, as other possible revenue options and combinations may be developed. Future presentations of this work should make this clear.</p> <p>The Governance Group discussed the funding challenges highlighted in the paper, and acknowledged that while further work will be needed, there will need to be a formal commitment by the parties to meet their share of the costs. For local share, this is expected to be made through variations to the WCC and GWRC long-term plans.</p>
<p>4</p>	<p><b><u>RPI economic assessment</u></b></p> <p>The Programme Director spoke to the economic assessment paper and highlighted the BCR ranges and sensitivity testing for a lower discount rate and/or longer evaluation period. He also noted that the work has been peer-reviewed by EY.</p> <p>The Governance Group noted that the level detail and the conclusions on BCR ranges are sufficient at this stage of the process (programme business case).</p>
<p>5</p>	<p><b><u>Staging and sequencing</u></b></p> <p>The Governance Group discussed the pre-circulated material.</p> <p>While there was general support for the order of the main interventions (and the early priority on PT, walking and cycling), a number of members expressed concern at the length of time needed to fully implement the programme.</p> <p>There was also some discussion on the potential to re-order some elements, including Te Aro undergrounding, which is viewed as an important element of the programme with transformational potential. Officers were asked to consider the option of bringing the Te Aro undergrounding (or at least its preparatory work) forward.</p> <p>Officers noted that key issues were deliverability and ability to pay. Faster delivery of the overall programme, or bringing some large expenditure projects forward, would result in changes to the funding profile which may be difficult to manage.</p> <p>The Governance Group noted that further work will be required on the detailed staging and sequencing, and that this could result in some changes. It was therefore agreed that public release of the RPI should present the sequencing in a less specific manner. The Group noted the approach to presenting sequencing in the Programme Summary slides (item 7) as an indicative programme in three stages (by 2023, by 2028, and after 2028), and agreed that this is as a more appropriate way for the information to be presented.</p> <p>The Governance Group also agreed that there needs to be more clarity on the timing of early improvements, especially the high priority projects that were agreed at the 5 September meeting. As part of this, the potential to bring forward PT improvements to and through the central city should be examined.</p>

6	<p><b><u>Transition to future delivery model</u></b></p> <p>The Governance Group discussed the recommended transition model and agreed with the recommendation that Option 4 (integrated delivery vehicle) is the preferred approach for the transition phase.</p> <p>The interim nature of the arrangement was highlighted. It was noted that a special purpose vehicle may be an option in the future, so caution is needed to avoid setting up a new delivery vehicle that may not be in place for very long. In the meantime, progress should be made on the preparation of a draft IDV agreement as set out in the next steps, but recruitment to the IDV should be delayed at this stage pending further consideration of the IDV agreement by the Governance Group</p> <p><b>Agreed:</b></p> <ul style="list-style-type: none"> <li><b><i>a) That the Governance Group agrees in principle with a formal collaborative arrangement of the three partners as the preferred delivery model for the LGWM RPI</i></b></li> <li><b><i>b) That a draft IDV agreement be prepared for consideration by the Governance Group</i></b></li> </ul>
7	<p><b><u>RPI approval</u></b></p> <p>The Governance Group noted the RPI documentation, and requested that the material be reviewed and amended where necessary to ensure consistency with the issues raised in previous items on the agenda, including funding and financing, sequencing, and delivery.</p> <p>The Group noted that the next stage will be to report the RPI to the NZTA Board meeting on 5 October. This will require the Programme Summary to be finalised early next week.</p> <p>Once the amendments to the Programme Summary have been made, they will be circulated to the Governance Group for comment via email, and then finalised by the Programme Director.</p> <p>The timing of the next Governance Group meeting, and reporting of the RPI to the councils, will be determined once feedback has been received from discussions with the Minister in relation to a joint release.</p> <p><b>Agreed:</b></p> <ul style="list-style-type: none"> <li><b><i>a) That the LGWM RPI be adopted, subject to the amendments discussed at the meeting</i></b></li> <li><b><i>b) That the RPI be reported to the LGWM partners with the recommendation that they:</i></b> <ul style="list-style-type: none"> <li><b><i>i. approve the RPI as a programme business case;</i></b></li> <li><b><i>ii. agree to progress LGWM to the next stage, including implementation of early improvements, detailed business case preparation, and refinement of funding and financing arrangements</i></b></li> </ul> </li> </ul>
8	<p><b><u>Other business</u></b></p> <p>There was no further business</p>