

He pepa whakamōhiotanga mō te Minita | Briefing to the Incoming Minister

Te Manatū Waka Ministry of Transport

June 2023

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Foreword

Tēnā koe Minister, and congratulations on your appointment as Minister of Transport.

Transport plays a pivotal role in providing liveable cities and thriving regions. It underpins how New Zealanders get to their places of work and study, how whānau and communities connect, and how businesses move goods and services.

A well functioning transport system contributes to the economic prosperity of cities, towns, local neighbourhoods, and rural communities, and improves our wellbeing. It shapes land use, urban form, and street-level interactions. Transport connects New Zealand economically and culturally with the rest of the world.

New Zealand's transport system faces several major challenges over the medium to longer term. Several key reforms or new demands are being managed at the same time. Your approach to how you manage them will have a lasting impact.

Te Manatū Waka Ministry of Transport (the Ministry) plays a stewardship role in the sector and is here to provide you with advice and support.

The Ministry and the wider transport system are playing a key role as Aotearoa works to recover from the effects and devastation of extreme weather events, such Cyclone Gabrielle. A focus on rebuilding transport infrastructure in affected regions and ensuring that our system is resilient in the face of the impacts of climate change is a critical priority.

Increasing climate resilience includes reducing transport emissions to support New Zealand reaching net zero carbon emissions by 2050. Interventions focus on improving active and public transport, providing alternatives to road freight, encouraging conversion to zero emissions vehicles, and providing low emission choices for people to travel.

Addressing these challenges places pressure on the funding system. New investments will need to be balanced against the costs of maintaining the existing transport system, the increasing need for repairs to the national roading and rail networks from extreme weather events and the rising costs of new and replacement infrastructure.

The Ministry works collaboratively with agencies and stakeholders to advance a long-term, integrated approach to the transport system. An important part of this is maintaining our focus on the connections between wider economic, social and environmental outcomes and how different components of the transport system can be aligned to allow multiple objectives to be achieved over time.

In our role as system lead, we look forward to giving you the advice, support and rigorous evidence needed to put your priorities in place.

Nāku noa, nā



Audrey Sonerson
Secretary for Transport and Chief Executive

MINISTRY SENIOR LEADERSHIP

Ministry Senior Leadership

Audrey Sonerson
Chief Executive and
Secretary for Transport



The Chief Executive of Te Manatū Waka Ministry of Transport and the Secretary for Transport is responsible for the delivery of advice on transport issues and stewardship of the transport system.

Audrey is responsible for the effective running of the Ministry.

Audrey is Chair of the Road to Zero Partnership and the Search and Rescue Council. She sits on Inter-Agency Executive Boards for border management, climate change, and resource management reform. The Ministry also provides advice and co-ordination in respect of maritime security, and the Audrey is Chair of the Maritime Security Officials Committee.

Audrey joined Te Manatū Waka in December 2022. She is an experienced public service leader, having held senior roles at the Ministry of Foreign Affairs & Trade, New Zealand Police, the Treasury and the Ministry of Justice

Bryn Gandy
Deputy Chief
Executive
System Strategy &
Investment



Bryn leads the System Strategy and Investment group which advises government on system-level transport strategy and outcomes. The group provides advice on, and system-level management of, transport infrastructure planning, funding and investment.

The group connects this with specific priorities including freight and supply chains, placemaking and urban development, innovation, demand management, emissions reduction, transport system revenue and funding, and Auckland.

Bryn is an experienced senior public servant leader who has held senior roles at the Ministry of Defence, the Ministry of Justice, the Ministry of Social Development and the Department of Internal Affairs.

MINISTRY SENIOR LEADERSHIP

Bronwyn Turley
Deputy Chief
Executive
System and
Regulatory Design



Bronwyn leads our System and Regulatory Design group and has been with the Ministry since August 2021. The functions she leads are Regulatory Design and Stewardship, Economic Regulation, Security and Resilience (including transport emergency management responses), Environment and Emissions Policy Design, Safety and Mobility, COVID-19 response and readiness, and the Search and Rescue Council Secretariat.

Bronwyn has leadership experience in several public sector agencies, in a career that has focussed on regulatory design and implementation.

David Wood
Deputy Chief Executive
System Performance
and Governance



David joined Te Manatū Waka in June 2023 to lead the System Performance and Governance Group.

He is an experienced public sector leader, having served as a senior executive at the Ministry of Foreign Affairs and Trade, The Treasury, and in the health sector. David has also held leadership roles at Auckland Council, UK local government, and the Ministry of Education.

David has a strong background in strategy, policy and commercial operations.

MINISTRY SENIOR LEADERSHIP

Robyn Smith
Deputy Chief Executive
Te Kāhui Tangata
Corporate Services



Robyn leads our Corporate Services group and has been with the Ministry for five years. The functions she leads are Ministerial Services, Legal and Procurement, Risk, Human Resources, Information Technology, Engagement and Communications, and Business Support.

Robyn has significant senior leadership experience developed during her 18 years working in the energy sector, both in New Zealand and Australia.

Brent Johnston
Chief of Staff



Brent was appointed Chief of Staff in June 2023 and works closely with our Chief Executive and Senior Leadership Team to guide the strategic priorities of Te Manatū Waka.

Brent brings considerable experience in leadership, strategic planning and regulatory policy through his 14 year tenure at Te Manatū Waka. Brent has held leadership roles in land transport safety and public transport policy, including the development of Road to Zero.

Karen Lyons

Director – Auckland



Karen joined the Te Manatū Waka in 2017 and leads the Ministry's work on Auckland. This involves work to align the Government's and Auckland's strategic priorities, overseeing a range of projects and working with teams across the Ministry to integrate work that impacts Auckland. Karen oversees the Ministry's small Auckland office and works closely with the transport sector in Auckland including Auckland Council and Auckland Transport.

Karen is an experienced senior leader. Before joining the Ministry, Karen held a range of general manager positions at Auckland Council within the economic, strategy and governance areas. Earlier in her career Karen worked as an economist at the New Zealand Treasury and HM Treasury in London.

ABOUT THIS BIM

About this BIM

This BIM is structured into three parts:

- Part A: An overview of the strategic challenges facing the transport system.
- Part B: Work programme to deliver government priorities.
- Part C: Transport Crown entity matters, key delegated work programme and other items.

Appendix 1 contains information on the Transport agencies and state-owned enterprises, including an alphabetical list of Chairs and Chief Executives

Appendix 2 contains the Associate Minister of Transport's existing list of delegations.

PART A: INTRODUCTION TO YOUR PORTFOLIO AND THE TRANSPORT SYSTEM

Strategic overview

Expectations on the transport system are high, and the system is facing multiple pressures.

Transport enables economic, social and environmental outcomes

The transport system is central to New Zealanders' day to day lives, and to our economy. Through the transport system, Ministers can influence a range of outcomes including environmental sustainability; safety; the economic development of our towns, cities, and regions; physical and mental health; equity and upholding the Treaty of Waitangi; and our resilience to an increasing range of threats and hazards.

Transport is delivered by a combination of central government, local government, and private enterprise (including large-scale businesses and, in some cases, many smaller businesses). All these agents are critical to delivering the system we have today, and in developing the transport system we need in future. Māori, communities, interest groups, commercial interests and other organisations all have a strong interest and input into transport delivery.

There are new pressures and demands on the system

The transport system we have today is a result of ongoing responses to changing conditions and demands. The range of issues currently impacting the transport system include:

- the increasing frequency and severity of weather events that affect the transport network
- vulnerabilities in our supply chain
- the need to decarbonise the system
- changes in population and in working patterns
- international geo-political shifts
- the emergence and uptake of new technologies.

The Government has set ambitious targets to reduce deaths and serious injuries on our roads, and to reduce emissions from the transport system. Achieving these targets will require transformational change in how people travel. To help support this it is important to make a range of reasonable transport options for New Zealanders available.

Pressures from other sectors and policy changes, including goals for increasing housing stock and the introduction of new spatial planning processes will require appropriate transport action to support these goals.

The demands and expectations on the transport system are high, at a time when costs have been increasing rapidly. This makes our choices harder, as we need to keep the system running well and maintain a focus on value for money, while also making sure broader goals are advanced.

Transport costs contribute significantly to New Zealanders' cost of living, and to the cost of doing business. The Crown is increasingly being asked to provide supplementary funding to the National Land Transport Fund (NLTF) as well as to the rail, air and maritime sectors.

STRATEGIC OVERVIEW

These issues and others are stretching the capacity of the system. This requires some fundamental changes to how the system operates as well as using system incentives, clear prioritisation, and sequencing of delivery. This will place a greater focus on value for every dollar spent, to achieve our goals now and for future generations.

Emissions reduction is a priority for your Government

Transport has a central role in emissions reduction, and there is an ambitious set of interventions agreed through the Emissions Reduction Plan (ERP). These interventions are comprehensive and recognise that there are no one size fits all approaches. They are a mix of specific policies and programmes that aim to decarbonise the vehicle fleet (such as the Clean Car Discount and Standard), decarbonise aviation and shipping, improve the public transport system, and provide more opportunities for people to choose lower emissions ways of travelling.

The scale of ambition is significant and requires major and long-term adjustment to all parts of the transport system. Ensuring equitable transitions to a low emission transport system, particularly for those who have not been well serviced in the past, is an important consideration as we move to decarbonise.

The transport system is currently on-track to deliver its required contribution to the Government's first emissions budget, but our projections show that much more progress will be needed to remain on track throughout the second and third emissions budgets. While we continue to focus on delivering actions in the first ERP, we will increasingly need to shift our focus to the second plan, which will need to be even more ambitious than the first to ensure the sector remains on track. Decarbonisation needs to be a key consideration for all transport policy and investment decisions.

Funding the system and delivering value for money

Over the past decade or so, transport expenditure has grown significantly, as we increasingly deliver on a broader range of economic and social outcomes.

An increasing number of 'mega-projects' are being explored or implemented, including the Auckland City Rail Link, Auckland Light Rail, the additional Waitematā Harbour Crossing, and mass transit options in Christchurch and Wellington, among others. Other significant investment to consider includes the ongoing costs of managing critical infrastructure and ensuring the resilience of regional networks and connections to ports that are regions' gateways to their markets. At the same time, the phasing and delivery of infrastructure in the sector needs to balance workforce and other capacity constraints, and funding availability in an environment of significant cost inflation.

Land transport has historically largely been funded by those who use it, through fuel excise duty (FED) and road user charges (RUC), although in recent years the needs of the system have meant that transport investments are increasingly reliant on additional Crown funding. This reflects increasing costs, as well as the reality that the FED and RUC system was not intended to pay for the scale and type of transformational investments needed. Officials estimate that about \$90 billion worth of land transport investment is planned or underway, over and above the costs of maintaining and operating the system.

These pressures are challenging some of the principles underpinning our current planning, regulatory and investment system.

The Government Policy Statement on land transport (GPS) is your key tool for setting out the Government's priorities for land transport. It provides guidance to Waka Kotahi and to regions and

maps out how the NLTF (approximately \$4.5 billion per annum) will be allocated over a 3 to 10 year period. It also identifies the role of other sources of funding, such as the Climate Emergency Response Fund (CERF). CERF is a funding source for climate change initiatives. In all, there is currently approximately \$10 billion of funding going into transport each year. We have been supporting the Government to release a draft GPS 2024 this year.

In addition, the Ministry will need to continue to focus on the long-term transport revenue system that will be needed over the next 30 years, as well as the shorter-term revenue review that will address more immediate investment priorities. Our current revenue system is reliant on road use, but as we look to reduce the growth in vehicle kilometres travelled (VKT) there will be less revenue derived from cars and trucks. Work is underway on how the current transport revenue system can change. This includes considering approaches like demand management that get greater value out of existing infrastructure to reduce the need for more investment.

Auckland, Wellington and Christchurch have significant programmes underway to identify and deliver packages of transport investment that are needed for their unique circumstances. You are a sponsor of the Auckland Light Rail Project and Auckland's City Rail Link, and work is progressing on options for an additional Waitematā Harbour Crossing. The Government has been working with Auckland Council on a Tāmaki Makaurau Transport Plan, which will set out agreed priorities for investment. This will build on the Auckland Transport Alignment Project (ATAP) approach that has been in place for several years. In Wellington, work is underway to finalise business cases for Let's Get Wellington Moving, including mass rapid transit. Christchurch is at an earlier stage, with planning underway to move to a detailed business case for mass rapid transit.

The number and cost of large-scale infrastructure investment means choices will be needed to prioritise and sequence projects. Officials are also developing a national approach to funding and financing rapid transit.

A resilient supply chain

Natural and human made events such as extreme weather, COVID-19, the war in Ukraine, and the geo-political environment have underlined the importance of our supply chain in getting critical goods into New Zealand and allowing our exporters to trade. While the system has generally proven to be adaptable, and is returning to normal levels of service post COVID-19, recent experiences with delays in international shipping have revealed the vulnerabilities we face, as well as the challenges in decarbonising a predominantly commercial sector. This, in turn, has revealed a need to focus on the productivity and resilience of the system. A Freight and Supply Chain Strategy has been agreed by Cabinet, but not yet publicly released. This strategy sets out a long-term systems approach and identifies key short-term actions. It has been developed with extensive engagement with the sector. There is strong interest in this work from the commercial sector, and they are keen to keep engaging with the Government on the next steps.

Modernising the regulatory system

Impacts of COVID-19, changes in technology and the requirement to address climate impacts and emission reduction across the transport system has created challenges within the current regulatory frameworks. We are also asking agencies to take on new responsibilities (such as emergency powers and/or emerging technology) and the current arrangements do not support the agencies to make forward-looking investments to manage the changes their sectors face.

STRATEGIC OVERVIEW

Some institutional frameworks, arrangements and legislative tools need to be modernised as they constrain entity's ability to react quickly or achieve greater benefits across the system. Policy work is needed on how the regulatory frameworks themselves ought to work during a period of rapid change.

Waka Kotahi, Civil Aviation Authority and Maritime New Zealand are all experiencing funding constraints of one form or another. Waka Kotahi has recently completed a fees and charges review and the Civil Aviation Authority and Maritime New Zealand also have fees and charges review underway. These reviews will ensure the regulators are appropriately funded to perform their core duties.

Achieving better safety outcomes

New Zealand's fatality and serious injury rates from road trauma remain a significant challenge. In 2022, 377 people (provisional figure) lost their lives in road crashes, with many more suffering permanent life-changing injuries. This has huge implications for whānau, communities, and the economy (representing a social cost in the order of \$8 billion annually). The current fatality rate per capita on New Zealand roads is more than twice that of the better performing Australian states and more than three times the better performing countries in Europe.

Road to Zero is New Zealand's road safety strategy. It emphasises that no level of road deaths is acceptable. Road to Zero targets a realistic and achievable 40 percent reduction in deaths and serious injuries on our roads by 2030 (compared to 2018 levels). Achieving this life saving target requires sustained effort and coordination across transport agencies, our broader road safety organisations and the Police.

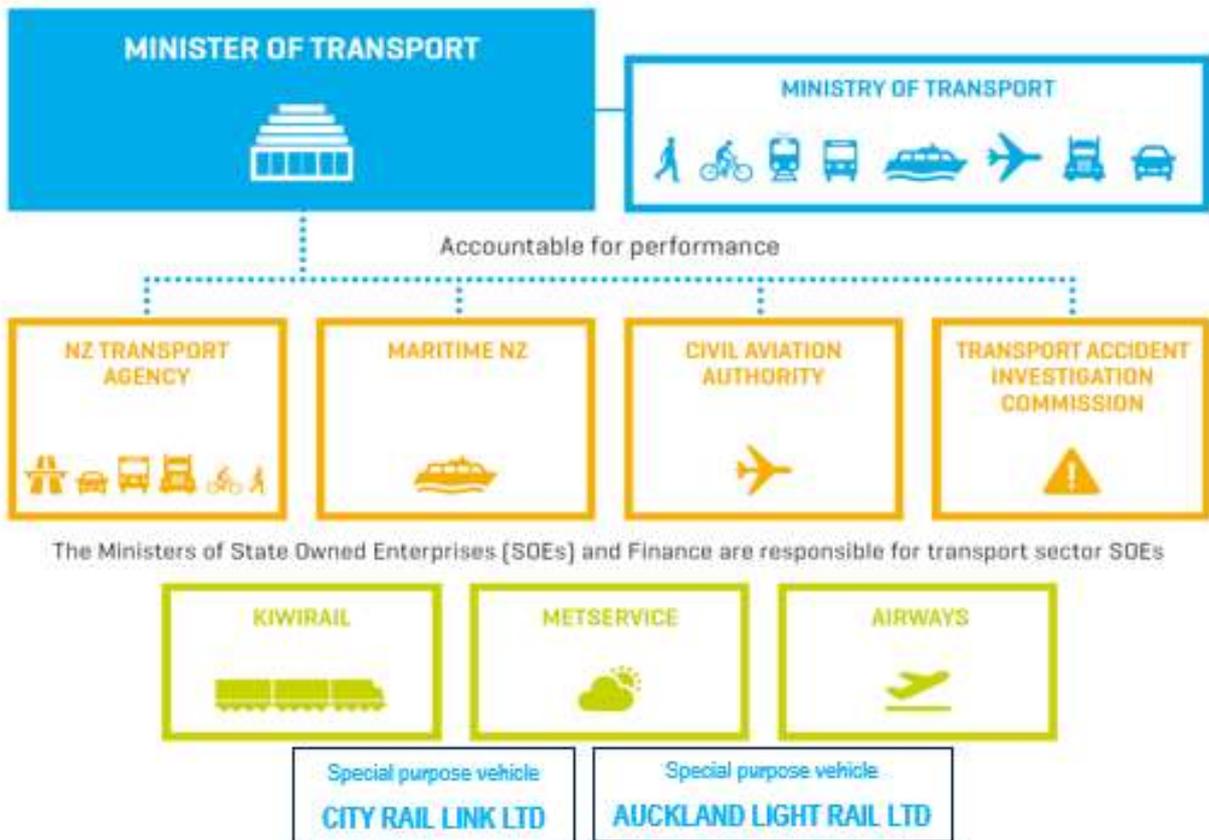
There are several key actions under this strategy. These include application of safe and appropriate road speeds, road safety infrastructure and speed cameras, penalties, enforcement, improving vehicle safety standards and working with industry to improve work-related road safety. These actions are critical if we are to start achieving a safer roading network with far fewer deaths, but they can be controversial and require high levels of engagement and socialisation with local government. You will play a key leadership role in this work, including chairing the Road to Zero Ministerial Oversight Group.

Further advice

This BIM sets out the commitments and choices that you have to shape the transport system. Further advice will be provided on these issues as well as other topics identified in the remainder of this BIM.

The transport sector

The diagram below shows the make-up of the transport sector. As noted earlier, Appendix 1 provides further descriptions of these organisations.



PART B: WORK PROGRAMME TO DELIVER GOVERNMENT PRIORITIES

PART B: WORK PROGRAMME TO DELIVER GOVERNMENT PRIORITIES

The Ministry’s 2022/23 work programme is framed around key priorities for the Minister, including emissions reduction, transit and funding. This Part reflects work underway supporting those priorities. Work across these areas accounts for most Ministry resourcing and activity.

Transport funding and the Government Policy Statement on Land Transport 2024

GPS 2024

In 2020, the Government Policy Statement on Land Transport 2021 (GPS 2021) was issued. GPS 2021 envisaged the transformation of the land transport system over ten years.

Shortly after the GPS was published, it became apparent that revenue in the NLTF would be insufficient to deliver the full extent of the Government’s priorities. To ensure the continuous delivery of transport commitments, Waka Kotahi received a \$2 billion loan from the Crown to deliver the current land transport programme.

The Ministry undertook work with the Treasury and Waka Kotahi to review revenue settings in light of the loan. To pay for the Government’s priorities in land transport, the Land Transport Revenue Review suggested either increases in fuel excise duty and road user charges or alternative funding sources, such as Crown funding.

You will have the opportunity during work on the next GPS to set or recalibrate the Crown’s land transport investment strategy and review revenue settings. § 9(2)(f)(iv)

The next GPS – GPS 2024 – is legislatively required to come into effect on 1 July 2024. Past practice has been to release a draft GPS the year prior to it coming into effect – though this is not a legislative requirement. The Ministry has worked closely with the previous Minister of Transport to develop the Draft GPS 2024 over the last year.

§ 9(2)(f)(iv)

s 9(2)(f)(iv)

The previous Minister of Transport had discussed the timing of Draft GPS 2024 release with the Minister of Finance and the Prime Minister. You may wish to discuss this issue with them.

Future of the (Land Transport) Revenue System

The Future of the (Land Transport) Revenue System is a longer-term piece of work and is part of the Ministry's stewardship role. It is a first principles look at how the land transport revenue system might be configured in future to make it more sustainable in our changing context of climate change and increasing cost pressures. This work is significant in scale.

The ambition for this work is to enable New Zealand to move with confidence and certainty towards a new, or renewed, transport revenue system that will be fit for purpose for the next 30 to 50 years. New Zealand has been unusual in having a transport revenue system that has been able to sustainably meet a consistent set of system costs. A key challenge is achieving the same result for a transport system that will look different in future.

Next steps

For your information, the Ministry will provide a briefing at the end of June 2023 that outlines the policy work to date, including a description of the problem, principles and criteria for decision-making, possible solutions, and next steps.

Road User Charges reform

All vehicles used on our roads that are not fuelled by petrol (e.g. fuelled by diesel or electricity) or have a gross vehicle mass greater than 3.5 tonnes (primarily trucks, buses, and some trailers) pay RUC.

Light EVs are exempt from RUC until 31 March 2024 and heavy EVs are exempt until 31 December 2025 to incentivise the uptake of these vehicles. Extending these RUC exemption end dates would provide additional time for EVs to reach two percent of the national vehicle fleet (the intention of their exemption) and for legislative amendments to be put in place to smooth the incorporation of light EVs into the RUC system. Light EVs are tracking at 1.5 percent of the light vehicle fleet and are expected to reach two percent by 2025.

In 2022, the Ministry consulted on potential changes to the RUC system, including on how to transition EVs into RUC when their exemptions end. A Cabinet paper was due to be considered by the Cabinet Economic Development Committee (DEV) on 21 June seeking:

s 9(2)(f)(iv)

s 9(2)(f)(iv)

National approach to rapid transit

As part of the June 2022 Cabinet paper on Let's Get Wellington Moving, The Ministry was commissioned by Cabinet to develop a national approach to funding and financing rapid transit given the pressure on the NLTF, large upfront capital costs, and the current ad hoc approach to funding. A rapid transit framework providing guidance on a wide range of planning and delivery topics is also under development, and the rapid transit funding and financing work will be incorporated.

There are two policy projects underway on the Government's overall approach to mass rapid transit:

- **Rapid Transit Framework:** the previous Minister of Transport had commissioned a framework for new rapid transit projects and provided comment in April 2023. The framework is intended to set out relevant government expectations for projects where central government support is sought.
- **Statutory review of Waka Kotahi's functions regarding rapid transit projects:** Waka Kotahi's functions on rapid transit are based on a direction issued on 14 May 2018 under section 112 of the Crown Entities Act 2004. The responsible Minister is required to review directions issued in this manner five years after they are given. We are preparing advice regarding the process for that review. The function provides the basis for an application Waka Kotahi has with the Ministry for the Environment for requiring authority status for rapid transit projects.

Next steps

Rapid Transit Framework: Consultation with agencies on the framework has identified there are significant issues affecting how rapid transit projects are delivered. We intend to report back in July on these issues and options for incorporating them into a more complete framework (which may involve deferring the framework until after the election). The framework would need Cabinet approval before it is released.

Statutory review: We are preparing advice for late July regarding the timeframes and consultation process for the review of the function. The function remains in place until you make a decision to change it.

All issues will be of interest to the Ministers of Finance, Housing, Infrastructure and Local Government.

New Zealand Upgrade Programme (NZUP) cost escalations

NZUP is a programme of road and rail projects focusing on improving safety, reducing emissions, supporting housing objectives and providing better travel choices while providing economic growth to firms and households. It is being delivered by Waka Kotahi and KiwiRail, and monitored by the Ministry and Treasury. The total approved funding for the programme is \$8.726 billion. s 9(2)(f)(iv)

The programme includes 22 projects / packages: 13 with Waka Kotahi and 9 with KiwiRail. These are located in the main growth areas including Auckland, Waikato, Bay of Plenty, Manawatū-Whanganui, Wellington, Canterbury and Queenstown, as well as a number of regions. Of these 22 projects / packages, 18 are in or near delivery while the remaining four larger projects are in the business case phase. Some major projects already in construction include:

- Takitimu North Link Stage 1 in the Bay of Plenty
- SH1 Papakura to Drury in Auckland
- SH58 safety improvements in Wellington
- SH1 / Walnut Ave in Ashburton.

Continued cost escalations and COVID-19 related delays led to Joint Ministers considering options for managing cost increases across the programme. In April 2023, Joint Ministers agreed to delegate scope and outcomes decisions to Delivery Agencies for most projects for them to deliver within the approved funding. Ministers have retained decision making for Ōtaki to north of Levin, Marsden Point Rail Link, and the South Auckland Package.

Next steps

A joint briefing from the Treasury and the Ministry seeking approval for the updated delegation structure will be provided in late June 2023. The delegations' letter will reflect decisions made by Joint Ministers in the New Zealand Upgrade Programme: Overarching Advice (reference OC221070).

Waka Kotahi will provide you with advice on Takitimu North Link Stage 1 and seek approval for the South Auckland Package Business case in mid-July 2023.

Congestion charging

In November 2022, Cabinet agreed to legislation allowing New Zealand's cities to introduce congestion charging to reduce congestion, improve trip reliability, and ultimately reduce the need for additional infrastructure. It may also encourage people to change their mode of transport, resulting in lower emissions. Congestion imposes a variety of economic and social costs. It limits people's ability to access work, education, and social opportunities. Congestion charging has been applied in several cities around the world (for example, Stockholm, London and Singapore) and has demonstrated success in reducing congestion.

The Ministry developed a policy framework for congestion charging over the course of 2022. In November 2022, Cabinet approved a policy framework for congestion charging in New Zealand. In May 2023, Cabinet approved the introduction of the Land Transport Management (Congestion Charging) Amendment Bill (the Bill). The Bill enables territorial authorities to propose congestion charging schemes, and to seek approval from the Minister of Finance and the Minister of Transport. If approved, an individual scheme would be implemented through an Order in Council. The Bill is ready to go, but is yet to be introduced.

Next steps

You need to consider whether the Bill should be introduced before the general election or in the new Parliamentary term. The previous Minister of Transport was working to achieve cross-party support for the first reading.

Road tolling

Road Controlling Authorities (RCAs) can toll a new road under the LTMA if you agree to recommend a tolling order.

As system lead and statutory advisor for transport, the Ministry interprets the tolling proposals for the Minister, liaise with RCAs, and advise on the legislative process to establish a tolling order.

The LTMA has a high bar for establishing a toll, including a limitation that it can only be used for new infrastructure and there must be an alternative free route. In the last term, two tolling proposals were put to the Minister: Puhoi to Warkworth (declined) & Penlink (accepted). In both cases, the Ministry's view was that the proposals did not make a strong case for tolling.

In the case of Penlink, we worked with Waka Kotahi to prepare a Cabinet paper that sought agreement to enable the tolling proposal to be drafted.

Next steps

You will need to decide if you wish to take a LEG paper to Cabinet for the Penlink tolling order. This does not need to occur prior to the general election.

Reducing transport emissions

Transport is one of Aotearoa New Zealand's largest sources of greenhouse gas (GHG) emissions, producing 39 percent of our domestic carbon dioxide (CO₂) emissions, and 17 percent of total GHG emissions. Transport emissions rose more than any other emissions source between 1990 and 2019, with an increase of approximately 80 percent. Action to reduce transport emissions is critical if New Zealand is going to reach its climate targets. From being a big part of the problem, transport can now be a big part of the solution.

The Emissions Reduction Plan (ERP)

In May 2022, the Government released Aotearoa New Zealand's first Emissions Reduction Plan (ERP1). ERP1 outlines an ambitious programme of work comprising more than 300 initiatives across many different sectors. The transport chapter of ERP1 sets out a comprehensive and ambitious approach to reduce transport emissions by 41 percent by 2035 and reach net zero by 2050.

The ERP sets four transport-specific targets that need to be achieved by 2035, to ensure the overarching target can be met.

- Target 1: Reduce total VKT by the light fleet by 20 percent by 2035 through improved urban form and providing better travel options, particularly in our largest cities.
- Target 2: Increase zero-emissions vehicles to 30 percent of the light fleet by 2035.
- Target 3: Reduce emissions from freight transport by 35 percent by 2035.
- Target 4: Reduce the emissions intensity of transport fuel by 10 percent by 2035.

These targets are inter-related. For example, reducing light VKT by making it easier for people to access places without a car (Target 1) supports Target 2. This is because the size of our vehicle fleet will not grow so quickly, reducing the number of zero-emissions vehicles that we will need to import to make up the 30 percent target. The flip side of this is that if we do not meet one or more of these four targets, we will need to make deeper changes in other areas to compensate for this.

Aotearoa New Zealand's long-term emissions reduction targets will be met through a series of emissions budgets that set a 'sinking lid' on total GHG emissions. ERP1 sets out the actions to be taken in the first period to both achieve the first emissions budget and take preparatory actions to meet the second and third emissions budgets:

- Budget period one: 2022-2025 (current).
- Budget period two: 2026-2030.
- Budget period three: 2031-2035.

Key initiatives

The transport chapter of ERP1 is framed around four interdependent focus areas. There are specific actions for each focus area and each action has several detailed initiatives attached:

- Focus area 1: Reduce reliance on cars and support people to walk, cycle and use public transport.
- Focus area 2: Rapidly adopt low-emissions vehicles.
- Focus area 3: Begin work now to decarbonise heavy transport and freight.

REDUCING TRANSPORT EMISSIONS

- Focus area 4: Advancing cross-cutting and enabling actions.

The Ministry and Waka Kotahi are responsible for delivering most initiatives from the transport chapter, working closely with the other transport agencies, local government, relevant government departments, stakeholders and iwi. An overview of the key initiatives the Ministry is progressing under each focus area is outlined below. The Ministry has begun planning for ERP2, which will deliver on the second budget period between 2026-2030 and lay further groundwork for the third budget period between 2030 and 2035. ERP2 will be published in December 2024. Unlike ERP1, which came into force as soon as it was published, there will be a one-year preparation period between the publication of ERP2 and it coming into effect on 1 January 2026. This will also be the case for all future ERPs.

Focus area 1: Reduce reliance on cars and support people to walk, cycle and use public transport.

Initiatives in focus area 1 relate to improving walking and cycling infrastructure, improving the availability and frequency of public transport, and managing traffic more efficiently and effectively (e.g. via pricing schemes). These initiatives need to be supported by integrated transport and land use planning, such as medium to high density mixed-use urban development connected by public transport and active travel networks. This will reduce the need for people to use cars to access their everyday needs.

A large proportion of these initiatives are at the implementation stage and therefore being led by Waka Kotahi.

Three critical components are underway to support planning in this area, which will need your attention:

- 1 **A national light VKT reduction plan** that will outline what needs to be done to effectively reduce light VKT while creating better cities for people. Waka Kotahi is leading work on this plan, with support from the Ministry. A completed plan will be ready for your consideration by early July 2023.
- 2 **Sub-national VKT reduction targets for major urban areas.** The Ministry has developed draft targets for Tier 1 urban areas, which will need to be agreed by Cabinet before they are confirmed and published. A Cabinet paper is ready for your consideration. These targets were intended to be published by 30 June 2023. Targets for Tier 2 urban areas are currently on hold.
- 3 **Urban VKT reduction programmes** will outline what it will take to meet the sub-national VKT reduction targets in each urban area. They will be guided by the national light VKT reduction plan. Waka Kotahi is developing these urban programmes with councils, iwi, and communities. Programmes for Tier 1 urban areas are intended to be completed by the end of 2023, and programmes for Tier 2 areas completed by the end of 2024. Waka Kotahi may seek your agreement to push back the timeframes for some of the Tier 1 urban programmes.

Focus area 2: Rapidly adopt low-emissions vehicles.

Nearly 70 percent of all transport CO₂ emissions are from cars, SUVs, utes, vans and light trucks. There is considerable work underway designing and implementing policy initiatives to reduce

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emissions from our vehicle fleet. These policies give effect to actions in the ERP to ensure we have cleaner vehicles entering the fleet, that we lower the emissions from vehicles already in the fleet, and that we remove high emission vehicles from the fleet. Specifically, the Ministry is currently working on the following policies.

Policy	What this entails and why it is important?	What has been committed to, and what is the status of the work?
Clean Vehicle Discount	<p>The Clean Car Discount scheme provides rebates to buyers of battery electric and other low emission vehicles and is funded through charges on higher emission vehicles.</p> <p>The Scheme has outperformed Government and industry expectations and consequently, in May 2023, the Government changed the schedule of rebates and charges to ensure the Scheme is financially sustainable. The new schedule comes into effect on 1 July 2023 and focuses rebates on the lowest emission vehicles and widens and increases charges.</p>	The scheme requires ongoing monitoring and is likely to require an updated schedule in 2024 to ensure income from high emission vehicles matches the cost of funding rebates.
Clean Car Standard	Requires vehicle importers to meet emissions targets for all vehicles they import over a year. They will receive credits for low-emission vehicles and charges for high-emitting vehicles. This Scheme is designed to progressively reduce the CO ₂ emissions of vehicles entering the fleet.	The Standard's targets require periodic review. If they are too high, or too low, they may need adjustment. The first review will be done in 2024 as required by the legislation for the Standard.

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Euro 6/VI	<p>Aotearoa and Australia are the only developed countries in the world that do not yet require a modern emissions standard (Euro 6/VI or equivalent) to reduce noxious emissions from motor vehicles.</p> <p>To address this, in 2021 Cabinet agreed to amend the Land Transport Rule: Vehicle Exhaust Emissions 2007 (the Rule) by the end of 2022 to require Euro 6 for light vehicles entering the fleet. This decision was expanded to include heavy vehicles in the Government's 2022 Emissions Reduction Plan.</p> <p>On 3 May 2023, Cabinet agreed to commence public consultation on the implementation dates for the Euro 6/VI emissions standards and the specific changes needed to the Rule.</p>	<p>Consultation on the draft Rule closed on 22 June 2023.</p> <p>A briefing proposing any changes to the draft Rule, as a result of feedback from the public consultation will be provided by 30 August 2023.</p>
EV Charging Strategy	<p><i>Charging our Future: National electric vehicle charging strategy for Aotearoa New Zealand</i> signals the Government's long-term vision for EV charging infrastructure and sets priorities for how it will support its development. It will ensure coordination and consistency in the planning and roll-out of our national EV charging infrastructure over the short- and long-term and clarifies and sets expectations for actions and responsibilities across a range of key stakeholders at the national, regional and local level.</p>	<p>A draft Strategy was released for public consultation in March. Following this, officials have updated the Strategy and developed an associated 1-3 year government work programme. The updated Strategy, proposed work programme, and an associated Cabinet paper were provided to your office and the Minister of Energy and Resources (who is jointly responsible for this work) on 22 June. The paper asks Cabinet to agree to release the final Strategy and associated work programme.</p>

Focus area 3: Begin work to decarbonise heavy transport and freight

Despite being a small proportion of the total vehicle fleet, heavy vehicles (primarily trucks) make up around a quarter of our total transport emissions because they frequently travel long distances and are significantly heavier than light vehicles. The major opportunity to decarbonise our road freight fleet will come from transitioning to zero emissions heavy vehicles (ZEHVs), which are now starting to be widely commercialised. Transitioning our heavy vehicle fleet will require changes to our transport regulatory system, investment in supporting infrastructure, regulating imports (e.g. zero

emissions sales mandate) and funding support in the short term to overcome price barriers as ZEHVs are significantly more expensive than their diesel equivalents.

The key initiatives underway to contribute to focus area 3 are implementing a Clean Heavy Vehicle Grant Scheme and exploring other options to incentivise uptake of ZEHVs, a review of the regulatory barriers to ZEHVs and implementing the Future of Rail programme which supports mode-shift to rail.

Policy	What this entails and why it is important?	What has been committed to, and what is the status of the work?
<p>Clean Heavy Vehicle Grant Scheme</p>	<p>In the near term ZEHVs will cost considerably more than their diesel equivalents. The purpose of this Grant Scheme is to support ‘first movers’ by addressing the purchase price barrier to the adoption of ZEHVs in New Zealand.</p> <p>This Scheme will provide grants towards the purchase of low emission heavy vehicles, including trucks, vans (over 3.5 tonnes) and non-public transport buses. This is intended to continue building the transport sector’s confidence to invest in the adoption of these vehicles and provide market signals that encourage the supply of these vehicles into New Zealand.</p>	<p>The Government has set aside \$30 million in Budget 2023 for the Energy Efficiency and Conservation Authority (EECA) and MBIE to implement the scheme. This scheme is being led by the Minister of Energy and Resources.</p> <p>This has been included in the Freight and Supply Chain Strategy as a priority action for year one of strategy implementation.</p> <p>s 9(2)(f)(iv)</p> <p>We will continue to explore options for the next steps on incentivising uptake of ZEHVS including a self-funding scheme (similar to the Clean Car Discount), and ZEHV sales mandate to ensure future supply of ZEHVs.</p>

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<p>Removing regulatory barriers to Zero Emission Heavy Vehicles</p>	<p>ZEHVs require larger dimensions than their diesel equivalents to accommodate the weight and position of the batteries and/or hydrogen fuel cell stack. This leads to regulatory barriers to some ZEHVs operating on our roads such as axle weight limits and length restrictions.</p> <p>We want to identify and work to remove these barriers where possible, to give the sector long-term confidence that ZEHVs can be used on our roads.</p>	<p>The Ministry and Waka Kotahi agree that a review needs to be undertaken on the regulatory system to enable Zero Emissions Heavy Vehicles (ZEHVs) on our roads, of which VDAM will form a part. This will form part of the wider review of the vehicle standards regulatory framework</p> <p>The indicative timeframe for this work is for it to be completed by 2025, based on an agreement between the previous Minister of Transport and the Minister of Energy and Resources to enable operation of hydrogen heavy road vehicles.</p> <p>Beginning this work has been identified in the Freight and Supply Chain Strategy as a priority action for year one of strategy implementation. Detailed work programme scoping will take place in the second half of 2023.</p>
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Other key initiatives to support the decarbonisation of heavy transport and freight include implementing actions for heavy vehicle charging in the proposed EV Charging Strategy.

While international maritime and aviation emissions are not counted as part of Aotearoa New Zealand's domestic emissions budgets, it is also important to focus on reducing these emissions, especially because the Climate Change Commission is due to report by the end of 2024 on whether they should be included in our domestic targets.

In late June, officials from the Ministry are leading Aotearoa New Zealand's delegation to the International Maritime Organization (IMO) in London, where we expect a Strategy setting an international maritime emissions reduction target to be adopted. The New Zealand delegation (which includes colleagues from the Ministry of Foreign Affairs and Trade (MFAT) and Maritime NZ) are pushing for a high-ambition target consistent with Paris Agreement commitment to keep global temperature rise below 1.5 degrees, although this outcome is not certain.

A Cabinet mandate sets the parameters for the New Zealand delegation's position. Depending on the outcome of the current negotiations, this mandate may need to be updated in late 2023 or early 2024. The Associate Minister of Transport is responsible for this area of work, although a wider group of Ministers, including the Ministers of Climate Change, Foreign Affairs, Environment, and Oceans and Fisheries, have a role in overseeing and updating the negotiating mandate as appropriate. Once the international Strategy has been adopted, we plan to advance the ERP1 action to set a national action plan to reduce maritime emissions, consistent with the international direction. New Zealand is a significant distance from many of its important markets. Opportunities to reduce international shipping and airfreight emissions are particularly important for New Zealand exports. We are also exploring opportunities to partner with like minded countries on green

shipping corridors. Work is underway to explore the feasibility of a green shipping corridor between New Zealand and Australia.

The Ministry convenes and provides secretariat support to the newly established Sustainable Aviation Aotearoa (SAA) Leadership Group. This public-private partnership was established as an action of ERP1 to provide advice and coordination to accelerate the decarbonisation of Aotearoa's aviation sector. Membership includes representatives from all airports and airlines operating in Aotearoa New Zealand, as well as iwi, aviation industry bodies and associations, and relevant government agencies. The group met for the first time in November 2022 and work has commenced on three working groups (Sustainable Aviation Fuel, Transition to Zero-Emissions Aviation and Strategic).

At its April meeting, the leadership group agreed to produce an updated State Action Plan to decarbonise aviation (a requirement of our membership of the International Civil Aviation Organization (ICAO)) as a key focus of SAA's work in 2023. This is also the mechanism by which we will advance the ERP1 actions to set domestic aviation emissions reduction targets. The next meeting of the leadership group will take place in mid-July.

The Associate Minister is responsible for this area of work.

Focus area 4: Advancing cross-cutting and enabling actions

The fourth focus area of the transport chapter is cross-cutting and enabling actions to support the necessary changes and contribute to achieving a low-emissions transport system. This involves developing a strong evidence base, embedding long-term decision making, developing skills and capability to support the necessary transition in the transport sector, and supporting behaviour change.

Looking ahead: Implementing ERP 1 and developing ERP 2

Implementing ERP1

The Ministry has established an Emissions Programme Office to monitor and report on delivery against the ERP initiatives. You will receive monthly dashboards with progress reporting on your priority initiatives, as well as a more detailed quarterly report.

Good progress has occurred against most of the ERP commitments since May 2022. Key recent highlights include publishing the EV Charging Strategy for public consultation, the introduction of the Land Transport Management (Regulation of Public Transport) Amendment Bill, and the Clean Car Standard becoming fully operational. There has also been good progress on the national VKT reduction plan and urban programmes, and positive action to support a major uplift in bus networks and the bus driver workforce across the country.

Earlier this year, the Government discontinued several transport initiatives, which affected our confidence in meeting the current and future emissions budgets. These initiatives were the Sustainable Biofuels Obligation, Clean Car Upgrade and Social Leasing Scheme.

The latest projections show that the transport sector remains on-track to meet the sub-sector target for the first emissions budget period. This can be contributed to the higher-than-expected emissions reduction associated with the Clean Car Discount, as well as changes in baseline modelling assumptions. However, abatement estimates for the second and third emissions periods have reduced significantly due to the cancellation of the Sustainable Biofuels Obligation. The latest

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projections show that the transport sector is likely to meet the sub sector target for the first emissions budget period due to higher-than-expected emissions reduction associated with the Clear Car Discount and changes in baseline modelling assumptions, although this remains finely balanced.

Looking ahead to the second and third budget periods, the challenge will be significant. The increases in expected emissions reductions for transport jump substantially in both the second and third emissions budget periods, and the decision not to proceed with the Sustainable Biofuels Obligation has considerably reduced transport's projected abatements in these period. These projections emphasise the importance of both delivering maximum reductions during the first budget period, and increasing the ambition of actions in ERP2 to both deliver on the second emissions budget, and set the sector up for success in the third.

Developing ERP2

We are currently planning for transport's contribution to the second ERP, which is due to be released in 2025. The objective of this work is to provide details on how New Zealand and the transport sector will meet the emissions budgets set for 2026-2030 and beyond. Our first tasks are to participate in work led by the Climate Change Interagency Executive Board (which coordinates the climate change response between government agencies) to set overarching priorities for the second ERP and to engage with the Climate Change Commission's draft advice on the strategic direction for ERP2. We are also starting more detailed work to develop transport-specific priorities and actions for ERP2. We will brief you before the July CRMG meeting with initial advice about the key transport considerations for ERP2.

Next steps:

Key upcoming decisions for the emissions work programme:

- The final EV charging strategy and an associated draft Cabinet Paper are currently with your office and the Minister of Energy and Resources for consideration. The Strategy could be finalised and published before the Election if Cabinet approves it during the pre-election period.
- A draft Cabinet Paper seeking agreement to finalise and publish proposed sub-national VKT reduction targets for Tier 1 urban areas is also with your office for consideration. These could be confirmed and published close to the 'mid year' timeframe signalled to affected Councils if Cabinet approves them during the pre-election period. Delay until after the election is likely to cause some uncertainty for Councils working with Waka Kotahi to develop their VKT reduction programmes by December 2023.

Key indicative planning milestones for ERP2:

- 2023
 - A briefing will provide you with initial advice about the key transport considerations (prior to the July CRMG meeting) (July).
 - A briefing will update you on the ERP2 strategic direction (October).
 - Climate Change Commission advice will be published (December).
 - Cabinet Paper – setting the strategic direction of ERP2 (December).

- 2024
 - Briefing on the development of ERP2 (April).
 - Climate Change Commission Monitoring of ERP1 published (June).
 - Cabinet paper – final policy decisions on ERP2 (July).
 - ERP2 published (December).

Public transport

National Public Transport Strategy

Under the ERP, Action 10.1.2 (Supporting people to walk, cycle and use public transport) calls for the development of a National Public Transport Strategy (the Strategy). The Strategy will provide principles for planning and funding diverse forms of public transport to enable the development of a national public transport network. This initiative aligns with the Climate Change Commission's draft recommendation for a consistent approach to the planning and funding of transport sector projects.

The Ministry is responsible for developing the Strategy. Officials have started scoping the Strategy, including outlining its purpose and objectives, considering necessary governance arrangements and resourcing requirements.

Officials have met with central government agencies and local government representative bodies to test the Strategy's purpose and scope. These meetings emphasised the importance of a strategy to define what better public transport means for New Zealand, help achieve change at the pace and scale required to meet emissions and VKT reduction targets and supporting the sector to achieve long-term goals and outcomes.

Next steps

Officials are near to finalising the proposed scope. Officials will brief you on the project and seek your agreement to the proposed scope of the Strategy.

Subject to your agreement, we intend for the Strategy's development to commence in August 2023, with the goal of developing a draft document for public consultation by early 2024. We intend for this work to be finalised by the end of 2024 to align with the completion of ERP 2.

Sustainable Public Transport Framework

In August 2022, Cabinet agreed to make legislative changes to establish the Sustainable Public Transport Framework (SPTF). This framework will replace the Public Transport Operating Model (PTOM). The SPTF will ensure that planning, contracting and delivery of public transport services prioritise mode-shift, fair and equitable treatment of employees, and improved environmental and health outcomes. The SPTF reforms will also enable public transport authorities to own and operate public transport services, and to provide a wider variety of service types, such as on-demand services.

The SPTF will deliver and support actions in the Emissions Reduction Plan. The reforms are intended to better enable decarbonisation of the public transport bus fleet.

The Land Transport Management (Regulation of Public Transport) Amendment Bill (the Bill) is before the Transport and Infrastructure Select Committee.

Waka Kotahi is responsible for developing operational policy to implement the SPTF, which will be progressed in parallel with legislative reforms. Waka Kotahi will engage with key stakeholders throughout the development of operational policy.

Next steps

The Bill holds a category 3 priority (to be passed if possible before the 2023 general election) on the 2023 Legislation Programme.

The Transport and Infrastructure Committee is due to report back on the Bill by 31 July 2023. Based on this timeline, there will be four sitting weeks in August to pass the Bill before the House rises.

Bus driver wages and conditions

In December 2022, there was an estimated shortage of 860 public transport bus drivers nationwide, due in part to poor wages and conditions. Difficulties recruiting and retaining bus drivers are significantly hampering the improvements in public transport needed to reduce emissions.

Through Budget 2022, Cabinet allocated \$61 million over four years to improve bus driver wages and conditions. In September 2022, Cabinet agreed to release this funding to meet the first tranche of improvements to driver wages and conditions as agreed by the Bus Driver Conditions Steering Group [DEV-22-MIN-0232 refers]. This first tranche includes increasing base wage rates in the first instance, towards the hourly rates identified by the Steering Group, and where appropriate, the funding can be used to implement penal rates and a split shift allowance. Waka Kotahi is working with public transport authorities to allocate funding.

Through Budget 23, the Government announced a further \$49 million to improve bus driver wages and conditions and to support other initiatives to make bus driving a more attractive occupation.

The Budget 22 and 23 initiatives are intended to improve recruitment and retention of bus drivers, addressing bus driver shortages and allowing more frequent and reliable public transport services.

In most regions PTAs have worked with operators and unions to implement wage increases. The funding provided through Budget 22 has been allocated to support wage increases in most regions. Bus driver shortages have reduced from 860 in December 2022 to 483 in May 2023.

We are working with Waka Kotahi to provide advice to you on the best way to use the funding provided through Budget 23. This advice will follow on from engagement with PTAs, operators, and unions.

Crown support for public transport operating shortfall

The Government has provided additional support for the cost of public transport services in successive years. This has reflected a significant reduction of fare revenue during the COVID-19 pandemic and cost pressures impacting the sector.

The funding is intended to ensure PTAs and Waka Kotahi can meet the cost of existing service levels, and are not required to cut services because of funding constraints.

As part of Budget 23 decisions, the Government agreed that the Ministry, working with Waka Kotahi, will provide the Minister of Finance and you with further advice on an approach for returning to a sustainable funding model for public transport operating costs, and options for managing any further shortfalls.

Implementation of Community Connect and Total Mobility fare subsidies

As part of Budget 22 and Budget 23, the Government announced funding to implement:

- 1 The Community Connect initiative. A nationwide public transport concession, providing a 50 percent discount on public transport to Community Services Card (CSC) holders for peak and off-peak services.
- 2 An extension to Community Connect to provide free public transport fares for under 13s, half-price fares for under 25s (13 to 24 year olds), and the permanent extension of half price fares for Total Mobility users (providing a 50 percent discount to eligible people on taxi rides up to a regionally adjusted cap).

The start date for Community Connect for CSC holders is now 1 July 2023. This has been postponed several times following the introduction and subsequent extensions of the nationwide 50 percent public transport fare reductions. s 9(2)(g)(i)

Public Transport Authorities have been working to deliver the Community Connect extensions by 1 July 2023. We updated you on anticipated regional implementation (OC230511 refers) seeking your comfort and agreement to fund short-term interim implementation options that differ from the Government's announcements in terms of the level of discount received.

Next steps

We are preparing letters for you to confirm Community Connect funding eligibility and thank Public Transport Authorities for their efforts implementing Community Connect.

We expect to provide further implementation advice as we develop options to enhance age verification procedures nationwide and can provide updates on patronage as the Community Connect programme is delivered nationwide.

Total Mobility Scheme Review

In addition to the work underway to implement half price fares for Total Mobility users, the Ministry has started a review of the Total Mobility Scheme. The Total Mobility Review aims to make the scheme more effective and improve the mobility of disabled New Zealanders. We are expecting the review to be completed in the second quarter of 2024. We have developed a draft Terms of Reference (TOR) for the review that includes a proposed scope and have engaged with stakeholders. A draft TOR was provided to the previous Minister of Transport for agreement.

Next steps

The Ministry has provided a draft Total Mobility review TOR (OC230330) to your predecessor's Office. We seek your agreement to the TOR.

Tāmaki Makaurau – Auckland

Tāmaki Makaurau Transport Plan (TMTP)

Alignment between the Government and Auckland Council on transport in Auckland is essential if the economic, social and environmental outcomes sought by Auckland and New Zealand are to be achieved. A shared direction and joint priorities support limited resources and funding being used most effectively and efficiently.

s 9(2)(f)(iv)

Officials have been working to have the plan ready for consideration by the Cabinet Economic Development Committee (DEV) on 19 July 2023. However, this is not a critical date and with some clear communication with the Mayor of Auckland, this could be considered later.

To reach the 19 July DEV meeting, the TMTP would need to move through the Ministerial consultation process on or around 30 June.

Next steps

Officials have prepared a draft Cabinet paper that is ready for Ministerial review and feedback. If considered by Cabinet before the election, officials will seek agreement to the long-term direction, an approach to the 10-year programme, and to a detailed indicative 3-year investment programme.

Waitematā Harbour Connections Project (WHC)

The Government announcement in January 2022 brought forward planning for a fully integrated transport network. The WHC project aims to connect light rail, active modes, and roads across the Waitematā Harbour. It aims to address several issues, including possible capacity issues, increasing resilience risks including due to sea level rise and flooding on SH1, and the need to reduce carbon emissions. There have been many previous studies looking at connections across the harbour, most recently a programme business case in 2020.

Waka Kotahi has been leading an Indicative Business Case (IBC) process to determine an emerging preferred option by mid-2023, with business case completion scheduled for early 2024. The Ministry has supported the Minister of Transport with advice on outcomes, process and potential governance and delivery options. The IBC will build on the findings of the previous business case, and consider relevant updates in policies, context, and related projects including Auckland Light Rail.

In March this year, the Prime Minister and Minister of Transport relayed that there would be an announcement about the emerging preferred option in mid-2023.

s 9(2)(f)(iv)

s 9(2)(f)(iv), s 9(2)(g)(i)

Auckland Light Rail (ALR)

Auckland Light Rail (ALR) is a project that will dramatically expand Auckland's rapid transit network. It is intended to provide for significant urban development along the corridor.

Approximately one million more people are expected to live in Auckland over the next 30 years, and this growth will place further pressure on the city's transport systems. As a transport solution, light rail will be capable of carrying up to 15,000 passengers per hour at peak. An integrated urban and transport business case will demonstrate how the project will provide wider benefits, such as housing, employment, and economic development outcomes.

Following an Indicative Business Case, the project is now in the Detailed Planning Phase. This is expected to take two years, with the Government expected to make a final investment decision in mid-2024. This includes:

- Auckland Light Rail Limited (ALRL) completing a detailed transport business case, a corridor strategic framework, technical assessments, master planning, and community and stakeholder engagement.
- A significant cross-policy work programme, being led by the Ministry. The work programme includes preparing options for the future ownership and operating model, delivery entities, funding and finance approaches, and a business disruption framework.

ALR Sponsors

You are a shareholding Minister in ALRL, alongside the Ministers of Finance and Housing. This reflects the fact that the Crown has funded this phase of the project. You are all Sponsors of the project alongside the Mayor of Auckland, Wayne Brown, Auckland Councillor Chris Darby and three mana whenua Sponsors: Karen Wilson, Ngarimu Blair and Paul Majurey. The Minister of Transport has a key relationship management role and works closely with all Sponsors. This is to ensure the respective views are considered and to support consensus decision-making when Sponsors meet.

Both Auckland Council and mana whenua of Tāmaki Makaurau have significant roles in partnering with the Crown to deliver the ALR project. Sponsors have retained critical decisions in shaping the business case which reflects the fact that policy and strategy decisions to be made by Government and Sponsors are still to be made in this phase of the project. For example, how the project is funded and financed and how the urban outcomes are realised.

The Ministry supports you and the other two Ministers with advice to help your decision-making on the detailed business case.

s 9(2)(f)(iv)

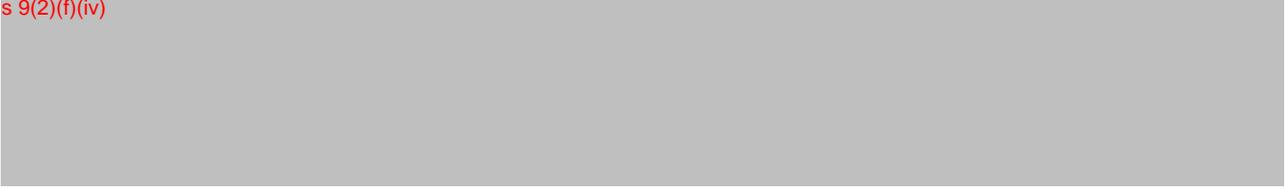


Lodgement of the Notice of Requirement (NoR) for the route and stations of the project

This is a critical decision for Sponsors and is intended to be taken in early August. Sponsors will be asked to make this decision informed by the business case work led by ALRL. s 9(2)(f)(iv)



s 9(2)(f)(iv)



The following project budget allocations from Vote Transport have been made for the period 2021/2022 to 2024/2025:

- \$189 million to ALRL. This budget enables them to undertake the necessary work as required for the Detailed Planning Phase.
- \$9.6 million to the Ministry. This covers the cross-policy work programme which we are leading.

Next steps

The Minister of Transport has been the lead Sponsor, chairing Sponsor meetings and holding regular relationship meetings with ALR Ltd (ALRL). The next Sponsor meeting is scheduled for 9 August 2023. A Sponsor Workshop has been agreed to by Sponsors and needs to be scheduled for early July (prior to this meeting). Support from the Minister and his office is required for this.

s 9(2)(f)(iv)



The Auckland City Rail Link

The City Rail Link (CRL) is a 3.45 kilometre underground tunnel that will connect Maungawhau (Mt Eden) station to Waitemata (Britomart) station, allowing the Auckland rail network to at least double its capacity. The CRL is jointly funded (50/50) by the Government and Auckland Council.

CRL is being delivered by City Rail Link Ltd (CRL), a Schedule 4A company under the Public Finance Act. CRL was established in 2017 and is monitored by the Ministry. Shareholders are the Ministers of Finance and Transport, and the Mayor of Auckland. Decisions on the future of the CRL project should be made jointly - with all shareholders in agreement. On completion, CRL will hand over the CRL project and associated assets to Auckland Transport and KiwiRail, after which Auckland Transport will operate rail services on the expanded network.

With the majority of the civil works completed, as at mid-2023 the CRL project is now moving into a complex second phase comprising the fit out of tunnels and stations, and the integration of rail systems. This phase also requires significant engagement and investment by delivery partners Auckland Transport and KiwiRail to mitigate the risks of delay and cost increases, and maximise the benefits achievable from day one of operation.

In April 2023, project Sponsors approved a request for additional funding from CRL to address delays and increased costs (the majority caused either directly or indirectly by COVID-19), with each Sponsor paying for half of the increased costs. At the same time, the practical completion date was amended to November 2025. The new practical completion date of November 2025 would potentially enable public operations to start by mid-2026. The project's total cost was estimated with a funding envelope of \$3.4 billion at the time it was established. The revised cost envelope for completing the entire CRL project now totals \$5.493 billion.

The next step is for the Minister of Transport and Minister of Finance to co-sign a variation to the CRL Project Delivery Agreement (PDA) resulting from commercial negotiations by CRL and a related funding request, which has been approved.

The acting Minister of Transport and the Minister of Finance were recently provided advice on a proposal for oversite housing development at Mt Eden and Karangahape CRL stations. The proposal was produced by Eke Panuku and Kāinga Ora. Shareholding Ministers' approval is required for the land development proposal, and a decision should be made soon.

s 9(2)(f)(iv)

s 9(2)(f)(iv)



Next steps

The Minister of Transport and Minister of Finance need to co-sign a variation to the CRL Project Delivery Agreement (PDA) resulting from commercial negotiations by CRL and a related funding request, which has been approved.

Shareholding Ministers' approval is required for the land development proposal, and a decision should be made soon.

The Link Alliance and CRL have produced a delivery strategy to track subcontractor requirements against capacity, and performance in this area is monitored closely.

Cities and placemaking

Let's Get Wellington Moving

Let's Get Wellington Moving (LGWM) is a large programme of work to improve Wellington's transport system and support urban development and intensification. The Crown is providing 60 percent of the funding for the programme through the NLTF, with the Greater Wellington Regional Council and Wellington City Council contributing the remaining 40 percent. To date, Waka Kotahi has represented the Crown, but there may be a case for more direct Crown involvement in governance and decision making. The Ministry can provide you with advice on LGWM, including governance, next steps and decisions that will need to be made.

The LGWM programme is a mix of state highway improvements, investment in mass rapid transport (MRT) infrastructure and a broad range of smaller changes to provide bus priority and improve the ability of people to walk and cycle around the city. Construction is underway on some of the initial smaller changes, and the rest will be rolled out between now and 2029.

A detailed business case for the state highway and MRT investments is under active development and scheduled for completion in December 2024. Construction on these aspects of the programme is not expected to start until 2027. It was originally intended that the Crown's share of LGWM funding (approximately \$4.4 billion over 30 years) would come from the NLTF, with financing arrangements for the MRT component. The NLTF is under pressure, and without increases in revenue, is not a viable option to fund the Crown's share or repay any financing.

s 9(2)(f)(iv)



Local government will soon need to start work on Long Term Plans for next year. It is possible that local politicians may approach Ministers seeking clarity on funding and financing arrangements before the election.

Te Manatū Waka has not formally been involved in governance of LGWM to date. Minister Wood had regular meetings with the LGWM partners.

Next steps

We do not expect that Ministers will need to make any decisions on LGWM before the election. It is possible that updated cost estimates may become available, necessitating decisions from Ministers on the way forward. Wellington City Council is considering its position on LGWM on 29 June 2023.

Christchurch mass rapid transit

The Whakawhanake Kāinga Kōmiti (WKK), the Urban Growth Partnership for Greater Christchurch, was established in 2022. It comprises members of the Greater Christchurch Partnership (a voluntary coalition of local government, mana whenua and Waka Kotahi) and the Crown represented by the Ministers of Housing and Local Government. Other Ministers may attend meetings where relevant.

The WKK's spatial planning work programme involves three projects – developing the Greater Christchurch Spatial Plan and the Greater Christchurch Transport Plan, and investigating Mass Rapid Transit (MRT). These projects work together and are designed to make transformative change in Greater Christchurch. WKK has undertaken public engagement on the draft spatial plan and proposed transport interventions to inform its development. The draft spatial plan has been endorsed by WKK and is due to be considered for Cabinet endorsement in July 2023. The plan is out for further consultation.

Waka Kotahi has completed the Indicative Business Case on MRT. It was endorsed by WKK on 12 May 2023 and will go to the Waka Kotahi Board for its endorsement in July 2023. As s 9(2)(f)(iv) Waka Kotahi intends to continue community engagement and other preliminary work while further funding s 9(2)(f)(iv)

Next steps

The previous Minister of Transport requested initial advice from the Ministry and Waka Kotahi regarding potential governance arrangements for the next phase of the project. We are investigating options for this, but the lack of confirmed funding arrangements is likely to be a significant obstacle to coming up with firm options due to the close relationship between funding and governance representation.

There are no ministerial governance arrangements for the next phase of the MRT project – an issue our work on governance will consider.

Reforming the resource management system

The Ministry is supporting the Ministry for the Environment in developing the Natural and Built Environment Bill, the Spatial Planning Bill, and the National Planning Framework. A key focus has been ensuring the new system is as fit for purpose as possible from a transport perspective.

The Natural and Built Environment Bill has changes that will be beneficial for transport, including making it easier to respond to natural disasters and emergencies and to protect transport corridors. Enabling longer term spatial planning through the Spatial Planning Bill will make it easier to plan and deliver new and improved transport infrastructure.

With resource management reform now pivoting to transition and implementation, the Ministry is ensuring the transport system is well positioned to do this effectively. It is working with the transport agencies, so they understand how the new resource management system is going to work, and what the changes mean for the part of the transport system they are responsible for.

A new and important function for the Ministry will be leading the work with the transport agencies to determine the central government transport priorities for a region as part of the process for

CITIES AND PLACEMAKING

developing a Regional Spatial Strategy (RSS). The Ministry is looking at how it can organise itself, so it is well set up to take on this new spatial planning function.

The Ministry will continue to work with the Ministry for the Environment and the Spatial Planning Policy Office to influence the transition to and implementation of the reforms.

The main role for the Minister of Transport is to ensure the transport perspective is reflected in design and implementation of the reforms.

For transport, over the coming months, it is important that:

- Transport infrastructure is enabled in the new system.
- Transport agencies have certainty on which regions to focus effort on and when as part of the roll out of the reforms.
- There are clear timeframes for transitioning each region into the new system so those designing and building transport infrastructure are clear on what consenting pathway to follow (i.e. current processes in the Resource Management Act 1991 or the new system).
- There is certainty on how future projects are identified in the RSS process and the level of detail required to enable that.

Next steps

The Minister of Transport is likely to be asked to make decisions on a small number of policy issues relating to the Natural and Built Environment Bill and the Spatial Planning Bill as they progress through the legislative process. We will provide you with advice as required.

Reshaping Streets regulatory changes

Cabinet confirmed final policy approvals for the Reshaping Streets regulatory changes on 22 May 2023. This decision has not yet been publicly announced.

Next steps

To implement most of these changes, a new 'Street Layouts' land transport rule needs to be signed by the Minister of Transport. This rule will come into effect 28 days after it has been signed and then gazetted by Waka Kotahi.

To enable the new rule to come into effect before the pre-election period, these changes need to be publicly announced and the rule needs to be signed in early July. We have prepared a briefing seeking Ministerial agreement to the new rule.

Resilient supply chains

Aotearoa New Zealand Supply Chain Strategy

New Zealand's supply chains face challenges and opportunities from climate change, shifting international geopolitics, technological advances, and changing demographics. The COVID-19 pandemic made vulnerabilities in the supply chain more visible, contributing to a higher cost of living and harming our export sector. These kinds of disruptions are likely to increase in frequency and severity given the challenges outlined above.

For New Zealand to continue to thrive in this context, we need to take a more strategic approach to our freight and supply chain system. ^{s 9(2)(f)(iv)}

The scope of this work included issues on the future of our ports network, road freight, rail freight, air freight, freight hubs, coastal shipping, and international shipping. The Strategy sets a long-term pathway for a freight and supply chain system that is:

- zero emissions
- resilient
- productive
- safer and more equitable.

In developing the Strategy, we engaged extensively with private and public sector partners, and ran a public consultation on an issues paper. The Strategy is framed as an initiation document for joint work involving all participants in the freight system, over the short, medium and long term, on a range of critical opportunities and challenges. This Strategy also delivers actions in the Emissions Reduction Plan and the National Adaptation Plan.

^{s 9(2)(f)(iv)}

Northport dry dock business case

The Government faces a decision on supporting the development of a dry dock and marine maintenance facility at the Northport facility in the Whangārei Harbour. Currently, vessels larger than 21.8m in the beam must travel offshore to Australia or Southeast Asia to dry-dock. This creates resilience issues, increased vessel down-time and significantly increases the carbon footprint of the maintenance activity. New Zealand also has an increasing number of vessels

RESILIENT SUPPLY CHAINS

entering its waters. The Ministry of Business, Innovation and Employment (MBIE) undertook work under the previous government. Northport has been leading much of the work to date.

s 9(2)(f)(iv)

Engagement with mana whenua is an important part of the project.

Next steps

The Minister of Transport was scheduled to attend a hui in Whangārei on 30 June 2023 to meet with representatives from Ngatiwai, Te Parawhau and Patuharakeke, and meet with Northport and Marsden Maritime Holdings (land owner at Marsden Point, and 50 percent owner of Northport) to discuss the project and any next steps. This came as a direct request from hapū and iwi representatives. s 9(2)(f)(iv)

Ports and the Manukau Harbour feasibility study

Ports and connections to their communities play an integral role in New Zealand's freight and supply chain system - about 99 percent of traded goods by weight flow through our ports. As nationally significant infrastructure, there is a need to ensure ports are resilient to long-term threats and highly productive to support our economic prosperity. Part of this will be to better understand the spatial connections of ports to strengthen critical freight corridors alongside alternative port models. Additionally, ports in the upper North Island may reach their maximum capacity over the next few decades.

For the upper North Island port capacity issues, the previous Minister of Transport requested advice on the suitability of Manukau harbour as a future port. The Ministry commissioned a study which will report on the harbour's technical feasibility. Engineering consultants, Tonkin & Taylor, is undertaking the study. An interim report will be delivered to you by July 2023, with final work to be completed by the end of 2023 or early 2024.

Next steps

You can expect advice on actions the Government can take to improve the productivity and resilience of our port network. s 9(2)(f)(iv)

Following the conclusion of the feasibility study into Manukau Harbour as a potential future port location we will engage with you on the future of upper North Island ports.

Delivery of the New Zealand Rail Plan and Rail Network Investment Programme (RNIP)

The Future of Rail review (the Review), involving the Ministry, the Treasury, Waka Kotahi, and KiwiRail, assessed the role of rail in New Zealand and implemented a new planning and funding framework to restore the network to a reliable and resilient state.

As a result of the Review, the Government outlined its strategic vision and priorities for investment through the New Zealand Rail Plan (Rail Plan), published in 2021. The Rail Plan established an overarching goal to achieve a resilient and reliable rail network, with strategic investment priorities of:

- Investing in the national rail network to restore rail freight and provide a platform for future investments for growth.
- Investing in the metropolitan rail network to support growth and productivity in our largest cities.

The previous Minister confirmed that existing priorities within the Rail Plan will remain, and to use GPS 2024 to provide additional investment signals for rail. He also agreed for the Ministry to develop an updated version of the Rail Plan to inform the development of GPS 2027.

Based on the Rail Plan, the Rail Network Investment Programme (RNIP) sets out planned network maintenance, management, renewal and improvement work on the national rail network. The first RNIP was approved in 2021. KiwiRail has made considerable progress over the first two years of the RNIP, with around \$550 million being spent to date. However, there is still a significant amount of work required to deliver a resilient and reliable network.

s 9(2)(f)(iv)

RNIP 2.0 (2025 - 2027) is under development by KiwiRail and will be reviewed by Waka Kotahi.

The Ministry also worked with the Treasury, the Public Service Commission and KiwiRail to prepare an entity form review of KiwiRail and the New Zealand Railways Corporation. This concluded both should remain State-Owned Enterprises, with improvements to reporting transparency and integrated oversight arrangements.

Next steps

KiwiRail will seek further funding from Budget 2024. The Minister will need to decide on rail outcomes of Budget 2024 as well as approve RNIP 2.0 (2025 - 2027).

Project IREX - the replacement of KiwiRail's Cook Strait ferries and the upgrade of associated landside infrastructure [in confidence]

In June 2021 KiwiRail signed a contract for two large rail-enabled ferries under a fixed price

s 9(2)(b)(ii)

RESILIENT SUPPLY CHAINS

s 9(2)(b)(ii)

Project IREX is being considered by the Minister of Transport and KiwiRail shareholding Ministers (the Minister of Finance and the Minister for State Owned Enterprises).

Next steps

s 9(2)(b)(ii)

Metro rail operating model

The way metropolitan rail is funded and managed is not sustainable and work is underway to refine and fully implement a metro rail operating model. This will follow on from an independent review into KiwiRail's handling of maintenance of the Wellington network which led to speed restrictions in 2023, and the identification of advanced rolling contact fatigue on the Auckland metro rail network in 2019 and 2020. Both these events led to significant passenger disruptions across both networks. Cumulative disruptions before and following these events also raised questions about KiwiRail's functionality and key issues in the metro space.

In July 2022, the Ministry released the report prepared by Deloitte on Rolling Contact Fatigue in the Auckland Metro network, a maintenance-related safety issue. One of the key recommendations is to undertake a review of the Metro-Rail Operating Model (MROM), which sets the overarching policy framework for the operation of metropolitan rail services in Auckland and Wellington.

Since the release of this report, key stakeholders worked together to address a range of recommendations. s 9(2)(b)(ii)

Key issues include:

- setting clear expectations on the standards of networks and the quality of service
- funding catch-up renewals
- reviewing the funding settings for ongoing maintenance and operations
- ensuring appropriate asset management planning, governance, monitoring and regulatory oversight are in place.

If these issues go unaddressed, it could lead to further disruptions and restrict the full benefits being realised from CRL in Auckland.

Next steps

s 9(2)(b)(ii)

s 9(2)(b)(ii)

Ultimately, you will need to decide on options to address the metro rail issues. This will include a sustainable approach to Crown and Local Government funding of the metro rail network.

RESPONDING TO EMERGENCIES

Responding to emergencies

The Transport Response Team

The Transport Response Team (TRT) is the Ministry team responsible for operationalizing the Ministry's obligations under the Civil Defence Emergency Management Act and coordinating the Transport sector's response to events. At the time of writing, transport agencies have concluded their response to the current extreme weather and flooding event in Auckland and the upper North Island and Cyclone Gabrielle, and have now moved into Recovery activities with a dedicated Recovery team being established in the Ministry. A key role for the Ministry is contributing to emergency responses around New Zealand, working with other government departments such as the National Emergency Management Agency (NEMA), Department of Prime Minister and Cabinet (DPMC), and the National Security System.

The TRT was activated as part of the Ministry's response to the recent Auckland floods and Cyclone Gabrielle, the Whakāri White Island eruption and the terrorist attack in Christchurch on 15 March 2019. The TRT has also supported other lead agencies with their Response activities, namely the MFAT Russian Sanctions Taskforce, MBIE during the A1 Jet Fuel Shortage in December 2022, and also participates in readiness and monitoring activities: Police-led responses to protest activity, MPI-led Foot and Mouth Disease Planning and NEMA led Mount Ruapehu Unrest planning in April 2022.

Cyclone recovery progress

Work is progressing to recover and rebuild state highway and rail corridors in the regions affected by the North Island weather events. Funding has been secured through Budget 23 for response and recovery works, and we are seeking the necessary Orders in Council (OiCs) to enable any emergency works to occur.

s 9(2)(f)(iv)



On 21 June, the Cabinet Extreme Weather Recovery Committee (EWR) approved formal engagement throughout July, prior to LEG/Cabinet consideration of the final OiCs in early August.

s 9(2)(f)(iv)



s 9(2)(f)(iv)



Road to Zero – New Zealand’s Road Safety Strategy

Too many people are seriously injured or killed on our roads. The current fatality rate per capita on New Zealand roads is more than twice that of the better performing Australian states and more than three times the better performing countries in Europe. Provisional figures for 2022 show that 377 people lost their lives in road crashes, with many more suffering permanent life-changing injuries. This level of harm, which is preventable, has a permanent and profound impact on New Zealand communities.

Released in late 2019, Road to Zero is Aotearoa New Zealand’s road safety strategy. The strategy is based on a vision where no one is killed or seriously injured in road crashes. As a step towards achieving this vision, Road to Zero sets a target for reducing deaths and serious injuries on our roads by 40 percent (from 2018 levels) by 2030.

Te Manatū Waka is working closely with our road safety partners (including Waka Kotahi NZ Transport Agency, the New Zealand Police, ACC and Worksafe) on a number of initiatives outlined in the Road to Zero Action Plan. These actions will deliver safer vehicles, safe and appropriate speeds, safer road users, effective enforcement and safe road infrastructure and improvements to work-related road safety, through an effective system management approach. Strengthening all parts of the system is required to drive down road trauma in Aotearoa.

As Minister of Transport, you have a key role in shaping policy reform to advance road safety performance.

Road to Zero has a strong focus on interventions that are proven to work. The challenge is to implement these at the scale and pace necessary to achieve the targeted 40 percent reduction in deaths and serious injuries on our roads. We are behind in progressing these key interventions that will have the most significant impact:

- **Infrastructure** – we need at least 1000 kms of flexible median barriers, and more than 1300 intersections upgraded with primary safe system treatments such as roundabouts and raised platforms
- **Speed management** – we need to apply speed management to at least 10,000 km of the road network to align speed limits with safe and appropriate speeds
- **Safety cameras** – we are aiming to roll out s 9(2)(f)(iv) new safety cameras (including point to point, or average speed, cameras) to lower average network speeds
- **Enforcement** – we are targeting increased levels of enforcement, particularly for restraints, impairment, distraction and speed offences s 9(2)(f)(iv)
- **Vehicle safety** – we need to substantially improve vehicle safety standards, including requiring modern safety features on vehicles entering the New Zealand fleet and increasing the exit of less safe cars.

Cabinet has recently approved the publication of the next Road to Zero Action Plan, for 2023 – 2025. The new action plan represents a continuation of many of the measures outlined in the first action plan, as modelling indicates that they offer the greatest potential for reducing deaths and

serious injuries on our roads. Several new actions have also been included. The new action plan is with our designers and is due for publication in July 2023.

Annual monitoring reports are published to track progress across the Road to Zero programme, with the next report due in July 2023. This report shows progress over 2022, and where we need to improve delivery.

You chair the Road to Zero Ministerial Oversight Group. Meeting quarterly, the group's purpose is to ensure stronger alignment, coordination and delivery of the Road to Zero strategy. The group includes the Ministers of Police, Social Development, ACC, Workplace Relations and Safety, and Justice.

Key Road to Zero policy projects, including a review of road safety penalties and Accessible Streets (a package of rule changes designed to increase the safety and accessibility of our footpaths, shared paths, cycle paths, cycle lanes and roads), ^{s 9(2)(f)(iv)}

Next steps

We will provide your office with an advance copy of the 2022 Road to Zero annual monitoring report before it is published.

We will update the Ministerial foreword to new Road to Zero action plan for 2023 - 2025, to reflect the change in Ministers, and provide your office with an advance copy and accompanying press release before it is published in July 2023.

We have developed a guide to Road to Zero for new Ministers, which is currently being updated. We will provide you a copy as soon as it is available.

We will provide you with a meeting pack to support you chairing the Road to Zero Ministerial Oversight Group meeting in August 2023.

Regulatory framework for vehicles

Our current vehicle standards regulatory framework has major limitations because it is prescriptive, may not align with our international obligations, and is costly to administer and update. This has implications for work under the Emissions Reduction Plan, Freight and Supply Chain Strategy, and Road to Zero. Substantial modernisation is required to ensure we are well-placed to respond to expected disruptive changes in the vehicles sector, across the environmental, safety, and future transport domains. We are scoping a review that will consider appropriate system design, international harmonisation, and how our entry requirements can more efficiently keep pace with new vehicle features.

Next steps

We intend to provide initial advice on the scope and process for this review by the end of March 2024.

BUDGET 2023 AND 2024

Budget 2023 and 2024

The Budget 2023 process has now concluded and work is progressing to implement funded initiatives. This includes establishing funding agreements for new initiatives or initiatives where existing funding mechanisms are no longer adequate / up to date.

The Ministry has begun planning for Budget 2024, which will include the development of a Budget 2024 strategy for Vote Transport. Cabinet will meet in late August / early September to agree priorities for Budget 2024 and the process for developing, assessing, and packaging Budget initiatives.

PART C: TRANSPORT CROWN ENTITY MATTERS, DELEGATED WORK PROGRAMME, AND OTHER ITEMS

This Part contains some general Crown entities matters including board appointments and fee changes that you have to make for Waka Kotahi and your Associate needs to make for other entities. Additionally, this Part contains summary information of work programme items currently delegated to your Associate, Minister Allan.

Transport Crown Entities

Summary of key issues across the transport Crown entities

Successful delivery of transport outcomes is achieved through effective collaboration between all parties in the transport system. The last few years have created significant levels of growth and change across our entities, with the below common issues present:

- **a need to modernise regulation:** some institutional frameworks, arrangements and legislative tools need to be modernised as they are constraining entities ability to react quickly or achieve greater benefits across the system. There is a collective need for improved legislative tools and greater collaboration across entities – particularly for addressing matters, such as evolving international standards and emerging technology.
- **funding and resourcing constraints:** Waka Kotahi, Civil Aviation Authority and Maritime New Zealand are all currently experiencing funding constraints. Waka Kotahi has recently completed a fees and charges review and the Civil Aviation Authority and Maritime NZ also have a fees and charges review underway. These reviews will ensure the regulators are appropriately funded to perform their core duties.
- **impacts of additional functions on operations and competing pressures:** this is most visible within land transport where additional programmes of work have been purchased by the Crown (e.g. New Zealand Upgrade Programme), or where additional functions have been added. Entities have had to respond to this further demand through increased operational costs and staff. In addition, the growth within rail offers wider system integration challenges as the sector responds to increased capacity and demand for services while managing network upgrades.

2023 Transport board appointments

A handful of appointment decisions remain to finalise the 2023 appointments programme before the upcoming general election. These are listed in the key decisions table below.

All of the below appointments will now be made in the pre-election period, and as they are likely deemed “significant appointments”, they should be made prior to the three-month pre-election period, which begins on 14 July 2023.

Upcoming board appointment decisions include:

TRANSPORT CROWN ENTITIES

Board	Responsible Minister / Shareholders	Actions in 2023
Waka Kotahi NZ Transport Agency	Minister of Transport	<p>s 9(2)(f)(iv)</p> <ul style="list-style-type: none"> Acting Minister McAnulty had agreed to proceed with the appointment of the Ministry's recommended candidate, but then deferred the decision until a permanent Minister of Transport was confirmed.
Maritime New Zealand	Associate Minister of Transport	<ul style="list-style-type: none"> The process for appointing at least one member is underway following a resignation. Advice is currently with Minister Allan on two recommended candidates for appointment (OC230542 refers).
Oil Pollution Advisory Committee	Associate Minister of Transport	<ul style="list-style-type: none"> Seven vacancies to be filled in 2023. This process is underway, with advice possibly being provided before the General Election (depending on competing priorities).

Board Fees

Many of the existing board fees are well below public and private sector counterparts. It has been over a decade since some of the board fees were adjusted, and previous efforts to realign board fees more closely to public sector counterparts were put on hold because of the onset of COVID-19 and subsequent public sector pay restraints.

s 9(2)(f)(iv)

Next steps

You will receive a briefing on these matters in July 2023.

Waka Kotahi Fees and Funding Review

Cabinet approved changes to land transport regulatory charges and fees in April 2023.

s 9(2)(f)(iv)

s 9(2)(f)(iv)

Maritime NZ Fees and Funding Review

Maritime NZ is undertaking a funding review to address cost pressures, increase regulatory capacity and provide ongoing funding for its government commitments.

It has been reliant on Crown funding since the onset of COVID-19 in March 2020. Until a new funding model is implemented, Maritime NZ will be dependent (to some level) on Crown funding to support delivery of its core functions.

s 9(2)(f)(iv)

Civil Aviation Authority Fees and Funding Review

The Civil Aviation Authority (the Authority) is undertaking a funding review to address cost pressures, increase regulatory capacity and provide ongoing funding for its Government commitments.

The Authority was predominantly funded from user fees and levies, but since the onset of COVID-19 in March 2020, has been reliant on Crown funding. Until a new funding model is implemented, the Authority will be dependent on some level for Crown funding to support delivery of its core functions.

Recently, Cabinet agreed that the funding review may be implemented by 31 January 2025 at the earliest.

OTHER WORK PROGRAMME ITEMS

Other work programme items

The Milford Opportunities Project

The Milford Opportunities Project (MOP) is currently 'feasibility-testing' the MOP Masterplan, which was developed by a group including local authorities, central government, and Ngāi Tahu. It makes significant recommendations regarding the preservation of and visitor experience at Milford Sound Piopiotahi, which could have significant implications for conservation, tourism, transport, and resource management.

Agreement from the Ministerial Oversight Group, which you belong to, on a preferred policy position will be required to support a consultation paper by March 2024. Final policy decisions are expected in mid-2024 following consultation.

Land Transport (Road Safety) Amendment Bill

Cabinet has agreed to proposals to ensure New Zealand Police (Police) and other enforcement agencies have the resources and powers to disrupt and prosecute offending around failure to stop and fleeing drivers. These include specific changes in the Land Transport (Road Safety) Amendment Bill, which was introduced to the House and has had its first reading. It has been referred to select committee, with the intent to pass into law before the general election.

Several proposals from the Regulatory Systems (Transport) Amendment Bill No.2 have also been transferred to the Land Transport (Road Safety) Amendment Bill:

We need to resolve outstanding funding issues for the six-month impoundment function.

The Bill will give the Minister of Transport the ability to approve new types of safety cameras and automated infringement systems. Approval will likely be sought from you in the next two months with regards to associated notices required to implement Waka Kotahi's new safety camera systems and some local government automated infringement systems.

He Tohu Huarahi Māori Bilingual Traffic Signs Programme

Waka Kotahi is partnering with Te Mātāwai on He Tohu Huarahi Māori bilingual traffic signs programme to enable the use of more bilingual traffic signs across the country. The programme is supported by the Ministry and Te Taura Whiri i te Reo Māori the Māori Language Commission. This matter has been part of the delegated responsibilities of the Associate Minister of Transport.

In April and May 2022, a suite of Kura School signs were approved and incorporated into the Traffic Control Devices Rule 2004.

Waka Kotahi has been following best international design practice with all bilingual signage to ensure safety, including using different font sizes, colours and positioning to clearly distinguish between the two languages.

Costs are minimised under this implementation approach as these signs will be introduced over time using existing resources and funding sources.

In May 2023, Cabinet approved a package of 94 further bilingual signs to be released for public consultation. Public consultation for this bilingual sign package began on 22 May 2023 and will close on 30 June 2023. There has been significant media and public interest in this consultation

process. Waka Kotahi had received at least 16,000 submissions, with approximately a quarter of the consultation period still to go.

Air services agreements

Under an international system dating back to the 1940s, airlines are able to operate international services only where the right to do so has been expressly permitted in a bilateral air services agreement (ASA) or one of the limited number of multilateral agreements.

The Ministers of Transport and Foreign Affairs jointly approve the mandates for air services negotiations and approve the outcomes where these involve a treaty action.

Civil Aviation Act 2023

The Civil Aviation Act 2023 (the Act) received Royal assent on 5 April 2023. It will come into force on 5 April 2025 unless brought in sooner by Order in Council. The Act will repeal and replace the Civil Aviation Act 1990 and the Airport Authorities Act 1966. Te Manatū Waka and the Civil Aviation Authority (the Authority) are working together on the implementation of the Act.

Air Navigation System Review

An independent panel undertook a review of the air navigation system and released its final report on 23 May 2023. The panel found that while the system is safe it is not fit for the future. The review was initiated in response to increasing opportunities and challenges of rapid technological and geopolitical change, as well as general stakeholder concerns regarding the level of investment and competing agency priorities and interests.

The panel made nine recommendations for strengthening the system to seize future opportunities and challenges. Recommendations covered areas including identifying critical system components, funding, understanding the value of the aviation sector, workforce (including regulator capability) issues, engagement with Māori, leveraging international relationships, and a foundational recommendation to drive collective system leadership, direction and performance .

Drones

The Ministry has a role in both the safe regulation of drones and enabling more innovative applications of drones. New and fit-for-purpose regulatory tools are needed to enable the expansion of the drone sector while ensuring that appropriate levels of civil aviation safety and security are maintained.

In 2019, Cabinet approved the vision paper 'Taking Flight: an aviation system for the automated age'. This paper sets out the long-term objective for the integration of drones into the civil aviation system, to enable the industry to safely thrive and develop in New Zealand.

In line with this goal, we have developed a package of complementary regulatory measures for Cabinet's consideration, entitled 'Enabling Drone Integration' (EDI). Cabinet approval is required to introduce the package and to draw down tagged contingency funding approved by Cabinet as part of Budget 2022. We are aiming to provide you with advice in late July, subject to confirmation.

OTHER WORK PROGRAMME ITEMS

Search and rescue

The coordination and provision of 24/7 search and rescue services is an international obligation for New Zealand under maritime and aviation conventions. New Zealand has an allocated search and rescue area covering over 30 million square kilometres, extending from the Pacific Islands to Antarctica. In 2022/23, the search and rescue sector responded to nearly 3,400 incidents resulting in 131 lives saved, 738 people rescued, and 1113 people assisted. Over 90 percent of search and rescue personnel are unpaid volunteers.

The New Zealand Search and Rescue Council provides strategic governance and leadership for New Zealand's search and rescue system. It administers approximately \$18.2m per annum of fuel excise duty investment into search and rescue sector agencies and also administers the Government's investment of \$15.1m per annum into frontline water safety rescue and prevention services (Coastguard New Zealand and Surf Life Saving New Zealand).

A review of the recreational safety and the search and rescue systems started in mid 2021, and the findings and recommendations are due with the Associate Minister of Transport in July.

Maritime security

You are the Lead Minister for Maritime Security and the Ministry is the lead agency for maritime security policy. The Ministry chairs the Maritime Security Oversight Committee (MSOC) which is responsible for oversight of New Zealand's maritime security and comprises the lead 11 maritime security agencies.

MSOC developed a Maritime Security Strategy (endorsed by Cabinet in 2019) in response to multiple, increasing security pressures. The first planned investment in the Strategy was funded through Budget 23 which will see a staff of three in the Ministry and an uplift of 4 staff for the National Maritime Coordination Centre (NMCC). MSOC is the Board of Directors for the NMCC. Future investment plans include a potential Budget 24 bid for a Data Fusion System at the NMCC and maritime surveillance tools such as commercial aircraft and drones. Without its own Data Fusion System, agencies depend on NZDF's system which temporarily failed in May 2023 leading to a loss of awareness of maritime activities off New Zealand.

Maritime security is one of the 12 core issues within the draft National Security Strategy and the Ministry is likely to be made the National Coordinating Agency for Maritime Security within this Strategy's Action Plan.

The sector conducted a review of its arrangements in 2021 which led to a reform programme. Pending confirmation of national security reforms, this programme has been paused.

Regulatory work programme

All transport projects with a proposed primary and/or secondary legislative change across land, maritime and aviation are tracked through the Regulatory Work Programme. Cabinet agreed that the Ministry would publish a quarterly report of the programme on its website. It encompasses the collective legislative change work that the Ministry and the transport regulatory agencies are undertaking. The programme also serves an important purpose in improving transparency with the public about the relative stages and progression of our legislative change work and highlights key risks and themes taking place across the programme. Within government agencies, the

OTHER WORK PROGRAMME ITEMS

programme also enables proactive management and mitigation of these risks at a Ministry/agency level. It also enables better visibility of work across a broad range of teams and subject areas, so that connections and opportunities for collaboration can be identified and followed through.

You will receive the next quarterly update in late July 2023.

Appendix 1 Transport Agencies and State-Owned Enterprises

Te Manatū Waka Ministry of Transport overview

The Ministry advises you, and government more widely, on all policy and regulatory matters within the transport system, and also on funding and governance of the transport Crown entities. The Ministry plays a critical leadership role in the transport system. The Ministry performs the following key functions in the transport system:

Leading the system – direction and strategy – as Government’s lead for the transport system, the Ministry plays a lead role in giving effect to government policy. The Ministry looks after the transport outcomes and indicators framework, and is the system’s long-term planner. Key responsibilities include:

- **Shaping regulatory stewardship mechanisms:** as the steward of the transport system, the Ministry helps government give effect to policy by supporting the development of legislation and regulations.
- **Driving revenue raising, investment and purchase choices:** the Ministry provides advice and manages government’s investments and revenue raising choices in the transport system to realise the wider social and economic benefits of these investments. This includes stewardship of the NLTF and transport revenue system, and managing direct Crown purchases from Vote Transport.
- **Influencing to achieve broader government outcomes:** the Ministry leads the transport agencies in system-wide initiatives, and makes sure transport strategies are connected with broader government priorities. It engages with key players, including local government, private sector and social organisations, to drive transport outcomes.
- **Monitoring and evaluating system and agency performance:** the Ministry supports you in setting expectations for Crown entities and appointing their boards, while monitoring their performance to support your relationships with the entities and their Boards to provide assurance of effective governance.
- **Influencing the development of international standards:** the Ministry engages with international organisations to ensure that New Zealand meets international obligations, supports the adoption of these obligations, and influences the development of international rules and standards.

The Ministry has an important role in wider discussions on work across government where the transport portfolio interconnects with other portfolios such as Economic Development and Urban Development. The Ministry also plays a key role in leading and coordinating cross-agency work programmes around new technologies, such as drones. This helps to ensure that the economic potential of new technology is realised while managing risks around safety and privacy.

The Ministry plays a key role in facilitating collaboration, planning and information sharing between transport agencies and SOEs. In practice, agency collaboration happens both through day-to-day work, and through more formal channels. One example is the Transport Sector Leadership Group where Chief Executives from the transport agencies and SOEs meet on a six-weekly basis to discuss ongoing issues and recent developments within the sector.

Waka Kotahi New Zealand Transport Agency overview

Waka Kotahi is the Government's land transport delivery arm. It is a Crown entity and its functions are set out in the LTMA. The objective of Waka Kotahi is to "undertake its functions in a way that contributes to an effective, efficient and safe land transport system in the public interest". Waka Kotahi's functions include investing in, managing most aspects of the land transport network, including rail.

Waka Kotahi also has regulatory compliance and enforcement responsibilities relating to aspects of rail safety, driver licensing, vehicle testing, and certification and revenue collection. Together, the functions give Waka Kotahi an important role in supporting New Zealand to achieve social, economic and environmental outcomes now and into the future.

Waka Kotahi has a key role in the development and management of the transport system. Waka Kotahi's strategic priorities focus on creating a safer, more resilient and sustainable transport system that improves access to social and economic opportunities and improves the wellbeing of all New Zealanders.

Waka Kotahi has a set of statutorily independent functions, including determining which activities should be included in the NLTP. Waka Kotahi also approves activities as qualifying for payment from the NLTF, approving procurement procedures for land transport activities, issuing or suspending any land transport document or authorisation, and exercises enforcement powers. Waka Kotahi also undertakes functions to aspects of a range of other legislations relating to land transport, railways, roading and road user charges, and undertakes funding and oversight functions for road policing, public transport, SuperGold Card, and transitional rail.

As a transport regulatory agency, Waka Kotahi plays a key role in ensuring that its systems are intuitive and clear so that people and operators are safe, that people make good transport choices, and harmful behaviours are swiftly dealt with.

Civil Aviation Authority (CAA)

The CAA is a Crown entity established under the Civil Aviation Act 1990. Led by the Director of Civil Aviation, the CAA has two functional divisions:

- Civil Aviation Authority – performs safety and security regulatory functions.
- Aviation Security Service (known as Avsec) – delivers aviation security services at New Zealand's six security designated airports (Auckland, Wellington, Christchurch, Invercargill, Dunedin and Queenstown).

Under the Civil Aviation Act, the primary objective of the CAA is to carry out 'safety, security and other functions in a way that contributes to the aim of achieving an integrated, safe, responsive and sustainable transport system'. Within the context of the overall strategic direction of the transport system, and the expectations set by you as Minister, CAA achieves this through five main outputs:

- Policy and regulatory strategy – ensuring the delivery of policy and regulatory projects, international linkages and Ministerial services. This includes, for example, coordinating CAA's strategic engagement in the international aviation system, administering New Zealand's civil aviation obligations and interests within your delegation, delivering services to

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you (e.g. briefing you on key matters), proactively identifying emerging issues for aviation, and delivering major policy projects.

- Outreach – providing increased understanding and knowledge of aviation safety among aviation sector participants and the public by fostering and promoting safety and security across the civil aviation sector and raising public awareness.
- Certification and licensing – ensuring the robust assessment of participants and products as safe and fit to be participating in New Zealand’s civil aviation system by exercising control over the entry and exit through the issuance or suspension of key aviation documents, as well as approvals to organisations, individuals, and products.
- Surveillance and investigation – providing the continued assurance that the civil aviation system in New Zealand is safe and secure through inspections and audits. This also includes assessment of safety data, and appropriate enforcement.
- Security service delivery (carried out by Avsec) – keeping passengers and people in the air and on the ground safe from aviation security threats through protocols such as passenger and baggage screenings, and other security measures.

CAA is governed by a five-member Board appointed by the Minister. The Director of Civil Aviation has independent statutory powers under section 72I of the Civil Aviation Act. This includes powers to control entry into the civil aviation system (e.g. granting aviation documents), and to monitor and enforce regulatory requirements. These independent powers mean that the Director is not accountable to you or CAA’s board when he or she issues or removes an aviation document from a participant such as an Air Operator Certificate or a pilot licence, or takes action against individuals or operators for breach of the Civil Aviation Rules.

Maritime New Zealand (MNZ)

MNZ is responsible for promoting a safe, secure, and clean maritime environment for all commercial and recreational activities on the water, and minimising the impact of maritime incidents and accidents on New Zealand and its people.¹ The Agency has both a domestic and international focus. MNZ is governed by Board of five members appointed by you under the Maritime Transport Act 1994.

New Zealand’s maritime sector is complex, diverse, and a major contributor to and enabler of the New Zealand economy through activities such as international shipping, marine manufacturing, and fishing. MNZ leads international engagement to support New Zealand’s interests in the maritime sector. International rule-making and standards facilitate New Zealand’s trade, protect its maritime environment and enhance seafaring safety.

MNZ operates as a modern regulatory, compliance and response agency, with an intelligence-led, risk focused and evidence-based approach to deliver its areas of responsibility. MNZ operates as a modern regulatory, compliance and response agency, with an intelligence-led, risk focused and evidence-based approach to deliver its areas of responsibility. MNZ’s three core roles are:

- Regulation – help to develop and maintain the national safety, security, and environmental protection regulations that govern the operation of vessels, ports and offshore installations in

¹ The Maritime Director is not accountable to you or MNZ’s board when he or she issues or removes a maritime document from a participant or takes action against individuals or operators for breach of Maritime Rules.

New Zealand waters through its work domestically and internationally. MNZ supports, encourages, and requires operator compliance by licensing and certifying operations, educating the maritime community, auditing operators and service providers, investigating incidents, and enforcing regulations.

- Compliance – supporting, encouraging and requiring operator compliance with those regulations through MNZ's regulatory regimes and compliance operating model.
- Response – providing a national land, sea and air search and rescue coordination service and managing national maritime incident and marine pollution response capability.

These three core roles drive and achieve three key outcomes for New Zealand in the maritime domain:

- **Safe:** People & Operations – supporting physical, social & economic wellbeing through safe maritime operations.
- **Secure:** Ports & Ships – protecting people, goods and New Zealand's social and economic interests and resilience. The Maritime Security Act makes Maritime New Zealand responsible for ensuring that the provisions of the International Ship and Port Security (ISPS) Code² are complied by international trading ports in New Zealand, and commercial freight and passenger vessels visiting New Zealand.
- **Clean:** Seas & Waterways – keeping New Zealand's marine environment clean by minimising harmful emissions and discharges from ships.

Transport Accident Investigation Commission (TAIC)

TAIC is a standing commission of inquiry, and an independent Crown entity. TAIC was established to assist New Zealand to comply with its international aviation obligations of ensuring independently conducted, safety-focused accident and incident ('occurrences') investigations, a role that has since expanded to include investigations of maritime and rail occurrences. TAIC has a range of investigative (not enforcement) powers. TAIC is independent of other public sector organisations, and government, in the conduct of its accident inquiries.

TAIC's core purpose is to determine the circumstances and causes of certain aviation, rail and maritime occurrences with a view to avoiding similar occurrences in the future, rather than to ascribe blame. In the case of each occurrence, the Commission decides whether to investigate (based on the occurrence's implications for transport safety), coordinate the investigation, consider evidence gathered by investigators, and publish its key findings.

TAIC has broad investigative powers, including the power of entry and inspection and the power to seize, remove and protect evidence. It also has powers under the Commissions of Inquiry Act 1908, including the power to require a person to produce any papers, documents, records or things, or to summons any person to appear before its commissioners. Most evidence gathered, such as witness interviews and submissions, is protected from general disclosure except for the purposes of the investigation, reflecting TAIC's independence and purpose.

² New Zealand expects all ports and vessels that operate under the ISPS Code, to maintain international best practice with regard to maritime security. The ISPS Code is a comprehensive set of measures to enhance the security of ships and port facilities.

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TAIC identifies safety issues and makes recommendations. The recommendations are addressed mainly to transport sector regulators, who are able to influence the system.

KiwiRail

KiwiRail is a commercially focused and vertically integrated SOE, responsible for operating freight and tourism passenger services on 3,700 kilometres of rail network and three inter-island ferries. Auckland Transport and Greater Wellington Regional Council are responsible for planning, funding and procuring operators for the passenger rail services in their regions. They also own the passenger rolling stock and related infrastructure required to support operations, such as station buildings and maintenance depots.

KiwiRail's core purpose is to move people and freight, and to cooperate with other players in the sector to create integrated transport solutions for customers. KiwiRail is focused on efficient freight movements (via rail and ferry) and helping customers to be more competitive. KiwiRail is managing a significant, multi-year programme of capital investment, replacing life expired assets including ferries and locomotives.

Responsibility for funding the majority of KiwiRail's capital programme sits with the Minister of Transport through Vote Transport. Shareholding Ministers also have a role in signing of equity injections into KiwiRail and setting expectations for KiwiRail through its Letter of Expectations. The Provincial Growth Fund has also made lead investments in a range of regional rail projects delivered by KiwiRail, to capture the benefits rail offers to those areas.

Waka Kotahi has primary regulatory responsibility for rail in New Zealand. Its role is to provide independent assurance to stakeholders and the public that safety risks posed by the activities of rail participants are being managed effectively. It maintains a licencing and monitoring regime of those rail participants directly managing rail activities and has statutory powers to react to safety risks from the activities of non-licenced participants.

Meteorological Service of New Zealand Ltd (MetService)

MetService's core purpose is to provide weather services that support safety of life and property and, as a SOE, add value to the New Zealand economy. The weather impacts significantly on New Zealand's economy, transport safety, primary industries, energy production/consumption and general public safety. MetService provides a wide range of weather information services and data to government (including other transport sector agencies), business, and directly to the public, to promote public safety and inform weather-related risk management and decision making.

On behalf of the Government, under the Meteorological Services Act 1990, you are responsible for ensuring the provision of meteorological services in New Zealand, including the country's authorised meteorological warning service. MetService is contracted by the Ministry to deliver New Zealand's National Meteorological Service function, which includes:

- providing weather forecasts and warnings to support public safety in New Zealand
- providing severe weather guidance and other meteorological support to States in the Southwest Pacific, and marine forecasts and warnings for New Zealand coastal waters and large areas of the South Pacific and Southern Ocean

- collecting meteorological data and exchanging it with other World Meteorological Organization Member States and representing New Zealand at the World Meteorological Organization (a United Nations Specialised Agency).

The Ministry works to support your interests to ensure the required services are provided in accordance with World Meteorological Organisation Technical Regulations at an appropriate cost. Shareholding Ministers are responsible for the performance of MetService as a SOE.

MetService works closely with other transport sector agencies. It provides specialised road environmental information services to Waka Kotahi and its Network Operations Contractors (contracted to maintain the operations of road networks), and for the management of weather impacts on the State Highway network and other major roads.

MetService provides commercial weather services for domestic and international aviation, including airports and airlines. For example, it supports the CAA in meeting New Zealand's obligations to the International Civil Aviation Organisation, including operation of the Wellington Volcanic Ash Advisory Centre, one of nine centres worldwide.

MetService also provides 24/7 support for land-based and marine search and rescue operations, and works closely with MNZ to promote safer boating. MetService's website, apps and social media channels provide a platform for communicating weather and other relevant information, including road snowfall warnings and Waka Kotahi traffic incidents updates.

Airways Corporation of New Zealand Ltd (Airways)

Airways is a world-leading commercial Air Navigation Service Provider (ANSP) that is committed to ensuring safe skies for today and tomorrow. Airways works with partners to provide global aviation customers with safe, integrated airspace management through a proactive safety culture, expert knowledge, and technology-enabled solutions.

Airways provides air traffic control services and infrastructure to enable safe, reliable and efficient air transport within the New Zealand Flight Information Region (FIR, a specified region of airspace where flight information is provided), which totals 30 million square kilometres.

Airways is also responsible for maintaining and investing in the aviation infrastructure that supports New Zealand's air traffic management system. Airways invest in new technology that enhances safety, and delivers real economic and environmental benefits for customers and the public.

In addition to its statutory role of providing safe and efficient air traffic control services, Airways is enabling new entrants to use New Zealand's airspace. Airways is active in the development of airspace integration in New Zealand and is a key supporter of AirShare, New Zealand's drone user hub that enables drone users to plan flights, request access to controlled airspace, and receive relevant information on how to operate safely. Airways also supports space and near space operations in New Zealand.

As a SOE, Airways operates a fully self-funded model and collects fees from airlines, as well as selling products and services to global aviation customers. As a result of the impact of COVID-19 on air traffic volumes, Airways has received financial support from government to ensure continuation of safe services as the industry recovers and returns to profitability. Airways sets prices through a building block pricing model, which includes thorough stakeholder consultation.

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Airways provides training, digital products, aeronautical information management, procedure design and aviation consultancy services to aviation customers in the Middle East, Asia, Hong Kong, the Pacific, Africa, Europe and North America.

As an ANSP, Airways is regulated by the CAA and provides its service in line with Civil Aviation Rules and international standards. Airways is certified by the CAA to provide air navigation and flight information services at airports. Airways is also contracted by the CAA to provide Aeronautical Information Services for pilots. To ensure these relationships function without undue influence, roles and responsibilities are separated between you, the Minister of Finance and Minister of State-Owned Enterprises as shareholders, the CAA as regulator, and Airways as the service provider.

List of Board Chairs and Chief Executives (alphabetical)

Accident Investigation Commission:

- **Chief Commissioner:** Jane Meares
- **Chief Executive:** Martin Sawyers

Airways Corporation of New Zealand Ltd:

- **Chair:** Denise Church
- **Chief Executive:** James Young

Auckland Light Rail Limited:

- **Chair:** Dame Fran Wilde
- **Chief Executive:** Tommy Parker

City Rail Link Limited:

- **Chair:** John Bridgman
- **Chief Executive:** Dr Sean Sweeney

Civil Aviation Authority:

- **Chair:** Janice Fredric
- **Director of Civil Aviation and Chief Executive:** Keith Manch

KiwiRail Holdings Limited:

- **Chair:** David McLean
- **Chief Executive:** Peter Reidy

Maritime New Zealand:

- **Chair:** Dame Jo Brosnahan
- **Director of Maritime New Zealand and Chief Executive:** Kirstie Hewlett

Meteorological Services of New Zealand:

- **Acting Chair:** Dr Alison Watters
- **Chief Executive:** Stephen Hunt

Waka Kotahi NZ Transport Agency:

- **Chair:** Dr Paul Reynolds
- **Chief Executive:** Nicole Rosie

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Appendix 2 Associate Minister's Delegations

Minister Wood's letter to Hon Kiritapu Allan, Associate Minister of Transport, 23 February 2023

Role and responsibilities

- 3 All matters relating to:
 - a The Land Transport (Road Safety) Amendment Bill and any matters concerning fleeing drivers;
 - b Roadside drug testing and the drug driving regime;
 - c The maritime sector, including oversight of Maritime New Zealand;
 - d The aviation sector, including oversight of the Civil Aviation Authority of New Zealand and Aviation Security Service;
 - e The Milford Opportunities Project, including matters relating to the Milford Aerodrome;
 - f The Essential Transport Connectivity Scheme;
 - g Oversight of Search and Rescue (SAR);
 - h Initiatives and policy concerning the Chatham Islands;
 - i Management of the Regulatory Systems (Transport) Amendment Bill No. 2, and responsibility for its implementation;
 - j Initiatives relating to bilingual signage;
 - k The towage and storage policy review.
- 4 You will also have a particular role in helping to develop and communicate the government's transport policy for and to regional communities and councils. This will specifically include:
 - a Working with me on plans to make the regional roading network more resilient.
 - b Working with me to ensure that there is a strong regional perspective in GPS 2024-27, noting that I will retain overall responsibility for the content of the GPS.
 - c Engaging with regional Councils and communities about the government's transport policies and projects, both to communicate our policies and hear their views.
- 5 Replying to Ministerial correspondence and Parliamentary Questions on issues relating to the above;
- 6 Attending transport sector events on my behalf and/or at my request;
- 7 Engaging with officials and me on Budget initiatives that are relevant to your areas of delegation.
- 8 Other initiatives as agreed from time to time by us.
- 9 The above delegations are subject to the conditions set out in this letter. Please also refer to paragraphs 2.35 to 2.40 of the Cabinet Manual, which deal with the relationship between Ministers and Associate Ministers.

Financial and statutory responsibilities

- 10 As portfolio Minister, I have final responsibility for, and overall control of the Ministry of Transport and over all Crown entities within the portfolio. I am also responsible for Vote Transport and for any relevant statutory functions of the Minister.
- 11 Where it is required for the purpose of the delegated functions, or whenever I am absent, you may sign documents or authorisations on my behalf. You should show clearly that you are signing on my behalf, by signing “for the Minister of Transport”.

Policy

- 12 Although you will have responsibility for matters of policy in relation to the above, any significant policy decisions should be discussed with me.

Public statements

- 13 I expect you to take responsibility for all communications regarding your areas of responsibility, including Ministerial correspondence, press statements and public announcements.
- 14 Ministerial correspondence concerning significant policy issues should be prepared by the Ministry of Transport and/or Waka Kotahi for my signature, where appropriate. Any significant public announcements should be discussed with me prior to release and, in some cases, may be made either by me or the Prime Minister.
- 15 My office can provide assistance with media, communication strategies or speech notes, if you require.

Relations with the Department/Ministry

- 16 You may contact the Ministry of Transport and/or Waka Kotahi on all matters for which you have delegated responsibility. All such inquiries should be made via the relevant Chief Executive or a designated contact person.
- 17 I expect to be kept fully informed of all significant issues and the relevant Chief Executive is, of course, free to raise any matter concerning your delegated functions with me.
- 18 You are welcome to attend regular briefing sessions with departmental officials that are held in my office. You may arrange, through my office, to have your own regular briefing sessions or ad hoc meetings with departmental officials to discuss matters relating to your areas of responsibility. A designated member of my office may attend any such meeting.

Communications between us

- 19 You should ensure that I am fully briefed on the actions that you think are necessary to undertake in relation to your delegated responsibilities. All significant papers, letters and directions to the Department should be copied to me for my information. In particular, you need to ensure I receive the earliest warning of any issues that have the potential to become controversial. In turn, I will keep you informed of my actions in relation to your areas of responsibility.
- 20 I will also consult with you on policy issues, and on matters related to the implementation of policy initiatives within the Transport portfolio where relevant to your delegation.

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- 21 To ensure maximum co-operation and co-ordination, I propose that we meet regularly to coordinate our actions, and to share views and ideas.

Cabinet and Cabinet committee papers

- 22 The rules on the submission of papers to Cabinet and Cabinet committees are set out in Chapter 5 of the Cabinet Manual. In particular, in terms of paragraph 5.42, you may submit papers to Cabinet and Cabinet committees within your designated areas of responsibility, provided that the submission clearly indicates that I have been consulted and have agreed that the paper may be lodged.
- 23 You will have access (for example, via CabNet) to all submissions and minutes, of those Cabinet committees of which you are a member. You will also have access to those submissions relating to your delegated responsibilities that are dealt with at any other Cabinet committee.

Information held by you as Associate Minister

- 24 Under the Official Information Act 1982, all papers held by you in relation to your Associate Minister responsibilities within this portfolio are deemed to be held on my behalf. Similarly, you will be treated as my agent, where necessary, for the purposes of the Privacy Act 1993.
- 25 You will be responsible for all Official Information Act requests in the areas of your delegated responsibility.

Parliamentary responsibilities

- 26 Parliamentary questions relating to your delegated areas of responsibility will be addressed to you. In my absence, you may also be required to answer oral Parliamentary questions on my behalf.

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New Zealand Government