

OC230496

21 June 2023



Tēnā koe

I refer to your Official Information Act 1982 (the Act) request received on 1 June 2023 requesting the following information:

"...a copy of all reports, briefings and advice, but excluding OIA request and proactive release briefings, that the Ministry provided to the Minister of Transport in May 2023, excluding Weekly Reports."

On 29 June 2023, we advised you of an extension to the time period for responding to your request. The extension was due to consultations necessary to make a decision on your request being such that a proper response could not reasonably be made within the original time limit. We have now completed the necessary consultations.

There were 41 documents in scope of your request:

- 16 are released with some information withheld or refused
- 23 are withheld (14 of which also have their titles withheld)
- two are refused.

As noted above, I am withholding the titles of 14 documents. Both the titles and the contents of these documents remain under active consideration, therefore no further details about these papers have been provided to you in this response.

Certain information is withheld under the following sections of the Act:

- 6(a) as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
- 6(c) as release would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- 9(2)(a) to protect the privacy of natural persons
- 9(2)(b)(ii) to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
- 9(2)(ba)(i) to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to

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prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied

- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
- 9(2)(k) to prevent the disclosure or use of official information for improper gain or improper advantage
- 18(d) the information requested is or will soon be publicly available

The above information is summarised in the document schedule at Annex 1.

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website <u>www.ombudsman.parliament.nz</u>

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry's website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā

Max Ques

Megan Shields Team Leader, Official Correspondence

Annex 1 - Document Schedule

Doc #	Reference	Document	Decision on release
1	OC230377	Clean Car Sector Leadership Group – Membership Updates	Released with some information withheld under Section 9(2)(a).
2	OC230303	Updating the Ministry's Strategic Intentions	Released with some information withheld under Section 9(2)(a).
			Attachment is refused under section 18(d) as the final version can be found online at:
			https://www.transport.govt.nz/assets/Up loads/F.520MoT20Strategic20Intention s202021- 252028Updated20May20202329.pdf
3	OC230359	Transport Sector Board Forum 2023 - Event Information and Speech	Released with some information withheld under Section 9(2)(a).
4	OC230333	Civil Aviation Authority - Consideration of Funding Proposals	Withheld in full under Section 9(2)(f)(iv).
5	OC230355	Transport Accident Investigation Commission - Draft Statement of Performance Expectations for 2023/24	Released with some information withheld under Section 9(2)(a).
6	OC230368	Meeting with Whakawhanake Kāinga Komiti - 12 May 2023	Released with some information withheld under Sections $9(2)(a)$ and $9(2)(f)(iv)$.
7	OC230345	Draft 2023/24 Statements of Performance Expectations Omnibus - Maritime New Zealand and Civil Aviation Authority	Released with some information withheld under Sections $9(2)(a)$, $9(2)(f)(iv)$ and $9(2)(g)(i)$.
8	OC230410	Draft Response to Standard Estimates 2023/24 Questions	Released with some information withheld under Section 9(2)(a),
			Attachment refused under Section 18(d) as the Standard Estimates 2023/24 responses will soon be available on the Parliament website:
			https://www.parliament.nz/en/pb/sc/scl/financ e-and- expenditure/tab/submissionsandadvice
9	OC230366	Auckland Light Rail Limited Draft Statement of Performance Expectations 2023/24	Released with some information withheld under Section 9(2)(a).
			Attachment refused under Section 18(d) as the final statement of performance expectations 2023/24 will soon be available online:
			https://www.lightrail.co.nz/resources/
10	OC230382	Waka Kotahi NZ Transport Agency Board: Interview Summaries and Next Steps	Withheld in full under Section 9(2)(f)(iv).
11	OC230364 T2023/804	City Rail Link Limited Draft Statement of Performance Expectations 2023/24	Released with some information withheld under Sections $9(2)(a)$, $9(2)(ba)(i)$, and 9(2)(g)(i).
			Appendix one is refused under Section18(d) as it is available here:

Doc #	Reference	Document	Decision on release
			https://www.cityraillink.co.nz/publications
12	OC230373	Initial Implementation Advice for the Community Connect Extensions	Released with some information withheld under Sections 9(2)(a), 9(2)(g)(i), and 9(2)(k).
13	OC230412	Ministry of Transport Assessment of Waitematā Harbour Crossing Development Analysis	Withheld in full under Section 9(2)(f)(iv).
14	OC230374	Waka Kotahi Draft 2023/24 Statement of Performance Expectations	Released with some information withheld under Sections 9(2)(a), and 9(2)(f)(iv).
15	OC230399	Quarter 3 Output Plan Report 2023/24	Released with some information withheld under Sections 9(2)(a), and 9(2)(f)(iv).
16	OC230365	Quarterly Report on Implementation Progress of the Emissions Reduction Plan Transport Chapter Actions - January-March 2023	Released with some information withheld under Sections $9(2)(a)$, and $9(2)(f)(iv)$.
17	OC230421	Civil Aviation Authority Expenditure in 2023/24	Released with some information withheld under Sections $9(2)(a)$, and $9(2)(g)(i)$.
18 OC230425			Refused under Section 18(d).
		Updated Sponsors' Guidelines	Once published, it will be available here:
			https://www.transport.govt.nz/about-us/what- we-do/proactive-releases/SearchForm
19	OC230447	Sub-National VKT Reduction Targets for Tier 1 Urban Areas Cabinet paper	Withheld in full under Section 9(2)(f)(iv).
20	OC230419	Draft Departmental Report - Regulation of Public Transport Bill	Withheld in full under Section 9(2)(f)(iv).
21	OC230450	Auckland Light Rail - Route and Station Decision	Withheld in full under Section 9(2)(f)(iv).
22	OC230330	Total Mobility Review (Terms of Reference)	Released with some information withheld under Sections 9(2)(a), 9(2)(ba)(i) and 9(2)(f)(iv).
23	OC230448 BRI-2770	National ∀KT Reduction Plan and Urban Programmes - Revised Plan and Update	Withheld in full under Section 9(2)(f)(iv).
24	OC230479	Smartgrowth Leads Meeting 1 June 2023	Released with some information withheld under Sections 9(2)(a), 9(2)(b)(ii) and 9(2)(g)(i).
25	OC230435	Airport Security Screening Procedures, Policies and Training	Withheld in full under Sections 6(a), 6(c), 9(2)(a), 9(2)(f)(iv) and 9(2)(g)(i).
26	OC230079	Government Policy Statement on Land Transport 2024 - Cabinet Paper Seeking Approval to Initiate Public Consultation	Withheld in full under Section 9(2)(f)(iv).



3 May 2023

Hon Michael Wood

Minister of Transport

Document 1

OC230377

Action required by:

Monday, 15 May 2023

CLEAN CAR SECTOR LEADERSHIP GROUP - MEMBERSHIP UPDATES

Purpose

Provide you with a letter seeking a nomination for a replacement for David Crawford as the Motor Industry Association of New Zealand (MIA) nominee for the Clean Car Sector Leadership Group (CCSLG).

Key points

- The CCSLG was established in August 2021 to advise you on measures to accelerate the uptake of clean vehicles.
- The current membership comprises Mark Gilbert (Chair), David Crawford, David Vinsen, Simon MacKenzie, Nicola Nation, Jon Duffy, Mike Burrell, and Hineamaru Ropati.
- To date, the CCSLC has provided valuable insight and guidance to officials and ministers on the development and implementation of much of our advice and policy, including most recently the clean vehicles programme and the EV Charging Strategy.
- The CCSLG was established within Group 4 and the category of "members appointed to bodies in which the Crown has an interest" of the Cabinet fees framework, which allows you to appoint members directly, consulting your colleagues or the Cabinet Appointments and Honours Committee (APH) only if you deem it necessary [OC210942 refers]. Members that are not directly compensated by their organisations for their time spent participating in the CCSLG receive \$300 per day.
- David Crawford recently announced his retirement from his role of Chief Executive of MIA, effective from mid-2023. Aimee Wiley will be his replacement, and commenced in the role from 1 April 2023.
- The MIA has an important role, representing the majority of the importers and distributors of new cars, trucks and motorcycles to New Zealand. David Crawford's contribution to the CCSLG has been valued, and more broadly, close engagement between the MIA and officials has helped significantly to improve the quality of our advice and policy.

- We propose that you invite Aimee Wiley to advise whether she or an MIA
 representative will replace David Crawford's position on the CCSLG. There is one
 meeting scheduled for 14 June 2023 before the pre-election period commences, and
 we propose that this is the final one prior to the election.
- We have attached:
 - o an article from Autofile that summarises Aimee Wiley's appointment to MIA
 - o a draft letter to Aimee Wiley seeking the MIA nominee to the CCSLG
 - a draft letter to David Crawford thanking him for his participation and involvement in the CCSLG

Recommendations

We recommend you:

- 1 agree to sign the attached letter to Aimee Wiley seeking an MIA nomination for a representative to the CCSLG Yes / No
- 2 agree to sign the attached letter to David Crawford thanking him for his contribution and participation on the CCSLG

Yes / No

Matt Skinner Manager, Environment & Emissions Policy Design

3/5/2023

Minister's office to complete)

□ Approved

□ Declined

Hon Michael Wood

Minister of Transport

□ Not seen by Minister

□ Overtaken by events

□ Seen by Minister

Comment

Contacts		
Name	Telephone	First contact
Matt Skinner, Manager, Environment & Emissions Policy Design	s 9(2)(a)	1

news

Striking clean-car balance 'key'

A big shoes to fill, taking over from David Crawford as chief executive officer of the Motor Industry Association (MIA).

And she's predicting the government's clean-car programme will likely continue to bring the biggest challenges this year.

Wiley started with the MIA this month and is excited about her new job, which comes at a "pivotal time" for the new-vehicle sector.

She and Crawford, who is retiring in mid-2023, are working together – along with MIA president Simon Rutherford – over the coming three months to ensure a smooth transition for the association.

Prior to Joining the MIA, Wiley was the low-emissions vehicles programme director at Waka Kotahi New Zealand Transport Agency where she worked on the clean car discount and clean car standard. She told Autofile that those policies, which aim to bring more zero and low-emissions cars into the fleet, will likely remain as a key focus for the association moving forward and will continue to require "the right input, by the right people, at the right time".

"I think the government's overall intent of the clean-car policies represents an important shift toward addressing urgent climate considerations.

"Over the past couple of years, regulatory policy change has been significant and hurried, leaving very little time for industry to prepare and adapt.

"Looking forward, a balance between – and focus on – beneficial outcomes that are both realistic and achievable for the industry will be key. "The fact that I worked on





the clean-car programme last year alongside the policy team at Waka Kotahi and the Ministry of Transport can only help.

"Knowledge of the clean-car policies, systems and processes which in time will be combined with industry feedback from members about these policies in operation, will ultimately benefit both the MIA and policy decisionmakers when we all work together in the nature."

Part of finding the right solutions is knowing who to ask and getting the right people around the table at the right time because "that's when the magic happens".

She adds: "We all want policies that lead to a cleaner environment in a sustainable way that doesn't put the industry, market or jobs at risk."

Wiley's appointment to the MIA was announced at the beginning of March, and she welcomes the threemonth handover into the chief executive role because it will allow her to meet members and get up to speed on industry matters.

After spending more than six years with Ford Australia working on product development for the Asia-Pacific market, she decided to shift back here with her husband and two children in 2019.

Wiley describes the decision as "bittersweet" because, with no vehicle manufacturing in New Zealand, she feared it might spell the end of her career in the automotive industry.

"After we returned, I initially took on a couple of roles in other industries and then had the opportunity to work on the clean car discount and standard.

Tim passionate about the motor industry. It's an exciting role for me because it's a pivotal time in terms of electrification, product safety and development, automation, and dealing with climate change-driven changes in consumer preferences.

T've got big shoes to fill with David retiring, but i've also got a lot of what the MIA is looking for in terms of skills and experience,

The role is exciting. It offers a rare opportunity to leverage my key strengths and experience for mutual benefit and growth."

She describes the opportunity for a transition period before Crawford leaves as "refreshingly different" compared to some of her previous roles and it's an opportunity "I'm planning on taking full advantage of".

TACKLING ISSUES

Wiley spent time with Ford NZ early in her career, working as a marketing finance analyst from 2005-07 before later becoming part of the blue-oval's team across the Tasman in 2012.

She was based in Melbourne and predominantly worked on the global T6 programme developing Everest and Ranger models for different markets.

"I really enjoyed my time working in the Asia-Pacific product development team with Ford. A truly global programme, we had teams spanning the planet, collaborating on these vehicles, and it brought many different and unique perspectives to the development programme.

"It touched on a lot of design and regulatory issues – and different market considerations – as well as picking up various design features around consumer preferences. By its nature, product development is very future orientated, typically looking ahead by between five and 15 years.

*That experience has also got to be of some benefit to my role with the MIA because it means I'm

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news



not starting from ground zero with the industry."

Wiley is looking forward to learning more "from the best in the business" about the industry in New Zealand and the issues it faces, noting the automotive space is more collaborative than some work environments she's been in. She describes people in automotive as being "genuinely innovative".

Her appointment makes her the MIA's first female CEO. She notes female leaders in the traditionally male-dominated automotive world are still relatively uncommon.

"I'm proud to have broken a glass ceiling as such, but my whole career has mostly been in maledominated industries. The gender aspect isn't something I particularly consider. Gender isn't an issue for me. It's more about acknowledging the people, embracing the ideas they bring and adapting style to get the best out of everybody regardless of gender."

ATTENTION TO DETAIL

Wiley, who has been passionate about vehicles since childhood and has driven "every car you can imagine", is always eager to find out more about new models.

She's impressed by how vehicles have come along "in leaps and bounds" in almost every way over recent times – be it the quality, finishing, technology or how they handle.

Her current drive is a Toyota RAV4 hybrid. "I absolutely love it," she enthuses. "I've just switched from a Jeep and it's impressive. "I'm fortunate to have had

the benefit of driving many cars

over the years from most of the major traditional brands. The most memorable include a Mustang GT500 soft top on the Lara [You Yangs] proving ground near Melbourne. That was awesome.

"I love driving lots of different cars. If I travel somewhere, I always rent one I haven't driven before. When I get in, I'll sit there and have a good look around. From the technology to the finishing, I notice the details. I'm usually amazed at the extent of change from one model year to the next. If you compare 2020 models from most brands with their 2023 equivalents, they're incredibly different now.

Wiley's early driving experience came at her parent's property in Manawatu and her first car was a red Mazda Familia.

She recalls polishing it up after

Aimee Wiley mainly worked on Ford's global T6 programme developing the Everest and Ranger while based in Melbourne from 2012-18

cutting the paintwork with Jif, a household cleaning product, when the usual compound from an automotive shop failed to work. "It's funny what you do when you're 15. But I was so proud of my first car and the Jif brought the Mazda back to almost its original red colour."

Today, Wiley continues to polish up her knowledge of issues affecting the new-vehicle industry in New Zealand in what has the potential to be a challenging year for the MIA's members and the broader economy.

"I'm excited about the people (II be working with. So far, I've found that it's a very positive environment, which is important when we think we're in an election year, facing a possible recession and tackling a cost-of-living crisis.

"Those things can cast a shadow, but so far everyone has been upbeat, which is quite refreshing and certainly not true of every industry."

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ATTACHMENT 2: DRAFT LETTER TO AIMEE WILEY

Aimee Wiley Chief Executive Motor Vehicle Industry of New Zealand (MIA) 9(2)(a)

Dear Aimee

I am writing to invite the MIA to nominate a new member to be a part of the Clean Car Sector Leadership Group (CCSLG). The MIA has a critical role in the motor industry, meaning that your organisation can offer contributions that would be invaluable to the development of the Government's clean car policies.

Since the group was established in August 2021, I have very much appreciated the input of David Crawford and the MIA and would look forward to similar contributions continuing in future.

The scope of the group is flexible and will, to some extent, be determined by the members. The main purpose is to provide an opportunity for sector leaders to bring ideas, opportunities, and challenges to the table. I have also appreciated the group's insight when I have brought live policy issues for discussion. Topics that the group has covered include electric vehicle supply, equity issues, technological innovations, and behavioural change, as well as other items related to low emission vehicle uptake in New Zealand. The group has played an important role in the development and implementation of key policies, including the Clean Car Programme and the EV Charging Strategy.

This group is comprised of eight members who hold leadership roles and bring wide-ranging expertise, including from the vehicle industry, climate-change policy, mātauranga knowledge, and electric vehicle infrastructure. The terms of reference for the group are attached for your information.

I would greatly appreciate your or your organisation's participation on this forum. Please let me know by return email who you wish to represent MIA on the group. Te Manatū Waka will follow up shortly with dates and arrangements for the upcoming meetings.

Yours sincerely

Hon Michael Wood Minister of Transport

Clean Car Sector Leadership Group

Terms of Reference

The purpose of the Clean Car Sector Leadership Group (CCSLG) is to advise the Minister of Transport Hon Michael Wood on accelerating the uptake of clean vehicles (ultra low emission vehicles - ULEVs) in New Zealand in pursuit of the net zero emissions targets set out in the Climate Change Response Act.

Mission statement: Identify opportunities and barriers to the uptake and accessibility of lowemission vehicles, to support an ambition to increase zero emissions vehicles to 30 percent of the light vehicle fleet by 2035.

The CCSLG comprises: Drive Electric, Sustainable Business Council, Motor Industry Association, Vehicle Importers Association, Ākina Foundation, Consumer New Zealand, and Vector.

Officials from the Te Manatū Waka – the Ministry of Transport, Waka Kotah New Zealand Transport Agency, the Energy Efficiency Conservation Authority and Parliamentary officials will also attend.

A work plan under this Terms of Reference will be commissioned after the initial meeting.

The scope

The CCSLG is able to discuss and provide advice to the Minister on the following range of relevant topics, including:

1. Climate Change, Transport, and Clean Car policy

- The role of clean car policy in New Zealand's broader transition to a low emissions transport system
- Emissions standards and incentives
- Tax policy
- Structure and timing of any restriction on the import of ICE vehicles
- Scrappage or removal of high-emitting vehicles in the current fleet

2. Commercial factors

- New and used clean car and light commercial supply
- Private, commercial and government fleet transition
- Emerging technologies
- Mobility as a Service (Maas) & TaaS (Transport as a Service)
- Training and skills required to support the transition
- Electric vehicle battery recyclability

3. Infrastructure

3a. Charging infrastructure

- Charging infrastructure (both public and private) coverage
- In-home and in-street charging and equipment standards (quality, safety and cyber security)
- Role of existing electricity lines companies in charging infrastructure roll out, including regulation and investment
- Role of local government in charging infrastructure roll out, including regulation and investment
- Role of central government in charging infrastructure roll out, including regulation and investment

3b. Electricity and network infrastructure

- Impacts of the acceleration on e-mobility on electricity generation and networks
- Smart grids and smart charging
- 4. Access and equity
 - Opportunities for innovative solutions to ensure fair access to clean cars and transport to all New Zealanders
 - MaaS/TaaS and the role it can play to deliver access and equity, including car share, bike share, walking, public transport etc
 - Affordability of electric vehicles and energy
- 5. Consumer education
 - Encouraging the uptake of cleaner cars by consumers
 - Providing accurate information and creating an understanding of future market trends
 - Consumer insights and uptake
 - Consumer confidence and clear information on current incentives for clean vehicle
 uptake

Operating model

The CCSLG will operate in accordance with the following:

- 1. The role of the Minister:
 - Appoint a Chair of the CCSLG
 - Appoint members to the CCSLG
 - Direct the Group to provide advice on specific questions at his discretion
 - Attend the CCSLG meetings

- 2. The role of the Ministry of Transport
 - To provide secretarial support to the CCSLG, including an agenda before each meeting and minutes
 - To consider advice provided to the Minister by the CCSLG
- 3. The role of the CCSLG
 - Provision of independent advice to the Minister
 - Attend meetings and contribute advice
- 4. Confidentiality
 - Chatham House Rule applies
- 5. Media and comms
 - Enquiries regarding the CCSLG, its activities and work programme are to be referred to either Minister Michael Wood's office or the CCSLG Chair, Mark Gilbert.
- 6. Meeting frequency
 - The group will meet on a bi-monthly basis.
 - Meetings will be a mix of online and in person.
- 7. Duration of the Group
- n of this term • The CCSLG will exist for the duration of this term of Government.
- 8. Fees and expenses

ATTACHMENT 3: DRAFT LETTER TO DAVID CRAWFORD

David Crawford Motor Vehicle Industry of New Zealand (MIA) s 9(2)(a)

Dear David

I am writing to accept your resignation from the Clean Car Sector Leadership Group and to thank you for your valuable contributions, both to the group, and more broadly as part of your role as Chief Executive Officer at MIA.

The CCSLG group has played an important role in helping this Government shape some of our key policies, including the clean car policies and the EV Charging Strategy. It has also had a hand in shaping our thinking around vehicle policies in the Emissions Reduction Plan. I have appreciated the insight and expertise you have brought to these conversations and to the advice you have given.

More broadly, I would like to thank you for the close engagement that the MIA has maintained with me and my officials over the past few years. We are exploring new territory in New Zealand with proposals like the Clean Car Standard, the Clean Car Discount, and the Euro 6/VI proposals, and your willingness to engage constructively on these matters has been a critical part of ensuring the policy is robust and properly thought through.

ement. I wish you all the best in your retirement.

Yours sincerely

Hon Michael Wood Minister of Transport



4 May 2023

Hon Michael Wood

Minister of Transport

Document 2 OC230303

Action required by:

Monday, 15 May 2023

UPDATING THE MINISTRY'S STRATEGIC INTENTIONS

Purpose

To request you review, and if necessary, amend the draft updated Minister's foreword to the Ministry's revised Strategic Intentions.

Key points

- You previously agreed that the Ministry prepare an updated Strategic Intentions for tabling in the House (the Weekly Report on 3 March 2023 refers). The reason for the update was to remove the first of our six priorities to 2025: *'Enable transport to effectively respond to, and recover from, COVID-19'*. Our work in this area has become part of our business-as usual activity.
- Content for the other parts of the document has not substantially changed except where references to six priorities now become five, and to the Ministerial and Chief Executive sections.
- A full copy of the updated Strategic Intentions, showing all changes, is attached.
- We have amended the foreword from the Minister to reflect the update as well as referencing the cyclone Gabrielle recovery. We have attached a draft for your consideration (Appendix A refers).
- As we now have a new Chief Executive, we have made some minor amendments to the Chief Executive's introduction.
- Please review your updated foreword and let us know if any changes are needed.

Recommendations

We recommend you:

1 **Review** the draft amended Minister's foreword to the Ministry's Strategic Intentions Yes / No and respond to the Ministry with any amendments or additional content.

Robyn Smith Deputy Chief Executive – Corpo Services		n Michael Wood nister of Transport	
04 / 05 / 2023			
Minister's office to complete:		Declined	
	□ Seen by Minister	□ Not seen I	ov Minister
	□ Overtaken by event		
Comments	S		
Contacts			
Contacts Name		Telephone	First contact
	sutive, Corporate Service	E DIGIT 1	First contact
Name		E DIGIT 1	First contact

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APPENDIX A

Draft foreword from the Minister of Transport

The Ministry and the wider transport system will be a key part of the effort as Aotearoa works to recover from the effects and devastation of Cyclone Gabrielle. Ensuring New Zealanders have accessible transport options that are built to withstand future weather events will be a focus for our transport system going forward.

Extreme events such as Cyclone Gabrielle have shown us that we cannot afford a delay in the fight against climate change. Reducing carbon emissions is a key priority for the Government, and transport has a critical role to play in the transition to a net-zero carbon economy by 2050. This work must be a priority for the Ministry now and into the future. It is vital we take a systems-wide approach to decarbonise the wider transport system and the *Hīkina te Kohupara – Kia mauri ora ai te iw: Transport Emissions – Pathways to Net Zero by 2050* strategy provides a strategic basis for this work.

On average one person is killed every day and another is injured every hour on our roads. The ripple effects of these hundreds of deaths and thousands of injuries are traumatic for whānau, friends, communities and our nation. This Government has reaffirmed its commitment to achieving a significant reduction in deaths and serious injuries on our roads through the Road to Zero road safety strategy, and the Ministry's system overview role is vital to its successful outcome.

In addition to these priorities, the Ministry has a diverse programme of work across the transport system, from oversight of major investments in our cities and regions, to ensuring a fit for purpose regulatory regime across the sector. In this challenging time, I look forward to continuing to work with the Ministry to ensure the transport system enables social and economic growth, plays its part in our response to the climate emergency, builds back better for a more resilient future and improves people's safety and well-being.

Hon Michael Wood Minister of Transport

Attachment is refused under section 18(d) as the final version can be found here: https:// www.transport.govt.nz/

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EVENT BRIEFING

4 May 2023

Document 3 OC2303599

Hon Michael Wood Minister of Transport

Transport Sector Board Forum 2023

Snapshot

Te Manatū Waka | the Ministry of Transport is hosting its Transport Sector Board Forum (the Forum) on 11 May 2023, at the Majestic Centre in Wellington.

The Forum is an annual conference for board members of transport sector Crown entities and State-Owned Enterprises to build relationships and discuss emerging issues across the sector. The theme of this year's forum is 'resilience,' reflective of the changing requirements of the transport sector in light of recent severe weather events.

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You have agreed to provide a 5-minute	spe	ch c	on youN	vision for a resilient transport
network.	6	$\mathbf{\mathbf{N}}$		

Time and date	12.15pm – 12.45pm, 11 May 2023
Venue	Level 88, Majestic Centre, 88/100 Willis Street, Wellington
Attendees	Chief Executives and board members from the following transport sector entities: • Waka Kotahi New Zealand Transport Agency
	Civil Aviation Authority
	Maritime New Zealand
\mathbf{C}	Traffic Accident Investigation Commission
	Air System Navigation Review Panel
	City Rail Link Limited
	Auckland Light Rail Limited
	KiwiRail
•	MetService
	Airways New Zealand.
	Biographies of the attendees are included for your reference in
	Annex 1.
Officials attending	 Bryn Gandy, Deputy Chief Executive - System Strategy and Investment Group
	 Karen Lyons, Director – Auckland

Run sheet	 12.15pm: Your arrival at the venue, during a summary of morning events 12.20pm - 12.25pm: Your speech 12.25pm - 12.45pm: Opportunity to mingle with attendees during the lunch break 12.45pm: You leave the venue.
	A full run sheet is provided for your information in Annex 2.
Media	Media will not be present.
Speaking notes	A draft speech is provided for your feedback and approval in
	Annex 3.

Contacts		1	00'
Name	Teleph	none First	contact
Brent Johnson, Acting Deputy Chief Executiv Performance and Governance	ve, System	· A	
Harriet Shelton, Manager – Governance		2'	1
Alex Beedell, Senior Advisor – Governance	1, 4,)`	
REAL	SC .		

TRANSPORT SECTOR BOARD FORUM 2023

- 1 The forum is an annual conference for board members of transport sector Crown entities and State-Owned Enterprises to build relationships and discuss emerging issues across the sector.
- 2 At the time of writing, 29 board members had confirmed their attendance at the event, including the Chair and Chief Executive of Waka Kotahi New Zealand Transport Agency, the Chair of Auckland Light Rail Limited, the Chief Executive of City Rail Link Limited, and the Chief Commissioner of the Transport Accident Investigation Commission – all of whom you meet with on a regular basis in your capacity as responsible Minister for their entities.
- Before your arrival, Hon Kieran McAnulty will present on *strengthening regional and rural resilience*, and Hon Kiri Allan will present her account of the *emergency response to Cyclone Gabrielle in Tūranganui-a-Kiwa / Gisborne*. A full run sheet is provided in **Annex 2**.
- When you arrive at the venue you will be met by Bryn Gandy at the entrance to level 88 of the Majestic Centre. Attendees will be seated, before the lectern, having heard a summary of the morning's events. The Forum's Master of Ceremonies will introduce you to the stage.
- 5 The theme of this year's forum is 'resilience,' reflective of the changing requirements of the transport sector in light of recent severe weather events.
- 6 In line with this theme, you have agreed to provide a 5-minute speech which gives your *vision for a resilient transport network*. A draft speech is provided for your review and feedback in **Annex 3** You may wish to feedback to officials on the content to ensure it reflects your perspective accurately.
- 7 After your speech, there is an opportunity to join attendees for the beginning of the lunch break. Biographies for confirmed attendees are provided for your information in **Annex 1**, we note that (of the boards you are responsible for) only one member's term is expiring in 2023: Stephen Davies Howard, Deputy Chief Commissioner of TAIC, who you have agreed to progress their reappointment.

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Annex 1: Biographies for confirmed attendees.

Waka Kotahi New Zealand	d Transport Agency
	Dr Paul Reynolds (Chair) Paul is an experienced chair, public sector leader and strategist. He has held a range of senior positions in the public sector including Chief Executive of the Ministry for the Environment, and Deputy Director General (Policy) at the Ministry of Agriculture and Forestry. Paul is currently Chair of AgResearch and Deputy Chair of Manaaki Whenua–Landcare Research. He was made Companion of the Queen's Service Order in 2018 and has a PhD in Biochemistry from the University of Otago.
	Cassandra Crowley (Deputy Chair) Cassandra is a chartered accountant (Fellow), barrister and solicitor of the High Court of New Zealand, and a member of the Institute of Directors. In addition to her commercial advisory work, she holds non-executive directorship roles across several sectors of the New Zealand economy. These roles include chairing several audit, finance and risk committees and overseeing digital transformation.
	Catherine Taylor (Member) Catherine is a chartered accountant and has held senior management positions in the public and private sectors, including five years as director and Chief Executive of Maritime New Zealand. Catherine's current governance roles include Deputy Chair of the Energy Efficiency and Conservation Authority, Chair of the International Visitor Conservation and Tourism Levy Investment Advisory Group, amongst others.
A	Patrick Reynolds (Member) Patrick has extensive expertise in urban form and transport analysis and advocacy. He has lectured in urban design at the University of Auckland and written about transport and the urban realm in books, magazines and online. Patrick is a recipient of the New Zealand Institute of Architects President's Award for his contributions to debates on Auckland's urban issues.

	Hon. Tracey Martin (Member) Tracey was a Member of Parliament for nine years and previously held Ministerial portfolios as the Minister for Children, Minister for Seniors, Associate Minister of Education and Minister of Internal Affairs. She is currently the Chair of the New Zealand Qualifications Authority, the Strong Public Media Business Case Governance Group, and the Wellington Regional Leadership Committee.
	Nicole Rosie (Chief Executive) Nicole was the Chief Executive of Worksafe for three years. She has more than two decades of senior executive experience across the public and private sectors. This includes a range of industries and functions, such as transport and commercial firms including Toll New Zealand and Fonterra.
Civil Aviation Authority	
	Janice Fredric (Chair) Janice is an experienced chair and professional director with 20 years' governance experience. She has a broad portfolio of directorships with experience in the commercial, Crown, and not-for-profit sectors) Janice has held senior executive positions in the finance and banking sectors, and professional services both in New Zealand and internationally.
	Hon. Harry Duynhoven QSO (Member) Harry is an experienced independent consultant with a history of working in the public policy industry. He was a long-standing Member of Parliament, and previously was the Minister of Transport Safety. He is the former Mayor of the New Plymouth District Council, and a current board member for Air Quality Asia, a councillor for New Plymouth District Council, and an elected member of the Taranaki District Health Board.

	Alma Hong (Member) Alma holds tertiary qualifications in Computer and Communications Engineering. She has held Chief Information Officer and senior executive management roles in media and broadcasting, emergency services, transport, and local government.
	Dean Winter (Deputy Chief Executive Strategy, Governance, Risk and Assurance) The Chief Executive / Director of Aviation has delegated his attendance to Dean, who is responsible for the executive management of the functions monitoring the performance and effectiveness of the Authority and the safety performance of the aviation sector.
Maritime New Zealand	
	Jo Brosnahan QSO (Chair) Jo is an experienced chair and director who is also Chair of Harrison Grierson Ltd. She was previously Chair or director of a variety of entities, including Northpower Fibre, Landcare Research and Housing NZ. She is Founder and founding Chair of Leadership New Zealand and she is now Chair of the Leadership NZ Ambassadors. She has experience in the port and maritime sectors, infrastructure, housing and urban development, transport, and environmental management. Jo is a Chartered Fellow of the Institute of Directors of the Chartered Institute of Logistics and Transport, of which she was National President. As a Harkness Fellow and Aspen Scholar, Jo researched leadership in the US.
	 Danny Tuato'o (Member) Danny is a Partner with MWIS Lawyers in Whangārei with a background in tertiary education. He advises a wide range of clients in the areas of trust, property, and Māori land law. Danny has a particular interest in water safety and has been Chair of Water Safety New Zealand since 2015. He has significant experience as a chairperson, director, and trustee, and is currently an independent advisor to the Northland Regional Council Audit and Risk subcommittee.



Stephen Davies Howard (Deputy Chief Commissioner) Term expiring on 31 October 2023, but reappointment in progress Stephen is a former fighter pilot who flew with the Royal Air Force and also the Royal New Zealand Air Force. He has knowledge of the aviation sector, safety management systems and regulation. Stephen chairs the Commission's Audit and Risk Committee and the Remuneration Committee.		
Paula Rose QSO (Commissioner) Paula Rose is a safety professional. She is the Deputy Chief Commissioner for the Criminal Cases Review Commission and Deputy Chair for WorkSafe New Zealand. She also holds board positions at the Broadcasting Standards Authority, the Social Workers Registration Board and St John South Island Regional Trust Board. She is a member the Parole Board. She was formerly National Manager, Road Policing with NZ Police, Deputy Chair of the Independent Taskforce on Workplace Health and Safety and Executive Advisor on the Children's Action Plan		
Bernadette Arapere (Commissioner) Bernadette is a barriste specialising in public and administrative law litigation and Māori legal issues. She is Deputy Chair of the Teachers' Disciplinary Tribunal, a Trustee of the NZ Law Foundation and Raukawa ki te Tonga Trust, and an active member of Te Hunga Rōia Māori o Aotearoa (the Māori Law Society). Prior to joining the independent bar, Bernadette was Crown Counsel at the Crown Law Office in Wellington and a Director of Wackrow Williams & Davies Ltd in Auckland.		
David Clarke (Commissioner) David has over 20 years' experience in governance roles in the commercial, public and charitable sectors, including in Chair, finance and audit and risk roles. He has 27 years of legal professional experience including litigation, and corporate and commercial advice for private and listed company boards and public entities.		



Martin Sawyers (Chief Executive)

Martin is the former Chief Executive and Registrar of the Plumbers, Gasfitters and Drainlayers Board. Prior to that, he led corporate services at the Real Estate Agents Authority, managed legal operations at the Department of Corrections and was the Mayor of Buller District Council and Chair of Buller Electricity Ltd. Mr Sawyers is a lawyer and previously spent 18 years in private practice.

Air System Navigation Review Panel



Debbie Francis (Chair)

Debbie is an experienced consultant and independent external reviewer, who has experience designing and leading organisational transformation programmes and strategy repositioning in the public and private sectors. Previous roles include the Chief People Officer for the New Zealand Defence Force, lead partner for the PwC People and Change practice, head of the PwC central government practice, Executive at the New Zealand Correspondence School, Deputy Chief Executive for UCOL, and the Director of Strategy and Futures at Lincoln University. She led the Independent External Review into Bullying and Harassment in the New Zealand Parliamentary Workplace.



Howard Fancy (Member)

Howard is Director at Howard Fancy and Associates and the former Director of Motu Economic and Public Policy Research. Prior to these roles, he gained extensive public service experience as the Secretary for Education, Acting Chief Executive of the Ministry for the Environment, Chief Executive of the Ministry of Commerce, adviser in the Department of Prime Minister and Cabinet, and a Deputy Secretary at Treasury.

City Rail Link Limited



Russell Black (Director)

Russell has significant experience in senior management of large transport infrastructure companies and project managing large infrastructure projects, such as the London Underground's Jubilee Line extension. He is a Civil Engineer by training.

	Malcolm Gibson (Director) Malcolm is a civil engineer with many years of experience in designing and building underground urban railways. After graduating from Auckland University with a Bachelor of Engineering, he spent over 30 years in Hong Kong working on the MTR network. In 2015, he relocated to Sydney as Technical Director for the Sydney Metro Northwest project, Australia's first driverless metro system.
	Dr Sean Sweeney (Chief Executive) Sean is an engineer with a PhD in Construction Economics from the University of Melbourne. After graduating in engineering from the University of Auckland, Dr Sweeney spent seven years working on the development of Te Papa in Wellington before heading overseas to work in the USA, Europe and Australia.
Auckland Light Rail Limit	ted
	Hon Dame Fran Wilde (Chair) Dame Fran Wilde, DNZM, QSO has held a distinguished career in national and local politics and held a range of governance roles across the private and public sectors. A former Member of Parliament, she also held Ministerial portfolios. She is a former Mayor of Wellington, Chair of the Greater Wellington Regional Council, CEO of the NZ Trade Development Board and has been a Chief Crown Negotiator for Treaty of Waitangi settlements. Her current governance roles include Chair of the Museum of New Zealand Te Papa Tongarewa, the Royal NZ Plunket Board (Whanau Awhina Plunket), the Asia New Zealand Foundation and the Wellington Lifelines group.
KiwiRail	
	Bruce Wattie (Director) Bruce has been specialising in providing corporate finance advice and assistance to clients since 1985. He was a partner with PwC for 25 years and continues to provide a diverse range of commercial and financial advice to both the private and public sectors. Bruce is a director of the New Zealand Institute of Economic Research. Bruce's technical specialisations include large-scale infrastructure procurement processes, infrastructure financing, financial analysis, capital structuring, business case development, economic regulation, business and share valuations, and cost of capital.





Terry Paddy BSc, MInstD

Terry has over 20 years of experience in military and civilian airline aviation and was a qualified flying instructor, check & training captain and Civil Aviation appointed flight examiner. Terry is the Managing Director of the software development company Cortexo and has held positions as the President of the New Zealand Software Association and Canterbury Software Incorporated.

Annex 2: Run Sheet

Time	Item	Who
10.00am – 10.25am	Arrival, tea, and coffee	N/A
10.25am – 10.30am	Mihi Whakatau and welcome	MC
10.30am – 10.35am	Minister of Emergency Management's speech 'Strengthening regional and rural resilience'	Hon Kieran McAnult
10.35am – 10.45am	Examples of the transport sector's recovery work	N/A
10.45am – 11.55am	Breakaway One Workshop One: Preparing for predictable and unforeseen events	Group A
	Workshop Two: Regulatory policy's role in a resilient transport system	Group B
11.55am – 12.00pm	Associate Minister of Transport's speech A first- hand account of the emergency response to Cyclone Gabrielle in Gisborne'	Hon Kiri Allan
12.00pm – 12.10pm	Examples of the transport sector's recovery work	N/A
12.10pm – 12.20pm	Summary of Morning Events (Introduction of Minister Wood	MC
12.20pm – 12.25pm	Minister of Transport's speech 'Vision for a resilient transport network'	Hon Michael Wood
12.25pm – 1.30pm	Lunch	N/A
1.30pm – 2.40pm	Breakaway Two Workshop One: Preparing for predictable and unforeseen events	Group B
	Workshop Three: Climate Change Adaption	Group A
2.40pm – 2.45pm	Secretary of Transport's speech 'Importance of Resilient Relationships/Partnerships/Connections'	Audrey Sonerson
2.45pm – 3.55pm	Breakaway Three Workshop Two: Regulatory policy's role in a resilient transport system	Group A
	Workshop Three: Climate Change Adaptation	Group B
3.55pm – 4.00pm	Summary of Themes Poroporaki	МС
4.00pm – 5.00pm	Drinks and Nibbles	N/A

Annex 3: Draft speech

Minister Wood Speaking Points

Transport Board Forum 2023 – Vision for a resilient transport network

5 minutes

Introduction

Kia ora koutou, thank you for your warm welcome Richard and to the hosts of this forum, Te Manatū Waka, for providing an opportunity for transport sector boards to come together and discuss important topics like the one we are discussing today, resilience.

I'd like to talk to you about the Government's vision for a resilient transport network and the role your boards will have in getting us there.

The transport sector's role in an efficient transport network

Firstly, I want to acknowledge the devastation that the floods and Cyclone Gabrielle brought in Auckland and across regions, such as Gisborne. The Cyclone caused major damage to the State Highway and rail networks, and I want to thank you for the hard work of your organisations to respond to this damage and reconnect communities.

As you heard from Minister McAnuty and Minister Allan earlier today, the transport sector has an incredibly important role in enabling and maintaining the connectivity of communities, places, and the supply chain before, during, and after - severe weather events, like those experienced recently, and also in the event of natural disasters.

Kaikoura earthquake

In 2016, multiple landslides and slips from the Kaikōura earthquake closed State Highway 1, the Main North Line railway between Picton and Christchurch, and damaged all roads in and out of the area - isolating Kaikōura and the surrounding rural communities nearby.

The earthquake caused widespread damage, not just to the community's transport links, but to homes and infrastructure. Business were closed, farms were left with damaged land and no access to markets for their goods, and communities were devastated by the loss of trade from passing traffic and tourists.

For a time, the only access to and from the town was by air, limiting supplies and services that the community had access to. And for many months, the entire New Zealand supply chain was impacted, as workarounds were found that enabled goods to be moved from the North Island and down through the South Island.

The recovery of the transport network in and out of Kaikōura required a significant effort from a large group of people to reconnect the town and improve access for the remainder of the South Island.

It was a lengthily and staged process, which required close collaboration between Waka Kotahi and KiwiRail to coordinate the rebuild of road and rail, often requiring repair teams to work through the night.

These efforts resulted in the first train travelling on the Main North Line from Christchurch to Kaikōura in June 2017, eight months after the earthquake, albeit with heavy restrictions on the line, which was quickly followed by the clearing of the majority of landslides on State Highway 1.

But full recovery took longer. Nearly two years after the earthquake hit, SH1 and rail freight services opened 24/7 for the first time. And in October 2020, all major earthquake repairs on the Inland Road were finally complete, providing the community with another means of entering and exiting the town

When taking into consideration the changes in our environment, returning the transport network around Kaikōura to what it was before the earthquake was not enough. In February 2018, ex-cyclone Gita wreaked havoc on an already earthquake-affected coast, bringing down 60 slips along the Kaikōura corridor.

In response to these natural events, and the needs of system users, the transport network has been built back better. Additional safety barriers on SH1 provide greater protection to system users. Enhanced stopping areas consider the needs of the community by creating more opportunities for businesses to trade. A cycle/ walk facility provides the community and tourists with opportunities to explore the town in a more environmentally sustainable way. And rockfall protection and a seawall have strengthened the resilience of transport links.

Notably, these improvements took time to implement, and were completed by December 2020, some years after natural events spurred their implementation.

The recovery of this one event shows us the scale of the challenge ahead of us, when natural events occur. Not just in the aftermath of an event, but in future proofing the transport network for years to come.

Vision for the future

We all share a commitment to delivering a safe and secure transport system that supports and improves the lives of New Zealanders - a system that links us all together. And, as we know, the importance of this work has only grown recently.

But how do we, as a Government and as a sector, not just respond to events when they occur, but maintain and build a resilient transport network that is capable of mitigating their impact?

Maintaining the transport sector so that it is resilient during events is not without challenges. To do so effectively requires significant planning, investment, and resources in the short-term to recover and rebuild, but then in the long term to meet the scale severe weather events and natural disasters.

In the short-term, our focus is on bringing back connectivity to communities impacted by recent events. The Government has committed an initial \$250 million for Waka Kotahi and local councils to assess and fix roads. And we have established a Cyclone Recovery Task Force to advise the Government on the work that is required for the recovery and how we can improve the resilience of our system.

In addition, I have asked for the Government Policy Statement (GPS) on Land Transport to have a greater focus on reconstruction of damaged infrastructure, as well as building greater resilience so our transport network can better withstand the increasing frequency of extreme weather events.

But to ensure that New Zealand is prepared for na ural events, not just a year, but 20 years from now requires a focus on our changing environment and its potential impact on the transport network.

Emissions reduction

As evidenced by the changes to infrastructure in Kaikoura, we are building back better, to ensure the gains from our work to strengthen the transport network now, can be experienced by generations to come.

But the Government has also made clear our ambition for emissions reduction and adaption as a long-term solution, and the transport sector's role in making New Zealand's goals a possibility.

Notably, the Emissions Reduction Plan sets out the Government's target of achieving a 41 percent reduction in transport emissions by 2035 from 2019 levels.

To achieve our net-zero target climate goals, the Government will be looking to the transport sector to play a leading role in the development of a sustainable, low-carbon transport system that supports emission reductions, while improving safety, health, and inclusive access to transport.

Role of Boards

As Board members, you can support our work and enable the resilience by planning and delivering investment in the network; ensuring that it is effective, safe for its users, but also resilient in times when it is needed most.

It is important that your organisations respond appropriately to the Government's climate change commitments through measures and reporting against the Emissions Reduction Plan and Carbon Neutral Government Programme.

Boards should assess what capability they, and their senior leaders, require to prepare for natural disasters before they occur, and be able to respond rapidly to natural events to enable the re-connection of communities at the earliest opportunity.

Wrap up

I am confident in the sector and your entities' ability to work with central government and the rest of the sector to meet these challenges. New Zealand's experiences with previous national disasters show us that we are able to rebuild, but also that we can go beyond that and improve the resilience of the network for the future.

I also wish to acknowledge the ongoing work you, your Boards and organisations, will continue to do going forward as we continue to recover from severe weather events, and prepare the system.

Thank you again for taking the time to be here.



5 May 2023

Document 5

OC230355

Hon Michael Wood Minister of Transport Action required by: Friday, 19 May 2023

TRANSPORT ACCIDENT INVESTIGATION COMMISSION - DRAFT STATEMENT OF PERFORMANCE EXPECTATIONS FOR 2023/24

Purpose

Provides you with advice on the Transport Accident Investigation Commission's (TAIC's) draft Statement of Performance Expectations (SPE) for 2023/24, and a draft letter to the Chief Commissioner with proposed comments.

Key points

- TAIC provided you with copies of its draft SPE on 28 April 2023. You have 15 working days (until 19 May 2022) to provide feedback on both documents, in accordance with section 149I of the Crown Entities Act 2004.
- TAIC's focus is to continue delivering its w der strategic intentions, while also maintaining core business. Its successful Budget bids have been reflected in the draft SPE, with TAIC intending to scale its performance measures over the next few years to reflect the time taken for the impacts of the funding increase to be realised in its outputs.
- The increased funding provided through Budget 2023 will also enable TAIC to return to a neutral budget in 2024/25. TAIC is forecasting a small budget deficit for this year (\$90,000), with the main effect for its deficits being property related.
- The Ministry considers that the expectations set by TAIC accurately reflect the organisation's position and operating context. Good progress continues to be made towards delivery of its wider strategic intentions, and its SPE responds well to your Letter of Expectations. We recommend that you write to the Chief Commissioner to confirm this. A draft letter is attached at **Appendix One** for your consideration.
- TAIC must consider any comments you make before finalising its SPE. It is required to publish the final versions of its SPE as soon as practicable, but no later than 1 July 2023.

Recommendations

We recommend you:

1 advise if you have any furth Commission's draft Statemer feedback suggested by the	ent of Performance Ex				
2 sign and send the attached letter of feedback to the Transport Accident Investigation Commission's Chief Commissioner					
AReld	J.		082		
Harriet Shelton		Hon Michael Wood	X ``		
Manager, Governance		Minister of Transp	ort		
05 / 03 / 2023					
Minister's office to complete:	□ Approved		d		
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Comments	L Overlanen by e	Venue			
Contacts	NO'				
Name		Telephone	First contact		
Brent Johnston, Acting Deputy C Performance and Governance	hief Executive, Syste	s 9(2)(a)			
Harriet Shelton, Manager, Governance			1		
Jono Reid, Principal Adviser, Governance					
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BUDGET SENSITIVE

TRANSPORT ACCIDENT INVESTIGATION COMMISSION – DRAFT STATEMENT OF PERFORMANCE EXPECTATIONS FOR 2023/24

The Statement of Performance Expectations (SPE) provides an important opportunity for you to influence an entity's short-term priorities

- 1 The SPE is a statutory planning and accountability document governed by the Crown Entities Act 2004 (the Act). Its purpose is to:
 - 1.1 enable you, as responsible Minister, to participate in the process of setting annual performance expectations;
 - 1.2 enable the House of Representatives to be informed of those expectations; and
 - 1.3 provide a base against which actual performance can be assessed.
- 2 Your Letter of Expectations (LOE) for 2023/24 to TAIC's Chief Commissioner provided context and input for TAIC's draft SPE. The Ministry has assessed TAIC's draft documents against the expectations set in your LOE, and considers that it accurately reflects the expectations set.

TAIC is expected to be a large way through achieving the strategic intentions set in its Statement of Intent for 2021-2025

- 3 On 1 July 2021, TAIC received a baseline increase to enable delivery of the Knowledge Transfer System project. This project was a programme of work that sought wider organisational improvements in terms of investigation software development, improving organisational capability, and furthering the use of data and research in its investigative work.
- 4 TAIC's focus for 2023/24 will be around implementing and embedding new processes that have been developed over the past two years through this programme. This includes finalising the migration process for the new case management system (TAIC expects to have all cases in the new system by December 2023), further testing of the major accident plan developed in 2021/22, and improving investigator capacity through training. Once these systems have been implemented, TAIC will look to further its research capacity to allow greater searchability of its findings.
- 5 Internal organisational capability development work will also continue through 2023/24. This includes continued work on meeting good employer obligations, and integration of tikanga Māori into TAIC's work. Integration of tikanga, te reo Māori, and improving protocols for engagement with Māori are newer initiatives developed since the publication of the Statement of Intent and are being weaved into the wider strategic objectives.
- 6 The Ministry considers that TAIC is making good progress overall towards achieving its Statement of Intent objectives, with most delays being minor in nature. Some changes have occurred to its work programme (such as phasing the overall documentation of investigation process rather than working on each process one at a time), and these appear to be largely organic and reasonable. The main deferral has been around the Research Programme, as TAIC decided it would be better to

BUDGET SENSITIVE
implement its Research Strategy once the new case management system is fully operational. It is expected that this activity will become of greater focus for TAIC in the second half of the 2023/24 financial year.

Scaled changes are being made to delivery expectations following the outcome of Budget 2023

- 7 TAIC is funded for one output class: accident and incident investigation and reporting. Within this output class, it sets expected parameters for timeliness, volume (expected ranges for completed inquiries, and caseloads) and cost.
- 8 The increases to TAIC's budget for rail inquiries will result in one minor change to its reporting this year, with the number of domestic reports it expects to publish per annum increasing from a range of 15-25 to 17-27. Given the time it takes for investigators to be recruited and become fully effective, TAIC made the decision to scale its performance expectations to reflect the impacts of growth over time.
- 9 The Ministry agrees with TAIC's decision to scale its performance targets, and we had discussed it as an option when they were considering changes to its measures. In the next few years, you can expect to see the expected number of publications increase to a range of around 19-29 per annum with the number of active domestic cases expecting to reach around 34 per annum.
- 10 It is unclear from discussions to date if the metrics will change significantly for the average cost for domestic inquiries or the expected proportion of domestic inquiries being completed within 440 working days. This is because the longer inquiries are typically aviation inquiries. Over the last five years, rail inquiries have taken an average of 321.8 working days to complete, with only two of 24 completed inquiries in that time taking longer than 440 working days.
- 11 The average cost metric will be affected by the expected actual cost of the rail inquiries themselves, as well as the general impact of indirect costs across the business from increased staff numbers and activity (which is a percentage of the average cost calculation). Following the previous baseline increase, this metric increased from a range of \$300,000-350,000 to \$400,000-450,000 over two years. TAIC expects this measure will increase from 2024/25.

Financial performance

- 12 TAIC is currently forecasting an overall budget deficit of \$90,000 for 2023/24, with a view to return to a neutral budget in 2024/25. These changes are largely a result of impacts to 'lease, rental and outgoings.' The successful Budget bids will alleviate those financial pressures.
- 13 Staffing costs will increase throughout 2023/34 as TAIC recruits the new staff enabled by its successful Budget bids. The full changes of TAIC's successful Budget bids are reflected in its budget forecasts for the 2024/25 financial year.

The audit opinion for the 2021/22 financial year has also been published

14 In parallel to the provision of the SPE, the Office of the Auditor-General issued an unmodified audit opinion of TAIC for the 2021/22 financial year on 3 May 2023. Its opinion graded the Commission as 'Very Good' across all three aspects of its audit.

Risks

15 There is an inherent risk to TAIC's accident and investigation reporting output measures, as the nature of TAIC's work mean that sudden influxes of inquiries within a small portfolio of cases can affect the overall measures. This risk is largely outside of TAIC's control; however, it is always present. Regular engagements with the Commission allow for opportunities to discuss capacity and workload, and any possible assistance that can be offered.

Next Steps

- 16 Please review the **attached** letter of feedback at **Appendix One**, alongside TAIC's draft SPE, and provide your feedback to TAIC before 19 May 2023. Once received, TAIC must consider your comments before finalising its SOI and SPE.
- 17 TAIC is required to publish the final versions of their SRE as soon as practicable, but no later than 1 July 2023.
- Final versions of TAIC's SPE will be provided to your Office upon completion. You will be required to table these documents in the House of Representatives, and you can either do this upon receipt, or when you table TAIC's Annual Report for 2022/23.

BUDGET SENSITIVE

Office of Hon Michael Wood

MP for Mt Roskill

Minister of Immigration Minister of Transport Minister for Auckland Minister for Workplace Relations and Safety Associate Minister of Finance



-X 1981

Jane Meares Chief Commissioner Transport Accident Investigation Commission jane.meares@cliftonchambers.co.nz

Dear Jane,

Thank you for providing the me with a final draft of the Transport Accident Investigation Commission's Statement of Performance Expectations (SPE) for 2023/24.

I appreciate the hard work that your organisation has put into the drafting of this years' SPE. I can confirm that I do not have any direct comments to raise in respect of your SPE but would like to thank you for your ongoing and proactive engagement during our regular meetings.

I note that good progress is being made overall towards delivery of the Knowledge Transfer System project. I look forward to seeing how this eads to wider organisational improvements and continued achievement of your strategic intentions.

I also acknowledge the decision to scale the changes to the Commission's performance measures following the increased funding towards the Commission's investigative function, and wish the Commission well with its work in this area. As always, the insights provided by TAIC are highly valued and much appreciated.

I look forward to continuing to work with you to improve transport outcomes for New Zealanders.

Yours sincerely

Hon Michael Wood Minister of Transport

Copy to: Martin Sawyers, Chief Executive, Transport Accident Investigation Commission Audrey Sonerson, Chief Executive, Ministry of Transport

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9 May 2023

Document 6 OC230368

Hon Michael Wood Minister of Transport

MEETING WITH WHAKAWHANAKE KĀINGA KOMITI - 12 MAY 2023

Snapshot

You are attending a Whakawhanake Kāinga Komiti (Komiti) meeting between 9am-10am on 12 May 2022. The purpose of the meeting is to seek the Chief Executives' Advisory Group's direction on the draft Christchurch Spatial Plan (Spatial Plan) and Mass Rapid Transit (MRT) Indicative Business Case (IBC).

This briefing complements the advice from HUD and Waka Kotahi on the Spatial Plan and the MRT IBC.

Time and date	9:00am-10:00am, Friday 12 May 2023
Venue	Microsoft Teams Meeting
Attendees	Hon Dr Megan Woods, Minister of Housing and Minister of Infrastructure
	Whakwhanake Kainga Komiti members (see Biographies)
Officials attending	Anne Shaw, Deputy Chief Executive, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development
	Kate Styles, Partnership Director, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development
	Paul Commons, Deputy Chief Executive, Kāinga Ora
	Ernst Zollner, Director – Strategic Urban Partnerships, Kāinga Ora
	kiz Krause, Regional Director, Kāinga Ora
Ó	Richard Osborne, Regional Manager – System Design, Waka Kotahi New Zealand Transport Agency

Contacts

Name	Telephone	First contact
Jessica Ranger, Manager Placemaking and Urban Development	s 9(2)(a)	~
Kathleen Wong, Adviser, Placemaking and Urban Development		

Meeting with Whakawhanake Kāinga Komiti - 12 May 2023

Key points

- The Komiti will be asked to endorse the Draft Greater Christchurch Spatial Plan and the Mass Rapid Transit (MRT) Indicative Business Case (IBC). The alignment of these two projects through the joint work programme is critical for the future growth of Greater Christchurch. Your attendance at the meeting will support this alignment.
- The Ministry of Housing and Urban Development has provided Minister Woods with a separate briefing (HUD2023-002154) on the Komiti meeting, which will be forwarded to you. This briefing provides information about the meeting and agenda items more generally. Waka Kotahi has also provided you with an update on the MRT IBC (BRI 2758) and will provide you with talking points.



- 4 Waka Kotahi has signalled there is no funding available to progress projects that have not already been agreed to by the Waka Kotahi Board. This also applies to projects set to commence in the 2024-2027 National Land Transport Programme. We will work through what this means for the DBC with Waka Kotahi.
- 5 We consider it will be important to determine funding arrangements with Greater Christchurch partners prior to commencing development of the DBC.
- 6 We are preparing advice for you on a paper updating Cabinet on key mass rapid transit projects ^{s 9(2)(f)(iv)}

8	There is an important role for the Komiti and Greater Christchurch Partnership to play as the MRT project takes shape. Ensuring local stakeholder buy-in will provide social licence and help ensure the integration of the project within the wider urban environment ^{s 9(2)(f)(iv)}

Talking points

s 9(2)(f)(iv)

- I'm supportive of the work to progress MRT in Christchurch, and I recognise the need for additional funding to progress the Detailed Business Case.
- Any funding requests will need to be considered alongside other priorities in the transport portfolio.
- ive Business I look forward to sharing the Indicative Business Case with my colleagues in the



10 May 2023

Hon Kiri Allan Associate Minister of Transport Action required by: Friday, 19 May 2023

Document 7

OC230345

cc Hon Michael Wood Minister of Transport

DRAFT 2023/24 STATEMENTS OF PERFORMANCE EXPECTATIONS OMNIBUS - MARITIME NEW ZEALAND AND CIVIL AVIATION AUTHORITY

Purpose

This briefing provides advice on the draft 2023/24 Statement of Performance Expectations (SPEs) for Maritime New Zealand (MNZ), as well as he Civil Aviation Authority's (CAA's) draft SPE for 2023/24 and draft 2023-2028 Statement of Intent (Sol).

Key points

- As Responsible Minister for MNZ and CAA, you have an important role to play in setting expectations for the entities and influencing their public accountability documents, including the:
 - **SPE** which enables you, and the House of Representatives, to participate in the process of setting annual performance expectations for the entity; and
 - **Sol** which sets out the strategic intentions of the entity for a period of four years.
- On 1 May 2023, you received MNZ and CAA's draft SPEs, and CAA's 2023-2028 draft Sol. Te Manatū Waka notes that a new Sol was expected next year, but CAA has prepared it to reflect significant changes to its operating context, such as the enactment of the Civil Aviation Act which will impact its work programme in 2023/24.
- Te Manatū Waka has reviewed the draft SPEs, and CAA's draft Sol, to ensure the documents meet statutory requirements, particularly the Crown Entities Act 2004, and other requirements including good practice guidance published by the Treasury and central agencies. Te Manatū Waka is largely comfortable with the documents but notes:
 - **MNZ's draft SPE** did not include any financial information. It has indicated that it will provide this to you by 24 May 2023.
 - **CAA's Enabling Drone Integration (EDI)** work programme has not been included in either its SPE or Sol, as Cabinet has not approved the Cabinet paper

which would enable this work to progress.

• Please refer to **Appendix One** for a summary of analysis from Te Manatū Waka and key comments on the documents.

In 2023/24, both entities will continue to be reliant on a liquidity facility, up to a 'specified amount'

 In Budget 2023, Cabinet agreed to provide Crown funding for the entities in 2023/24 by extending Multi-Year Appropriation '*Protection of Transport Sector Agency Core Functions*' (known as the 'liquidity facility'). In doing so, Cabinet approved the following financial recommendation:

> that the actual funding provided from the 'Protection of Transport Sector Agency Core Functions' appropriation will be the difference between forecast expenditure for core functions, and revenue forecast to be received in 2023/24, up to a '<u>specified amount'</u> agreed by the Minister of Transport and the Associate Minister of Transport (which will be no more than the total amount of the appropriation available)

- Further financial recommendations for Budget 2023 explain that this 'specified amount' should be set by Transport Ministers prior to the finalisation of the entity's Statement of Performance Expectations 2023/24, and that the setting of the specified amount will take into account the latest available information on actual expenditure and revenue for 2022/23 and forecast expenditure and revenue for 2023/24.
- Te Manatū Waka is working with MNZ and CAA to ascertain what the specified amount for each entity in 2023/24 should be. We will provide you with advice on a recommended amounts by 31 May 2023.

Next steps

Date	Step
By 19 May 2023	You are required to provide any feedback to have to MNZ and CAA on their draft documents, as per sections 146(B) and 149I(2)(b) of the Crown Entities Act 2004.
By 24 May 2023	MNZ to provide you with a draft SPE including financial information.
By 31 May 2023	Te Manatū Waka will provide you with advice by this date on an appropriate specified amount that both entities can access from their liquidity facilities along with any other feedback on MNZ's financial information.
By 30 June 2023	Transport Ministers to agree on a 'specified amount' prior to this date.
By 30 June 2023	The entities must consider your comments by this date.
By 1 July 2023	Entities must finalise their documents and publish them on the internet by this date.
After this date	Tabling the SPEs. Section 149L of the Crown Entities Act 2004 allows responsible Ministers to table final SPEs upon receipt, or at the same time as the entity's Annual Report for the previous financial year (providing Parliament with a backward- and forward-looking view of the entity).

Attachments

- Summary comments on draft 2023/24 SPEs (refer to Appendix One). •
- own Ent • Draft letters to each Crown Entity providing comments on draft 2023/24 SPEs (refer to

Recommendations

It is recommended that you:

- note that the draft Maritime New Zealand SPE did not include any financial information but has indicated it will provide this for you by 24 May 2023. Te Manatū Waka will provide you with advice on the financial statements once they are received, after which you will be able to finalise it.
- 2. agree to sign and send the letters attached at Appendix Two to each Yes / No Crown Entity by <u>19 May 2023</u> (subject to any changes you wish to make), to provide feedback on the draft Statements of Performance Expectations and the Civil Aviation Authority's 2023-2028 draft Statement of Intent.

Harriet Shelton Manager, Governance 10 / 05 / 2023

Minister's office to complete:

Hon Kiri Allan Associate Minister of Transport

Declined

.....

□ Not seen by Minister

Comments

Contacts		_
Name	Telephone	First contact
Brent Johnston, Acting Deputy Chief Executive, System Performance and Governance	s 9(2)(a)	
Harriet Shelton, Manager, Governance		1
Johnny Crawford, Senior Adviser, Governance		

□ Approved

Seen by Minister

Overtaken by events

Appendix One: Summary Comments on Draft 2023/24 SPEs



Review Draft Statement of Performance Expectations 2023/24

Strategic Context

As Maritime New Zealand's (MNZ) strategy Te Korowai o Kaitiakitanga has progressed, it has been able to elaborate on the way it articulates its role in the sector. For example, its draft SPE includes an update to its outcomes, previously "Safe, Secure and Clean," now "Safe, Secure, Clean and Sustainable." However, there are no major changes to MNZ's strategic context. Although MNZ to undertake some new activity during the year (such as preparatory work for receiving the Health and Safety at Work Act (HSWA) oversight of ports from 1 July 2024), its successful bids in Budget 2023 relate to cost pressures on existing activity.

Until revenue from maritime and oil pollution levies have recovered, MNZ will continue to rely on Crown funding for its core functions through the liquidity facility until completion of the funding review.

MNZ will continue to support work in the maritime sector through 2023/24 and remains committed to Government priorities.

Expectations

Te Manatū Waka is broadly comfortable that the draft SPE incorporates MNZ's strategic objectives utcı Janatū Jins for white and is aligned with the Transport Outcomes Framework, the Government's objectives, and the transport sector's objectives. Te Manatu Waka notes MNZ's commitment to delivering its core regulatory and compliance functions for which we would expect to see improved performance during the year.

s 9(2)(f)(iv)

Performance

Te Manatū Waka notes areas in which progress has been made with MNZ's performance measures. A few measures have been reworded to better demonstrate areas over which MNZ has control. MNZ

has	also	allowed	for	additional	context t	o be	e added	alongside	certain	performances	measures	to
prov	ide a	more ful	son	ne performa	ance story	1.						

s 9(2)(f)(iv)

Financial Performance

The total amount of Crown funding available through MNZ's liquidity facility has been adjusted by \$16.1 million through Budget 2023. However, the amount that it will be able to draw down needs to be specified by the Minister of Transport and the Associate Minister of Transport once MNZ has provided details of its revenue and expenditure.

Without detailed financial information, it is difficult to ascertain MNZ's ability to undertake the activities outlined in the non-financial section of its SPE.

In-depth feedback on this section, including a 'specified amount' that MNZ will be able to draw down from the liquidity facility will be provided once MNZ has provided a complete version of its draft SPE.

Key Risks		
s 9(2)(f)(iv)	2	
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Review Draft Statement of Performance Expectations 2023/24 Draft 2023 – 2028 Statement of Intent

Strategic Context

The Authority continues to operate under its pre-COVID-19 funding model, which sustained 89 percent of the CAA's funding and 99 percent of Avsec funding through charges, fees, and levies before the pandemic. As a result of significantly reduced passenger activity, the Authority's finances have been constrained since 2020 and it has become dependent on Crown funding to support delivery of its core functions.

It will take time for trends in international air travel to crystalise after a sustained period of uncertainty and change. Presently, domestic passenger volumes are at 90 percent of pre-COVID-19 levels, but it is unlikely that international passenger volumes will return to pre-COVID levels until at least December 2024.

However, because current rates for the Authority's fees, levies and charges were set in 2016 and 2019 (for CAA and AvSec respectively), the return of pre-COVID-19 passenger levels will not sustain the current cost of the Authority's services, or its increases in expenditure and inflation since 2020. Until such time as the Authority's funding settings are revised through its funding review, the Authority will be reliant on Crown funds to support delivery of its operations.

Since 2020, the Authority has been required to respond to changes to its operational / regulatory environment and Government priorities, including emerging technologies, the enactment of the Civil Aviation Act and responding to changing risks in the aviation system that were not contemplated by its previous funding reviews.

Expectations

The Authority has not received a Letter of Expectations for 2023/24, but has worked closely with officials to ensure the content of its draft SPE and Sol align with known Government priorities, and adequately address changes in its operational environment. In response to this, Te Manatū Waka notes the Authority's commitment to:

- becoming a modern regulator, by focusing on changing its regulatory approach to become more intelligence-led and risk-based
- enabling the Civil Aviation Act to come into force within two years
- meeting New Zealand's international obligations including achieving ICAO's audit requirements
- regulating emerging technology developments in a timely manner while maintaining aviation safety and security outcomes.

The draft SPE also responds to the Minister of Transport's request last year, to measure the Authority's performance against Government's climate change commitments.

Performance

Overall, Te Manatū Waka is comfortable with the draft SPE and Sol and supports the Authority's focus on becoming a modern regulator. However, there are two areas which require further development in 2023/24:

BUDGET SENSITIVE

 The Enabling Drone Integration (EDI) work programme has not been included (specifically) in either documen s 9(2)(f)(iv)
work to progress
s 9(2)(g)(i)
Both documents commit the Authority to regulating emerging technology developments while maintaining aviation safety and security outcomes. We note that there is pressure from the aerospace sector to approve emerging technologies quickly, but effective regulation takes considerable time to ensure the safety of the system and its users.
Financial Performance
Cabinet has approved the continuation of the " <i>Protection of Transport Sector Agency Core Functions Multi-Year Appropriation</i> " (known as the 'liquidity facility') to protect the Authority's core functions in 2023/24, providing \$34.600 million to effectively purchase core services from the Authority that are no longer able to be cost recovered from third parties.
The SPE's draft financial statements reflect Budget 2023 outcomes. However, two cost pressures have emerged since the Authority's Budget bid was prepared in December 2022:
 The Civil Aviation Act was enacted in March 2023, giving the Authority and Te Manatū Waka two years for implementation, a timeframe not anticipated in the bid;
 the Authority is returning to market for the fitout of its offices at Asteron House, delaying the reoccupation of its head office and leading to an increased lease costs for its temporary offices.
In line with the financial recommendations for Budget 2023, Te Manatū Waka is working with MNZ and CAA to ascertain what the 'specified amount' of liquidity facility funding should be in 2023/24. We will provide you with advice on a recommended amount by 31 May 2023 which will consider the emergence of these cost pressures.
Key Risks
9(2)(f)(iv)

Appendix Two: Draft letters to Crown Entities providing comment on SPEs for 2023/24

THE OFFICIAL INFORMATION ACT 1982

Hon Kiri Allan MP for East Coast

Minister of Justice Minister for Regional Development Associate Minister of Transport



Jo Brosnahan s 9(2)(a)

Dear Jo

Statement of Performance Expectations for 2023/24

Thank you for submitting the draft of the Maritime New Zealand (MNZ) Statement of Performance Expectations (SPE) for 2023/24 for my review.

I appreciate the difficulties of providing a draft SPE when Budget 2023 outcomes are not known until late in the process. However, I would like an opportunity to see the prospective financial statements prior to the finalisation of the SPE. In particular, the 'specified amount' which MNZ will be able to draw down from the liquidity facility during the year, needs to be based on its forecast revenue and expenditure.

With that in mind, this letter outlines my response to the partial SPE that I have seen, In particular, the way that the non-financial section addresses the Government priorities.

Ministerial comment

HE OFF

I have some specific comments on the SPE, including:

I understand that draft financial statements will be updated to reflect Budget 2023 outcomes and confirmed by your board on 22 May 2023. I expect to receive these statements by 24 May 2023 so that I can review and provide feedback if necessary, and that you will consider this feedback before the report is finalised. This feedback will include clarification of the 'specified amount' that you are able to draw down from your liquidity facility. I expect you to work closely with officials from Te Manatū Waka as you finalise your SPE.

s 9(2)(f)(iv)

s 9(2)(f)(iv)			

Next steps

Once you have provided the draft financials for your SPE, Ministers and Te Manatū Waka will be able to appropriately consider this information and set a 'specified amount' before your Board signs off on the final version. I ask that you consider my feedback and provide final documents by 30 June 2023 for me to table the SPE in the House of Representatives.

I recognise the financial and resourcing pressures facing MNZ and that these may have an impact on the delivery of activities outlined in the 2023/24 SPE, I expect MNZ to continue to work with Te Manatū Waka on implementing these. I would like to be updated on your progress at our next meeting.

I look forward to our continued engagements and work to improve transport outcomes for FASTORMA New Zealanders and wish you the best for 2023/24

Kind regards,

Hon Kiri Allan Associate Minister of Transport

HEO

Kirstie Hewlett, Chief Executive, Maritime New Zealand Copy to: Audrey Sonerson, Chief Executive, Te Manatū Waka

Hon Kiri Allan MP for East Coast Minister of Justice Minister for Regional Development Associate Minister of Transport



Janice Fredric s 9(2)(a)

Dear Janice

Draft 2023/24 Statement of Performance Expectations and draft 2023 – 2028 Statement of Intent

Thank you for submitting both the Civil Aviation Authority's (the Authority's) draft 2023/24 Statement of Performance Expectations (SPE) and draft 2023 – 2028 Statement of Intent (Sol) for my review and feedback.

I appreciate the time and effort that has gone into preparing these documents. In particular, I would like to thank the Authority for taking a proactive approach to its Sol, which reflects significant changes in its operational context since the 2021 document was finalised.

Ministerial comment

While I am broadly comfortable with the direction, and strategic objectives, set out in both documents, I note that the Authority's work on s 9(2)(f)(iv)

I note the Authority's ambition to become a modern regulator by implementing an intelligenceled and risk-based approach. However, I recognise that it may be challenging to fully deliver on this objective in the short-term, while operating in a financially constrained environment. It is important that the Authority continues its work to address emerging regulatory risks, and the changing regulatory requirements of the sector, but until a sustainable funding model is implemented, I request that the Authority engages with Te Manatū Waka to identify any barriers that could prevent its progress in this area, and to collaborate on potential mitigations. Any issues that have the potential to impact the safety of the system and its users, if left unaddressed, should be reported to Ministers on a 'no surprises basis.'

Next steps

- Ministers and Te Manatū Waka will work to ascertain a 'specified amount' that you can access through the liquidity facility. I ask that you consider my feedback and provide final documents by 30 June 2023 for me to table the SPE in the House of Representatives.
- I recognise the financial and resourcing pressures facing the Authority and that these may have an impact on the delivery of activities outlined in the 2023/24 SPE. I expect the Authority to continue to work with Te Manatū Waka on implementing these. I would like to be updated on your progress at our next meeting.

I look forward to our continued engagements and work to improve transport outcomes for New Zealanders and wish you the best for 2023/24.

Kind regards,

Hon Kiri Allan etcher of the office of the of **Associate Minister of Transport** Audrey Sonerson, Chief Executive, Te Manatū Waka | Ministry of Transport



10 May 2023

Document 8

OC230410

Hon Michael Wood

Minister of Transport

Action required by:

Monday, 15 May 2023

DRAFT RESPONSES TO STANDARD ESTIMATES 2023/24 QUESTIONS

Purpose

To provide you with draft responses to the standard questions you received from the Finance and Expenditure Committee.

Key points

THE

- Draft responses are attached for the questions you received from the Finance and Expenditure Committee.
- Many of the responses are similar to last year.
- The Ministry considers the responses to be low risk.
- Please review the responses and provide feedback to the Ministry if changes are needed.
- The Ministry will work with your office to make any amendments.
- Once you are satisfied with the responses, please sign the attached letter and send, along with the responses, to the Finance and Expenditure Committee.

Recommendations

- 1 We recommend you:
- (a) **provide feedback**, if any, on the draft responses to the standard Estimates Yes / No questionnaire by Monday 15 May 2023
- (b) sign the attached letter to the Finance and Expenditure Committee and submit Yes / No the responses after Budget 2023 is delivered on Thursday 18 May 2023, but before 1pm on Friday 19 May 2022
- (c) note that we will provide you with support material for the hearing
- (d) **note** that we would like to discuss attendance at the hearing by transport Officials

Robyn Smith DCE Corporate Services 10 / 05 / 2023

Minister's office to complete:

Declined

□ Not seen by Minister

Hon Michael Wood

1 1

Minister of Transport

Seen by Minister

Overtaken by events

Comments

Name	Telephone	First contact
Hilary Penman, Manager, Ministerial Services	s 9(2)(a)	
Prashila Daval, Senior Advisor, Corporate Accountability		~

Yes / No

DRAFT RESPONSES TO STANDARD ESTIMATES 2023/24 QUESTIONS

This briefing provides you with draft responses to select committee questions and explains how we will support you through the hearing process

- 1. Each year, select committees ask ministers a series of questions on the Estimates of Appropriation for the votes they are responsible for and invite them to attend a hearing. You received the standard questions for Vote Transport on 5 April 2023.
- 2. Your response is due to the Finance and Expenditure Committee after Budget 2023 is delivered on Thursday 18 May 2023, but before 1pm on Friday 19 May 2023.
- 3. The draft responses to the questions are attached to this briefing (attachment 1). We have also prepared a draft cover letter (attachment 2) for you to send in electronic form to the Chair of the Finance and Expenditure Select Committee at <u>SEQ@parliament.govt.nz</u>

Written questionnaires

- 4. The standard Estimates questionnaire is the first set of questions for the 2023/24 Estimates process.
- 5. We are expecting your office to receive approximately 160 Supplementary questions from the Transport and Infrastructure Committee. The Ministry and the transport Crown agencies will work on responses to these in time for you to meet the Committee's deadline.
- 6. You are also likely to receive around 10 post-hearing questions based on the discussion at the hearing.

We have approached the response to standard questions in the same way as previous years

- 7. The standard questions are substantially the same as previous years and they have generally been answered in the same way.
- We have provided information from Crown entities in cases where the question asks for information about entities funded under Vote Transport. This includes City Rail Link Limited (CRLL) and Auckland Light Rail Limited (ALRL).
- 9. In question one (page 2) of the attached draft response, we explain that KiwiRail and MetService, although funded under Vote Transport, are the responsibility of the Minister for State-Owned Enterprises and we do not include them in this response.

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10. Please review the responses and provide feedback to the Ministry if changes are needed. The Ministry will work with your office to make any amendments.

Hearing before the Transport and Infrastructure Committee

- 11. The date for your attendance with the Committee for the Estimates hearing for Vote Transport is yet to be finalised.
- 12. The Ministry will provide you with a briefing pack to support your attendance. The pack will contain speech notes for your opening comments, information on the Committee members, and up-to-date information (including some possible questions and answers) on topics we believe the Committee may want to question you about.
- 13. We would like to discuss attendance at the meeting, including which transport officials you would like to be there. We would also like to discuss what other support you require.

Attachment refused under Section 18(d) as the Standard Estimates 2023/24 responses will soon be available on the Parliament website. https://www.parliament.nz/ en/pb/sc/scl/finance-and-expenditure/tab/submissionsandadvice

Office of Hon Michael Wood

MP for Mt Roskill

Minister of Immigration Minister of Transport Minister for Auckland Minister for Workplace Relations and Safety Associate Minister of Finance



Clerk of Committee Finance and Expenditure Committee SEQ@parliament.govt.nz

Dear Sir/Madam

Please find attached my responses to the 2023/24 Standard Estimates Questionnaire, as requested by the Chairperson in her letter of 5 April 2023.

_3. staff to : J99762 or er The departmental liaison officer for Committee staff to contact is Prashila Dayal, Senior Adviser Corporate Accountability, phone 022 0099762 or email p.dayal@transport.govt.nz.

Yours sincerely

Hon Michael Wood Minister of Transport



11 May 2023

Hon Michael Wood

Minister of Transport

cc Hon Grant Robertson

Minister of Finance

cc Hon Megan Woods

Minister of Housing

Document 9

OC230366

1982

Action required by:

Friday, 19 May 2023

AUCKLAND LIGHT RAIL LIMITED DRAFT STATEMENT OF PERFORMANCE EXPECTATIONS 2023/24

Purpose

Supports you to provide feedback to Auckland Light Rail Limited (ALRL) on its draft Statement of Performance Expectations (SPE) on behalf of shareholding Ministers.

Key points

- As shareholders in ALRL, you have an important role to play in setting expectations for the entity and influencing its public accountability documents, including the SPE.
- You received a draft SPE for ALRL on 28 April 2023 which is attached as Appendix One. You are required to provide comments (if any) on this draft SPE no later than 15 working days after receipt (i.e., by 19 May 2023).
- Te Manatū Waka | the Ministry of Transport (the Ministry) has reviewed the draft SPE to ensure it meets the statutory requirements of the Crown Entities Act 2004 and the expectations set out in the *Crown Sponsors Expectations Supporting Upcoming Decision Making* letter of 24 April 2023.
- The Ministry notes that the SPE does not cover the Urban Development aspect of the project. In addition, the performance measures in the SPE could be improved to provide better clarity on how the Company's performance will be assessed, particularly in relation to transparency of its outputs, how the project will be integrated with other Auckland transport projects, and how stakeholder engagement will be measured.
- The Ministry has consulted with the Treasury and the Ministry of Housing and Urban Development (MHUD) on the proposed feedback included within the letter (attached as **Appendix Two**).

Recommendations

We recommend you:



Contacts

Name	Telephone	First contact
Harriet Shelton, Manager Governance (MoT)	s 9(2)(a)	4
Alan Collins, Senior Adviser Governance (MoT)		
Ying Liu, Principal Advisor, Place based Strategy Group (MHUD)		
Ben Wells, Principal Advisor National Infrastructure Unit The Treasury)		
RELEMENT	FRANK	CC 1082

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AUCKLAND LIGHT RAIL LIMITED DRAFT STATEMENT OF PERFORMANCE EXPECTATIONS 2023/24

Your expectations were set out in the Crown Sponsor Expectations Letter of 24 April 2023

- 1 On 24 April 2023, ALR Sponsors (the Ministers of Finance, Housing and Urban Development and Transport) sent a letter to ALRL setting out their expectations on urban development and decisions regarding route and station locations. This letter also set out your expectations for the SPE, namely:
 - 1.1 That it provides transparency on its outputs for 2023/24

This set the expectation that the SPE should include a concise description of what ALRL intends to achieve in 2023/24 and how performance will be assessed. Including performance outcomes will increase transparency and allow ALRL's progress against key outputs to be assessed now that is expected to start delivering on key aspects of the project over the coming year.

1.2 That it emphasises the need to maintain good relationships with key stakeholders

This set the expectation for good working relationships with key agencies and stakeholders. In particular, it outlined the need for ALRL to continue to engage with Kāinga Ora to support alignment between Crown investments in transport and urban development and ensure integration with other transport projects such as the Additional Waitemata Harbour Crossing.

The draft SPE could be improved with more detail about Urban Development and performance targets

- 2 ALRL's draft SPE does a good job setting out the background and context of the ALRL project, but it could be strengthened with more details about the benefits light rail will create.
- 3 For example, the SPE briefly mentions housing supply and urban development in its Strategic Objectives and Purposes but does not detail the benefits of urban development and its links to the project. Urban development is particularly relevant with the change in purpose of ALRL and the start of the Early Property Programme.
- 4 The SPE has three Strategic Areas with performance targets. These are:
 - 4.1 Integration with other projects, including Additional Waitematā Harbour Connections and North West Rapid Transit Corridor;
 - 4.2 Building confidence in the delivery of the project; and
 - 4.3 Maintaining good relationships with stakeholders, local and central government, mana whenua and local communities.

- 5 Officials note that the performance measures set out in the SPE do not provide clarity about key milestones that ALRL intends to achieve over the upcoming financial year and do not provide a basis to assess its performance against its key deliverables.
- 6 The Ministry believes these outcomes would benefit from performance targets and measures that outline the key steps and milestones ALRL will undertake in 2023/24.
- 7 In addition, Urban Development should be included as a Strategic Area with performance targets to reflect the investment in this area and change in purpose. ALRL should also consider including Health and Safety as a Strategic Area with the start of the delivery phase.

Risks and impacts

ALRL

- 8 Key financial and non-financial performance risks for CRLL during 2023/24 include:
 - 8.1 Delays to delivery of the Detailed Business Case could occur and/or potential for there to be insufficient information which Ministers need in order to make decisions with confidence;
 - 8.2 ALRL being able to build and maintain public confidence and stakeholder support,
 - 8.3 ALRL maintaining confidence in financial forecasting and managing potential cost pressures;
 - 8.4 Significant changes to the scope of the Project may lead to delays; and
 - 8.5 ALRL may not be able to deliver on all of its Early Property Programme without the additional funding sought through Budget 2023.

Date	Step
By 19 May 2023	You may sign and send the letter to ALR to provide feedback on its draft SPE.
By 30 June 2023	ALRL must consider your comments by this date.
By 1 July 2023	ALRL must finalise its SPE and publish it on the internet by this date.
After this date	Tabling the SPE. Section 149L of the Crown Entities Act 2004 allows responsible Ministers to table final SPEs upon receipt, or at the same time as the entity's Annual Report for the previous financial year (providing Parliament with a backward- and forward-looking view of the entity).

Next steps

APPENDIX ONE: DRAFT AUCKLAND LIGHT RAIL STATEMENT OF PERFORMANCE EXPECTATIONS

Attachment refused under Section 18(d) as the final statement of performance expectations 2023/24 will soon be available online.https://www.lightrail.co.nz/resources/ THE OFFICIAL INFORMATION ACT 1982

BUDGET SENSITIVE

APPENDIX TWO: DRAFT LETTER TO ALRL CHAIR

Dame Fran Wilde Chair Auckland Light Rail Limited s 9(2)(a)

Dear Dame Fran

N82 FEEDBACK ON DRAFT STATEMENT OF PERFORMANCE EXPECTATIONS FOR 2023/24

I am writing on behalf of shareholding Ministers to provide feedback on Auckland Light Rail Limited's (ALRL's) draft 2023/24 Statement of Performance Expectations (SPE) that I received on 28 April 2023.

I want to thank you for all the hard work you and your team have undertaken so far in relation to the ambitious work programme associated with the detailed planning phase for the Auckland Light Rail (ALR) Project.

In consultation with shareholding Ministers, Thave the following comments I would like ALRL to incorporate when finalising the SPE in order to ensure that it takes into account the expectations set out in Crown Sponsors Expectations letter of 24 April 2023 and meets the requirements of the Crown Entities Act 2004 (the Act). Officials from Te Manatū Waka | The Ministry of Transport are available to assist ALRL to interpret and respond to these comments.

Ministerial Comment

Key areas I would like ALRL to work on are the following:

- 1. I would like to see information about the benefits that the ALR project will bring in the strategic objectives. This includes the benefits and trade offs of the Urban Development component of the project.
- 2. I recommend that Urban Development and the Early Property Programme are included as Strategic Areas with performance targets to reflect the change in purpose of ALRL and the expectations set out in the Crown Expectations letter. ALRL may also want to consider including Health and Safety as a Strategic Area, reflecting the start of the delivery phase and geotechnical work.
- 3. The SPE should provide more clarity about the key milestones that ALRL intends to achieve for 2023/24, particularly in regard to delivery of the Detailed Business Case and the Corridor Strategic Framework.
- 4. In addition to meeting regularly with your partners leading other transport infrastructure projects in Auckland, I would like ALRL to outline the key steps and work that it will undertake to:
 - help the public understand that other projects like the Additional Waitematā Harbour Connections and North West Rapid Transit Corridor are integrated with ALR; and

BUDGET SENSITIVE

- b. the wider benefits and outcomes the integration with these other projects will achieve.
- 5. I would like to see more detail about how ALRL intends to measure confidence in the delivery of the project and the quality of advice provided beyond meeting completion dates.
- 6. Due to the importance of maintaining good relationships with local community stakeholders, a set of more detailed performance measures should be developed to provide more transparency on how engagement will be measured, and the outcomes sought. I would also like to see more detail about how ALRL will build and maintain confidence and trust with government and mana whenua stakeholders.

Next steps

Please consider my comments when finalising the SPE. Te Manatu Waka | The Ministry o Transport is available to assist in this process.

Once finalised, ALRL is required to publish the SPE on its website by 30 June 2023. I will then table the SPE in the House of Representatives after the start of the financial year.

SEPANA I look forward to seeing the final SPE and to working with you and ALRL over the coming year.

Your sincerely

Hon Michael Wood **Minister of Transport** on behalf of shareholding Ministers

HEOFFIC



12 May 2023



TE TAI OHANGA THE TREASURY

BRIEFING Document 11

OC230364 (MoT) T2023/804 (TSY)

Action required by:

Friday, 19 May 2023

Hon Michael Wood Minister of Transport

Hon Grant Robertson Minister of Finance

CITY RAIL LINK LIMITED DRAFT STATEMENT OF PERFORMANCE EXPECTATIONS 2023/24

Purpose

This briefing supports you to provide feedback to City Rail Link Limited (CRLL) on its draft 2023/24 Statement of Performance Expectations (SPE)

Key points

- As shareholders in CRLL you have an important role to play in setting expectations for the entity and influencing their public accountability documents, including the SPE.
- You received a draft SPE for CRLL on 28 April 2023 which is attached as Appendix One. You are required to provide comments (if any) on this draft SPE no later than 15 working days after receipt (i.e., by 19 May 2023).
- Officials recommend requesting CRLL consider inclusion of additional information, and a potential performance measure, relating to the C8 Henderson contract.
- Te Manatū Waka | the Ministry of Transport and the Treasury have consulted with Auckland Council on the proposed feedback included within the letter, attached as **Appendix Two**, to the CRLL Chair. Auckland Council officials are comfortable with its content.
- Te Manatū Waka has reviewed the draft SPE, and confirms the document meets statutory requirements, specifically those contained in the Crown Entities Act 2004.

COMMERCIAL IN CONFIDENCE

We recommend you:

 agree to the Minister of Transport signing the attached letter to the Chair of City Rail Link Limited, which provides feedback on the draft Statement of Performance Expectations

Yes / No Yes/ No **Minister of Finance** Minister of Transport Hon Michael Wood Hon Grant Robertson Minister of Transport **Minister of Finance** / / Ann Webster Harriet Shelton Manager, Commercial and Manager, Governance Institutional Performance **Ministry of Transport** The Treasury 12/ 5/ 2023 12 /5 /2023 Minister's office to complete: □ Approved Declined Seen by Minister □ Not seen by Minister Overtaken by events

Comments:

Name	Telephone s 9(2)(a)	First contact
Harriet Shelton, Manager, Governance - Ministry of Transport		✓ (MoT)
Brett Thomson, Principal Adviser, Governance - Ministry of Transport		
Ann Webster, Manager, Commercial and Institutional Performance - The Treasury		
Daniel Madley, Senior Analyst, Commercial and Institutional Performance - The Treasury		✓ (TSY)

COMMERCIAL IN CONFIDENCE

CITY RAIL LINK LIMITED DRAFT STATEMENT OF PERFORMANCE EXPECTATIONS 2023/24

The Statement of Performance Expectations (SPE) provides an important opportunity for you to influence an entity's priorities and provides a basis to assess performance against

- 1 City Rail Link Limited (CRLL) is a single-objective company with performance accountability for the City Rail Link (CRL) project managed through a separate Project Delivery Agreement (PDA). The combination of the PDA and the SPE provides a comprehensive accountability framework for CRLL and the CRL project.
- 2 Your most recent Letter of Expectations (LoE) of 22 March 2023 to the CRLL Chair sets out expectations for the Board of CRLL for the 2023/24 year. A copy of this letter is attached as **Appendix Three**.
- 3 The draft SPE incorporates expectations from the LoE that go beyond what is already covered in the PDA, including performance measures for health and safety and for community and stakeholder engagement.
- 4 Te Manatū Waka has reviewed the draft SPE, and confirms the document meets statutory requirements, specifically those contained in the Crown Entities Act 2004.

Delivery expectations and performance

- 5 The SPE sets out the key milestones expected to be achieved over 2023/24 as well as establishing performance targets over five key strategic areas.
- 6 For the *Funding Envelope*, *Sustainability and Social Outcomes*, and *Community and Stakeholder Engagement* strategic areas, there have been some changes that are appropriate for the progression of the project. Officials consider that the targets are consistent with the expectations contained in your LoE.
- 7 For the remaining two strategic performance areas, officials' high-level comments are:

Health and Safety: CRLL have made some changes to the targets in this area to increase its ambition. The Ministry recommends thanking CRLL for this and encouraging it to continue to strive for better performance.

- **Project Delivery**: The Ministry recommends that Sponsors request CRLL consider adding additional information, and a performance measure, regarding the C8 Henderson contract. Additional funding for this contract was recently approved as part of the funding request, and work to determine the design and ultimate delivery of this work is progressing.
- 8 Oversite development has not been included as a strategic performance area and there are no specific targets for this in 2023/24. CRLL does note (on page 10 of the draft SPE) its support for the development work being led by Kāinga Ora and Eke

COMMERCIAL IN CONFIDENCE

Panuku. As CRLL has noted their supporting role for this development work, we do not recommend asking them to include an additional measure in its SPE.

Financial performance

- 9 CRLL is budgeting a deficit of \$179 million for 2023/24, compared to a forecast deficit of \$226 million in 2022/23. Being in a deficit position is normal for CRLL (with Shareholders' contributions being recorded as contributed equity capital rather than revenue) and results can vary significantly from year to year as the contracts progress and assets are vested upon completion to their ultimate owners.
- 10 The SPE shows total contributions from Shareholders as \$692 million (Crown share \$346 million) for the 2023/24 year, which is consistent with the funding appropriated for the delivery of the project. The forecast total contribution from Shareholders for 2022/23 is \$909 million, which is in line with the completion of the civil works in that year.

Risks

- 11 Key financial and non-financial performance risks for CRLL during 2023/24 include:
 - transitioning the project from civil construction to rail systems installation and fitout,
 - a shortage of skilled staff and labour due to a tight construction market, thereby impacting skilled and general labour availability and cost,
 - higher than expected construction cost inflation,

s 9(2)(ba)(i), s 9(2)(g)(i)

12 The CRL project is managed in a manner consistent with other large infrastructure projects. A risk register is managed by CRLL and is under constant review. Sponsors' officials receive monthly reporting from CRLL on both project delivery and financial performance. The anticipated final cost of the contracts and project overall are riskadjusted every month. This information is also reviewed by the independent Sponsors' Assurance Manager and advice is provided to Sponsors' officials based on those reviews, which in turn informs our reporting to you as Sponsors.

Consultation

13 The Ministry and the Treasury have consulted with officials from Auckland Council, as the other Sponsor for the project, on the proposed feedback included within the attached letter (**Appendix Two**). Auckland Council is comfortable with the letter's contents.
Comments to the Chair

- 14 Based on our review of the draft SPE, and in consultation with Auckland Council, we suggest the following themes are reflected in the response to the Chair (Appendix Two):
 - note the importance of health and safety to Shareholders, note the decrease in the Total Recordable Injury Frequency Rate target and increase in Risk Management Maturity Model target, and request CRLL continue to strive for better performance in this area,
 - request that CRLL consider any changes to the performance delivery targets in light of the latest programme schedule expected to be received from the Link Alliance soon,
 - request that CRLL consider whether to add a performance measure for the C8 Henderson contract,
 - note that while CRLL have not added a specific performance measure for oversite development work, Sponsors expect them to continue to support Eke Pānuku and Kāinga Ora who are leading this work.

Next steps

15 CRLL must consider your comments (if any) on the draft SPE and provide final documents to you by 30 June 2023. You are then required to table the SPE in the House of Representatives as soon as reasonably practicable.

Appendices:

- Appendix One; CRLU's Draft Statement of Performance Expectations 2023/24
- Appendix Two: Draft letter to the Chair of CRLL on the Statement of Performance Expectations
- Appendix Three: CRLL's Letter of Expectations 2023/24

Appendix one is refused under Section 18(d) as its available here: https://www.cityraillink.co.nz/publications OC230364 - Appendix Two

Office of Hon Michael Wood

MP for Mt Roskill

Minister of Immigration Minister of Transport Minister for Auckland Minister for Workplace Relations and Safety Associate Minister of Finance



MACT 1982

John Bridgman Chair City Rail Link Limited s 9(2)(a)

Dear John

Draft Statement of Performance Expectations for 2023/24

Thank you for providing City Rail Link Limited's (CRLL's) draft 2023/24 Statement of Performance Expectations (SPE). We appreciate the time and effort that has gone into preparing this document.

Sponsors have high expectations for the City Rail Link (CRL) project, both in how construction is managed and also in enabling future benefits of the investment to be realised once operational. CRLL's SPE, while only one element of project monitoring, provides important public transparency and accountability around the performance of the CRL project. In this regard, it is important that this document continues to incorporate a comprehensive range of performance measures and targets providing a clear basis against which performance can be assessed.

Comments on draft SPE

In accordance with the Crown Entities Act 2004 (the Act), we wish to provide the following comments on your draft SPE on behalf of Shareholders.

We appreciate that the draft SPE has retained a similar format to previous published versions, with slight changes being made to both to reflect the progress of the projects and shifts in CRLL's strategic context and operating environment. We consider the coverage and set of measures and targets is comprehensive and reflects our expectations.

We provide the following comments for your consideration:

• **Health and safety:** This is an area of critical importance to Shareholders. We are pleased with the reduction in the Total Recordable Injury Frequency Rate (TRIFR) target to six injuries per million hours worked, and commitment to continuous

improvement shown by increasing ambition in your Risk Management Maturity Model indicator. We encourage CRLL to continue to strive for a TRIFR that is lower than targeted and a Health and Safety Performance Index score that is higher than targeted.

• **Project Delivery:** We note that CRLL is awaiting receipt of the updated TAP Rev. 7 programme from the Link Alliance. Once this has been provided, we encourage CRLL to consider whether any changes to the performance targets and measures are appropriate.

Now that funding for C8 Henderson has been approved by Sponsors, we also suggest that you include in the SPE more information for readers on the status and progress of this contract. Sponsors encourage CRLL to consider whether a performance measure could be set relating to this contract, and if CRLL chooses not to include a measure, to continue to keep Sponsors' officials up to date on this work as it progresses.

 Community and Stakeholder Engagement: Sponsors appreciate the hard work that continues on CRLL's part to administer the Targeted Hardship Fund and work with local businesses that are experiencing disruption. We encourage CRLL to continue with its efforts to communicate to the public the progress of the individual station and overall project works, and the benefits CRL will bring to the Auckland Metro network.

While there are no specific deliverables or milestones for the oversite development work this year, we expect that, as noted in the SPE, CRLL will continue to support Kāinga Ora and Eke Pānuku in this work.

Next steps

Please consider these comments when finalising the SPE. Te Manatū Waka is available to assist in this process.

Once finalised, CRLL is required to publish the SPE on its website by 30 June 2023. I will then table the SPE in the House of Representatives after the start of the financial year.

Sponsors appreciate the hard work by CRLL to settle COVID-19 claims and prepare the request for additional funding submitted earlier this year. We wish CRLL the best for the upcoming year and look forward to continued progress being made on the project.

I look forward to seeing the final SPE and to working with you and CRLL over the coming year.

Yours sincerely

Hon Michael Wood **Minister of Transport** *on behalf of Shareholding Ministers*

cc Hon Grant Robertson, Minister of Finance Wayne Brown, Mayor of Auckland Desley Simpson, Deputy Mayor of Auckland Dr Sean Sweeney, Chief Executive, City Rail Link Limited Audrey Sonerson, Chief Executive, Ministry of Transport

OC230364 Appendix Three

Office of Hon Michael Wood

MP for Mt Roskill

Minister of Immigration Minister of Transport Minister for Auckland Minister for Workplace Relations and Safety Associate Minister of Finance



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22 March 2023

John Bridgman Chair City Rail Link Limited s 9(2)(a)

Dear John

2023/24 Letter of Expectations for City Rail Link Limited

I am writing on behalf of the Sponsors to set out our expectations of City Rail Link Limited (CRLL) for the 2023/24 financial year, to inform the entity's planning process and its 2023/24 Statement of Performance Expectations (SPE).

We would like to take this opportunity to thank the CRLL Board and all staff members for their hard work in continuing to progress this vital project. During 2022/23 a number of key milestones were achieved by CRLL and the Link Alliance, including the final breakthrough of the Tunnel Boring Machine at the Te Wai Horotiu station, and winning the Decarbonisation Outcome Award in the Building Nations 2050 Impact Awards. Please pass on our thanks to the Link Alliance for continuing to deliver significant progress under challenging circumstances.

In 2023/24, Sponsors have some specific expectations for CRLL. These expectations are critical to supporting delivery of Sponsors' priorities in the year ahead.

Management of risks, costs, and schedule

Core expectations of shareholders, as Sponsors of the City Rail Link (CRL) project, are expressed through the Project Delivery Agreement between Sponsors and CRLL. Our overriding expectation is that CRLL will continue to mitigate the risks to the CRL budget and timeframes where possible, to support Sponsors in realising the benefits arising from this significant piece of infrastructure within the Auckland network.

As you know, the CRL project is at an inflexion point as it progresses into the fit out and rail systems integration phase. With this transition comes a new type of complexity for the management of the project, and the potential for a corresponding change in risk to schedule. Please ensure that Sponsors are kept up to date with the delivery strategy for the next phase, including assurance that the risks during this phase of the project are being managed appropriately.

We note the importance of preparing for day-one operational readiness and expect CRLL to continue to work collaboratively with Auckland Transport and KiwiRail so that the intended benefits for Aucklanders are realised at the earliest opportunity.

Health and safety

Sponsors have a particularly strong interest in the safety of people who work on the CRL project. The risk profile of the project will change as the nature of construction work changes and as more subcontractors are recruited.

We expect that the Board will continue to drive a strong health and safety culture on the project, including working to further reduce the project's injury rate under the target set in your 2022/23 SPE.

Strong community engagement and working collaboratively to mitigate impacts on communities

It is important that CRLL continues to work constructively with local businesses, residents and stakeholders and seek to proactively ensure that disruption is minimised whenever possible. Sponsors appreciate the hard work that has gone into establishing and administering the Targeted Hardship Fund (THF) to assist small businesses experiencing major and sustained disruption and genuine hardship relating to C3 construction activity. We expect dialogue to continue with impacted businesses and that applications will continue to be processed in a timely manner and in line with the previously communicated Sponsors' high-level guidelines for the THF.

We also expect that CRLL (and therefore the Link Alliance) will continue to look for opportunities to minimise the impact of construction near worksites. We note how responsive CRLL and the Link Alliance were prior to Christmas 2022 in opening up pedestrian walkways, and would like to see more proactive steps like this where possible.

Good employer

Section 118 of the Crown Entities Act 2004 outlines a statutory requirement for all Crown entities to be good employers. Consistent with these statutory provisions, I expect all transport Crown entities to develop effective relationships with workers and unions that contribute to a fair, safe and productive work environment.

Next steps

A General Election will be held on 14 October 2023. The Public Service Commission is expected to publish guidelines on this year's Election for public service entities covering the pre-election period. I trust the Board will promptly inform me - on a 'no surprises' basis - about matters of significance to the transport portfolio, particularly where these matters may become controversial or subject to public debate.

I look forward to receiving your draft 2023/24 SPE by 30 April 2023, and to working with the Board over the coming year to progress this vital Auckland infrastructure project.

CT 1982

Yours sincerely

Hon Michael Wood **Minister of Transport** *on behalf of shareholding Ministers*

Copy to: Hon Grant Robertson, Minister of Finance Rai Link Limit Listry of Transport Hon Kiri Allan, Associate Minister of Transport



12 May 2023

Hon Michael Wood

Minister of Transport

Document 12

OC230373

Action required by:

Monday, 15 May 2023

INITIAL IMPLEMENTATION ADVICE FOR THE COMMUNITY CONNECT EXTENSIONS

Purpose

To seek your direction on Community Connect implementation to guide delivery discussions with public transport authorities (PTAs).

Key points

- Through Budget 2023, the Government has agreed to extend the Community Connect scheme, to provide half price fares for 13 – 24-year olds (under 25s), half price Total Mobility fares for Total Mobility card holders and free public transport fares for 5 – 12year-olds (under 13s).
- We need to work with PTAs to understand how the subsidies will be delivered across New Zealand. Given Budget Sensitivity, we have limited information on implementation matters but we will engage with PTAs following Budget announcements. To guide these implementation discussions, we seek your direction on the design of the Community Connect extensions (focusing on half price fares for under 25s and free fares for under 13s).
- We have identified two options for implementing half-price fares for under 25s:
 - Option One A passenger pays half the price of any age-based fare they are currently eligible for

Option Two - A passenger pays half the price of a full adult fare

- If you want eligible passengers to experience a halving of their current fare, we
 recommend Option One. Waka Kotahi recommends Option Two, which may be simpler
 and faster for PTAs to implement. However, Option Two would result in some eligible
 passengers seeing limited or no discount (i.e. child fares are typically 50-60% of adult
 fares).
- Half-price fares for under 25s cannot be applied to existing tertiary concessions because only a subset of tertiary students will be eligible and only one concession can be applied to a smartcard.

BUDGET SENSITIVE

- We will work through how to best manage the fiscal risk of PTAs changing fare products that could result in increased costs to the Crown. In the meantime, we recommend that the Crown subsidy be tied to existing age-based fare products (i.e. fares in place before the Budget announcement 17 May 2023).
- We also seek confirmation that the subsidy can be applicable to cash fares at the PTAs discretion, to remove barriers in accessing the concession and enable regions that don't have smartcard ticketing to implement the scheme.
- We recommend that any permanent solution requires the use of a smartcard ticketing system. Utilising smartcards is essential to measure patronage and will support the Crown's allocation of funding. Officials can work with PTAs to identify any interim implementation options including the feasibility of a system that does not use smartcards initially.
- We anticipate PTAs will seek clarity on what additional funding is available to implement this initiative. We seek your direction on whether funding is available for enhancing age verification processes, increasing security measures and supporting induced peak demand. Subject to your preferences, we can provide further information on likely costs following engagement with PTAs.
- Following Budget 23 announcements we will engage with PTAs to further establish implementation timeframes and corresponding feasibility options. We will provide you further advice on implementation matters and funding mechanisms.

Recommendations

s 9(2)(g)(i), s 9(2)(k)

We recommend you:

Confirm the intended scope for the Community Connect funding

1 **confirm** whether half-price fares for 13 – 24-year-olds (under 25 year olds) should result in:

a) **Option 1** - a passenger paying half the price of any age-based fare they are Yes / No currently eligible for (e.g. a child and/or youth fares, and adult fares)

OR

b) **Option 2** - a passenger paying half the price of a full adult fare Yes / No

- 2 **note** irrespective of the decision taken in recommendation (1) the subsidy will not apply to existing Tertiary fares
- 3 **agree** that the Crown funding be tied to existing fare products and fare levels as at Yes / No 17 May 2023 (i.e. in advance of the Budget 23 announcements)

4	agree that half-price fares for discretion of public transpor			ut the	Yes / No		
5	confirm that the Crown will verification processes, wher			ng age	Yes / No		
Cor	nfirm your implementation pret	ferences					
6	agree that implementation of for under 25s require the us		-year-olds, and of h	alf-price fares	Yes / No		
7	direct officials to work with PTAs to identify interim implementation options (including timeframe efficiencies) including the feasibility of a system that does not use smartcard ticketing systems						
Sig	nal your preference (if any) - n discussions with PTAs	noting we will provide i	^f urther advice follow	ving			
8	s 9(2)(g)(i), s 9(2)(k)		18.8		Yes / No		
9	indicate whether the Crown will meet the cost of additional safety and security measures, subject to further information on these measures and the costs	Yes / No					
10 Te	indicate whether the Crown services to support increase information on the costs				Yes / No		
	en White nager Mobility and Safety		Hon Michael Wood Minister of Transp				
12	/ 05 / 2023		1				
Min	ister's office to complete:	□ Approved	Declin	ed			
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En	nily Ward, Advisor, Mobility an	d Safety					

INITIAL IMPLEMENTATION ADVICE FOR THE COMMUNITY CONNECT EXTENSIONS

We are providing initial implementation advice for Community Connect Budget 2023 initiative in advance of Budget 2023 announcements

- 1 Cabinet agreed to establish Community Connect (a half price subsidy on adult public transport fares) for Community Service Card (CSC) holders through Budget 2022. Community Connect is on track to start on 1 July 2023.
- 2 Through Budget 2023, the Government has agreed to extend the Community Connect scheme. The extension will make \$327 million available to deliver:
 - 2.1 half price fares for 13 24-year-olds (under 25 year olds)
 - 2.2 half price Total Mobility fares for Total Mobility card holders
 - 2.3 free public transport fares for 5 12-year-olds (under 13s).
- 3 We have provided advice on the challenges associated with free fares for children [OC230086 refers] and provided an update following in confidence discussions with four public transport authorities (PTAs) on the feasibility of implementation [Weekly Report WE 05 May 2023 refers]. This briefing provides initial implementation considerations associated with extending the Community Connect scheme to support delivery discussions with PTAs following Budget 2023 announcements.
- 4 PTAs are responsible for setting public transport fares and adopting fare concessions. Implementation of the extensions is expected to be more complex than Community Connect for CSC holders and universal half price fares. Given the Budget Sensitivity of the extensions, we have limited information on implementation intricacies across regions. Following conversations with PTAs we will provide more detailed implementation advice and may need to revisit some decisions based on feasibility information.

Confirming the parameters for the Community Connect extension

Application of subsidy on fare products

- 5 We seek clarification on how you intend the half price subsidy to be applied for under 25s. There are two available options, set out in the table below:
 - 5.1 Option One A passenger pays half the price of any age-based fare they are currently eligible for; and
 - 5.2 Option Two A passenger pays half the price of a full adult fare.

Table 1. Options for applying subsidies

		Age 0 -4	Age 5 -12	Age 13 – 18*	Age 19* - 24	Impact to passenger	Implementation considerations
Current Fare (without universal half price fare funding	Passenger cost	Free	Child fare	Child fare	Adult unless eligible for tertiary		1982
	Cost to Passenger	Free	Free	50% of child fare	50% of adult fare	Passengers would have the same fares as universal half price except tertiary passengers (see	 Funding approved through Budget 2023 has been estimated in line with this option. There will be more regional variability with this approach as each region has different fare concessions available for different age groups.
Option 1	Crown subsidy	None	Child fare**	50% of child fare	50% of adult fare	below)	 There is a fiscal risk from PTAs changing their fare products (changing the age ranges or remove child fares all together) to gain financially. To mange this risk we recommend the subsidy be tied to existing fare products. More complex to administer and implement. We will test
						<u>, O</u> .	 More complex to administer and implement, we will test feasibility with PTAs.
	Cost to Passenger	Free	Free	50% of adult fare	50% of adult fare	Passengers 13 – 18* would see less fare reductions, although this would cost the	 PTAs have already created the Community Connect fare product of a half price adult fare. This could be extended to under 25s, making the subsidy much simpler and faster to implement and administer.
Option 2	Crown subsidy	None	50% of adult fare**	Difference between child fare and 50% of adult fare**	50% of adult fare	Crown less	 Potentially less fiscal risk from PTAs increasing individual concessions while leaving the adult fare unchanged. The communication regarding the initiative, especially on Budget Day, will need to be clear to manage public expectation of the discount on their fares.

*The age of 18 has been used as a proxy for the age cut-off of child fares, but this varies between PTAs. **A child fare is typically 50 – 60% of an adult fare.

- 6 We are yet to test the feasibility of these options in detail with PTAs. Option one would enable eligible passengers to experience a halving of their current fare. But it is more challenging to implement given the set-up of the ticketing systems.
- 7 Option two is Waka Kotahi's preferred option and may be preferred by PTAs due to the simplicity and ease of implementation. Fare concessions (i.e. child, tertiary) are all based off the adult fare, meaning that when a PTA adjusts the adult fare it automatically adjusts all the concessions.
- 8 We will explore the feasibility of your preferred option further with PTAs following Budget 23 announcements, including how the option might apply to fare caps.

To manage fiscal risk we recommend Crown funding is tied to fare products and fares pror to Budget 23 announcements

9 We need to work through how to manage the fiscal risk of PTAs making changes to fare products that may result in increased costs to the Crown. In the meantime, we recommend that the Crown subsidy be tied to existing fare products (i.e. those available in advance of the Budget announcement 17 May 2023) PTAs should still be given the opportunity to review their fare settings at regular intervals, and subsequently the Crown funding provided would also be reviewed. We will come back to you with further advice on the funding mechanisms to mitigate fiscal risk.

Half-price fares for under 25s cannot be applied to existing tertiary concessions

10 Only one concession can be registered to a smartcard. The subsidy cannot be applied to existing tertiary fares as it would be too technically challenging. A student would need to choose between the Community Connect concession (half price for under 25s or CSC holders) or any other PTA-initiated concession, depending on their circumstance.

The discounts should be implemented through smartcards for both free and half-price fares

- 11 For PTAs that have smartcards, we recommend the subsidies should be implemented through smartcard ticketing systems. Utilising smartcards is critical to measure patronage and to determine how much Crown funding a PTA is entitled to. This will enable PTAs to understand capacity constraints and appropriately plan services. It will also allow the Crown to provide funding tied to foregone fare revenue and government agencies to monitor and evaluate success of the subsidy.
- 12 We understand you may be open to a transitional approach for free fares if it expedites delivery of the subsidy for users. We understand that PTAs, including Auckland (which requires a smartcard to access some public transport services), have a strong preference to use smartcards. Following Budget announcements, we will explore with PTAs whether an interim approach is feasible without smartcards. Should this eventuate, we will provide further advice on how Crown funding could be allocated (in absence of patronage data, and to ensure equitable funding between regions).

PTAs should be able to apply the discount to cash fares for under 25s at their discretion

- 13 PTAs may seek to confirm whether the subsidy for under 25s can be applied to cash fares in conjunction with smartcards. We recommend the subsidy be applicable to cash fares at the discretion of PTAs. Community Connect for CSC holders can use cash fares, although no PTA has chosen to do this.
- 14 We understand PTAs are working to reduce the role of cash in fare payments for safety/security and network efficiency reasons as well as to transition towards the National Ticketing Solution (NTS). However, some PTAs still accept cash on public transport services. Therefore, to ensure there are no barriers to access the subsidy (obtaining a smartcard remains a challenge for some) we recommend providing PTAs the choice to apply the subsidy to a cash fare at their discretion.
- 15 We will also come back to you with advice on whether this initiative should cover the cost of the first smartcard.

We seek your comfort with a low verification approach to eligibility

- 16 We expect PTAs will have limited options to verify age, especially in the immediate term. The large PTAs currently do not operate with age-based verifications. For child concessions they have either no verification or secondary school-based identifications.
- 17 To minimise fraudulent use (and additional cost to the Crown) we will consider what mechanisms are available for a PTA to utilise or adopt to verify age. Irrespective of whether a smartcard is used, there is no simple verification process that can be adopted for the two age groups [under 13 and between 13- 24].



We seek your direction on providing funding for additional costs that PTAs may incur as part of this initiative

PTAs may want to strengthen their age verification processes over time

19 Where PTAs implement age verification processes, they will likely seek funding to cover the cost. We developed the initiative including these costs and seek your confirmation that funding can be provided for this purpose.

20 s 9(2)(g)(i), s 9(2)(k)

Additional funding for increasing security measures

- 22 PTAs may ask for additional funding to enhance safety and security measures on services and in waiting areas, so that public transport services remain an attractive form of transport. Antisocial behaviour is a concern for PTAs following the trials of free fares.
- 23 Some of the challenges of free fares may be mitigated with the age criteria of free fares set to under 13
- 24 We seek your direction on whether the Crown will fund safety and security measures for this initiative. Subject to your direction, we will gather more information on the measures that PTAs are likely to implement. We will then provide further detailed advice on this, including potential costs.

Additional funding for induced peak demand

- 25 PTAs may ask for funding to provide more services and additional capacity at peak times. Our costings did not include funding for additional services generated by induced demand. To aid our discussions with PTAs, we seek any in-principle direction on whether the Crown will consider funding proposals for additional peak services resulting from the success of this initiative. We are cognisant that with existing pressures on the National Land Transport Fund, there may not be sufficient funding available to cover the cost of additional services through established funding mechanisms.
- 26 Providing free and discounted fares will attract more people to use PT in peak times. This may lead to crowding and poor PT experiences, which could dampen patronage growth. Buses that are run by PTAs that specifically service school routes (school buses) could become especially crowded, creating attraction to use the other commuter buses.
- 27 While many commuters have experienced cancellations recently due to bus driver shortages, school services have been prioritised and very rarely cancelled. PTAs advise they are currently operating very close to capacity. Therefore, increases in school bus demand will reduce availability of commuter buses, noting many school students use commuter buses.
- Flattening the peak patronage curve is preferred over funding additional peak vehicles . Greater numbers of peak vehicles means higher operating costs (maintenance, storage) that fare revenue cannot compensate. Additionally, with the bus driver shortage, PTAs will find it challenging to supply drivers for the additional peak services.

BUDGET SENSITIVE

- 29 There are limited options to mitigate the increased peak demand, and we have not explored the options in detail. PTAs have suggested applying the subsidy to off-peak services only, reducing the age of free fares to under 11, reducing to off peak services, providing heavily discounted fares instead of free fares or providing universal half price fares. We recognise these options are inconsistent with the policy parameters underpinning Community Connect.
- 30 It is difficult to predict the uptake of the subsidy and the impact on patronage at peak times. Some of the induced demand may be mitigated by school buses predominately serving intermediate and secondary schools (children aged over 11). However, we note that many intermediate school services are already heavily patronised, and we also expect growth in demand for primary services because of this initiative. Additionally, parental guardians and children may have different levels of perceived safety, resulting in varying levels of independence and uptake of the concession. We will monitor patronage of the concessions where possible and provide further advice if required.

Next steps

er you regul Throughout this briefing we have highlighted a number of areas where we expect to 31 provide further advice. We will also keep you regularly updated following our



19 May 2023

Hon Michael Wood

Minister of Transport

Document 14

OC230374

Action required by:

Monday, 22 May 2023

WAKA KOTAHI DRAFT 2023/24 STATEMENT OF PERFORMANCE

Purpose

This briefing will support you to comment on Waka Kotahi NZ Transport Agency's (Waka Kotahi) draft 2023/24 Statement of Performance Expectations (SPE).

Key points

- As Responsible Minister for Waka Kotahi, you have an important role to play in setting expectations and influencing its public accountability documents. The SPE enables you, and the House of Representatives, to participate in the process of setting annual performance expectations for the entity and provides a basis to assess performance against.
- You received the Waka Kotahi draft 2023/24 SPE on 1 May 2023. You are required to provide comments on this no later than 15 working days after receipt, i.e. by 22 May 2023. Due to the complexity and the level of detail in the draft SPE, the Ministry has required additional time to appropriately review the draft SPE.
- The Ministry of Transport (the Ministry) has reviewed the draft SPE to ensure that it meets statutory requirements, follows good practice, and adequately reflects your expectations and priorities. The Ministry's assessment in **Appendix One** provides you with a summary to better understand Waka Kotahi's strategic context, alignment to your expectations, basis to assess performance, financial performance, and key risks.
- The Ministry notes that Waka Kotahi continues to face challenging operating conditions. The land transport network is growing, and so is its complexity. Severe weather events are becoming increasingly common and highlight the challenge of balancing the needs of the current land transport system with the need to prepare for the future.
- Ensuring adequate long-term funding sustainability to meet increased demand for new and expanded programmes of work and increasing costs remains a critical concern for the Agency. The Ministry understands the Agency's breadth and scale of work programme has evolved over recent years, creating pressures on funding. This adds additional pressure on the Board to make trade-offs and prioritise its work programme.

- Revenue is finite and will never be sufficient to address all demands placed on the land transport system at any one time. The Ministry recommends Waka Kotahi prioritises delivery that will add the most value to the land transport system within available funding. Clarifying key priorities and outlining trade-offs within the SPE will ensure the public can clearly understand what is expected to be delivered in 2023/24.
- The Ministry has identified four themes which will strengthen alignment around your expectations and Government priorities, improve clarity and transparency around priorities, and ensure the SPE provides a good basis to assess performance against. The themes are:
 - o Being clear around priorities for the year ahead
 - Helping the public understand the Agency's organisational health
 - Ensure the Agency's performance measurement framework continues to be fit for purpose
 - Building resilience in the land transport system.
- The Ministry has drafted a letter for your consideration encompassing the themes outlined above. Please refer to **Appendix Two** for the draft letter.
- Waka Kotahi must consider your comments before finalising the 2023/24 SPE by 30 June 2023. Waka Kotahi must then publish the SPE on its website as soon as practicable.
- You have flexibility as to when you table the 2023/24 SPE in the House of Representatives. Section 149L of the Crown Entities Act allows responsible Ministers to table final SPEs upon receipt, or at the same time as the Waka Kotahi 2022/23 Annual Report (thereby providing Parliament with a backward- and forward-looking view of the Agency).

Recommendations

We recommend you:

• **agree** to sign the attached letter providing feedback on the Waka Kotahi draft 2023/24 SPE (subject to any changes you wish to make).

Yes / No

Harriet Shelton Manager Governance		Hon Michael Wood Minister of Transp	
19 / 05 / 2023		1	N90
Minister's office to complete:	□ Approved	Decline	ed
	Seen by Ministe	r 🛛 🗆 Not se	en by Minister
	□ Overtaken by e	vents	
Comments		$\mathcal{N}_{\mathcal{O}}$	
Contacts			
Name		Telephone	First contact
Harriet Shelton, Manager, Gover	nance	s 9(2)(a)	1
Brett Thomson, Principal Advise	, Governance		
Emma Petrenas, Adviser, Gover	nance		

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APPENDIX ONE: MINISTRY ASSESSMENT OF WAKA KOTAHI DRAFT SPE FOR 2023/24



Review Statement of Performance Expectations 2023/24

Strategic Context

Waka Kotahi NZ Transport Agency (Waka Kotahi) continues to face challenging operating conditions. The land transport network is growing and becoming increasingly complex and affected more frequently by extreme weather events – the latter of which has highlighted the challenge of balancing the needs of the current land transport system with the need to prepare for the future.

Ensuring there is adequate funding to meet increased demand for new and expanded programmes of work and higher costs remains an overriding concern for Waka Kotahi. Revenue shortfalls combined with emergency events, poor delivery in isolated areas, and rising inflation has resulted in reduced outputs from the National Land Transport Programme (NLTP) 2021-24. The delay and deferral of many projects will have a knock-on effect of increasing pressure on the upcoming NLTP period.

The Ministry encourages you to remind Waka Kotahi for the need to prioritise within available funding as revenue is finite and will never be sufficient to address all demands placed on the land transport system at any one time. Clarifying key priorities and outlining trade-offs within the SPE will ensure the public can clearly understand what is expected to be delivered in 2023/24.

Waka Kotahi will be operating in its final year of the existing National Land Transport Programme (NLTP) 2021-24. It will be developing a new Statement of Intent (SOI) and NLTP through this period. The Ministry continues to update you on the development of the next Government Policy Statement for Land Transport (refer to briefing OC230424).

Consistent with a shift in Government priorities and your Letter of Expectation for 2023/24, Waka Kotahi will need to place greater emphasis on the rebuild and building resilience through the land transport system, including its own practices and processes.

Waka Kotahi will be implementing changes to land transport regulatory charges and fees, along with building its capability to improve regulatory performance of the land transport system.

Expectations

The Waka Kotahi draft Statement of Performance Expectations (SPE) responds in part to your Letter of Expectations. There is good information in the introductory section of the SPE which is informative however the Ministry believes more could be done to integrate your expectations throughout the document. This could include a separate section clarifying priorities for the year ahead, and a section on Waka Kotahi's capability and capacity development which has been a big focus in recent years.

The SPE could align more closely to your Letter of Expectations and reflect Government priorities. The Ministry would like to see more emphasis on the rebuild, building resilience in the land transport system, and understanding what steps Waka Kotahi will take towards being a leader in cost and asset management. The Ministry recommends Waka Kotahi be clearer around its key priorities and intentions for the 2023/24 year with expectations better reflected.

The Board of Waka Kotahi is planning to undertake a value-for-money review of the Waka Kotahi operational budget for 2023/24. This is a good step and aligns well with your expectations.

Waka Kotahi's next SOI and SPE will need to give consideration to the next Government Policy Statement on Land Transport (GPS 2024).

Performance

The Waka Kotahi draft SPE provides a substantial number of performance measures, good information around its operating context, and useful information around significant capital milestones it plans to achieve.

Waka Kotahi has been managing a broader work programme and difficult operating conditions over recent years, with areas of performance below its own expectations. The Ministry notes the draft SPE is an important opportunity for Waka Kotahi to clarify its priorities to help the public better understand how it plans to improve performance in key areas. The Ministry recommends Waka Kotahi considers creating a separate section to clarify its priorities in 2023/24. The creation of a separate section outlining its organisational health and capability development will provide transparency as to how it plans to improve performance in key areas.

Waka Kotahi performance measures reflect the breadth and scope of its work programme, with measures supporting system outcomes aligned to the current GPS.

The Ministry notes several performance measures can be improved to help the public better understand performance in key areas. For example, the Ministry has noted some measures are circular in nature (for example VSC1 Proportion of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are progressed within acceptable timeframes) and as a result provides little transparency for the public to understand performance.

Further several performance measures have targets already achieved (for example, *ENV2* - *Proportion of the light vehicle fleet that are zero-emissions vehicles* states a target more than 0.59% however the latest data indicates 1.51%) and therefore the targets do not appear to be informed by latest information or provide a stretch for Waka Kotahi.

Due to the size and complexity of Waka Kotahi, changes to performance measures need to be considered carefully. However, the Ministry recommends Waka Kotahi consider its performance measurement framework to ensure it remains fit for purpose. This would ensure measures are relevant, of high quality, and support readability for the public to better understand how Waka Kotahi is performing.

Waka Kotahi has selected a set of performance measures to provide greater visibility of regulatory performance. This is timely given the changes to the land transport regulatory charges and fees. The Ministry will work with the Agency to review the measures included associated with Waka Kotahi's Regulatory Performance Framework to ensure the most appropriate measures to illustrate performance are included for future SPEs.

Waka Kotahi has noted 17 significant capital projects aligned to the NLTP and New Zealand Upgrade Programme that it expects to progress in 2023/24.

Financial Performance

Waka Kotahi prospective financial statements indicate it is expecting to spend approximately \$5.5 billion in 2023/24, this equates to an increase of 11% compared to projected expenditure in 2022/23 of \$4.9 billion.

Waka Kotahi expects to spend within the respective GPS ranges for all activity classes except for local road maintenance, due to the costs of emergency works including the recent extreme North Island weather events.

Figure 1 illustrates forecast expenditure on the 2021-24 NLTP by activity class, compared with respective GPS ranges for the NLTP period.



Note that expenditure on state highway and local road maintenance in 2023/24 will increase further once Budget 2023 decisions have been factored into forecasts.

Waka Kotahi expects to drawdown the remainder of the \$2 billion borrowing facility in 2023/24 to deliver the 2021-24 NLTP. This is expected to increase total debt to approximately \$3.4 billion by 30 June 2024. The increase in debt is placing further pressure on future budgets as repayments and interest expenditure increases (forecasted to be \$234 million in 2023/24).

Agency operating costs continue to increase significantly

he Board is conscious of your interest in ensuring that Waka Kotahi grows in a financially responsible manner and delivers value-for-money from all expenditure. In his cover letter to you, the Chair notes that the Board "...is undertaking a value-for-money review of the Waka Kotahi operational budget for 2023/24."

Waka Kotahi continues to indicate concerns over pressure on the National Land Transport Fund

Waka Kotahi notes that the current draft Government Policy Statement on land transport 2024 (GPS 2024) indicates a level of funding from 2024 that would prevent it and its coinvestment partners from delivering a future work programme that aligns to the investment needs of the system and the Government's policy ambitions. Further, Waka Kotahi states that unless there is significant revision to the draft GPS to substantially increase available

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revenue from 2024, it will no longer be able to approve the majority of new funding decisions in order to prudently manage its future funding commitments.

You are working with officials and Ministers to address the National Land Transport Fund (NLTF) funding gap beyond 2023/24, before the draft GPS 2024 is released for public consultation (briefing OC230341 refers).

Budget 2023 decisions to be reflected

Waka Kotahi needs to reflect Budget 2023 decisions in its final SPE.

Key Risks

Waka Kotahi will continue to face a difficult and challenging operating environment in 2023/24, with public interest and media scrutiny likely to continue to increase, in line with expectations around delivery – particularly in those areas hit hardest by Cyclone Gabrielle.

The key risks for the Agency over the coming year are noted below:

- Long-term funding sustainability in particular, the adaptation of the land transport system to support climate change priorities. This has the potential to constrain the Agency's primary source of revenue (the NLTF) whilst at the same time, place increasing pressure on its expenditure.
- Ability to deliver on budget and within timeframes-due to workforce constraints, key programmes of work may be deferred, or require additional funding to address cost escalations.
- The need for Waka Kotahi to ensure that its stakeholder engagement response is keeping pace with increased levels of public concern in key areas of performance and delivery.
- Increasing costs and risks associated with climate change and the increase in the severity and frequency of ongoing weather events and the resultant impacts on and s inue to upday emergency works, and state highway and local road improvements and

The Ministry will continue to update you on risks and provide advice accordingly.

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APPENDIX TWO: DRAFT LETTER TO WAKA KOTAHI CHAIR

THE OFFICIAL INFORMATION ACT 1982

Hon Michael Wood

MP for Mt Roskill Minister of Immigration Minister of Transport Minister for Workplace Relations and Safety



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26 May 2023

Dr Paul Reynolds Chair Waka Kotahi NZ Transport Agency s 9(2)(a)

Dear Paul

Draft Statement of Performance Expectations for 2023/24

Thank you for providing the Waka Kotahi NZ Transport Agency's (the Agency) draft 2023/24 Statement of Performance Expectations (SPE) for my comment.

I recognise the effort that has gone into preparing this document and the hard work undertaken by the Agency in responding to numerous devastating weather events this year. The draft SPE provides useful context around the operating environment and the challenges that the Agency continues to manage. I would also like to commend its work on proposed changes to land transport regulatory charges and fees – I look forward to seeing these changes successfully implemented later this year.

As communicated in my Letter of Expectations dated 22 March 2023, I would like the Agency to focus on the rebuild, continue to work towards being a leader in cost and asset management, exemplify value for money, look to the future state of the land transport system, ensure the public is well informed and information is accessible, and be a good employer. I would like the SPE to further consider each of these expectations by outlining what work will be undertaken to reflect a good level of alignment with each of the themes noted in the letter.

The Government has provided significant levels of funding to address cost pressures and support new priorities within the land transport system over consecutive Budget cycles.

I appreciate the immediate pressure on the National Land Transport Fund, particularly as New Zealand moves to a land transport system that is more resilient to climate change. Budget 2023 will support the emergency response and improve network resilience to help communities impacted by severe weather events. Whilst I am working to ensure there is adequate funding in the land transport system, I would like Waka Kotahi to improve prioritisation of available funding, as revenue is finite and will never be sufficient to address all demands placed on the land transport system at any one time.

In addition, I would like the Board to take this opportunity to consider how the Agency's SPE can clarify and rationalise its key priorities and intended work programme to ensure the public can clearly understand what is expected to be delivered in 2023/24. To enable this, I have grouped my comments around four themes within this letter.

Being clear around priorities for the year ahead

I would like the SPE to be clear on the key priorities for the Agency in 2023/24. This will improve transparency around the Agency's work programme and provide a basis to assess performance.

In addition, I would like you to reflect how the Agency's priorities will help the public better understand your contribution to the rebuild and recovery of roading assets, outline how Budget 2023 initiatives will successfully be implemented and performance assessed, and set out the steps that are being taken to address areas where performance has been below expectations, including safety (in particular improving performance within the Road to Zero programme) and achievement of significant capital milestones.

Helping the public understand the Agency's organisational health

I would like the SPE to outline the Agency's objectives for the development of the organisation and investment in capability for the year ahead. This will help the public better understand how the Agency's resources will be efficiently and effectively utilised to improve services.

I am pleased to see that the Board intends to undertake a value for money review of the Agency's operational budget. I encourage the Agency to work with the Ministry of Transport on developing the terms of reference and completing the review and Hook forward to receiving a briefing on the conclusions reached.

Consistent with my Letter of Expectations, I would like you to provide information on the steps you plan on taking to ensure the Agency works toward being a leader in cost and asset management, and what steps it will take to lift regulatory performance after changes to land transport charges and fees are implemented.

Ensure the Agency's performance measurement framework continues to be fit-for-purpose

I understand the Agency has increasingly managed a broader work programme over recent years, Because of this, developing a performance framework supported by relevant and informative performance measures can be a challenging task. Consistent with the Government's priorities and my Letter of Expectations, I would like you to consolidate your performance framework and strengthen performance measures so they can easily be understood by the public and are outcomes focused.

To enable a fit-for-purpose performance framework, I would like the Agency to update targets that have already been achieved and reflect in the SPE what steps it will take to improve performance for targets which have not been achieved in recent years.

Generally, I would like the Agency to make its SPE more concise, consolidating its performance measures and presenting information simply. I encourage the Board to continue to refine its public accountability measures and ensure the associated targets provide appropriate stretch to the Agency (particularly where system outcome measures are already being achieved or exceeded).

Building resilience in the land transport system

Resilience and security have been the dominant area of focus for several years now, with extreme weather events just one example of disruptive events faced by communities throughout the country. It is imperative that resilience of the land transport system continues to be strengthened against disruptive events of all types - including not only natural hazards, but also security and other threats.

Resilience is becoming increasingly important as it helps people, communities, and systems to thrive in the face of adversity, and to manage stress and uncertainty. Resilience goes to the heart of culture and organisational capability, assets and taonga, and an Agency's response to a range of events. I would like the Agency to better communicate in its SPE how it plans to improve its governance and organisational resilience processes and practices, and what steps it will take to improve resilience in the land transport system.

The Agency has made good progress delivering on its resilience and security obligations, including establishing a recent Security Team to address vulnerabilities in the land transport network. The success in delivering *Tiro Rangi* Climate Adaptation Plan should also be recognised as a critical step in strengthening the land transport system against climate change. I would like the Agency to continue embedding these achievements by developing a mature assessment of the network's key security risks and delivering on its commitments in the National Adaptation Plan, including integrating adaptation into its decision-making frameworks.

Next steps

Please consider these comments when finalising your SPE. Once finalised, the Agency is required to provide a final SPE to me and publish on its website as soon as practicable, ideally before the start of the financial year. I will then table the SPE in the House of Representatives.

I wish the Agency the best for the upcoming year. As the responsible Minister, I want the Agency to be clear on its priorities and how it will achieve them, so that the public can be confident the Agency is well placed to meet future challenges. I look forward to a successful year ahead.

Yours sincerely

Hon Michael Wood Minister of Transport

cc: Nicole Rosie, Chief Executive, Waka Kotahi New Zealand Transport Agency Audrey Sonerson, Chief Executive, Te Manatū Waka Ministry of Transport



22 May 2023

Hon Michael Wood

Minister of Transport

Document 15

OC230399

Action required by:

Tuesday, 6 June 2023

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QUARTER 3 OUTPUT PLAN REPORT 2023/24

Purpose

Provide a progress report on key initiatives in the Output Plan.

Key points

- The Ministry previously agreed to provide you with quarterly updates against identified initiatives from the Output Plan. The Quarter 3 (Q3) Output Plan Report is attached (Appendix A refers). This briefing includes some additional initiatives to provide a broader picture of our delivery against the Output Plan.
- The Ministry will also be providing you with a briefing on the 'Quarterly report on implementation progress of the ERP Transport actions' (OC230365). These briefings, together, will constitute the Ministry's Q3 reporting to you.
- Three projects are assessed as being 'amber', meaning there is some risk to the Ministry achieving the forecasted September 2023 position. Resourcing is a key issue for these issues, and there are timing challenges for the GPS 2024 initiative. The 'amber' initiatives are:
 - o Transit Framework
 - Christchurch Mass Transit
 - o GPS 2024.
- The other twelve initiatives are assessed as being 'green', meaning the Ministry expects to achieve the forecasted September 2023 position.

Recommendations

We recommend you:

1 **Review** the attached Quarter 3 Output Plan Report and discuss any issues that Yes / No you may have on progress-to-date for individual initiatives with officials.



UNCLASSIFIED

Quarter 3 2022/23 Output Plan Report to the Minister of Transport

Programme 1	: Decarbonising Transport	p.2	Programme 3: Revenue a	and Investment	p.12
Project 1D:	National Freight and Supply Chain Strategy	p.3	Project 3A: GPS 2024	ł	p.13
Project 1E:	Freight Decarbonisation Programme	p.4	Project 3B: Budget 2	023	p.15
Project 1S:	Congestion Charging	p.5	Project 3C: Future of	the Revenue System	p.17
			2 Mrs		
Programme 2	: Transit	p.6	Programme 4: Other Key	Initiatives	p.18
Project 2A:	Auckland Light Rail	p.7	Project 4A: Resource	Management Act Reform	p.19
Project 2C:	Transit Framework	p 8	Project 4D: Reshapin	g Streets	p.20
Project 2D:	Christchurch Mass Transit	p:10	Project 4E:: Northlan	d Dry Dock	p.21
Project 2E:	Inter-Regional Passenger Rail Select Committee	e p.11	-	Transport Alignment Project Makaurau Transport Plan	p.23
	, OF X		Project 4J: Manukau	ı Harbour Feasibility Study	p.24
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Key Contacts:	DCE: Bryn Gandy <u>s 9(2)(a)</u> Manager: Jacob Ennis		Overall Status	RAG:
Project Purpose:	To produce a shared view of the supply chain system and develop a future direction for th	e supply chain.		
Forecasted Sep 2023 Status:	Consultation complete on draft strategy implementation plan.	~		
	ast quarter report	Progress aga deliverables/	inst current and future milestones	
	and implementation plan were provided to the Minister. A Budget bid to support was unsuccessful so we are planning for an implementation programme based on	Due date/ Timeframe	Deliverables/milestones	Status (RAG)
Key focus for next	t quarter the draft strategy and implementation plan and seek Cabinet approval for its release.	February 23	Freight strategy and implementation plan draft for the Minister	
This plan will for decarbonisation	cus on improving our port system productivity and resilience, road freight and a data partnership with the sector. There will also be actions on international aredness and green shipping corridors.	June 23	Strategy to Cabinet to initiate public consultation	
We will begin p	ublic consultation on the implementation plan in June.			

Key Contacts:	DCE: Bryn Gandy <u>s 9(2)(a)</u> Manager: Jacob Ennis		2	Overall Statu	s RAG:
Project Purpose:	Development of a range of initiatives to accelerate zero emissions heavy vehicle uptake emissions reduction measures, in particular the development of the Clean Truck Discour				
Forecasted Sep 2023 Status:	Clean Truck Grant scheme design and implementation time frames agreed	~			
	last quarter report er has agreed to progress a Clean Truck Grant scheme with EECA as the delivery	Progress aga deliverables/r		ind future	
	s has been considered for funding from Budget 23.	Due date/ Timeframe	Deliverables	s/milestones	Status (RAG)
		Mar 2023	Advice delive on Clean Tru	ered to Minister Ick Discount	
Key focus for nex		твс	Advice on design of Clean Truck Grant scheme		
Conservat and Resou	s agreed MBIE and Te Manatū Waka (in consultation with the Energy Efficiency and on Authority) will need to provide advice to the Minister of Transport, Minister of Energy rces, and Minister of Finance on the design of a Clean Heavy Vehicle Grant scheme in aw down funding.				
	ormal notification of Budget decisions Te Manatu Waka will work with Waka Kotahi to				
determine implement	what other initiatives should be prioritised for our agencies to progress, while EECA s the Grant scheme, such as a review into removing regulatory barriers to zero heavy vehicles and developing a Clean Truck Standard (most likely a zero emissions date).				





ey Contacts:	DCE: Brent Johnston s 9(2)(a)	Manager: Gareth Fairweather		Overall Status	RAG:
roject urpose:		ALR project, with specific responsibilities for gove and deliverables, and developing and implementing			
orecasted Sep 023 Status:	s 9(2)(f)(īv)	0	, CT		
	ast quarter report		Progress ag deliverables	ainst current and future	
Our focus	decisions are approaching on route ali is to ensure sponsors have all the infor th sponsor agencies Mana Whenua an		Deliverables/milestones	Status (RAG)	
	work across the ministry and Waka Kota kland Initiatives	and Mar 23	Advice on legislative pathway for Auckland Light Rail		
formalising Ongoing p arrangeme ey focus for ne	to engage Mana Whenua Sponsor rep their role in sponsors arena. olicy work in relation to governance, the ents and business case assurance. ext quarter d Ministers and Sponsors in making dec	Mar 23	Work alongside the Establishment Unit and other agencies to develop a scoped work programme for remaining policy matters that are required for the delivery of the project		
	g Mana Whenua's role as Sponsors	Jun 23	Advice relating to station locations and route alignment		
arrangeme	ents.	and agree advice on final ownership and delivery gassociated with the Final Investment Decision.	Mar 24	Advice on Delivery arrangements (options and criteria) including financing arrangements.	
		Cabinet on ALR as part of the update on ALR and the oration needed between these two projects ^{\$ 9(2)(f)(iv)}			

Key Contacts:	Director: Siobhan Routledge, s 9(2)(a) Manager: Jessica Ranger		Overall Status F	RAG:
Project Purpose:	Purpose: bespoke arrangements and lacks consistent central government guidance on key issues. We framework for decision-makers that will reduce friction in the system and support more clar decision-making when progressing mass rapid transit.		a	
orecasted Sep 2023 Status:	-s 9(2)(f)(iv)	7		
Progress agains	st last quarter report	Progress ag deliverables	ainst current and future milestones	_
feedback		Due date/ Timeframe	Deliverables/milestones	Status (RAG)
ey focus for no	ext quarter focus is finalising the framework for Cabinet consideration. This process will provide the	April 23	Draft framework to Minister	
opportun framewo	ity to confirm or clarify government positions and expectations on elements of the rk.	April 23	Targeted engagement with councils on the draft framework	
enable u	Indertake targeted engagement with councils on the draft framework in April. This will s to test our thinking and get councils' perspectives and insights. Availability of council r the school holidays and ANZAC holiday may be challenging, and impact on engagement s.	s 9(2)(f)(iv)	Trainework	
 Stakehol s 9(2)(f)(iv) 	ders across central government are positively engaged with this work.			
•	, OFX			
Key Contacts:	Director: Siobhan Routledge, s 9(2)(a) Manager: Jessica Ranger		Overall Status	RAG:
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Project Purpose:	Better public transport is needed in Greater Christchurch to support future growth. In ac the existing public transport network, Waka Kotahi is undertaking an Indicative Busines frequency, high-capacity mass rapid transit option for Christchurch City.			
Forecasted Sep 2023 Status:	Indicative Business Case (IBC) for Christchurch MRT has been completed and endorse	ed by the Waka Ko	otahi Board.	
	last quarter report	Progress ag deliverables	ainst current and future /milestones	
being rece	eted all the deliverables due this quarter. Public feedback on the concept of MRT is ived as part of Huihui Mai Greater Christchurch – a public engagement process seeking lanning for future growth in the region.	Due date/ Timeframe	Deliverables/milestones	Status (RAG)
Key focus for nex	t quarter	Feb 23	Public consultation on MRT	
The Whaka	BC is due for completion in May and will take into account the public feedback. whanake Kāinga Committee (the Urban Growth Partnership for Greater Christchurch) sting in May to endorse the MRT IBC, as well as the draft Greater Christchurch Spatial nsultation.	June 23	MRT IBC finalised and reported to the Whakawhanake Kāinga Committee. Advice provided to Minister on preferred way	
The Waka	Kotahi Board will also be asked to endorse the MRT BC in May.		forward.	
including g	cus of our work in this quarter is providing advice to you on the preferred way forward, overnance and funding arrangements. This will be important in ensuring the work on th MRT is well set up for the future.			

Key Contacts:	Director: Siobhan Routledge, <u>s 9(2)(a)</u> Manager: Jessica Ranger		2	Overall Status	RAG:
Project Purpose:	The Transport and Infrastructure Committee (the Committee) is holding an inquiry into the passenger rail in New Zealand. It seeks to gain insights into the viability of passenger rail potential rail expansions and investments in specific areas. The inquiry will also look at the reduction possibilities of passenger rail.	il and investigati	ng		
Forecasted Sep 2023 Status:	The Inquiry should be completed by September 2023. Any recommendations resulting fi known and will be dependent on the Transport and Infrastructure Committee's approach				
	last quarter report	Progress ag deliverables		nt and future	
provided th	eted all the deliverables due this quarter. We completed submissions analysis and e Committee with our departmental report.	Due date/ Timeframe	Deliverable	s/milestones	Status (RAG)
 Key focus for nex The key for 	cus of our work will be supporting the Committee as it finalises its report.	March 23	Department completed a the Commit	and submitted to	
	REAL				
	OFX				



Project 3A: GI	PS 2024 Quarter 3 2022/23			
Key Contacts:	DCE: Bryn Gandy, <mark>s 9(2)(a)</mark> Manager: Tim Herbert		Overall Status	RAG:
Project Purpose:	To develop the Government Policy Statement 2024 on Land Transport. The GPS 2024 wi Government priorities for transport. It will ensure available funding from both the National Crown sources are used efficiently and effectively to meet these priorities.			
Forecasted Sep 2023 Status:	The GPS 2024 project will be completed with expected publication of the final draft by mic	1-2024		
Progress against	ast quarter report		ainst current and future	
• We completed	all of the deliverables that were due this guarter.	deliverables	/milestones	
The Ministers fe 2023.	eedback and further content have been provided for in a consultation draft in March	Due date/ Timeframe	Deliverables/milestones	Status (RAG)
	nning has been undertaken around the roadshows and wider engagement process with art of the release of the consultation draft – these are now ready to be progressed.	Dec 22	Draft GPS submitted to the Minister for consideration	
	e Minister with a range of possible options around establishing activity class funding preferred option has been included in the draft GRS	May/ June 23	Cabinet approves release of draft GPS for consultation	
 We have provid 	led a range of additional material around costs and the options around Activity Classes	N. 14	and engagement roadshow occurs	
	ed KPMG/ Mott MacDonald to undertake a review of the GPS cost base and the wider t context in which GPS will be delivered.	Sept 23	Release of GPS24	
Key focus for next	t quarter			
 Provide Ministe lass settings for 	rs with the necessary information to make decisions around funding options and activity GPS24;			
 Complete the G Activity Class s 	PS24 Review by KPMG and Mott MacDonald and use the results of this to refine ettings			
 Obtaining Minis engagement pr 	terial/ Cabinet consent to release the consultation draft and undertake the roadshow/ ocess,			
Revise GPS24 and release.	based on the engagement and submit the final version for Ministerial/ Cabinet approval			

E		t to develop the Budget 2023 Vote Transpo			
Forecasted Sep	,,,,,,,,,,,,,,,,,,,,	the Minister of Finance and Treasury's con		Climate	
2023 Status: s	Vote Transport Budget 2023 initi strategic planning for Budget 202	atives agreed by Cabinet (in April 2023) wil 24 will have commenced.	have begun implement	ation, and	
Progress against las				gainst current and future s/milestones	_
Support the Minist	of the deliverables that were due ter with additional material for B	udget bi-laterals, meetings etc.	Due date/ Timeframe	Deliverables/milestones	Status (RAG
	tions and additional information I recommendations and support Juarter		Dec 22	Minister receives advice on full Vote Transport Budget 2023 package (including new spending, CERF, and cost pressure initiatives)	
		ial as requested by the Minister associated to any of the specific bids or packages.	with Feb 23 (Early Treasury assessment provided and advice provided to Minister	
clarifications.	ies and/ or internal Ministry tear om Budget 23 and beginning pre	ns around budget initiative implementation a	and/ or Mar 23	Budget Economic and Fiscal Update - Specific Fiscal Risks	
		p work for Budget 24.	March/ May 23	Ongoing budget support and provide final Budget briefings and financial recommendations	

Key Contacts:	DCE: Bryn Gandy <u>s 9(2)(a)</u> Manager: Marian Willberg		2	Overall St	atus RAC
Project Purpose:	To develop and implement a new, or renewed, transport revenue system by 2030 that wi 30 to 50 years. This project is both in response to and in support of the Emissions Reduct can pay for the land transport system we need in the future.				
Forecasted Sep 2023 Status:	By Sep 2023 we will have provided advice to the Minister on options to consider for the fu be in the process of planning the next phase of the project - preparing to test and consult wider public engagement.	uture revenue sy on options from	ystem. We will n early 2024 in		
	last quarter report	Progress ag deliverables	ainst current and /milestones	d future	
The first wa	ted 2 of 2 engagement deliverables that were due this quarter. The deliberative workshops held with members of the public across four sessions in ent cities. These were led by Koi Tū. The final reporting on this is due in Q4.	Due date/ Timeframe	Deliverables/mile	estones	Status (RAG)
	deliverable met was engaging with other government departments on the problem	Mar- Apr	Engage with stake to help identify po options		
 Cey focus for nex Developing would com 	t quarter contrasting options, which will help us consider different outcomes and impacts that e from pursuing different approaches to raising revenue.	Jun 2023	Advice to the Mini future options, pat implementation, a approaches to eng	thways to nd	
Continue s	takeholder conversations.				
Developing	advice and an update to the minister.				



Key Contacts:	DCE: Bryn Gandy s 9(2)(a) Manager: Jessica Ranger	_	Overall St	atus RAG
Project Purpose:	Influencing the design of the new resource management system and supporting the tran	sition into the ne	w system.	
orecasted Sep 2023 Status:	The Natural and Built Environment Act (NBA) and the Spatial Planning Act (SPA) enacted Planning Framework (NPF) notified.	ed, with the first N	National	
	ast quarter report	Progress ag deliverables	ainst current and future /milestones	
NBA and S	ted all the deliverables due this quarter. We continued to support the progress of the PA through the legislative process. We have started preparing guidance notes and case ransition and implementation.	Due date/ Timeframe	Deliverables/milestones	Status (RAG)
Key focus for next	quarter for this quarter will be providing input into the content of the first NPF as it is finalised.	Mar 2023	Developing guidance notes and case studies to support implementation	
	vide an opportunity to ensure the content meets the needs of the transport sector as	Jun 2023	NBA and SPA enacted	
	providing input into key implementation matters, including funding to support regional egies, and maintaining momentum on existing transport projects as the new system is			
	tinue to liaise with the transport agencies to ensure they have the information and y need for transition and implementation.			
	FFICIAL			

Key Contacts:	DCE: Bryn Gandy s 9(2)(a)	Manager: Jessica Ranger			Overall Stat	
tey contacts.	DCL. Bryn Gandy s 9(2)(a)	Manager. Jessica Nanger			Overall Stat	IUS INAO.
Project Purpose:	Reducing administrative barrier active and public transport, and	s so it is easier for road controlling authorities to make strup placemaking.	eet changes tha	t support		
Forecasted Sep 2023 Status:	Street Layouts Rule in place an	d drafting instructions for the Government Roading Power	rs Amendment I	Bill issued.		
	ast quarter report	or We provided you with a package including the first	Progress ag deliverables	ainst current /milestones	and future	
	ndations, a draft Cabinet paper s	er. We provided you with a package including the final eeking agreement to these recommendations, and the	Due date/ Timeframe	Deliverables	milestones	Status (RAG)
Key focus for next	t quarter		March 23	Briefing on fin recommendat		
If Cabinet agree the new Street I	es to the final policy recommenda Layouts Rule to implement most	et paper so it can be considered in May, tions, we will provide you with advice on how to create of the Reshaping Streets proposals. We will also issue proposals via the Government Roading Powers	May 23	Cabinet pape approval to th Layouts Rule draft Governn Powers Bill	e Street and approval to	
Amendment Bill		proposals via the Government Roading Powers	June 23	New rule deve for consultation	eloped and out	

Key Contacts:	DCE: Bryn Gandy s 9(2)(a) Manager: Jacob Ennis		Overall Status RAG	B:
Project Purpose:	To undertake a business case examining the feasibility of a Northland Dry Dock (one larg increasingly growing and large fleet, e.g., KiwiRail ferries, Navy vessels, other commercia			
Forecasted Sep 2023 Status:	Delivery of the completed business case and policy advice to the Minister with a set of rec steps.	commendations	for next	1
	ast quarter report	Progress aga deliverables/	ainst current and future milestones	
feedback. Two I	ed the draft strategic case which has been shared extensively with agencies for Expert Reference Group meetings have occurred with a wide variety of stakeholders. been largely positive, and we have had a good level of buy-in from stakeholders.	Due date/ Timeframe	Deliverables/milestones	Statu: (RAG
dry dock is quite	udy from Thompson Clarke Shipping has concluded. It appears that demand for a larger e high. The formal stakeholder interview process has also concluded, with stakeholders mingly supportive of the project.	Dec 2022	Consultants procured and work commenced.	
 Several hui hav is a sensitive to 	e taken place with representatives from Patuharakeke, Te Parawhau and Ngātiwai. This pic for iwi/hapū so a lot more work than anticipated with these groups has been needed. ng up to Whangārei on 20 April to meet with them in person for a hui.	Jan 2023	Regular project advisory meetings with government agencies. We may invite commercial interests to these meetings if required.	
 Key focus for next Delivery of the r 	emaining four cases (economic, financial, commercial and management) are due	March/April 2023	Formal status update to Minister Wood, potentially with any early findings, if possible	
throughout AprilYou are meeting	and May. The draft business case will be delivered 31 May. g with representatives from the afore mentioned Māori groups on 26 May. Further isit will be given once we've had the opportunity to meet with them more.	July 2023	Delivery of business case and policy advice to Ministers, recommending next steps.	

s 9(2)(f)(iv)				
Key Contacts:	DCE: Bryn Gandy <mark>s 9(2)(a)</mark>	Director: Karen Lyons	ിറ	Overall Status RAG:
s 9(2)(f)(iv)		RELEVING	ACTA	
				Page 19

Key Contacts:	DCE: Bryn Gandy <u>s 9(2)(a)</u> Manager: Jacob Ennis		Overall Status	RAG:
Project Purpose:	To undertake a technical feasibility study exploring whether the Manukau Harbour could serve as a location for a future large-scale port. This is a technical exercise which will lead to a recommendation on whether a large-scale port is technically feasible in the Manukau Harbour.			
Forecasted Sep 2023 Status:	Work by September 2023 will be on-going. The market has so far indicated that work of t months to complete, as the field studies require data from all seasons to be accurate. We report by the consultants in mid-2023, which we will provide to the Minister.			
	ast quarter report	Progress aga deliverables/	ainst current and future milestones	
levels, and map	have initiated their field work to observe and measure waves, currents, and water the contours of the seafloor. This work will occur until around November 2023 and be by desktop analysis and modelling.	Due date/ Timeframe	Deliverables/milestones	Status (RAG)
The first reference group Meeting, comprising of Auckland Council, Ministry for the Environment, the		Dec 2022	Contract in place	
Infrastructure Commission, Maritime NZ and other MoT staff occured Key focus for next quarter			Regular project advisory meetings with agencies. A key stakeholder we want to include is Auckland Council.	
iwi/hapū to intro	t is a key focus for the next couple of months. We are shortly going out to various duce this work where this Kaupapa falls in their rohe. It is difficult to anticipate the level ve intend to hold the first hui in May.	June 2023	Delivery of interim report to Minister	
		Late 2023 / early 2024	Completion of work and delivery of final work to incumbent Government with policy advice	
	ort will be delivered late in late July 2023.			



Document 16

OC230365

23 May 2023

Hon Michael Wood Minister of Transport Action required by: Thursday, 8 June 2023

QUARTERLY REPORT ON IMPLEMENTATION PROGRESS OF THE EMISSIONS REDUCTION PLAN TRANSPORT CHAPTER ACTIONS JANUARY-MARCH 2023

Purpose

This briefing updates you on implementation progress and risks related to the transport chapter commitments of the Emissions Reduction Plan for the period January-March 2023 and signals the priorities for the next quarter. This quarterly report also outlines our progress in developing a wider performance story for emissions reductions in the transport sector.

Key points

- Good progress has occurred across the transport emissions portfolio over the January-March 2023 quarter. Across your key priority areas, most delivery milestones are on track. The number of red initiatives have decreased across all focus areas from 14 in the previous quarter to 8 in this quarter. This is partially due to five initiatives being recategorised to black because they are discontinued, or to amber as the overall timeframes may still be met despite some milestones slipping.
- During the quarter, the Government decided to discontinue several transport initiatives which has impacted our confidence of meeting the current and future emissions budgets. The Climate Change Chief Executive Board (IEB) has examined whether existing policies could be ramped up or new policies could be implemented to increase the expected emissions reduction to the original level anticipated when the Emissions Reduction Plan was released but has not yet identified any that would deliver significant abatement in the Emissions Budget 1 (EB1) period. More advice on this issue will be provided to Ministers in May 2023.
- The key challenge for delivery remains inadequate resourcing. Most of the initiatives with a red status are unfunded, or progress has been delayed due to lack of resourcing. Funding uncertainty is a risk across all focus areas and the funding required for the scale of the transport transformation is significant.
- In addition to providing you with regular updates on delivery progress of transport chapter initiatives, we are improving how we use appraisals, monitoring and evaluation in order to provide you with a transparent and cohesive picture on whether the right outputs are delivering the desired outcomes and impacts effectively. Delivering these improvements while managing business as usual activities takes time, but we will continue to provide updates on our progress in future quarterly reports.

BUDGET SENSITIVE

Recommendations

We recommend you:

- 1 note the update on delivery progress and challenges for January-March 2023
- 2 note that further advice will be provided to you on the impact of discontinued initiatives in relation to emissions reduction and equity
- 3 **note** the improvements underway in relation to using appraisals, monitoring and evaluation to improve our understanding of the impact of ERP initiatives

1981 Wader Hon Michael Wood Genevieve Woodall Manager, Emissions Programme Minister of Transport Office, Ministry of Transport 24/05/2023 Minister's office to complete: Approved □ Declined Seen by Minister □ Not seen by Minister Overtaken by events Comments Contacts Name Telephone First contact s 9(2)(a) Genevieve Woodall, Manager, Emissions Programme Office Ella Sparrow, Senior Adviser, Emissions Programme Office

QUARTERLY REPORT ON IMPLEMENTATION PROGRESS OF THE EMISSIONS REDUCTION PLAN TRANSPORT CHAPTER ACTIONS: JANUARY-MARCH 2023

Background

- 1 Te Manatū Waka Ministry of Transport (Te Manatū Waka) delivered you the first quarterly report on implementation progress of the Emissions Reduction Plan (ERP1) transport chapter actions in February 2023 (OC230000 refers). This updated you on the implementation progress and risks for the period July-December 2022 and signalled the priorities for the next quarter.
- 2 The first six-monthly all of government progress report on ERP1 was prepared by the Climate Change Chief Executives Board (IEB) for the Climate Response Ministerial Group (CRMG) also in February 2023.
- 3 Both reports indicated that work was well underway to deliver the most significant transport initiatives set out in the plan. Resourcing and funding constraints were identified as the key risks to implementation and meeting the ERP timeframes.
- 4 Since the information in both reports was finalised, the context of the ERP1 work programme has changed significantly. The Government is focused on reducing cost of living pressures, which has resulted in decisions to rescope or delay key ERP1 initiatives. Additionally, Cyclone Gabrielle has increased the priority of climate adaptation policies which has also heightened attention on the delivery of the most critical actions for emissions reductions.
- 5 This second quarterly report (January-March 2023) updates you on the delivery performance of the transport initiatives using the same RAG-rating format and also provides an update on how we are using appraisals, monitoring and evaluation to provide a transparent and cohesive picture of whether the right outputs are being delivered efficiently to deliver the desired outcomes.

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Section 1: Delivery progress across the programme



Programme wide delivery update

We have redefined our RAG rating system so initiatives can be consistently reported and interpreted

- 6 We have made a concerted effort in recent months to improve how 'red-amber-green' (RAG) ratings are determined so that the ratings are consistent and meaningful. Notably, we have added a black rating to indicate initiatives that have been discontinued due to Ministerial decision or because they have not received funding (refer to Appendix A for full definitions).
- 7 We note that in some cases initiatives have shifted from a green to amber rating in part due to the refined rating system or where more information has become available. Additionally, our previous rating of projects that were inactive was mostly green. This quarter, we have taken a more thorough approach to determine if they are on track and have rated them red, amber, or green accordingly. Consequently, progress ratings on initiatives may appear more severe than previously rated.
- 8 We have consulted with the Secretariat for the IEB ahead of the amendments to the 6-monthly report to ensure alignment between our reporting methodology. Transport agencies have played a key role in assisting with improvements to the next 6-monthly report given the size and complexity of the ERP1 transport chapter.

The new black rating has been applied to five discontinued or unfunded initiatives which may impact our ability to reach emissions targets and deliver on equity

9 During the quarter the Government announced it was discontinuing the Sustainable Biofuels Obligation, Clean Car Upgrade and Social Leasing Scheme. The decision to discontinue the Clean Car Upgrade and Social Leasing Scheme had a flow on effect for Initiative 2.2.3 *Investigate whether further targeted support is required to make low-emissions vehicles more accessible and affordable for other disadvantaged groups and communities* which has also now been discontinued as it was dependent on the results of the trials. These initiatives are now rated black, and the rating will not change in further reporting unless there are relevant Ministerial decision.

¹ For the purpose of reporting on the Decarbonising Transport Action Plan, some initiatives under Focus Area 1 have been grouped. This equates to 77 initiatives (as per the milestone timelines in the DTAP, rather than 83). The combined initiatives are five in relation to congestion charging (under Action 1.3), and the grouping of three initiatives to: deliver major public transport service and infrastructure improvements in Auckland, Wellington and Christchurch under 1.2b3.

- 10 The other black initiative is 1.2c.2 to *support initiatives to increase the uptake of e-bikes* which was not successful in receiving Budget funding.
- 11 The IEB is examining the impact of these discontinued policies on emissions projections and whether any additional initiatives could be ramped up or new policies could be implemented to increase expected emissions reduction from policy interventions. Ministers recently requested that officials update projections to reflect the most-up-date information, and this will be provided at an upcoming CRMG meeting. Transport officials are contributing to this exercise.
- 12 Although the Social Leasing Scheme and Clean Car Upgrade were not expected to contribute significant emissions reductions, the did have a primary focus on targeting equity. As recently signalled in our weekly report (week ending 28 April 2023 refers), we intend to provide you with further advice which outlines what equity focused work is happening across the ERP programme, and how initiatives that are not directly equity focused can be delivered in a way that supports this outcome.

32 initiatives are green and there has been significant progress in a number of areas

- 13 Good progress has occurred against some of the transport ERP commitments this quarter. Key highlights include:
 - 13.1 The EV Charging Strategy was published for public consultation on 22 March 2023.
 - 13.2 The Land Transport Management (Regulation of Public Transport) Amendment Bill was introduced on 16 March 2023, with the first reading on 29 March 2023.
 - 13.3 The Clean Car Standard is operational and vehicle importers are on average overachieving the legislated CO₂ 2023 target (21g/km under the target) set in the Clean Car Standard.
 - 13.4 The national VKT reduction plan and engagement on the urban programmes are progressing well, including ongoing work to refine the draft of the national plan.
 - 13.5 Action to support a major uplift in bus networks across the country and to stabilise the public transport bus driver workforce has continued to progress. There has been a promising decrease in the national bus driver shortfall, which has reduced from about 860 in December 2022 to about 606 in March 2023.

However, there are outstanding resourcing risks that pose a challenge to delivery

14 All eight initiatives with a red status have not been able to be resourced by the responsible agency/agencies and are therefore behind schedule. We also note that many amber rated initiatives have delivery risks associated with resourcing challenges. Additionally, five initiatives are not yet scheduled to start but will require additional resourcing to be progressed. We are considering mitigation plans for these unresourced initiatives (outlined in the following sections as relevant), but funding will be required in order to fill this resourcing gap fully. We will keep you updated on the resourcing challenge in future reports.

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



Key highlights

- 15 During this quarter:
 - 15.1 Waka Kotahi hosted webinars and surveys with Councils and advocacy groups on the draft revised national mode shift plan ahead of this being provided to you. Engagement with councils got underway on delivering a national plan to increase the safety and attractiveness of cycling and micro-mobility and drafting for a plan on walking has also commenced
 - 15.2 Detailed design work has been proglessed with Environment Canterbury to prepare for the delivery of nationally integrated ticketing for public transport.
 - 15.3 The Transport Choices programme has progressed, with several councils demonstrating confidence in delivery and projects progressing to implementation. Funding Agreements have been finalised for all councils.
 - 15.4 Waka Kotahi has progressed all-party MoUs (with each PTA, bus operator and union). To date, five have been completed (including Auckland and Canterbury), and seven are in progress (including Wellington).
 - 15.5 Waka Kotahi project emissions estimation tool (PEET) was updated to include considerations for climate change which will have positive implications for both emissions reduction and updating measures for resilience. This will help to improve the assessment of enabled and embodied emissions arising from infrastructure activities.

Changes to initiative ratings

16 We note that two initiatives under the action to integrate land use planning, urban development and transport planning were previously classified as red due to resourcing issues. These initiatives were delayed due to staff turnover, however new resource has been allocated to these within the responsible team and engagement with relevant stakeholders has recently commenced. Notably, the initiative to incorporate transport emissions impact assessments into transport plans is back on track to meet respective milestones.

- 17 The initiatives under the action to embed nature-based solutions as part of our response to reducing transport emissions were previously rated red as work on these had not commenced. These have been re categorised as amber because overall timeframes are still likely to be met.
- 18 Initiative 1.2c.2 to *support initiatives to increase the uptake of e-bikes* has been recategorised as discontinued (black) following unsuccessful bids for funding. Although successful trials have taken place through the Waka Kotahi innovation fund, we note that these are relatively small in scale and not sufficient in size to report that we have met the intent of the ERP through the delivery of this initiative.

Red initiatives and mitigations

19 Four initiatives that have a 'red' status sit under Focus area 1:



- 19.1 Initiative 1.2e.4 to investigate opportunities to improve school bus services is red because this work led by the Ministry of Education has been paused. This remains the same as from the previous quarterly report to you. No timeframe was set in the ERP or Decarbonising Transport Action Plan (DTAP), but the work was paused with agreement from the then Minister of Education. We are in discussion with the Ministry of Education to determine how this prioritisation decision was made, and whether they will consider progressing this work again.
- 19.2 Initiative 1.2c.5: Provide support for local government to develop network plans for walking and cycling has not commenced. However, a range of related initiatives are underway, in partnership with councils, to assess existing walking and cycling networks, develop network standards, and model strategic future modal networks. This work will be an input for the urban VKT reduction programmes, which are in development for Tier 1 urban areas.
- 19.3 Initiative 1.2d 1: Incentivise local government to quickly deliver bike/scooter networks, dedicated bus lanes and walking improvements by reallocating street space (including during street renewals) has not progressed as relevant resource has prioritised related initiatives (regulatory changes through reshaping streets as well as Transport Choices). As resource become available, we expect work on this will start to progress.
- 19.4 Initiative 1.2f.1: Work with local government to deliver public transport, cycling and walking improvements in low-socio economic areas and for transport disadvantaged groups (including disabled people) has not progressed due to Te Manatū Waka resourcing issues. We will provide you further advice that will consider equity related issues across the ERP1 which will consider how to address this initiative.

Focus area 2: Rapidly adopt low-emissions vehicles



Key highlights

20 The Clean Car Discount is operating as business as usual, and we continue to see a higher-than-expected uptake of low emission vehicles. The Clean Car Standard has moved to green over the period as it has become operational, and 2,360 importer accounts have been created and 71,000 vehicles have flowed into accounts. Vehicle importers are on average overachieving the legislated CO₂ target, being 21 g/km under the target as at March 2023.

Changes to initiative ratings

21 One initiative under Focus area 2 is rated amber for this quarter which is to consider further measures needed – from 2027 – to increase the fuel efficiency of the imported fleet and avoid high-emitting vehicles being dumped onto our market. You have considered policy options to progress this initiative ^{\$ 9(2)(f)(iv)}

Because of this context, we have rated this initiative as amber.

22 As outlined in paragraph nine, the Social Leasing Scheme and Clean Car Upgrade related initiatives are now rated black.

Red initiatives and mitigations

23 One initiative that has a red status sits under Focus area 2:

23.1 Initiative 2.3.3 Review the Electricity (Safety) Regulations 2010 to cover the safety needs associated with charging EVs is red because it is inactive. This initiative is being led by MBIE and WorkSafe. However, MBIE has indicated that this is not currently on their work programme, and that timing of any work in this area would be contingent on MBIE's schedule of regulatory work and associated prioritisation decisions. We are in discussions with MBIE to re-establish a shared understanding of why this initiative is important, and how it might be progressed.

BUDGET SENSITIVE

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





Key highlights

24 Te Manatū Waka and Waka Kotahi successfully held workshops to discuss aspects of the policy design for a Clean Truck Discount scheme, and the public consultation and legislative change needed to accelerate the uptake of zero emission heavy vehicles. We sought your direction on next steps for progressing a simple (rebates only) Clean Truck Discount scheme and based on Ministerial direction have instead progressed an alternative method of providing discounts for zero emission trucks through a fund managed by EECA².

Changes to initiative ratings

- 25 The Sustainable Biofuels Obligation is now rated as black due to the decision to discontinue.
- 26 We noted in the last quarterly report that *all* initiatives to decarbonise aviation and maritime had halted because they were not invited to the next stage of Budget 2023. For that reason, they were rated red. However, over the quarter some progress was able to be made on the maritime related initiatives and as a result they are now rated amber.
- 27 Te Manatū Waka has been focused on meaningfully participating in International Maritime Organization (IMO) negotiations on the adoption of an international strategy to reduce greenhouse gas emissions from ships and seeking to influence the outcome towards the adoption of a high ambition strategy in line with the strategic interests of New Zealand and the Pacific. These negotiations are expected to conclude in July 2023 with the adoption of a strategy that will set an international maritime emissions reduction target and agree at a high level on a suite of measures that states will use to reduce maritime emissions.
- 28 The final form of this IMO strategy will largely determine the content for any national action plan for New Zealand and new targets to reduce maritime emissions, so these ERP initiatives will remain inactive until the second half of 2023. Once the IMO Strategy is adopted, the focus will shift to the development of the Maritime Action Plan and targets, however anticipated resourcing challenges mean these actions are

² As you know, work on the Clean Heavy Vehicle Grant Fund has since been led by MBIE through the Budget process (Vote Business, Science, and Innovation – Energy portfolio) with support from Te Manatū Waka. These arrangements were only established following the January–March 2023 quarter.

rated amber. We are unlikely to deliver fully on what the ERP envisages without additional funding.

Red initiatives and mitigations

- 29 Two initiatives that sit under the actions to decarbonise aviation and maritime remain as red for this quarter. These are:
 - 29.1 Initiative 3.3.3: *Implement a sustainable aviation fuel (SAF) mandate*. MBIE has now indicated that they intend to lead the policy development work for a SAF mandate. We are currently working to clarify the intended timeframes and expected contribution from Te Manatū Waka with MBIE colleagues. Once this has been confirmed, we expect that the RAG rating will be updated.
 - 29.2 Initiative 3.4.3: Undertake research to advance the development and uptake of alternative low- and zero-carbon fuels for shipping in Aotearoa and develop safety and environmental standards for their use. Te Manatū Waka does not currently have the resource or technical expertise to progress this research therefore planning for this initiative has not progressed.

Focus area 4: Support cross-cutting and enabling measures that contribute to the delivery of a low-emissions transport system



Key highlights

30 This quarter, Waka Kotahi published research on New Zealand's experience of transitioning to a zero-emission public transport fleet and a literature review of the effectiveness of interventions to reduce light vehicle travel. Waka Kotahi has also contracted further research into the zero-emission bus lifecycle and how working from home impacts on travel and land use. This research is crucial to developing a strong evidence base to inform further policy development.

Red initiatives and mitigations

31 One initiative, to provide people and businesses with information and education to support behaviour change as we transition to a low-carbon economy, has maintained a red RAG-rating this quarter as it is currently not resourced by Te Manatū Waka.

Section 2: Using appraisals, monitoring and evaluation to understand the impact of initiatives

- 32 The February quarterly report focused on delivery progress against the milestones and timeframes published in the DTAP. While this is a good indicator of delivery performance, we are aware that you are seeking further information about the performance of the transport sector initiatives in terms of impact on the focus area targets and overall abatement targets.
- 33 Data and resource constraints as well as the lead in time required to develop and complete appraisals, projections and evaluations have constrained our ability to evaluate the performance of the ERP in near terms.
- 34 Te Manatū Waka is developing a range of improvements to maximise the usefulness of findings from appraisal, monitoring and evaluation activities and to better prioritise the three types of activities. However, delivering these improvements while managing business as usual activities take time and we will provide updates on our progress in future quarterly reports.
- 35 We want to be able to provide you with a transparent and cohesive picture on whether the right outputs are delivered efficiently and economically to deliver the desired outcomes and impacts effectively.
- 36 This requires having an evidence-based assessment of what we plan to achieve (via ex-ante **appraisals**) and collecting the right information to help assess what and how best we have achieved (via ex-post **monitoring** and **evaluation**).
- 37 The following sections describe the work we have underway to support this for the initiatives in the ERP. We are available to discuss this with you and/or your Office in more detail if desired.

Prioritising our appraisals effort

- 38 Appraisals refer to the assessment of expected effects before interventions are put in place. They involve the use and the creation of projections (also referred as forecasts or estimates). These analyses use appropriate inputs and make relevant and realistic assumptions to estimate the likely impacts of interventions.
- 39 In the contex of the ERP, projections for 7 initiatives were used to obtain an overall picture around how likely the next three emissions budget periods would be met. The total projected emissions reduction for transport for the first emissions budget was 1.7-1.9 Mt at the time of the ERP release.
- 40 Projections are inherently uncertain, and the actual impact of an intervention can vary significantly compared to projections depending on the quality of information available to inform the analyses and the level of uncertainty in the underlying factors.
- 41 Depending on the nature and purpose of the appraisals and projections, updates are sometimes required as new or updated evidence emerges. For example, information about the behavioural response to the Clean Car Discount has informed the revision of the central estimate of its emissions reduction potential which is now closer to the high-end of the original range of estimates.

BUDGET SENSITIVE

- 42 We are currently working with the CCIEB Secretariat to clarify when emissions projections need to be updated and how to communicate this information consistently across sectors.
- 43 Not all initiatives in the DTAP have been appraised as there is a lack of appropriate data and/or capacity to estimate all the initiatives and many activities are foundational or complementary in nature that could result in double counting if included.
- 44 Not all initiatives that can be appraised will be, due to limited capacity and we will prioritise effort to initiatives that will add the most value, especially those that are useful for the ERP2.

Targeting monitoring and reporting effort

- 45 Monitoring requires continuous effort to track progress of activities, the inputs used, and the outputs delivered as well as to track specific measures related to outcomes. Meaningful reporting requires monitoring indicators to be collated into a report with the appropriate use of trend analyses and commentaries
- 46 While monitoring and reporting do not inform actual abatement effects of particular initiatives, they can be used to track progress towards desired outcomes. This requires selecting indicators that provide clear alignment between the policy problems or opportunities and related inputs, activities outputs outcomes and impacts throughout the intervention lifecycle.
- 47 Te Manatū Waka is developing the Decarbonising Transport Monitoring Framework (DTMF) that sets out linkages between action indicators (e.g., infrastructure delivery or policy change) and outcome indicators (e.g., fleet changes or travel behaviour) and shows how they relate to the ERP targets. This framework will make it possible to monitor progress against key objectives in each of the focus areas. We are carrying out further work to refine the framework and to map out the framework with relevant, reliable and feasible indicators.
- 48 Most of the relevant indicators that have been identified so far are only available on an annual basis, only a small number of indicators are available on a quarterly basis and some indicators are yet to be defined or collected.
- 49 Ongoing effort will be needed from across agencies to ensure relevant data is collected and reported on consistently and in a timely manner. We are developing a DTMF guiding document to support the delivering agencies in the process.
- 50 The frequency with which we can meaningfully report to you on the indicators and the nature of this reporting is yet to be confirmed. We will test our proposed approach with you next quarter.

Investing in evaluation

- 51 Evaluation involves the examination of all aspects of the Ministry's value for money (VFM) assessment model to understand the economy, efficiency, effectiveness and impact of activities in achieving specific objectives or targets.
- 52 While ex-post evaluation aims to understand the link between causes and effects, it cannot accurately separate effects from policy and non-policy changes that have

occurred simultaneously. However, through evaluation, it is possible to find out more specific information about how successful initiatives are beyond those collected through regular monitoring and reporting.

- 53 Depending on the scale of the evaluation and the availability and the quality of data or information, evaluation can take anywhere between several months and one year or more to complete.
- 54 We plan to update the Ministry's evaluation strategy to help prioritise limited resources to high value interventions as well as evaluation of trial programmes or schemes to inform successful roll out of such interventions. There is an opportunity to utilise evaluation to support an adaptive management approach regarding the direction of travel and if further amendment or adjustments would improve outcomes.
- Id Grup wil .rP initiatives 55 The Te Manatū Waka Emissions Reduction Government Group will consider the prioritisation of evaluation effort across the transport ERP initiatives in the coming

BUDGET SENSITIVE

Appendix A: RAG(B) definitions for reporting

Colour Definition

R – Initiative appears unable to achieve overall ERP delivery timeframes and/or emissions reduction objective.

A – Initiative could feasibility meet overall ERP timeframes and/or achieve emissions reduction objective but issues/risks exist requiring management attention.

G – Initiative is on-track to meet overall ERP timeframes and achieve emissions reduction objectives and there are no outstanding issues.

.atesia B – Initiatives that are discontinued due to Ministerial decision or because they

BUDGET SENSITIVE



25 May 2023

Document 17

OC230421

Hon Michael Wood Minister of Transport

Hon Kiri Allan Associate Minister of Transport Action required by: Wednesday, 31 May 2023

CIVIL AVIATION AUTHORITY EXPENDITURE IN 2023/24

Purpose

Seek your joint approval of the maximum amount of expenditure that the Civil Aviation Authority (the Authority) is eligible for in 2023/24, including the level of funding it can receive from its Protection of Transport Sector Agency Core Functions' appropriation ('liquidity facility').

Key points

- The financial recommendations for Budget 2023 require Transport Ministers to agree a <u>'specified amount'</u> for the Authority in 2023/24, prior to the finalisation of the Authority's 2023/24 Statement of Performance Expectations (SPE), i.e., the maximum amount of expenditure that the Authority should be eligible for in 2023/24, including the level of funding it can receive from its liquidity facility appropriation.
- Officials have worked closely with the Authority to determine a 'specified amount' for 2023/24, and seek your joint agreement to set the amount at **\$231.249m**. This level of expenditure is consistent with the Authority's draft 2023/24 SPE and its Budget 2023 bid.
- The majority of this amount (\$156.511m or 68%) would be funded by the Authority's levy revenue, with the remaining \$74.663m funded by the liquidity facility appropriation which will fund the difference between the Authority's forecast expenditure for core functions and levies revenue forecast to be received in 2023/24. Based on current expectations of the Authority's revenue, the appropriation has sufficient funds to absorb the difference.
- The proposed 'specified amount' would enable the Authority to deliver its core functions in the coming financial year, and the activities outlined in its draft 2023/24 SPE. However, any unexpected shocks, or unforeseen changes in operational activity would require further funding from the liquidity facility – and are subject to Transport Ministers' and the Minister of Finance's approval.
- Significant decreases in passenger activity would require additional Crown support although, at the time of writing, volumes were holding at around 90 percent and 80 percent of pre-COVID-19 domestic and international passenger levels.

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Recommendations

We recommend you:

note that the financial recommendations for Budget 2023 require Transport Ministers to determine a ' <u>specified</u> <u>amount'</u> for the Civil Aviation Authority in 2023/24 i.e., the maximum amount of expenditure that the entity is eligible	N/A	N/A
for in 2023/24, including the level of funding it can receive from its Protection of Transport Sector Agency Core Functions appropriation		201
agree that the ' <u>specified amount'</u> for the Civil Aviation Authority in 2023/24 should be \$231.249m	Yes / No	Yes / No
agree to the proposed specified amount in recommendation 2:		
note that the majority of the specified amount will be funded by the Authority's levies revenue, with the remaining \$74.663m funded by the liquidity facility appropriation	N/A	N/A
note that Transport Ministers, and the Minister of Finance, may agree to increase the ' <u>specified amount'</u> you set for the Civil Aviation Authority in 2023/24 to cover the cost of a shock, and/or the emergence of other unforeseen costs (should they arise)	N/A	N/A
note that officials will confirm the outcome of your decision in this paper to the Civil Aviation Authority , so it can finalise its 2023/24 Statement of Performance Expectations before the statutory deadline of 30 June 2023.	N/A	N/A
	 maximum amount of expenditure that the entity is eligible for in 2023/24, including the level of funding it can receive from its Protection of Transport Sector Agency Core Functions appropriation agree that the 'specified amount' for the Civil Aviation Authority in 2023/24 should be \$231.249m agree to the proposed specified amount in recommendation 2: note that the majority of the specified amount will be funded by the Authority's levies revenue, with the remaining \$74.663m funded by the liquidity facility appropriation note that Transport Ministers, and the Minister of Finance, may agree to increase the 'specified amount' you set for the Civil Aviation Authority in 2023/24 to cover the cost of a shock, and/or the emergence of other unforeseen costs (should they arise) note that officials will confirm the outcome of your decision in this paper to the Civil Aviation Authority , so it can finalise its 2023/24 Statement of Performance Expectations before 	maximum amount of expenditure that the entity is eligible for in 2023/24, including the level of funding it can receive from its Protection of Transport Sector Agency Core Functions appropriationYes / Noagree that the 'specified amount' Authority in 2023/24 should be \$231.249mYes / Noagree to the proposed specified amount in recommendation 2:N/Anote that the majority of the specified amount will be funded by the Authority's levies revenue, with the remaining \$74.663m funded by the liquidity facility appropriationN/Anote that Transport Ministers, and the Minister of Finance, may agree to increase the 'specified amount' you set for the Civil Aviation Authority in 2023/24 to cover the cost of a shock, and/or the emergence of other unforeseen costs (should they arise)N/Anote that officials will confirm the outcome of your decision in this paper to the Civil Aviation Authority , so it can finalise its 2023/24 Statement of Performance Expectations beforeN/A

Harriet Shelton Manager – Governance 25 / 05 / 2023

Hon Michael Wood Minister of Transport

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Hon Kiri Allan
Associate Minister of Transport
..... / /

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Minister's office to complete:	□ Approved	
	□ Seen by Minister	□ Not seen by Minister
	□ Overtaken by events	
Comments		

Contacts RELIEVED OFFICIAL INFORMATION Name Telephone First contact 1

CIVIL AVIATION AUTHORITY EXPENDITURE IN 2023/24

 On 17 April 2023, Joint Ministers (Transport and Finance) agreed detailed financial recommendations for Budget 2023 initiatives, including conditions on how the Civil Aviation Authority (the Authority) - and Maritime New Zealand (MNZ) - can use the funds from the Protection of Transport Sector Agency Core Functions' appropriation ('liquidity facility') in 2023/24 i.e.,

> "that the actual funding provided to the Authority (including Avsec) from the 'Protection of Transport Sector Agency Core Functions' appropriation will be the difference between forecast expenditure for core functions for the Authority, and revenue forecast to be received in 2023/24, up to a <u>'specified amount'</u> agreed by the Minister of Transport and the Associate Minister of Transport (which will be no more than the total amount of the appropriation available for the Authority):

that the specified amount described in the recommendation above will be set by the Minister of Transport and the Associate Minister of Transport prior to the finalisation of the Authority's Statement of Performance Expectations 2023/24, and the setting of the specified amount will take into account the latest available information on actual expenditure and revenue for 2022/23 and forecast expenditure and revenue for 2023/24."

- 2. In line with these financial recommendations, we have worked with the Authority to determine what the 'specified amount' should be in 2023/24 i.e., the maximum amount of expenditure that the Authority should be eligible for in 2023/24, including the level of funding it can receive from its liquidity facility appropriation.
- 3. A 'specified amount' is required for two reasons: to enable Te Manatū Waka, as the administrator of the liquidity facility appropriation, to assess if the Authority is using Crown funding appropriately; and to limit the Authority's expenditure to a prudent level. This is important because:
 - 3.1. s 9(
 - 3.2. the funding review is undertaking a programme of work to determine baseline staffing levels i.e., the capability and capacity required by the Authority to undertake its functions;

3.3 any sustained increases to staffing and expenditure approved by Cabinet before the completion of the funding review, will be included in the new funding model for cost recovery from the sector.

Te Manatū Waka and the Authority recommend that the 'specified amount' for 2023/24 is set at \$231.249m

4. We seek your joint agreement to set the 'specified amount' at **\$231.249m**. The majority of this amount **(\$156.511m or 68%)** would be funded by the Authority's levies revenue, with the remaining **\$74.663m** funded by the liquidity facility appropriation – which will fund the difference between the Authority's forecast expenditure for core functions, and revenue forecast to be received in 2023/24.

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5. Officials have assessed the proposed 'specified amount', taking into consideration the latest available information on actual expenditure and revenue for 2022/23, forecast expenditure and revenue for 2023/24, and the total amount of the appropriation available for the Authority. We note that:

There is sufficient funding in the Protection of Transport Sector Agency Core Functions appropriation in 2023/24:

- 5.1. Based on current expectations of the Authority's revenue this will be sufficient to fund the **\$74.663m** difference between forecast expenditure and revenue for 2023/24.
- 5.2. We note that significant decreases in passenger activity would require additional Crown support although, at the time of writing, volumes were holding at around 90 percent and around 80 percent of pre-COVID domestic and international passenger levels.

The overall expenditure level of \$231.249m is consistent with the Authority's draft 2023/24 Statement of Performance Expectations (SPE) and its Budget 2023 bid

- 5.3. We note that Te Manatū Waka officials have assessed the Authority's draft SPE, and that Minister Allan has provided feedback on the document for the Authority to consider ahead of its finalisation.
- 5.4. The Budget 2023 bid was also assessed by Te Manatū Waka officials, as well as Treasury officials and joint Ministers

Two unforeseen cost pressures have emerged since March 2023:

- 5.5. The Civil Aviation Act was enacted in March 2023, giving the Authority and Te Manatū Waka two years for implementation, a timeframe that was not anticipated in its Budget 2023 bid which assumed enactment in 2024.
- 5.6. In addition, the Authority is returning to market for the fitout of its offices at Asteron House, delaying the reoccupation of its head office and leading to an increased lease costs for its temporary offices.
- 5.7. These cost pressures have resulted in an <u>\$2.451m</u> increase from the expenditure level provided in the Authority's Budget 2023 bid. We do <u>not</u> consider this increase to be material and note that, where possible, the Authority has sought to mitigate unforeseen cost increases.

5.8 Notably the Authority has offset \$0.93m, by adopting the latest BEB moderate forecast in its own forecasting - projecting higher international passenger activity levels that increase the Authority's forecast revenue in 2023/24.

The proposed amount will enable the Authority to deliver its core functions in the coming financial year, and the activities outlined in its draft 2023/24 SPE:

5.9. The Authority has made commitments in its draft SPE to continue its work to become a modern regulator; enable the Civil Aviation Act to come into force within two years; meet New Zealand's international obligations including

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achieving ICAO's audit requirements; and regulate emerging technology developments in a timely manner.

There is a risk that an unexpected shock, and/or the emergence of other unforeseen costs could arise:

5.10. In this instance, the financial recommendations for Budget 2023 enable unexpected shocks and/or unforeseen costs to be covered by the liquidity facility i.e., the 'specified amount' you both agree to in this paper may subsequently be adjusted - subject to the joint agreement of Transport Ministers and the Minister of Finance.

Next steps

- 6. Officials will confirm the outcome of your decision in this paper to the Authority, so it can finalise its 2023/24 Statement of Performance Expectations before the statutory deadline of 30 June 2023.
- 7. As noted above, Joint Ministers are also required to agree on the maximum amount of expenditure that MNZ is eligible for, from the liquidity facility, in 2023/24. This advice will be provided to you separately and in accordance with the financial recommendations for Budget 2023 prior to the finalisation of MNZ's Statement of Performance Expectations 2023/24.



26 May 2023

Hon Michael Wood

Minister of Transport

Document 22

OC230330

Action required by:

Friday, 16 June 2023

TOTAL MOBILITY REVIEW (TERMS OF REFERENCE)

Purpose

To seek your approval of the finalised Terms of Reference for the review of the Total Mobility Scheme.

Key points

- The Total Mobility Scheme provides discounted transport services to people who are unable to use buses, trains or ferries in a safe and dignified manner because of a physical, intellectual, psychological, sensory or neurological disability.
- In August 2022, Waka Kotahi NZ Transport Agency published the research report *Transport experiences of disabled people in Aotearoa New Zealand.* This research found that Total Mobility costs time and effort and is sometimes an unreliable or unavailable transport option. It is timely to review the Total Mobility Scheme to identify key issues and take action to improve the effectiveness of the scheme.
- We are seeking your approval of the finalised Terms of Reference for the Total Mobility review (Annex 1) We shared the draft Terms of Reference with you in April 2022 [OC220220 *refers*]. Since then, it has been circulated to stakeholders and their feedback has been incorporated into the finalised version.

s 9(2)(ba)(i)		
	s 9(2)(f)(iv)	

• It is expected that the Total Mobility review will be completed in mid 2024.

Recommendations

We recommend you:

1 agree to the finalised Terms of Reference for the Total Mobility Review (Annex 1) Yes / No

- 2 **note** the draft Terms of Reference was shared with Total Mobility stakeholders and their feedback has been incorporated into the finalised version
- 3 **note** that the estimated completion date for the review is mid 2024

25 / 05 / 2023 Minister's office to complete: Comments Contacts Name	□ Approved □ Seen by Minister □ Overtaken by events	/ / Declined Not seen by Minister
Comments Contacts	□ Seen by Minister	□ Not seen by Minister
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Anjela Frost, Senior Adviser, Mot		Q(2)(a) ✓
Helen White, Manager, Mobility a	nd Safety	
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TOTAL MOBILITY REVIEW (TERMS OF REFERENCE)

The purpose of the Total Mobility Scheme is to ensure disabled people can participate in their communities in a safe and dignified manner

- 1 The Total Mobility Scheme provides disabled New Zealanders with a 75 percent discount on taxi rides up to a regionally adjusted cap. The funding of this subsidy is made up of:
 - 50 percent through a combination of the National Land Transport Fund (NLTF) and local government's regional rates (60 percent NLTF and 40 percent through local government).
 - 25 funded by the Crown in December 2022, Cabinet announced a permanent additional 50 percent subsidy for Total Mobility to begin at the end of universal half price fares in line with Community Connect. Budget 2023 included funding to allow for the extension of this permanent additional 50 percent subsidy.
- 2 Eligibility for Total Mobility is targeted at those who are unable to use buses, trains or ferries in a safe and dignified manner because of a physical, intellectual, psychological, sensory or neurological disability. Assistance is offered in the form of subsidised door-to-door transport services wherever providers of Total Mobility operate.
- 3 There is substantial regional variation in the level of the maximum cap for subsidised Total Mobility trips. Currently 50 percent of the total fare is covered, ranging from a maximum fare of \$10-\$80.
- 4 In 2021/22 there were approximately 89,000 Total Mobility cardholders. In 2022, there were approximately 1.6 million subsidised Total Mobility trips made across New Zealand.

The review of Total Mobility aims to improve the effectiveness of the scheme across Aotearoa

- 5 In August 2022, Waka Kotahi NZ Transport Agency published the research report *Transport experiences of disabled people in Aotearoa New Zealand*. This research included an examination of Total Mobility and found that Total Mobility costs time and effort and is sometimes an unreliable or unavailable transport option.
- 6 The Total Mobility review allows for the examination of how key issues with the scheme can be addressed to improve the effectiveness and enhance the wellbeing of disabled people across Aotearoa. Some of the key issues that have been identified to date include:
 - Demand for Total Mobility exceeds the current supply of services
 - Shortage of wheelchair accessible vehicles

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- Cost to user– although this has been partly mitigated by the permanent 50 percent discount for Total Mobility announced in December 2022
- Regional variation in subsidy caps and supply of services
- Funding mechanisms, including PTAs having difficulties meeting their share of costs within their budgets
- 7 These issues, which are expanded on in the Terms of Reference, prevent Total Mobility from making its full contribution to improving accessibility for disabled people in New Zealand. It is timely to review Total Mobility and identify improvements to ensure that it is fit for purpose.

The draft Terms of Reference has been shared with stakeholders, and their feedback has been incorporated into a finalised version

- 8 In April 2022, we shared the draft Terms of Reference for the review with you and sought your feedback before sharing it with key stakeholders [OC220220 *Refers*]. Since then, the draft Terms of Reference has been shared with the following stakeholders:
 - Disabled People's Organisations (DPO) Coalition
 - Office for Disability Issues (Whaikaha Ministry for Disabled People)
 - Age Concern NZ
 - Waka Kotahi NZ Transport Agency
 - Public transport authorities (PTAs)
 - Transport Special Interest Group
 - Ministry of Education
 - Service operators (including independent operators and the Small Passenger Services Association)
 - Payment service providers and existing payment technology providers (e.g. Ridewise platform)

9

9(2)(ba)(i)



The Total Mobility review gives effect to New Zealand's commitments under the UNCRPD and the New Zealand Disability Strategy







29 May 2023

Document 24 OC230479

Hon Michael Wood Minister of Transport

SMARTGROWTH LEADS MEETING 1 JUNE 2023

Snapshot		ar
Time and date	11.30 am – 12.30 pm, 1 June 2023	100
Contacts		G'
Name	Telephone	First contact
Jessica Ranger, Ma Development	anager Placemaking and Urban	1
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SmartGrowth Leads meeting 1 June 2023

SmartGrowth Strategy

- 1 The partnership is continuing to review and refresh the SmartGrowth Strategy and associated Housing and Business Development Capacity Assessment.
- 2 Waka Kotahi advises themes it is seeing include:
 - 2.1 There is currently an acute shortage of housing, and this has been worsening.
 - 2.2 There is sufficient industrial land in the short-term, but more will be needed in the long-term (10-20+ years).
 - 2.3 Poor ground conditions and natural hazards in key areas limit the potential of brownfields development and intensification in the Western Bay of Plenty, especially in the Te Papa Peninsular, Mount Maunganui and Pāpāmoa.
 - 2.4 There are very few feasible areas for greenfield development. Any new greenfield development will require significant infrastructure investment.
 - 2.5 This is especially true for industrial land which has more exacting requirements around gradient and land stability.
- 3 The main areas being put forward by the partners for more, or earlier, residential growth are the Western Corridor ^{\$9(2)(b)(ii)}
- 4 Given limitations on funding, financing, and delivery it will be important to ensure that growth is aligned with current and future investment and appropriately staged and sequenced. Too widespread an approach to growth risks undermining existing and planned transport investment, and government and SmartGrowth growth outcomes.
- 5 The SmartGrowth Strategy is expected to go out for public consultation in October 2023, with hearings held in November and December, and decisions made and released in the first quarter of 2024.

Variable road pricing

- 6 The Tauranga Commissioners have been investigating variable road pricing to support their Urban Form and Transport Initiative (UFTI) outcomes. Waka Kotahi has helped the Commissioners undertake a Proof-of-Concept study which they are in the process of sharing.
- 7 The Ministry of Transport is currently engaging with the Tauranga City Council (TCC) on this work, particularly as it aligns with or differs from our work on congestion charging. One key difference is that the aim of variable road pricing would be to raise revenue to pay for UFTI, while congestion charging is being progressed as a demand management tool rather than as a revenue mechanism.

- 8 The Ministry understands that there has been no public engagement on variable road pricing or this study, and that it is currently being led by the Tauranga Commissioners rather than SmartGrowth leads.
- 9 You are meeting with the Tauranga Commissioners on 19 July 2023 to discuss growth and dynamic network pricing plans.

Updates on key projects

Tauriko West Enabling Work

- 10 These are three intersection improvements on State Highway 29 in Tauriko, to enable housing and industrial growth in Tauriko West, improve safety, and provide enhanced multi modal facilities. The enabled growth includes the first 2,000 homes in Tauriko West, primarily from three key developers including Kāinga Ora's Ferncliffe Farm.
- 11 While Waka Kotahi has met all its deliverables on this project, the project is currently facing some challenges, with TCC facing hurdles to confirm the developer funding stack and delays in the processing of approvals under the Resource Management Act 1991 (RMA).
- 12 Submissions on the southern Redwood Lane intersection closed on 29 May 2023.
- 13 TCC is working with the Redwood Lane landowners to try to proactively resolve concerns the landowners have raised, particularly around providing development potential for these properties, to remove consenting risk and allow the procurement to proceed for this part of the project TCC have asked for the final decision (to be made jointly by TCC and Waka Kotahi) on whether to complete the current procurement process to be held until mid-June 2023, to allow TCC time to reach these agreements with the Redwood Lane landowners.
- 14 The northern access has yet to be publicly notified, with submissions open until September 2023. Therefore, it is very unlikely procurement for this section will continue as planned.

Tauriko Network Connections Detailed Business Case

- 15 This refers to the longer-term package of improvements in and around Tauriko, including a new offline State Highway 29 and significant improvements to State Highway 29A.
- 16 This project is the TCC Commissioners' top priority as it unlocks further industrial and housing growth in the western corridor (up State Highway 29) and provides reliable and safe access for freight to and from the Port of Tauranga.
- 17 The Detailed Business Case is expected to go to the Waka Kotahi Board for endorsement in the second half of 2023.
- 18 The total project cost is approximately \$2 billion, making it a very significant investment.
- 19 Waka Kotahi is proposing the staged delivery of the project, with the last stage being the new offline SH29 section which would ideally be opened in 2048. The

Commissioners have indicated they continue to support immediate delivery of the full project.

20 Funding for future stages of the project is not confirmed and will be considered as part of the 2024-2027 National Land Transport Programme prioritisation process.

Connecting Mount Maunganui

- 21 Waka Kotahi and TCC are currently developing an Indicative Business Case exploring transport improvements on State Highway 2 Hewletts Road and surrounding areas, including around the Port of Tauranga.
- 22 This project is currently focused on engaging with local hapū, including those based at Whareroa Marae.
- 23 The Indicative Business Case is due to be formally endorsed by Waka Kotahi and TCC by the end of 2023, and the project will then move into the Detailed Business Case phase.
- Funding for future stages of the project is not confirmed and will be considered at part of the 2024-2027 National Land Transport Programme prioritisation process.

Takitimu North Link

- 25 Stage 1 is in construction, funded through the New Zealand Upgrade Programme (NZUP). While construction is progressing at pace. Stage 1 is currently facing cost increases and potential delays due to an appeal against an Archaeological Authority by a local hapū, related to their desire for exclusive mana whenua over the affected area.
- 26 Stage 2 is funded through NZUP for route protection only, with RMA applications due to be lodged later in 2023.
- 27 Funding for future phases of Stage 2 of the project is not confirmed and will be considered at part of the 2024-2027 National Land Transport Programme prioritisation process.

