

TRANSPORT'S ROLE WITHIN THE WIDER SYSTEM

Agency/SOE	Key Functions
Auckland Light Rail Limited	<p>Auckland Light Rail Limited (ALRL) was established in late 2022 under Schedule 2 of the Crown Entities Act 2004 to deliver a Detailed Business Case (DBC) by mid 2024 for the Crown to make a final investment decision on a light rail route from the Auckland city centre to Auckland Airport. The ALR project includes urban development and integration with other transport initiatives and systems, such as the Additional Waitematā Harbour Crossing.</p> <p>You are jointly responsible for ALRL along with the Minister of Finance and the Minister of Housing with each Minister having a 1/3 share in ALRL. In addition, Auckland Council and Manu Whenua representatives are joint sponsors along with the Crown.</p> <p>The Board operates independently at arm's length to shareholding Ministers and Sponsors, in accordance with the Project Planning and Funding Agreement. This is a contractual agreement between the Crown, Council and ALRL that sets out the terms for ALRL to manage the delivery of the Auckland Light Rail project.</p>
KiwiRail	<p>KiwiRail is a SOE responsible for operating freight and tourism passenger services on 3,700 kilometres of rail network and three inter-island ferries. KiwiRail owns, maintains and upgrades the national rail network and associated infrastructure, including the rail networks used by Auckland and Wellington passenger rail services. KiwiRail will also be responsible for operating Te Huia (Hamilton to Auckland start-up service), once it is operational.</p> <p>Auckland Transport and Greater Wellington Regional Council are responsible for planning, funding and procuring operators for the passenger rail services in their regions. They also own the passenger rolling stock and related infrastructure required to support operations, such as station buildings and maintenance depots. KiwiRail's core purpose is to move people and freight, and to cooperate with other players in the sector to create integrated transport solutions for customers. KiwiRail is focused on efficient freight movements (via rail and ferry) and helping customers to be more competitive.</p>
Meteorological Service of New Zealand Ltd (MetService)	<p>The core purpose of MetService is to provide weather services that support safety of life and property and, as a SOE, add value to the New Zealand economy. The weather impacts significantly on New Zealand's economy, transport safety, primary industries, energy production/consumption and general public safety.</p> <p>MetService provides a wide range of weather information services and data to government (including other transport sector agencies), business, and directly to the public, to promote public safety and inform weather-related risk management and decision making.</p> <p>MetService works closely with other transport sector agencies. It provides specialised road environmental information services to Waka Kotahi and its Network Operations Contractors (contracted to maintain the operations of road networks), and for the management of weather impacts on the state highway network and other major roads.</p>
Airways Corporation of New Zealand Ltd (Airways)	<p>Airways is a commercial Air Navigation Service Provider (ANSP) that is committed to ensuring safe skies for today and tomorrow. Airways works with partners to provide global aviation customers with safe, integrated airspace management through a proactive safety culture, expert knowledge, and technology-enabled solutions.</p> <p>Airways provides air traffic control services and infrastructure to enable safe, reliable and efficient air transport within the New Zealand Flight Information Region. Airways is also responsible for maintaining and investing in the aviation infrastructure that supports New Zealand's air traffic management system. Airways invest in new technology that enhances safety and delivers real economic and environmental benefits for customers and the public.</p> <p>As an ANSP, Airways is regulated by CAA and provides its service in line with Civil Aviation Rules and international standards.</p>

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Briefing to the Incoming
Minister (System)

Your guide to the Transport
system

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Te Kāwanatanga o Aotearoa
New Zealand Government

From: [Lorenz Wright](#)
To: [Alec Morrison](#)
Cc: [Jane Turner](#)
Subject: RE: Stats for the System BIM
Date: Wednesday, 18 October 2023 5:13:43 pm
Attachments: [image001.png](#)
[image002.png](#)
[CAA high level stats for MoT.docx](#)


Hi Alec,

Please find attached the updated stats (in yellow) for the civil aviation section of the portfolio 'snapshot'. As Jane highlighted below, we've rebalanced some of the facts and figures to be more reflective of the sector's wider work.

Let us know your views once you've had a chance to review.

Thanks
Lorenz

Lorenz Wright | Senior Policy Advisor

Civil Aviation Authority of New Zealand 
Te Mana Rererangi Tūmatanui o Aotearoa

International and Regulatory Strategy | System and Practice Design

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From: Jane Turner <Jane.Turner@caa.govt.nz>
Sent: Thursday, October 12, 2023 1:07 PM
To: Alec Morrison <a.morrison@transport.govt.nz>
Cc: Lorenz Wright <Lorenz.Wright@caa.govt.nz>
Subject: RE: Stats for the System BIM

Hi Alec- that should be ample time to get a response to you. We may rebalance the activities to reflect more of the entire sector, but at minimum, we'll have the updated AvSec figures ready to go.

Jane

From: Alec Morrison <a.morrison@transport.govt.nz>
Sent: Thursday, October 12, 2023 11:07 AM
To: Jeff Trevella <Jeff.Trevella@nzta.govt.nz>; Vanessa Bates <Vanessa.Bates@nzta.govt.nz>; Jane Turner <Jane.Turner@caa.govt.nz>; Sean Cooper <Sean.Cooper@maritimenz.govt.nz>
Cc: Ella Sparrow <E.Sparrow@transport.govt.nz>; John Edwards <j.edwards@transport.govt.nz>; Sarah Carson <S.Carson@transport.govt.nz>
Subject: Stats for the System BIM

Hi All

I hope your respective BIM processes are going well! We are intending to provide our System BIM to you by the end of the week. The System BIM aims to provide a high-level overview of the transport system e.g. what powers does the Minister have, who are the agencies they will be working with etc.

The attached is a one pager of data that we are intending to have in the document. We would like to have as many high-level facts and figures from all the modes and would appreciate any data you think would give a good picture of the transport system from your respective organisations. Could we get 3 or 4 additional stats from your respective areas for us to consider and incorporate into the attached?

It would be great if we could get something by the middle of next week if possible.

Let me know if this doesn't work for any of you. Happy to discuss.

Cheers

Alec Morrison (he / his)

Policy Delivery Lead - Kaiarataki Uruhi Kaupapahere

Rautaki | Strategy

Te Manatū Waka Ministry of Transport

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High-level facts and figures (Civil Aviation) for MoT System BIM

Aircraft

- 2,022 aeroplanes
- 902 helicopters
- 332 amateur-built aeroplanes

11.85 million passengers were screened at aviation security in 2022/23, compared to 4.79 million in 2021/22 (a 147% increase)

88% of passengers were processed through aviation security within 10 minutes in 2022/23

NZ influences global civil aviation settings through extensive engagement with international bodies and our Pacific partners

358,346 commercial passenger flights in 2022/23, compared to 253,569 in 2021/22 and 381,548 pre-pandemic (2019/20)

3 aviation fatalities in 2022/23

From: [Michael Machin](#)
To: [Sean Cooper](#); [Bailey Smith](#); [Stuart Day](#); [Megan Moffet](#); [Mike Osmond](#)
Subject: Maritime review amended draft BIM text
Date: Thursday, 27 July 2023 1:28:00 pm

As I mentioned yesterday, I've synthesised the previous BIM text with that proffered by Peter last week, making it more plain English. Let me know what you think.

Review of maritime legislation

The Ministry and Maritime NZ have begun a review of primary maritime legislation.

The Maritime transport sector is governed by six maritime Acts. The Maritime Transport Act 1994 (MTA) is the linchpin of the maritime regulatory system. It governs navigation safety, establishes the power of the regulator Maritime NZ, and implements international maritime conventions that protect the marine environment. The Maritime Security Act 2004 (MSA) is the main secondary act, established in the aftermath of the 9/11 attacks to protect ports and international shipping against acts of terrorism.

Together, these two Acts and their associated rules and regulations do most of the heavy lifting in the enabling and protection of New Zealand's international seaborne trade. The Ministry is reviewing the MTA and MSA to ensure the maritime regulatory system supports trade in the face of future emergencies, trans-national crime, climate change, technological advances and other challenges. This would fulfil our statutory responsibility to maintain our legislation.

Without a review, we would expect to see the following issues begin to affect New Zealand's maritime sector:

Regulator powers are insufficient to manage risks

- Recent events such as the breakdown of the *Shiling* and the *Kaitaki* interisland ferry have shown Maritime NZ lacks powers to direct or manage high risk vessels, particularly beyond our immediate coastal zone.
- Our maritime security requirements do not apply at all to high-risk aspects of maritime transport such as ferries, exposing us to significant risks.

Technological change will create regulatory and funding gaps

- Legislation is not well placed to create the clear, predictable regulatory frameworks that are critical for uptake of a variety of new technologies such as new low carbon fuels, autonomous vessels and sea gliders. These technologies offer potentially significant benefits to New Zealand's economy, decarbonisation efforts and supply chain resilience.
- Most of the marine pollution cleanup and response powers focus on oil rather than other hazardous substances such as new or emerging marine fuels. With the advent of new technologies and fuels the risk of having insufficient powers increases significantly.
- Without changes to funding frameworks to ensure they are not limited by fuel type, the maritime regulator will not have sufficient funds to ensure New Zealand's maritime regulation is effective.

The legislation is out of date and unclear in places

- ambiguity about the way in which navigation safety bylaws and national rules interact currently creates duplication and confusion for operators and consumes significant resources within councils.
- Maritime financial penalties were mostly set nearly 30 years ago.

We would need to reserve some resource from within the Ministry and Maritime NZ to undertake the review and may need your support if the review identifies that New Zealand needs to accede to new maritime conventions. The review would take approximately four years plus House time.

Regards, Michael

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From: [Peter Brunt](#)
To: [Alec Morrison](#)
Cc: [Kirstie Hewlett](#); [Andrew Saunderson](#); [Sean Cooper](#); [Bronwyn Turley](#); [Carmen Mak](#)
Subject: RE: EXTERNAL: Draft System BIM
Date: Tuesday, 17 October 2023 5:45:41 pm
Attachments: [image002.jpg](#)
[image003.png](#)
[Draft System BIM - 13.10.23MNZ.docx](#)

Hi Alec,

Some comments from us marked up in the margins of the attached (hopefully they show up – let me know if not). I have to admit that it was hard for us to get excited about this BIM – which still seemed very land focussed, with the odd maritime reference, at its core.

I think the most important aspects for us are around:

- Getting some text in there around the role of the three Directors of transport (MNZ, CAA, Land Transport regulation) and the fact they have independent regulatory decision making powers specified in legislation, that neither the Board or Minister can interfere in. Unless this is spelled out at the start, this can get clunky quickly. The framing at the moment is all around the relationship with the Boards / monitoring – which, whilst important, don't touch on the Director roles.
- Acknowledging that fuel excise duty is also collected under s9 of LTMA from boats, as well as cars, and funds the search and rescue and recreational safety system. We note that an incoming government may be looking to reform or even abolish FED; so it is important that the wider role it plays in the system is acknowledged.

The other comments in here are around suggestions for ways in which the narrative could be clearer, questions about pitch for you to consider and questions about data for you to check.

Peter

Peter Brunt (he/him) | Deputy Chief Executive, Regulatory Frameworks
Maritime New Zealand | Wellington
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MRT0038 Email Signature Summer 22-23



From: Alec Morrison <a.morrison@transport.govt.nz>
Sent: Friday, 13 October 2023 9:08 am
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Subject: EXTERNAL: Draft System BIM

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Good morning all

As discussed at TSL this week, please find a draft of the System BIM for your consideration. As a reminder the System BIM aims to describe how the transport system works rather than be a decision-making document. The aim is to be as informative while keeping descriptions relatively high-level in acknowledgement more detail will follow in subsequent briefings and in your respective BIMs.

The Strategic BIM, which is still in development, aims to provide an overview of the opportunities and challenges facing the transport system.

Please let us know if you have any show stopper feedback by **COP 18 October 2023**. Feel free to pass the draft onto those looking after your respective BIMs - I have copied in those I have already been in contact with. In particular, please provide track changes to any descriptions we have made of your organisation within the document, especially where we have them listed towards the end.

If you have any questions please feel free to get in touch. We appreciate any thoughts you might have.

Kind regards

Alec Morrison (he / his)

Policy Delivery Lead - Kaiarataki Uruhi Kaupapahere

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Te Manatū Waka Ministry of Transport

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

Te Manatū Waka Ministry of Transport

October 2023

Contents

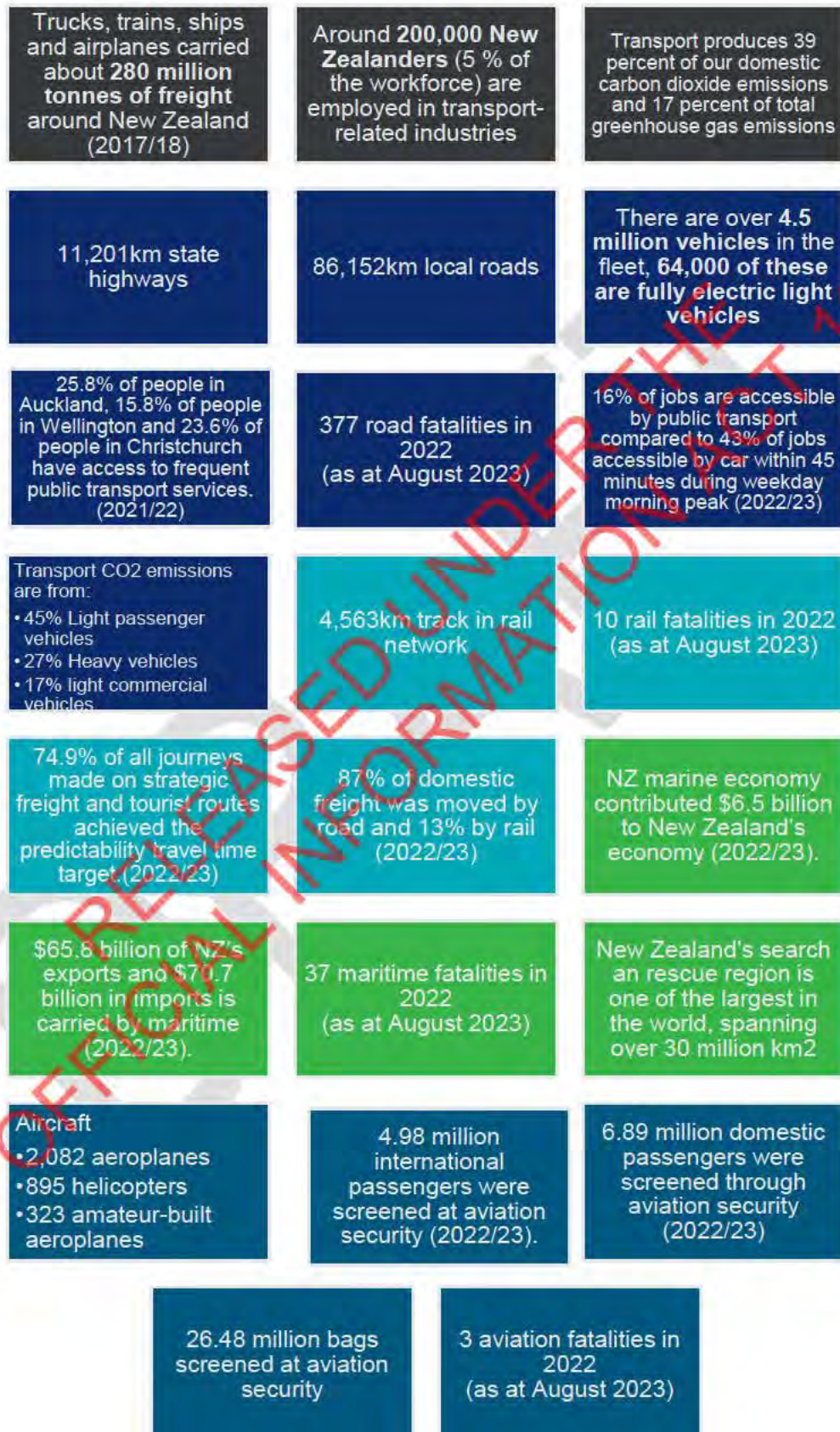
A snapshot of your portfolio.....	1
Shaping our transport system	2
Introduction	2
The Transport Portfolio	2
Your role in the system	2
The different parts of the transport system.....	3
Measuring progress and using evidence.....	4
Key transport responsibilities	5
Investment and revenue	5
Economic and educational tools.....	7
Regulation	7
Crown monitoring, assurance, and oversight	8
Influencing the international environment.....	10
Delivering your priorities	11
Transport's role within the wider system.....	12
 Appendices	
Appendix 1 Emergency Management and search and rescue functions	14
Appendix 2 Cross system collaboration	15
Appendix 3 Summary of agencies, state owned enterprises, and their functions.....	16

Glossary of terms and abbreviations

Editing Note – being generated when document is finalised

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A snapshot of your portfolio – **MOCK UP**



Shaping our transport system

Introduction

This briefing describes your role and responsibilities as Minister of Transport, along with those of Te Manatū Waka Ministry of Transport (the Ministry), government transport agencies, State-Owned Enterprises, and key stakeholders you will work with. It also outlines the tools available to you for influencing the transport system and enabling better outcomes for everyone in New Zealand.

This briefing should be read in conjunction with the Strategic BIM.

The Transport Portfolio

The transport system is a significant part of our social and economic infrastructure, providing the links that help establish and sustain our economy and society.

The transport system includes:

- vehicles that move people and products
- physical infrastructure (e.g., airports, seaports, the rail network, roads, busways, and cycleways)
- transport services (e.g., public transport, bike-sharing, ride-sharing)
- digital infrastructure (e.g., satellite-based navigation infrastructure and aids, travel apps, communications technologies)
- institutions and regulatory systems that influence how the transport system functions and develops (e.g., through their management practices, rules, policies, and investment tools).

Transport is a delivery arm of many broader government strategies, and many key government priorities will not be achieved unless transport plays its part: reaching New Zealand's emissions targets, growing the economy and connecting to markets, and enabling economic and social mobility in our towns and cities. Transport cannot achieve these priorities by itself, but its absence can slow or prevent their delivery.

Your role in the system

As Transport Minister you have a range of responsibilities, some of which you must do by law. These provide you with opportunities to influence the system. Your role as Minister is to set the overall direction for the transport system, including through:

- setting the overall direction for investment in the transport system through the Government Policy Statement on land transport (GPS).
- setting the regulatory framework by developing legislation and regulation to influence individual and business behaviour
- appointing board members to the transport Crown entities, setting their expectations and overseeing their delivery and performance.
- seeking Cabinet's agreement to the rates at which fees, charges, and levies are set. These are critical decisions because they determine the resourcing available to the transport agencies to deliver their regulatory responsibilities.

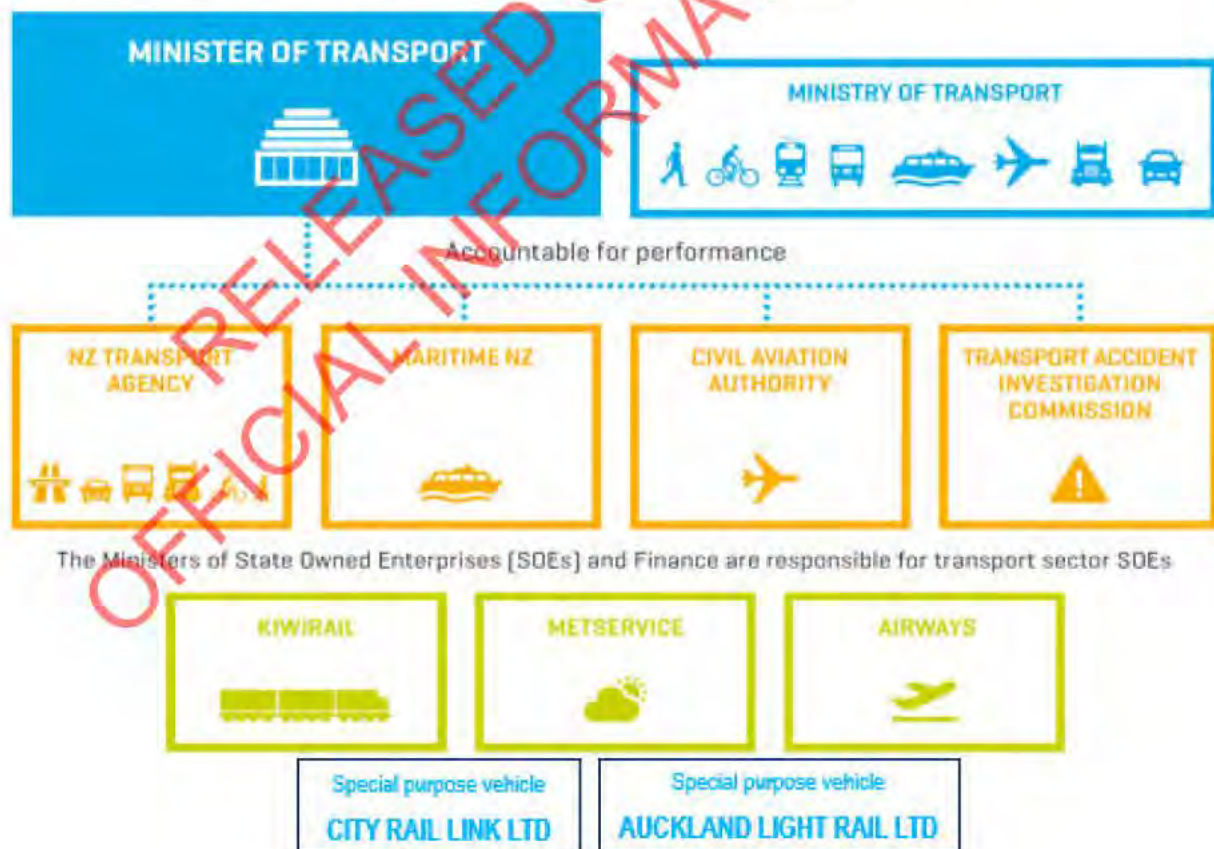
The different parts of the transport system

Central government is heavily involved in the transport system as a planner, funder, partner, enforcer, and regulator. A major part of your role will be working with transport sector agencies that help deliver the Government's objectives, these include:

- Te Manatū Waka Ministry of Transport (the Ministry) is a government department.
- Waka Kotahi NZ Transport Agency (Waka Kotahi), the Civil Aviation Authority (CAA), Maritime New Zealand (MNZ) and the Transport Accident Investigation Commission (TAIC) are transport agencies, with TAIC as an independent Crown entity.
- There are three state-owned enterprises (SOEs): KiwiRail, Airways Corporation of New Zealand Ltd (Airways), and Meteorological Services of New Zealand Ltd (MetService).
- Auckland Light Rail Limited (ALRL) was established in late 2022 under Schedule 2 of the Crown Entities Act 2004. Additionally, City Rail Link Limited is the sole company under Schedule 4A of the Public Finance Act, jointly established by the Crown and Auckland Council to deliver Auckland's City Rail Link (CRL).

You have different roles and responsibilities in relation to each of these agencies.

Figure 1 Relationship between you, the Ministry, SOEs and agencies



*The Ministers of Transport and Finance are jointly responsible for CRL and ALRL

Measuring progress and using evidence

The Transport Outcomes Framework

The Transport Outcomes Framework (the Framework) (Figure 2) sets out a way of assessing the sector's performance and measuring progress against a range of outcomes. There are five inter-related outcomes, and the Framework is closely aligned with the Treasury's Living Standards Framework. The Ministry developed the Framework with input from sector stakeholders.

The Framework provides a consistent approach to assessing the effectiveness of policy proposals and delivery. The Framework helps us understand transport's many areas of influence across society and the economy and be more explicit about the trade-offs between the outcomes that are sometimes required. Because the outcomes are inter-related, they need to be met through a range of interventions. Different Governments can place their own emphasis across the outcomes and there is no single 'right' approach.

To support the Framework, there is a set of quantitative indicators to track transport's contribution against the five outcomes over time.

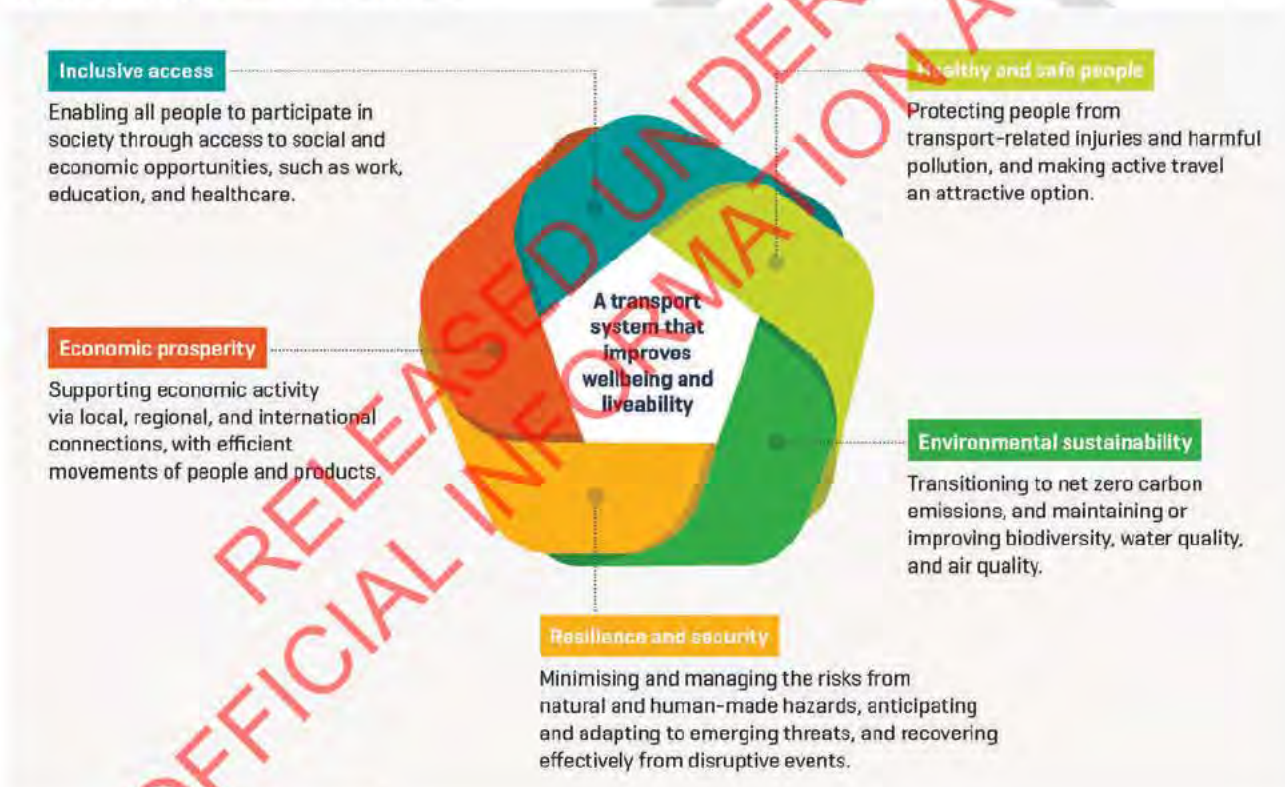


Figure 2 The Transport Outcomes Framework

Supporting policy development with data and modelling

The Ministry, transport agencies and SOEs have access to data and analysis from numerous datasets, including vehicle fleet statistics, freight movement, and emissions data. This means we can offer evidence-based insight into trends, future projections, and possible impacts of policy decisions.

We can help you understand the implications of your decisions on the transport system, from modelling the impacts, to monitoring and evaluating the effectiveness of policies and investment in infrastructure. For example, the Ministry has developed a **National Transport Model (Monty)** to understand how people interact with the transport system.

The **Ministry's Transport Sector Monitoring Framework** provides a consistent approach to monitoring how well services or interventions are being delivered, whether they have been delivered in a timely and fiscally responsible way and if outcomes have been achieved..

The **Transport Evidence Base Strategy (TEBS)** and the **Decarbonising Transport Research Strategy (DTRS)** set out the paths to ensure the transport sector has the right data, information, research and evaluation to support policy decisions. Implementing the TEBS and the DTRS is the responsibility of transport agencies (e.g., through the Land Transport Sector Research Programme managed by Waka Kotahi) and SOEs, working alongside local government and other stakeholders.

Key transport responsibilities

As Minister, you have a range of levers to influence the transport system. There are differences in the way the various levers are exercised for each mode, and each mode has its own regulatory model. Our advice to you will always focus on how you can make use of these levers to achieve your objectives.

You are responsible for 20 transport Acts which set out:

- the roles and functions of the Ministry, transport agencies, and SOEs
- the planning and funding arrangements for land transport
- the roles and powers of local authorities for transport activities and road controlling authorities
- licensing and certification arrangements for transport system users, vehicles and technology
- the requirements for making transport regulations and rules
- compliance tools to promote adherence to safety, security and environmental requirements across transport modes.

Investment and revenue

Investing in transport infrastructure is a priority for any Government. Investment comes from range of funding sources, including the National Land Transport Fund (NLTF) revenue, local authority funds, Crown funds and loans. This investment is used to build, operate and maintain the network and services and influence how people decide to travel through funding alternative travel options.

The GPS allows you to guide investment from the NLTF

The GPS outlines what the Government wants to achieve in land transport, and how it expects to see funding allocated between types of activities (for example, roading, public transport and road safety) across the land transport system. Each GPS sets out the priorities for the following 10-year period and is reviewed and updated every three years

KEY TRANSPORT RESPONSIBILITIES

While you can use the GPS to indicate what types of transport activities you want delivered, you cannot specify what individual projects are funded using hypothecated NLTF revenue.

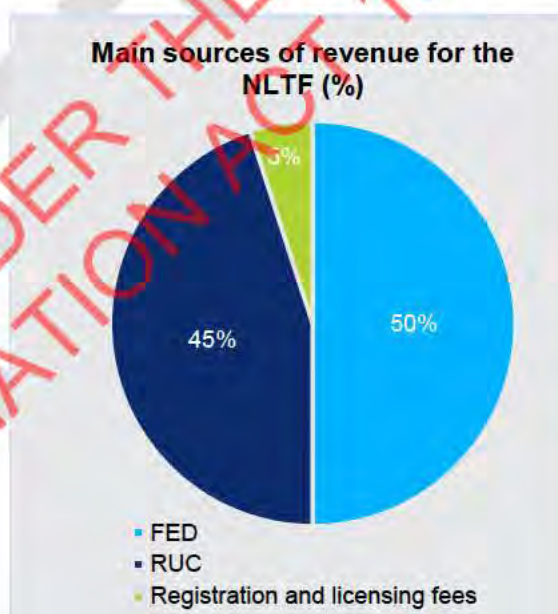
The Land Transport Management Act 2003 (LTMA) requires you to issue a GPS. This statutory document allows you to guide investment from the NLTF and can be used both to maintain a level of service and drive change on the land transport network, while delivering value for money. This is done through applying the Ministry's value for money assessment model in the appraisal and evaluation process and establishing funding ranges for activity classes. Each GPS sets out the priorities for the following 10-year period and is reviewed and updated every three years.

The LTMA gives Waka Kotahi statutory independence to select projects for the National Land Transport Programme (NLTP). However, the GPS can set an expectation for Waka Kotahi to consider government programmes and priorities when allocating funding through the NLTP.

The NLTF is mainly funded by motor vehicle users

The NLTF is administered by Waka Kotahi and collects about \$4.2 billion per annum. The main sources of revenue for the NLTF are:

- Fuel Excise Duty (FED) which is tax applied at a rate of 70c/l to petrol and 10.4c/l to liquid petroleum gas.
- Road User Charges (RUC) which is a distance-based charge applied to diesel vehicles and heavy vehicles over 3.5 tonnes. Different RUC rates are applied to vehicle classes depending on weight and axle configuration and range from \$76 to over \$1,000 per 1,000 km travelled.
- Motor vehicle registration and annual licensing fees



Revenue from the fund is invested in state highways, coastal shipping, local roads, road policing, walking and cycling, and public transport. Local government matches the \$1 billion contribution from the NLTF with another \$1 billion per year of its own funding.

National rail network maintenance and renewals investment is also funded through the NLTF as part of the Rail Network activity class. KiwiRail is required to prepare a Rail Network Investment Programme (RNIP) every three years, and you are responsible, as Minister for Transport, for approving KiwiRail's RNIP

You can adjust the rate of charges and duties for the NLTF to meet your priorities

RUC rates are set through the RUC Rates Regulations 2015 and changes must be confirmed by Parliament. FED is generally set through amendments to the Customs and Excise Act 2018 and sometimes by an Order in Council.

Crown funds can supplement transport revenue and be used to purchase specific projects or programmes

Not all investment in the transport sector has been able to be met from the NLTF. Increasingly, the Crown has made direct investments in specific transport activities through the annual budget process led by the Minister of Finance.

Unlike investment from the NLTF where the Waka Kotahi Board has an independent role in overseeing and monitoring expenditure, ministers are accountable for Crown-funded activities. Ministers have decision making rights when changes are needed to the budget, scope or timeframes for these projects. While bodies like Waka Kotahi or KiwiRail may deliver Crown-funded activities and investment programmes, the Crown usually establishes additional oversight arrangements for any projects or programmes with Crown funding, such as the NZ Upgrade programme. These arrangements give Ministers assurance the intended investment outcomes are being achieved.

Economic and educational tools

You can use travel demand management tools to drive behaviour change within the transport system

Pricing and other economic tools can be used to encourage more efficient use of the network and can be used by local government to influence travel choices and decisions. Such tools include differential charging of public transport (e.g., reduced off-peak fares), subsidised public transport fares, tolling, congestion charging, and parking fees.

Tolling, for examples, can contribute to the cost of building and maintaining new roads. You are the key decision maker and responsible for recommending to the Governor General that a road is tolled under the LTMA. The Ministry will provide advice on tolling proposals, liaise with the Road Controlling Authorities, and advise on the legislative process to establish a tolling order.

Information and education are used in road safety and can nudge people to make more informed travel decisions by communicating information about their travel choices. Examples of ways we can influence travel choices and decisions include travel planning apps, social media marketing, information provision, and mass media campaigns.

The greatest benefits come from combining economic and educational instruments with complementary measures, such as infrastructure provision and legislative changes. In doing so, these measures help to achieve the outcomes you want to see in the transport system.

Regulation

You have a range of tools in the transport regulatory system to deliver durable transport outcomes

Regulation is indispensable to the proper functioning of economies and societies. Regulation underpins markets, creates an enabling environment for firms and individuals, protects the rights and safety of citizens, and ensures the delivery of public goods and services.

KEY TRANSPORT RESPONSIBILITIES

The system is comprised of primary and secondary legislation (which includes regulations, rules, and other instruments) and local government by-laws¹. You are responsible for the passage of primary transport legislation through Parliament. The Ministry supports you to do this.

Some transport regulation involves the direct prohibition or authorisation of some commercial activity. For example, foreign ships are prohibited from carrying coastal cargo, except in specific circumstances and with approval. Airlines operating scheduled international services require an international air services licence, issued within parameters set out in Air Services Agreements. Some parts of the transport sector are subject to regulation by other agencies, e.g., the Commerce Commission regulates the disclosure of pricing by airports given their monopolistic nature.

Regulations set out associated offences and penalties, fees, and charges

Transport regulations mainly set out the associated rule-related offences and penalties, and fees and charges that fund the work of the transport agencies. The Ministry leads the development of these with involvement from transport agencies and SOEs, and the NZ Police depending on the subject. Regulations must be approved by Cabinet.

Transport rules contain detailed standards, requirements and procedures that govern transport activities

Transport rules are the most common form of delegated legislation for transport. Rules contain detailed technical standards, requirements, and procedures governing transport activities within modes. You are empowered under primary legislation to make these rules through delegated responsibilities. You are expected to advise Cabinet you intend to make a rule if there would be wide-ranging impacts. There is an expedited rule making process where urgent changes can be made by Order in Council.

The transport Crown entities develop most transport rules with the Ministry's involvement, but the Ministry leads policy development on significant rules.

Transport instruments support a more flexible regulatory system

Transport instruments improve the flexibility of the rule-making process by having more customised consultation requirements, meaning changes that only affect a small number of transport users can be progressed quickly. Transport instruments are more easily amended in response to technological innovation.

Transport instruments are outlined in a rule made by you as Minister of Transport, with the design and management delegated to a specified official (such as the Director of the relevant transport agency). Several transport instruments exist in Maritime legislation, with more planned in other modes as part of work on secondary legislation. The Civil Aviation Act 2023 (which comes into force in 2025) also empowers the Minister to create transport instruments.

Crown monitoring, assurance, and oversight

You have a role in appointing board members to the transport agencies, setting their expectations and monitoring their performance.

¹ As Transport Minister you have powers to amend, replace or disallow some local government bylaws.

Crown entity monitoring and oversight is a key mechanism to deliver your priorities

The Ministry and the transport Crown entities work collaboratively to progress your priorities and the delivery of transport outcomes, and other priority actions to maintain and renew the system.

Your role as responsible Minister of these entities is to oversee and manage the Crown's interests in, and relationship with, a statutory entity.² While you are ultimately accountable for their performance, the boards you appoint to these are primarily responsible.

The Crown carries out service delivery and regulation activities in the transport system through Crown transport entities and Crown companies: Waka Kotahi, MNZ, CAA, ALRL and CRL.

The Ministry is your monitoring agent for the transport Crown entities. The roles and responsibilities of the Minister, Crown entity and monitoring department are outlined in the *It Takes Three Framework*³.

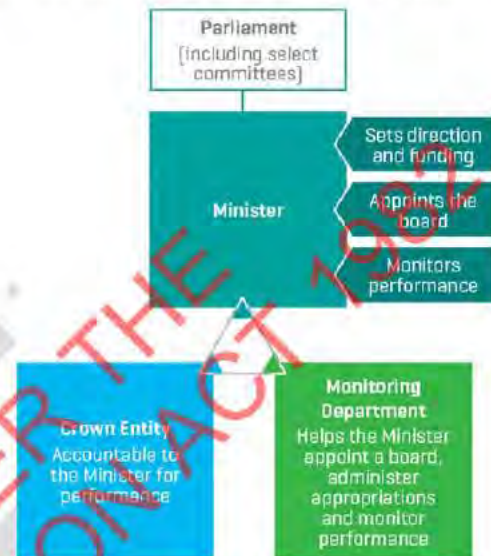


Figure 3 Roles and responsibilities of the Minister, Crown entity and monitoring department

You have a vital role in overseeing the delivery and performance of key transport agencies

Your oversight role, supported by the Ministry, is vital to ensure the transport Crown entities are effectively performing their functions, many of which deliver critical services to New Zealanders. Below are a range of accountability mechanisms that the Ministry will advise you on to assist you in overseeing the transport Crown entities and meeting your statutory responsibilities.

The capability and performance of the transport entity boards is critical in delivering your priorities and expectations

Each Crown entity and company is governed by a board. There are a maximum of 69 ministerial appointed positions across the transport sector. This is comprised of up to 23 positions on Crown entities, including positions on the ALRL Board, TAIC Commissioners, CRL Board, Aviation Medical Conveners, and advisory committee positions.

Crown entity boards have the primary responsibility for their entity's performance. They exercise the power, perform the functions of each entity and hold responsibility for the operational decisions of their entities. You appoint and oversee those boards as responsible Minister and are assisted by the Ministry as your monitoring agent, assisting you in discharging your statutory functions.

² As defined under section 27 of the Crown Entities Act

³ <https://www.publicservice.govt.nz/guidance/it-takes-three-operating-expectations-framework-for-statutory-crown-entities/>

KEY TRANSPORT RESPONSIBILITIES

Before appointments fall due, we will provide you with advice to support the appointment and re-appointment of board members. As part of this process, we will provide you with an overall assessment of board capability and recommendations on the skills and capabilities needed to ensure your boards are well governed, effective, and high performing.

Table 1 Accountability mechanisms

Accountability Mechanism	Description
Letter of Expectations	Primary mechanism used to set the priorities and performance expectations on an annual basis. You can expect to receive draft letters from the Ministry around October/November. These letters are sent out well in advance of the financial year, so Crown entities can respond effectively.
Statement of Intent	Sets out the entity's strategic intentions against the Government's priorities and direction. The Statement of Intent is developed by an entity for at least a four-year period.
Statement of Performance Expectations	Sets out the entity's annual delivery and performance expectations against your Letter of Expectations and the Statement of Intent. Entities are required to provide their final drafts of their Statements of Performance Expectations for your comment before 1 May each year.
Annual Report	Sets out entities' annual non-financial and financial performance against the expectations set out in the Statement of Performance Expectations. You can expect to receive annual reports from each entity around October.
Quarterly reporting	Performance reporting provided by the entity against the priorities and expectations set out in the Statement of Performance Expectations.

You will have regular meetings with Crown entity chairs to discuss entity governance, performance and key risks. The Ministry will provide you with advice to assist in your engagement.

The Ministry also conducts other assurance, funding, contracting and reviewing activities

In addition to overseeing and monitoring the Crown entities and companies on your behalf, the Ministry also conducts other activities for government transport initiatives and programmes, Crown entities and Crown companies. For example, providing advice on and monitoring programmes such as the NZ Upgrade Programme, the Climate Emergency Response Fund (CERF), and managing the MetService contract to ensure New Zealand has a service that fulfils the World Meteorological Organisation Technical Regulations.

The Ministry uses the **Transport Sector Monitoring Framework** which provides a structured approach to monitor interventions. This assesses entity governance, capability and performance, how entities communicate information to the board, their assurance mechanisms for key projects and programmes, and whether the board is receiving the necessary information from an entity. The approach is informed by your priorities and our assessment of key risks for each entity.

Influencing the international environment

New Zealand's transport regulatory systems are significantly shaped by international obligations, standards and recommended practices. New Zealand benefits strongly from international transport

regulatory frameworks, which underpin our international connections and facilitate our trade in goods and services.

The Ministry and the Crown Entities work together to:

- monitor and understand what is happening internationally, and how it affects, or may affect, New Zealand's transport system
- influence relevant international standards to protect and promote New Zealand's interests
- ensure New Zealand meets its international transport commitments.

A wide range of international organisations influence New Zealand's transport settings. Some of the key organisations the Ministry works with, and their role, are:

- **The International Civil Aviation Organisation:** sets standards and regulations for the aviation sector (international safety, security, and environmental protections).
- **International Maritime Organisation:** sets standards and regulations for the maritime sector (international safety, security, and environmental protections).
- **International Labour Organisation:** sets conditions of work and employment on ships (under the Maritime Labour Convention).
- **United Nations working parties:** New Zealand has obligations as a party to two United Nations Agreements relating to road vehicle and road vehicle standards. Under these agreements, regulations and standards are set to improve road safety and facilitate international trade.
- **World Meteorological Organisation:** Fulfils New Zealand's obligations under the World Meteorological Organisation, the United Nations specialised agency for weather, climate, and water, by way of the Ministry's contract with MetService.

Your engagement at the international level is important

The Ministry will provide advice on where we consider there will be good value in your engagement in Ministerial-level forums.

Key opportunities over the next year may include:

- The Transport and Infrastructure Council.
- Pacific Transport Ministerial-level meetings.
- International Transport Forum (ITF) Annual Ministerial Summit.
- Asia-Pacific Economic Cooperation (APEC) Ministerial meeting.

Delivering your priorities

As your Ministry, we can help to embed your priorities and connect them with whole of government priorities and advise you on how to use the available levers to achieve your short-, medium-, and longer-term goals. This includes working with the transport agencies to develop a coherent strategic view of the longer-term needs for the transport system.

Medium term-strategies that use a package of interventions to address specific issues may be developed or amended. For example, the **Road to Zero** strategy was developed to respond to a sustained high level of deaths and serious injuries on New Zealand roads. The strategy supports a range of actions to reduce road trauma which can be monitored and adjusted over time.

Transport sector agencies also support a range of cross-government strategies. For example, the Ministry and the CAA also have important roles in supporting the implementation of the **Aotearoa New Zealand Aerospace Strategy**, led by the Ministry of Business, Innovation and Employment.

Additionally, there are short-term transport sector delivery plans, many of which are governed by Acts of Parliament and are key components of the transport planning and funding system. For example, the **Decarbonising Transport Action Plan (2022-25)** sets out what the Government will do to implement the transport actions in the first Emissions Reduction Plan, and what we need to reduce our transport emissions by 41 percent by 2035 and reach net zero by 2050.

Transport's role within the wider system

Outside of existing collaboration between government agencies and SOEs, collaboration with other stakeholders in the transport system is critical to realising positive transport outcomes.

Effective and meaningful engagement with stakeholders from local government, the private sector, researchers and iwi will be critical to achieving government priorities and shaping the transport system. We can provide you with further advice on engagement that you should prioritise, and when.

There are other important levers that transport does not 'own', but there are actions that can be taken to influence these. For example, land use is an important lever that requires cross-system collaboration and agreement.

Given its role as a key enabler of social and economic connections, the transport system intersects with a wide range of other systems at the local, national and global levels. This underlines the need to coordinate and recognise the impacts decisions in transport may have on other sectors.

Figure 4 below illustrates some of the key relationships with the transport system, and Appendix 2 includes further detail on some key areas where a coordinated response and decisions are required, including maritime security, border security and climate response.

TRANSPORT'S ROLE WITHIN THE WIDER SYSTEM



Figure 4 Transport's role within the wider system

Notes

- 1 Key groupings
- 2 * Secretary for Transport attends ODESC as required

Appendix 1 Emergency Management and search and rescue functions

Emergency Management and search and rescue functions

Emergency Management

The transport system is vulnerable to major natural events and man-made shocks that disrupt services. The Ministry exercises its system stewardship role by being the transport sector lead on resilience and security policy matters with other government agencies such as the Department of Prime Minister and Cabinet (DPMC), the National Emergency Management Agency (NEMA), and the National Security System. The Ministry works closely with the other transport Crown entities to plan for future needs and emergencies so the transport sector can respond efficiently and effectively to system disruptions or damaged infrastructure.

System planning and preparedness is reviewed during DPMC-led Officials Committee for Domestic and External Security Coordination (ODESC) forums and exercised as part of the NEMA-led all-of-government National Exercise Programme. During significant responses the Ministry will activate and lead the Transport Response Team (TRT), which acts as the sector coordinating entity for transport under the Civil Defence and Emergency Management Act. As a non-operational agency, the Ministry's role is to coordinate the transport sector and ensure a single transport voice is provided to the lead agency for the response and to Ministers.

New Zealand Search and Rescue Council

New Zealand's 30 million km² Search and Rescue (SAR) region (the world's third largest) extends from the South Pole to the southern border of the Honolulu region, halfway to Australia and Chile, and includes American Samoa, Cook Islands, Niue, Norfolk Island, Samoa, Tokelau, and Tonga. Collectively, the SAR sector comprises approximately 11,095 people from a wide variety of public, non-government and commercial organisations of whom around 89 percent are volunteers. During the 2022/23 year, the sector saved 137 lives, rescued 744 people, and assisted a further 1130 people. These actions averted \$1.639 billion in social costs to New Zealand.

The New Zealand Search and Rescue (NZSAR) Council, established by Cabinet in 2003 provides strategic governance, leadership to the SAR sector, manages the government's investment into the sector and provides SAR advice to Ministers. The Council consists of the chief executives of departments with SAR responsibilities and includes the Ministry (chair), Maritime NZ (MNZ), the Civil Aviation Authority, the Department of Conservation, the NZ Police, the New Zealand Defence Force, Fire and Emergency NZ, and a non-government independent member.

The Ministry receives funding for and hosts the NZSAR Secretariat. Either the NZ Police or the Rescue Coordination Centre NZ (which is an operating group within MNZ) coordinates SAR operations. The responsible coordinating authority will request the use of SAR assets depending on the requirements of the operation. A wide variety of organisations may participate in SAR operations, including the Department of Conservation, NZ Land Search and Rescue, Coastguard NZ, Surf Life Saving NZ, rescue helicopters, the NZ Police, commercial vessels, Defence and a variety of smaller organisations or assets including members of the public.

The SAR sector's revenue comes from a variety of sources, including Crown funding through Vote Transport, Vote Police, Vote Conservation, and Vote Defence, and hypothecated funding collected under the LTMA (which recognises FED paid by recreational boat users). Commercial sponsorship, local fundraising, community grants, class 4 gaming (including gaming machines from pubs and clubs) and the Lotteries Grants Board also provide funding to the wider search and rescue and recreational safety sectors.

Ministers of Transport and Finance are empowered under the LTMA to allocate FED funding for SAR purposes. The NZSAR Council (on behalf of the Ministry) administers approximately \$21.8 million per annum of FED investment into SAR sector agencies. The NZSAR Council (on behalf of the Ministry) also administers the government's investment of \$15.1 million per annum into frontline water safety rescue and prevention services (Coastguard NZ and Surf Life Saving NZ).

Appendix 2 Cross system collaboration

Maritime Security

You are the lead minister for Maritime Security and the Ministry is the lead agency for maritime security policy. The Ministry chairs the Maritime Security Oversight Committee (MSOC) which is responsible for oversight of New Zealand's maritime security and comprises the lead 11 maritime security agencies. MSOC developed a Maritime Security Strategy (endorsed by Cabinet in 2019) in response to multiple, increasing security pressures.

There are 12 core national security issues within the National Security Strategy with each issue assigned a Strategic Coordination Agency. The Ministry performs that role for maritime security so sits on the National Security Board where it is also able to represent other national security issues such as transport security and the supply chain.

Border Executive Board

The Border Executive Board (BEB) is an interdepartmental executive board with six member agencies – New Zealand Customs Service (chair), Ministry for Primary Industries, Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, Manatū Hauora Ministry of Health, and Te Manatū Waka Ministry of Transport. The BEB provides joint accountability for New Zealand's border system and acts as a single point of contact for issues and opportunities that can only be progressed by working across more than one agency.

Cabinet has set five accountabilities for the BEB and approved the first BEB Border Sector Strategy in May 2023. The BEB has four priorities for 2023/24: implement the digital arrival card; progress trans-Tasman seamless travel; respond to the resumption of demand for air travel; and coordinate maritime activity. The work programme is reviewed on a six-monthly basis and includes a mix of stewardship, coordination and improvement activity.

Climate Change Chief Executives Board

New Zealand has international commitments under the Paris Agreement, and a domestic legislative framework (under the Climate Change Response Act 2002) that commits the government to ambitious emissions reduction targets and to improving our resilience and ability to adapt to the effects of climate change. The Climate Change Chief Executives Board (the Board) was established in July 2022 as an Interdepartmental Executive Board (IEB) under the Public Service Act 2020 to align and co-ordinate cross-department climate change action.

The Board comprises of eight chief executives, is chaired by the Secretary for the Environment, and is responsible to the Prime Minister for its operations. The Ministry of Transport's Chief Executive serves on the Board to drive collaboration with other key departments alongside delivering on your transport portfolio commitments.

While the Board is responsible for overseeing the delivery of the first emissions reduction plan and national adaptation plan as a whole, Te Manatū Waka remains accountable for the delivery of actions within your portfolio.

For more information on the Board and its work, please refer to the Climate Change Chief Executives Board BIM.

Appendix 3 Summary of agencies, state owned enterprises, and their functions

Agency/SOE	Key Functions
Te Manatū Waka Ministry of Transport	The Ministry advises you, and government more widely, on all policy and regulatory matters within the transport system, and also on funding and governance of the transport Crown entities. The Ministry has key functions under five key levers (previously detailed).
Waka Kotahi	<p>Waka Kotahi is a Crown entity primarily governed by the Land Transport Management Act 2003 (LTMA) and Crown Entities Act 2004. Waka Kotahi's functions include investing in, and managing most aspects of the land transport network, including rail.</p> <p>Waka Kotahi has a set of statutorily independent functions, including determining which activities should be included in the NLTP. Waka Kotahi also approves activities as qualifying for payment from the NLTF, approving procurement procedures for land transport activities, issuing or suspending any land transport document or authorisation, and exercises enforcement powers.</p> <p>Waka Kotahi has regulatory compliance and enforcement responsibilities relating to aspects of rail safety, driver licensing, vehicle testing and certification and revenue collection.</p>
Civil Aviation Authority (CAA)	CAA is a Crown entity primarily governed under the Civil Aviation Act 2023 and Crown Entities Act 2004. Led by the Director of Civil Aviation, the Authority has two functional divisions: Civil Aviation Authority performs safety and security regulatory functions, and Aviation Security Service (Avsec) delivers aviation security services at New Zealand's six security designated airports.
Maritime New Zealand (MNZ)	MNZ is a Crown entity established under the Maritime Transport Act 1994. It is responsible for promoting a safe, secure, clean and sustainable maritime environment for all commercial and recreational activities on the water and minimising the impact of maritime incidents and accidents on New Zealand and its people. MNZ has both a domestic and international focus.
Transport Accident Investigation Commission (TAIC)	<p>TAIC is an independent Crown entity, and acts as a standing commission of inquiry. The Commission's core purpose is to determine the circumstances and causes of certain aviation, rail and maritime occurrences with a view to avoiding similar occurrences in the future, rather than to ascribe blame.</p> <p>TAIC was established to assist New Zealand to comply with its international aviation obligations of ensuring independently conducted, safety-focused accident and incident investigations, a role that has since expanded to include investigations of maritime and rail occurrences. The Commission has a range of investigative (not enforcement) powers.</p>
City Rail Link Limited	<p>City Rail Link Limited is listed as a company under Schedule 4A of the Public Finance Act. It was established in 2017 by the Crown and Auckland Council to deliver Auckland's City Rail Link (CRL) project.</p> <p>The Crown and Auckland Council jointly own City Rail Link Limited (with a 51/49 percent shareholding respectively). You are jointly responsible, with the Minister of Finance, for the Crown's interest in City Rail Link Limited (as shareholding Ministers). Board appointments require joint agreement from the Crown and Auckland Council.</p> <p>The Board operates independently to shareholding Ministers and Auckland Council, in accordance with the Project Delivery Agreement. The Project Delivery Agreement is a contractual agreement between the Crown, Council and City Rail Link Limited that sets out the terms for City Rail Link Limited to manage the delivery of the CRL project on behalf of the Crown and Council, as joint sponsors of the project.</p>

TRANSPORT'S ROLE WITHIN THE WIDER SYSTEM

Agency/SOE	Key Functions
Auckland Light Rail Limited	<p>Auckland Light Rail Limited (ALRL) was established in late 2022 under Schedule 2 of the Crown Entities Act 2004 to deliver a Detailed Business Case (DBC) by mid 2024 for the Crown to make a final investment decision on a light rail route from the Auckland city centre to Auckland Airport. The ALR project includes urban development and integration with other transport initiatives and systems, such as the Additional Waitematā Harbour Crossing.</p> <p>You are jointly responsible for ALRL along with the Minister of Finance and the Minister of Housing with each Minister having a 1/3 share in ALRL. In addition, Auckland Council and Manu Whenua representatives are joint sponsors along with the Crown.</p> <p>The Board operates independently at arm's length to shareholding Ministers and Sponsors, in accordance with the Project Planning and Funding Agreement. This is a contractual agreement between the Crown, Council and ALRL that sets out the terms for ALRL to manage the delivery of the Auckland Light Rail project.</p>
KiwiRail	<p>KiwiRail is a SOE responsible for operating freight and tourism passenger services on 3,700 kilometres of rail network and three inter-island ferries. KiwiRail owns, maintains and upgrades the national rail network and associated infrastructure, including the rail networks used by Auckland and Wellington passenger rail services. KiwiRail will also be responsible for operating Te Huia (Hamilton to Auckland start-up service), once it is operational.</p> <p>Auckland Transport and Greater Wellington Regional Council are responsible for planning, funding and procuring operators for the passenger rail services in their regions. They also own the passenger rolling stock and related infrastructure required to support operations, such as station buildings and maintenance depots. KiwiRail's core purpose is to move people and freight, and to cooperate with other players in the sector to create integrated transport solutions for customers. KiwiRail is focused on efficient freight movements (via rail and ferry) and helping customers to be more competitive.</p>
Meteorological Service of New Zealand Ltd (MetService)	<p>The core purpose of MetService is to provide weather services that support safety of life and property and, as a SOE, add value to the New Zealand economy. The weather impacts significantly on New Zealand's economy, transport safety, primary industries, energy production/consumption and general public safety.</p> <p>MetService provides a wide range of weather information services and data to government (including other transport sector agencies), business, and directly to the public, to promote public safety and inform weather-related risk management and decision making.</p> <p>MetService works closely with other transport sector agencies. It provides specialised road environmental information services to Waka Kotahi and its Network Operations Contractors (contracted to maintain the operations of road networks), and for the management of weather impacts on the state highway network and other major roads.</p>
Airways Corporation of New Zealand Ltd (Airways)	<p>Airways is a commercial Air Navigation Service Provider (ANSP) that is committed to ensuring safe skies for today and tomorrow. Airways works with partners to provide global aviation customers with safe, integrated airspace management through a proactive safety culture, expert knowledge, and technology-enabled solutions.</p> <p>Airways provides air traffic control services and infrastructure to enable safe, reliable and efficient air transport within the New Zealand Flight Information Region. Airways is also responsible for maintaining and investing in the aviation infrastructure that supports New Zealand's air traffic management system. Airways invest in new technology that enhances safety and delivers real economic and environmental benefits for customers and the public.</p> <p>As an ANSP, Airways is regulated by CAA and provides its service in line with Civil Aviation Rules and international standards.</p>

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Your guide to the Transport
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Te Kāwanatanga o Aotearoa
New Zealand Government

From: [Peter Brunt](#)
To: [Michael Machin](#); [Bronwyn Turley](#); [Carmen Mak](#); [Brendan Booth](#); [Stuart Day](#)
Cc: [Sean Cooper](#); [Megan Moffet](#)
Subject: RE: EXTERNAL: Maritime Legislative Review Project Steering Group Meeting 20 July
Date: Thursday, 20 July 2023 3:46:18 pm
Attachments: [image001.jpg](#)
[image002.png](#)

All,

Let me know if you have any comments on the text below after today's session. We will send our v2 for discussion at the next steering group.

Peter

Peter Brunt (he/him) | Deputy Chief Executive, Regulatory Frameworks
Maritime New Zealand | Wellington

Nā te rere moana Aotearoa

s 9(2)(a)

W maritimenz.govt.nz

MRT0038 Email Signature Summer 22-23



From: Peter Brunt

Sent: Thursday, 20 July 2023 9:28 am

To: Michael Machin <M.Machin@transport.govt.nz>; Bronwyn Turley <B.Turley@transport.govt.nz>; Carmen Mak <C.Mak@transport.govt.nz>; Brendan Booth <B.Booth@transport.govt.nz>; Stuart Day <Stuart.Day@maritimenz.govt.nz>

Cc: Sean Cooper <Sean.Cooper@maritimenz.govt.nz>; Megan Moffet <M.Moffet@transport.govt.nz>

Subject: RE: EXTERNAL: Maritime Legislative Review Project Steering Group Meeting 20 July

Hi all,

Assuming we survive the rain – we'll see you in about 30. In the meantime, below is our current draft stab at the BIM text. It is not perfect / still a work in progress, but we thought it might be useful to frame the discussion this morning.

Draft BIM Text – Maritime Legislation Reform

Maritime transport is critical to the resilience of New Zealand's international supply chains (carrying well over 90% of our imports and exports); and increasingly important to the resilience of our domestic supply chains (as shown with the role of coastal shipping in keep supply chains open following the loss of land connections after cyclone Gabrielle).

However, our Maritime legislation is ageing - for example, the Maritime Transport Act is now

nearly 30 years old. If we don't update this legislation, we will face increasing significant risks to the resilience of our supply chains; as well as increasing compliance costs to businesses (particularly innovators) from an increasingly less facilitative and enabling framework. On the other hand, reform also presents significant opportunities to increase long term resilience and reduce costs, with significant benefits for economic and environmental outcomes.

For example:

- recent events have shown that **our toolkit for responding to major maritime incidents is significantly limited**. For example, we lack powers to direct or manage high risk vessels, particularly beyond our immediate coastal zone; and most of our response powers regarding liability for clean up after events focus on oil (which is a decreasing risk on our coast) rather than other hazardous substances. We have been lucky to date that significant harm has not been caused by these gaps in our framework.
- **our ports and maritime transport such as ferries present increasing security risks** in an increasingly unpredictable world, but we lack tools to address these risks. For example, whilst there are well developed security requirements for ports, there are significant gaps (such as the ability to require security cards / credentials to access port environments); and our security requirements do not apply at all to other high risk aspects of maritime transport such as ferries at all, exposing us to significant risks.
- **a variety of new technologies have arrived or are shortly to arrive in the maritime sector**, such as new low carbon fuels or autonomous vessels. These technologies offer potentially significant benefits to the resilience of New Zealand supply chains (e.g. sea gliders, which could present new forms of high speed link between regional New Zealand). At an international level, if we are not able to facilitate their uptake we may be at a significant disadvantage, given our relative geographical isolation, as carbon is priced. Autonomous vessels could offer significant benefits, in terms of safety and workforce availability; but present risks in terms of cyber security. But our legislation not well placed to create the clear, predictable regulatory frameworks that are critical for uptake; meaning that operators have to rely on expensive and unpredictable exemptions.
- **funding frameworks are not future proofed**. Our main maritime regulator, Maritime New Zealand is funded through a complex variety of levies and sources that are unlikely to be sustainable in future (for example, funding for response activity based on oil). This is likely to lead to a decline in the effective of this regulator over time; and/or a situation where funding sources no longer align to government funding principles, as increasingly those who fund activity are not those who benefit from it.
- **there is confusion around national and local regulatory roles**. Regulation of maritime activity is shared between national and regional government (through harbourmasters). However current arrangements are ambiguous - for example, regional councils don't have to appoint a harbourmaster, which can create a gap in the regulation of particular water bodies; and there is significant ambiguity about the way in which bylaws and national rules interact, which creates duplication and confusion for operators.

There a variety of other matters - the regulation of coastal shipping, recreational boating, proper implementation of international conventions and application of the Treaty of Waitangi - which also need consideration. Generally, our Maritime legislation needs a careful overview from a regulatory stewardship perspective.

We recommend that you commission officials to progress with a review of our Maritime legislation. We would be keen to discuss with you the potential focus, process and timing of such a review at an early stage.

Peter Brunt (he/him) | Deputy Chief Executive, Regulatory Frameworks

Maritime New Zealand | Wellington

Nō te rere moana Aotearoa

s 9(2)(a)

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MRT0038 Email Signature Summer 22-23



From: Michael Machin <M.Machin@transport.govt.nz>

Sent: Thursday, 13 July 2023 2:59 pm

To: Bronwyn Turley <B.Turley@transport.govt.nz>; Carmen Mak <C.Mak@transport.govt.nz>;
Brendan Booth <B.Booth@transport.govt.nz>; Peter Brunt <Peter.Brunt@maritimenz.govt.nz>; Stuart
Day <Stuart.Day@maritimenz.govt.nz>

Cc: Sean Cooper <Sean.Cooper@maritimenz.govt.nz>; Megan Moffet <M.Moffet@transport.govt.nz>

Subject: EXTERNAL: Maritime Legislative Review Project Steering Group Meeting 20 July

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Tēnā koutou

Please find attached the papers for next week's maritime review meeting. Over the past few weeks, I've had more than one person tell me regarding the review that 'This is starting to feel real now'. As we celebrate Matariki and a new year, it seems appropriate that the Steering Group will be considering what feels like a new phase of the maritime review.
Enjoy your long weekend.

Regards, Michael

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-----Original Appointment-----

From: Bronwyn Turley <B.Turley@transport.govt.nz>

Sent: Friday, March 17, 2023 9:13 AM

To: Bronwyn Turley; Michael Machin; Carmen Mak; Brendan Booth; Megan Moffet;
Peter.Brunt@maritimenz.govt.nz; stuart.day@maritimenz.govt.nz

Cc: Sean Cooper

Subject: Rescheduled : MNZ Legislative Review Project Steering Group Meeting

When: Thursday, 20 July 2023 10:00 am-11:00 am (UTC+12:00) Auckland, Wellington.

Where: Microsoft Teams Meeting; 3QW.02 Tupu-ā-rangi (External 10 pax)

RESCHEDULED DAY AND TIME

-

Tēnā koutou,

Please see the rescheduled day and time for the MNZ Legislative Review Project Steering Group Meeting.

Ngā mihi

Anna

Anna Northcott

Executive Assistant to:

Bronwyn Turley, Deputy Chief Executive, System & Regulatory Design

Bev Driscoll, Director, Recreational Safety & Search and Rescue System

Bryan Sherritt, Director, Road to Zero

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E: A.Northcott@transport.govt.nz



-

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From: [Michael Machin](#)
To: [Bronwyn Turley](#); [Carmen Mak](#); [Brendan Booth](#); [Megan Moffet](#); [Peter.Brunt@maritimenz.govt.nz](#); [stuart.day@maritimenz.govt.nz](#)
Subject: RE: MNZ Legislative Review Project Steering Group Meeting
Date: Friday, 16 June 2023 11:13:00 am
Attachments: [image001.png](#)
[MarRev project scoping Project Plan.docx](#)
[MarRev scoping steering group Draft BIM narrative.docx](#)
[MarRev scoping Maritime review outcomes framework.pdf](#)
[MarRev steering group agenda 230622.docx](#)

Morena koutou

Please find attached the papers for next week's steering group meeting. Please note that the updates to the project plan are tracked into the document.

I look forward to a robust discussion – there's quite a lot to talk about!

Regards, Michael

s 9(2)(a)

-----Original Appointment-----

From: Bronwyn Turley <B.Turley@transport.govt.nz>

Sent: Friday, March 17, 2023 9:11 AM

To: Bronwyn Turley; Michael Machin; Carmen Mak; Brendan Booth; Megan Moffet; Peter.Brunt@maritimenz.govt.nz; stuart.day@maritimenz.govt.nz

Subject: MNZ Legislative Review Project Steering Group Meeting

When: Thursday, 22 June 2023 3:30 pm-4:30 pm (UTC+12:00) Auckland, Wellington.

Where: Microsoft Teams Meeting; 3QW.03 Tupu-ā-nuku (External 12 pax)

UPDATED TIME – LATER START

Tēnā koutou,

Please see the details for the rescheduled MNZ Legislative Review Project Steering Group Meeting. Teams links are provided and there is an external meeting room booked for those attending in person.

Ngā mihi

Anna

Anna Northcott

Executive Assistant to:

Bronwyn Turley, Deputy Chief Executive, System & Regulatory Design

Bev Driscoll, Director, Recreational Safety & Search and Rescue System

Bryan Sherritt, Director, Road to Zero

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E: A.Northcott@transport.govt.nz



Microsoft Teams meeting

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Review of maritime legislation to prepare for the future

New Zealand is a maritime nation. Maritime trade is vital to the New Zealand economy. Ninety-nine percent of the country's imports and exports by volume, and 80 percent by value (\$96.2 billion in 2018) are carried by ship. New Zealand's maritime area of interest, at over 40 million km², is one twelfth of the world's surface area. The marine environment is also home to an array of seabirds, marine mammals and fish species, many of which are unique to New Zealand. It is also highly prized by New Zealanders both culturally, recreationally and as a source of food (kaimoana), and has been the subject of multiple Treaty of Waitangi claims. The effective functioning of the maritime system is therefore critical to New Zealand's identity, prosperity and wellbeing, and to the marine environment on which many depend.

The Maritime transport sector is governed by six maritime Acts. The Maritime Transport Act 1994 (MTA) is the linchpin of the maritime regulatory system. It governs navigation safety, establishes the power of the regulator Maritime NZ, and implements international maritime conventions that protect the marine environment.

The Maritime Security Act 2004 (MSA) is the main secondary act, established in the aftermath of the 9/11 attacks to protect ports and international shipping against acts of terrorism. Together, these two Acts and their associated rules and regulations do most of the heavy lifting in the enabling and protection of New Zealand's international seaborne trade.

Te Manatū Waka (the Ministry) proposes to review the MTA and MSA to ensure the maritime regulatory system supports trade in the face of future emergencies, trans-national crime, climate change, technological advances and other challenges.

The MTA has not been reviewed since passage in 1994. Since then, New Zealand's regulatory system has changed significantly, and major technological change is on the horizon for navigation and propulsion. Similarly, the MSA has not been reviewed since passage and addresses only international and terrorism-related security, excluding domestic and wider security threats.

New Zealand's trade is vulnerable to disruption due to its small size and peripheral geographic location. Accessing reliable international transport services at competitive costs is a challenge at any time. These issues are intensified when the international supply chain is experiencing disruption, as was seen during the COVID-19 pandemic.

The Ministry has identified a number of issues with both the MTA and the MSA that need to be addressed. The age of both statutes, and the piecemeal amendment of the MTA over the past three decades, means a full review of the MTA and MSA will have the best outcome.

The MTA's application to small craft has been limited since a loss in the Court of Appeal in 1999. Increasing threats to New Zealand's security by small vessels are concerning the maritime security sector's 11 agencies who have evaluated all relevant legislation and judge that the MTA is the most appropriate Act that could redress this imbalance.

Other issues with the MTA include, but are not limited to:

- slow and resource-intensive maritime rulemaking processes
- not implementing a number of international maritime conventions
- misalignment with the broader workplace health and safety system
- complex interrelationship with other regulatory regimes (e.g., resource management, fisheries, Exclusive Economic Zone)
- being built around the needs of a traditional maritime transport system rather than one that needs to confront climate change and adapt to new fuels and technologies
- the pollution response system is based on oil and does not account for the different risks and capability needs of future fuels.

The MSA's issues include, but are not limited to:

- a focus on international security means there is no domestic security system (for example on the interisland ferries)
- a focus on terrorism when there is increasing evidence organised crime is using international trade to smuggle illegal drugs.

Te Manatū Waka proposes a review of maritime legislation, including a full review of the MTA and MSA, and minor updates to other maritime Acts. We would need to reserve some resource from within the Ministry and Maritime NZ to undertake the review and may need your support if the review identifies that New Zealand needs to accede to new maritime conventions. The review would take approximately four years plus House time.

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From: [John Edwards](#)
To: [Carmen Mak](#); [Siobhan Routledge](#); [Richard Cross](#)
Cc: [Alec Morrison](#)
Subject: FW: EXTERNAL: Draft Strategic BIM
Date: Tuesday, 24 October 2023 2:04:05 pm
Attachments: [Strategic BIM - Fourth Draft - SLT 16 October 2023MNZ.docx](#)

First set of comments on the Strategic BIM from MNZ. J

From: Peter Brunt <Peter.Brunt@maritimenz.govt.nz>
Sent: Tuesday, October 24, 2023 1:00 PM
To: John Edwards <j.edwards@transport.govt.nz>
Cc: Kirstie Hewlett <Kirstie.Hewlett@maritimenz.govt.nz>; Bronwyn Turley <B.Turley@transport.govt.nz>; Sean Cooper <Sean.Cooper@maritimenz.govt.nz>
Subject: RE: EXTERNAL: Draft Strategic BIM

Hi John,

Comments from MNZ marked up in the attached. In many cases we are suggesting some additional content – and are happy to quickly supply a few lines if the comments themselves aren't explanatory.

Some of the bigger observations:

- It remains a highly land-transport-investment dominated narrative; with a few patches of Maritime and Aviation distributed throughout.
- We really appreciate the early mention of the need to support transport agencies' return to financial sustainability.
- The narrative on land transport investment and FED once again misses the fact that FED funds Search and Rescue and recreational boating safety activity. It is critical that the Minister understands this and the fact that changes to this funding framework will have major impacts on these pretty critical areas (it also misses the fact that boats pay FED).
- We seriously disagree with the narrative towards the end of the BIM that regulatory frameworks are generally fit for purpose, apart from the new technology issues. As we drown in hundreds of outdated and unworkable rule parts; and contemplate how we are going to address future incident response, new security threats etc – we very much beg to differ. This narrative also conflicts with the (very understated) narrative on maritime legislative reform. We will be at odds with you in our BIM if you stick with this narrative.
- The resilience / safety pieces for maritime are very focussed on recreational boating; which seems odd given the increasing risks of a large scale maritime incident due to vessel quality, severe weather events and other factor in NZ.
- The emissions narrative needs to be linked with the new technology / regulatory narrative; and the maritime work on green shipping lanes (led by TMW) needs to be plugged into both (we can't decarbonise our international supply chains without working with other countries).

Happy to discuss,

Peter Brunt (he/him) | Deputy Chief Executive, Regulatory Frameworks
Maritime New Zealand | Wellington

Nō te rere moana Aotearoa

s 9(2)(a) | **W** [maritimenz.govt.nz](https://www.maritimenz.govt.nz)



From: John Edwards <j.edwards@transport.govt.nz>

Sent: Wednesday, 18 October 2023 3:39 pm

To: Kirstie Hewlett <Kirstie.Hewlett@maritimenz.govt.nz>; Keith Manch <Keith.Manch@caa.govt.nz>;
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Subject: EXTERNAL: Draft Strategic BIM

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Kia ora tātou

Following on from Alec's email about our System BIM, please find a draft of the Ministry's Strategic BIM for your consideration. This BIM aims to provide an overview of the opportunities and challenges facing the transport system.

Please let us know if you have any show stoppers by **Midday 25 October 2023**. Feel free to pass the draft onto those looking after your respective BIMs – we have copied in those we have already been in contact with. Please note that the draft is still evolving and we are especially working to shorten the content.

If you have any questions, please feel free to get in touch. We appreciate any thoughts you might have.

Ngā mihi

John Edwards

Kaitohutohu Matua | Principal Adviser
Rautaki | Strategy

MINISTRY OF TRANSPORT

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

Te Manatū Waka Ministry of Transport

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Contents

Part One: He Wakamana i a Aotearoa Kia Momoho Enabling New Zealanders to Flourish	1
Transport is critical for New Zealand’s economic, social and environmental health.....	1
Growing demands on the transport system are creating new challenges.....	2
The land transport system is more expensive to build and maintain	2
Ambitions for new investment are growing beyond capacity.....	3
A new approach to paying for land transport is needed.....	4
We need to decarbonise the transport system.....	4
New Zealand’s international connections are increasingly vulnerable and uncertain.....	4
New technologies need to be integrated	4
Transport safety and security remains a priority	5
You can guide and shape the system to meet present and future challenges.....	5
Short-term policy priorities	5
Part Two: Strategic Opportunities and Challenges	7
Investing in a high-quality transport system	7
Challenging economic context.....	7
New Zealand has been spending more on transport.....	7
The Government invests in land transport through the National Land Transport Fund and through direct funding.....	7
GPS 2024 will set the Government’s land transport policy	8
There are fiscal constraints in Budget 2024.....	9
Ensuring a sustainable land transport revenue system	9
The Ministry has been working on a sustainable land transport revenue system	10
Value capture mechanisms	10
Congestion charging	11
Tolling	11
Making greater use of private capital	12
The Ministry will meet you soon to discuss your investment and revenue priorities	12
A net-zero transport system.....	13
The Climate Change Response Act 2002 sets New Zealand’s framework for reducing emissions.....	13
New Zealand’s overall emissions reduction success is likely to rely on transport meeting its potential to almost fully decarbonise by 2050	13
The transport sector is delivering on the first Emissions Reduction Plan (ERP1).....	14
Work is underway to develop the second Emissions Reduction Plan (ERP2)	15

CONTENTS

Meeting the third emissions budget and beyond require significant system changes	15
The next steps for ERP1 and ERP2	16
Aligning ERP1 with your strategic objectives	16
Ensuring ERP2 meets your strategic objectives	17
Maintaining and growing New Zealand's international connectivity	17
New Zealand's prosperity is heavily reliant on its connections to the world.....	17
New Zealand's international connections face a changing environment	17
Government can help promote efficient supply chains.....	17
Proposed actions for progress on international connectivity and supply chain issues	18
Developing thriving cities and regions.....	18
High quality transport is a basic requirement for cities and regions	18
Transport should be well-integrated with other sectors	19
Spatial planning is an important tool to support better integration	19
City and regional deals provide a potential mechanism to support spatial planning	19
The Ministry can provide further advice on spatial planning and city and regional deals.....	20
Strong Auckland, strong New Zealand.	20
Auckland is critical to achieving New Zealand's goals	20
Auckland continues to need a large investment in its transport networks	20
Rapid public transport is integral to improving Auckland's public transport network	21
The joint Government/Auckland Council Tāmaki Makaurau Transport Plan needs to be completed	22
Several major Auckland transport projects are underway.....	22
City Rail Link (CRL).....	22
Auckland Light Rail (ALR)	22
Waitematā Harbour Connections.....	23
Northwest.....	23
The Ministry will seek your direction on Auckland's transport priorities	23
Building a resilient transport system	23
The transport system connects New Zealanders but is vulnerable to shocks and disruptions	23
A lack of resilience drives extra costs into the transport system	24
The Ministry is working to enhance the resilience of the transport system	24
As the Minister of Transport, you can play an important role to enhance transport system resilience	24
Safer and more secure transport.....	25
Travel throughout the transport system needs to be safe and secure	25

Road crashes killed 376 people last year and cause \$8 billion of harm each year	25
Evidence suggests interventions are required across all parts of the system to improve road safety	26
New Zealand has made progress in some areas, but there are significant opportunities for improvement	26
Rail safety requires clear regulatory frameworks and investment	26
Emerging aviation technology require updated regulation	27
Maritime safety and security are important to people, the economy and the environment	27
Maritime legislation needs to be reviewed	27
As Minister of Transport, you can help to enhance transport safety.. ..	28
Using regulation to support transport outcomes and improve productivity	28
Regulatory frameworks are generally fit-for-purpose but require some refinements	28
Regulation is needed to realise the benefits of new technologies ..	28
Positioning New Zealand's regulatory frameworks for the future.....	29

Appendices

No table of contents entries found.

Schedules

No table of contents entries found.

Annexes

No table of contents entries found.

Tables

Table 1 Emissions budgets	13
---------------------------------	----

Figures

Figure 1 Heavy Civil construction employment	3
Figure 2 Forecast expenditure and revenue (Crown and National Land Transport Fund)	9
Figure 3 Average annual revenue raised by New Zealand's current tools	10
Figure 4 Additional emissions reduction needed	14
Figure 5 Transport emissions reduction by emissions budget period	15
Figure 6 Timeseries comparison of (emissions reduction) projections	16
Figure 7 Auckland Commuter Rail	22

CONTENTS

Figure 8 Road deaths per 1000,00 inhabitants (2022)..... 25

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Foreword

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

The Ministry has a key role to provide you advice on the decisions to sustain the transport system and to help achieve your transport priorities.

Transport is about people. We move to go to work or school, to connect with family, friends and communities, and to shift materials, goods and services. New Zealand's transport system enables the social and economic prosperity of our cities, towns and rural communities.

The transport system also has negative impacts, including road deaths and serious injuries, air and noise pollution that affects the health of the general population, as well as producing a significant proportion of New Zealand's greenhouse gas emissions.

This year, we have seen extreme weather events impacting communities and transport networks across the country. The Auckland Anniversary floods and Cyclone Gabrielle caused lasting damage to communities and vital infrastructure.

Increasingly, our cities and towns are facing funding pressures, driven by the demand for new or replacement infrastructure, of which transport is a major component. We must ensure the transport system is fit for future generations and able to withstand the impacts of extreme weather events.

Addressing these challenges places further pressure on existing funding models. The cost of maintaining the transport system, together with the need for repairs to roading and rail networks damaged by extreme weather events, will need to be balanced with new investment priorities.

The Ministry has been investigating the future of transport revenue system, including the role of additional funding tools, with the objective of providing more clarity on who should pay for what and how to apply a sharper focus on value for money.

The Ministry works collaboratively with agencies and stakeholders to advance a long-term, integrated approach to the transport system. To create thriving cities and regions the transport sector needs to be more closely joined-up with planning, housing, other infrastructure, and broader funding and financing models.

As a Crown agency, we have an important responsibility to actively improve outcomes for Māori to ensure a transport system serves all New Zealanders equitably. A key focus area for everyone at the Ministry is our He Arataki strategy which seeks to identify issues and opportunities for Māori in transport policy design and delivery.

As Minister of Transport, you can make real differences to the lives of all New Zealanders. In our role as system lead, we look forward to giving you the advice and support needed to put your priorities in place to help advance the nation's transport system.

Nāku noa, nā

Audrey Sonerson Secretary for Transport and Chief Executive

Glossary of terms and abbreviations

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- Each year, more than half of New Zealander's total travel time (58%) is spent driving, and a further quarter is spent as passengers in private vehicles. Vehicles travelled a total of **48.8 billion kilometres** on New Zealand roads in 2022/23²
- **377 people** died on our roads in 2022
- Trucks, trains, ships and airplanes carried about **280 million tonnes** of freight around New Zealand in 2017/18 - **90%** was carried by road.³
- KiwiRail operates around **40,400 mainline freight departures** each year – replacing around 1 million truck trips.⁴
- **9.7 million passengers** arrived or departed from New Zealand in 2022/23 – **70%** of pre-COVID levels in 2018/19⁵.
- There were **2208 overseas ship voyages** to New Zealand in 2022 – an **18%** reduction from the peak in 2017.⁶
- **1.6 million full containers (TEU)** were imported or exported from New Zealand – **46%** entered through Ports of Auckland and 52% left through the Port of Tauranga.⁷
- Approximately **2 million adult New Zealanders** participated in recreational boating activities in 2022.⁸

Growing demands on the transport system are creating new challenges

As New Zealand has matured, the demands on the transport system have grown significantly. In the past, the challenge revolved around efforts to grow capacity as activity increased and keeping the system maintained. However, new challenges, especially the need to adapt and mitigate the effects of climate change, call for a fundamental shift in the way New Zealand's transport system operates. The long-lived networks underpinning the transport system need to be planned and funded over the long-term, managed and regulated effectively to support the shift needed.

The land transport system is more expensive to build and maintain

As the land transport system grows, it becomes more expensive to build, operate and maintain. Operating and maintenance costs are making up an increasing share of transport spending. This has taken place in the context of a planning and funding system, especially for land transport, that works well to signal investment priorities and ambitions but works less well to create incentives to spend money efficiently and effectively.

² Waka Kotahi, data published September 2023

³ National Freight Demand Study, 2017/18

⁴ KiwiRail Integrated Report 2023, p 10 and

⁵ Statistics NZ, International Travel and Migration – total passenger movements by travel mode

⁶ Freight Information Gathering System Data – Overseas ship visits

⁷ Freight Information Gathering System Data - Containers

⁸ Maritime NZ Survey

The increase in costs is driven by a range of factors, including cost inflation across the economy, climate events and natural disasters, increased aspiration for investment, a need to consider resilience, and an expanded range of activities being funded. This has led to increased pressure on the available funding and resulted in a range of short-term solutions being put in place, including increased Crown funding and debt.

Ambitions for new investment are growing beyond capacity

Investment in the transport system is an important way of increasing New Zealand's economic growth and meeting many of the social and educational ambitions of New Zealanders. Cities need to move people and freight efficiently while the regions need strong connections to well-run ports and airports to move their products to market. Still, investment ambitions are running ahead of the capacity of the revenue system to meet them or the capacity of the construction sector to deliver new projects, especially alongside ambitious programmes in other sectors like water and housing.

Planned expenditure for the next 20 years is nearly double the \$10 billion per annum of current investment, and more than four times the size of the National Land Transport Fund. These commitments have not been made based on a system-wide investment plan and have likely driven inefficiencies in the system. Management oversight is also spread very thinly which exacerbates risk.



Figure 1 Heavy Civil construction employment

Source: Ministry of Transport

There is a growing urgency to consider the balance between new expenditure and maintaining the system and establish a more certain and sustainable model for funding their transport priorities to meet short term needs and to establish an enduring model for the next decade and beyond. This will involve considering the balance between new expenditure and expenditure to maintain the system and how to apply a sharper focus on value for money. New Zealand must also look to other

tools, such as pricing and demand management (eg, congestion charging), regulatory interventions, use of data, and the way transport and land use are considered together.

A new approach to paying for land transport is needed

In the aviation and maritime sectors, the networks are mostly owned and operated by private interests, with some local government investment. However, in the land transport sector, central government plays a lead role in how the system is planned and funded. New Zealand's land transport system has been reliant on a narrow range of user charges (mainly taxes on fuel and charges on diesel and heavy vehicles) to pay for much of our land transport.

Over the last two decades, Crown contributions and borrowing have increased as the level of funding from user charges has fallen behind investment ambitions. This and other factors, have put the system under pressure. Our revenue system does not easily support large, long-term investments. Many of these have a scale of cost that needs to be spread over many years.

We need to decarbonise the transport system

Transport is one of New Zealand's largest sources of greenhouse gas (GHG) emissions, producing 40% of our domestic CO₂ emissions and 17% of total GHG emissions. Most transport emissions (92%) come from land transport (primarily light vehicles such as cars, utes and vans at 64%).

The Climate Change Commission has identified transport as a sector with the potential to almost completely decarbonise by 2050 and make large reductions from the third emissions budget period (2031-2035) onwards. Because some other sectors are expected to be more challenging to decarbonise, New Zealand's overall emissions reduction success is likely to rely heavily on transport realising this potential.

New Zealand's international connections are increasingly vulnerable and uncertain

New Zealand's ability to trade and connect with the world is increasingly influenced by geopolitics, the international politics of climate change and New Zealand's position as the last stop on many international supply chains. Aviation and maritime are emissions intensive industries and, in the coming decades, there will be growing global pressure on these sectors to decarbonise. Market based measures to reduce emissions in these sectors will be important, but they are likely to disproportionately impact New Zealand due to our distance from the rest of the world and a lack of viable alternatives. It is therefore important we work collaboratively with these sectors and support them to decarbonise as quickly as possible. These sectors are increasingly seeking government leadership, involvement and support for measures to enable and support their efficiency and transformation.

New technologies need to be integrated

Transport will need to integrate new advances in technology, including novel craft and new types of fuel. This brings considerable opportunity but also risk. Managing this quickly and safely will require some changes to the transport regulatory system. These changes will help ensure that regulation enables the use of this new technology in a way that does not impose unnecessary costs. Government will also need to continue to work closely with the private sector on how to fund the infrastructure necessary to adopt new technologies. For example, airports need to consider the

infrastructure investment required for aircraft which might be electrified or use hydrogen as a fuel source. Electrification of aircraft at scale will also have significant implications for the supply of electricity needed from the grid.

Transport safety and security remains a priority

Improving transport safety and enhancing security of the transport system remains an issue for New Zealand. For example, proportionally more people per capita are killed on our roads than most other OECD countries. The death rate in Australia per 100,000 people was 4.6 while, for New Zealand, it was 7.3 or approximately 58.7% more. Provisional figures for 2022 saw 377 people killed on the roads. Measures needed to improve road safety require sustained effort from government agencies and social acceptance from those who may be affected by changes. Meanwhile, it is critical New Zealand continues to effectively implement international security obligations for aviation and maritime to ensure New Zealand remains a trusted destination for airlines and shipping operators.

You can guide and shape the system to meet present and future challenges

The responses to the challenges and opportunities New Zealand's transport system faces will involve many choices. Over the next decade, New Zealand's transport system will need to evolve to produce net zero emissions by 2050, significantly reduce road deaths and serious injuries, and address identified challenges some groups and individuals face when accessing the transport system. The system will also need to further adapt to shocks like severe weather, future possible pandemics, natural disaster, or economic downturns.

While transport decision-making is more demanding than it has been in the past, there are good opportunities to achieve change. As Minister, you can shape the system to make sure all New Zealanders can access safe and efficient transport options, and the Ministry's role is to support you in your efforts.

As the Government's policy lead for transport, the Ministry commits to giving you robust, evidence-based, future-focused advice on the policy, investment, and regulatory settings that provide the best opportunity to achieve your goals. The Ministry's *System BIM* gives further detail on the policy tools and levers available to you, including the role of the Ministry's Transport Outcomes Framework.

Short-term policy priorities

There are several short-term priorities for you and your incoming Government to consider. The Ministry would like to discuss these with you as soon as possible. These priorities include:

- Finalising and issuing the 2024 Government Policy Statement on Land Transport (GPS). The GPS will give effect to your vision and priorities for investing the National Land Transport Fund into the land transport system. This will require you to consider how to fund the GPS, including progressing work on revenue options (eg, congestion charging) that can be implemented at pace.
- Alongside the GPS, ensuring a stronger focus on cost management in the land transport system given cost pressures.

- Confirming your intended direction for a range of major planned infrastructure investments, including the rapid transit network in Auckland.
- Confirming your approach to emissions reductions in the transport sector, including by setting priorities for the 2nd Emissions Reduction Plan (ERP2).
- Restoring the financial sustainability of our transport regulatory agencies, whose revenue streams were disrupted by the COVID-19 pandemic.

The Ministry looks forward to discussing your objectives and these priorities further with you.

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Part Two: Strategic Opportunities and Challenges

Investing in a high-quality transport system

Challenging economic context

With a challenging economic outlook, increasing risks to long-run fiscal sustainability and cost pressures, New Zealand must make choices about how the transport system will be developed and managed over the next decade and beyond. Government investment, along with other interventions, is needed to create a high-quality transport system for all New Zealanders. However, a good result requires investing in the right things and at the right time, with tight cost control.

New Zealand has been spending more on transport

New Zealand has been spending more on transport, both on new infrastructure and to sustain existing networks. This is driven by a range of factors, including cost inflation across the economy, climate events and natural disasters, increased aspiration for investment and an expanded range of activities being funded. More investment has been going towards public transport and rail, in part to meet broader objectives, such as improving access and reducing emissions. Around 60% of the funding available through the National Land Transport Fund is usually committed to maintenance and providing core services, such as road policing, and these activities are becoming increasingly costly.

With increased pressure on existing funding models, a range of short-term solutions are being put in place, including increased Crown funding and debt. Existing revenue sources are unlikely to keep pace with demands, unless decisions are taken to increase the amount collected. Fuel excise duty is a major source of revenue for the transport system, but will become less certain over time as vehicles become more fuel efficient and more people choose to travel by other modes.

An ambitious pipeline of projects has either been committed to, or explored, but the funding, scoping and phasing of these projects is still largely to be decided. These projects include Auckland Light Rail, the Strategic Investment Programme (outlined in the draft GPS 2024), and the additional Waitematā Harbour Crossing. If all these projects proceed to construction, the Ministry estimates the total investment in land transport from 2024 to 2034 will be \$125 billion, compared to \$61 billion in the 10 years from 2013-2023. Analysis from the New Zealand Infrastructure Commission, Te Waihanga, suggests this would materially exceed the capacity of the labour market in Auckland, even under optimistic growth assumptions.

The Government invests in land transport through the National Land Transport Fund and through direct funding

The Government Policy Statement (GPS) sets the Government's priorities for the National Land Transport Fund over a 10-year period. A draft GPS has been out for public consultation and, as a

INVESTING IN A HIGH-QUALITY TRANSPORT SYSTEM

statutory document, must be published by 1 July 2024. Finalising the GPS is essential to drive land transport planning and funding decisions made by both Waka Kotahi and local government.

Waka Kotahi gives effect to the GPS through the 3-yearly National Land Transport Programme, which sets out planned activities and projects. Waka Kotahi has statutory authority over what activities and projects are included in the National Land Transport Programme and approved for funding. Regional Land Transport Plans made by Regional Transport Committees, consisting of Waka Kotahi, local government and sometimes KiwiRail, feed into the National Land Transport Programme. This process helps reconcile the different priorities of central and local government.

Separate to the GPS process, the Crown has, at various times, funded additional transport projects through the annual Budget process. These have tended to be larger projects, such as those under the New Zealand Upgrade Programme (eg, Melling interchange, Ōtaki to north of Levin), or the Auckland City Rail Link. These projects may have bespoke delivery and governance arrangements depending on the preferences of the Government. Sometimes, these projects are committed before the final scope of the project or the full costs are fixed, leading to subsequent trade-offs in scope or unexpected cost increases.

GPS 2024 will set the Government's land transport policy

As well as setting out proposed strategic priorities, the draft GPS outlines the core investment required to maintain the system, the funding available from usual sources, as well as the suggested funding package to address the gap between them. That funding package emphasises the choices to be made in finalising GPS 2024 because it relies on raising FED and RUC (\$1.4 billion), Crown grants (\$2.7 billion), Crown loans (\$3.1 billion) and some non-traditional funding sources like the revenue from traffic infringements (\$300 million) and the Climate Emergency Response Fund (\$500 million).

While the proposed funding package would reduce the pressure over 2024-27, the Ministry expects there will continue to be a gap between expenditure and revenue. The draft GPS 2024 outlines a \$4.4 billion decrease in funding over 2027-30 compared to 2024-27.

In these circumstances, the investment proposed in the final GPS must be carefully prioritised, be affordable, and meet your objectives. Cost must also be better managed and demonstrate value for money. This includes strong business cases and ensuring there are a broad range of options considered, including options that do not involve investment, such as demand management. While there are also choices to generate additional revenue through existing tools, and maybe some newer ones, there will be constraints, especially in the face of upward pressure on the cost of living.

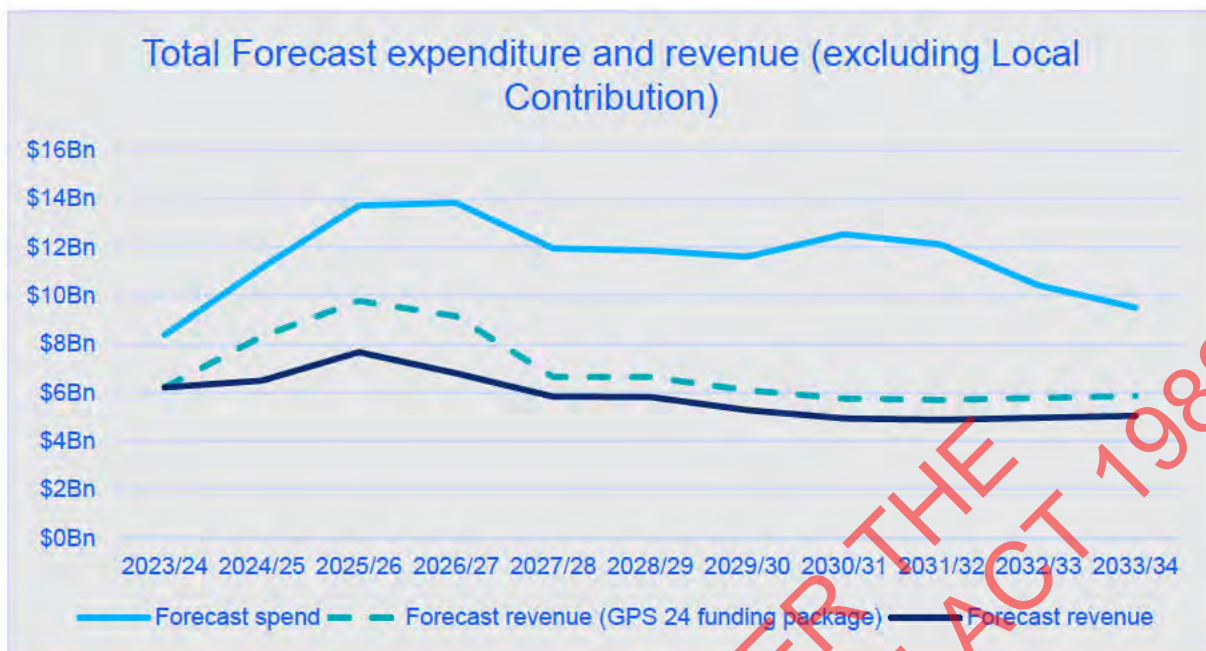


Figure 2 Forecast expenditure and revenue (Crown and National Land Transport Fund)

Source: Ministry of Transport

There are fiscal constraints in Budget 2024

The Budget process is your opportunity to seek new investment for the Transport sector to progress your priorities and meet pressing cost pressures.

With Budget 2024 allowances likely to be constrained, funding is likely to be insufficient to meet cost pressures and fund new spending proposals. While the position might differ under a new government, the Ministry is investigating opportunities to reprioritise existing funding towards new, higher priority initiatives and find savings.

Ensuring a sustainable land transport revenue system

The existing tools for funding the land transport system, like the distance and weight-based Road User Charges system for diesel and heavy vehicles, are still world leading. Fuel Excise Duty is also an extremely cost-effective and efficient method for collecting revenue from petrol vehicles.

However, these forms of funding are not well suited to very large, lumpy infrastructure investments (eg, mass rapid transit) that have social wider benefits, such as supporting intensification. Further, there are developing issues around inequities and inconsistencies between road users, the charging of externalities and the long-term sustainability of Fuel Excise Duty.

Crown funding or debt can play a useful role in meeting transport funding needs. However, practices have varied and this can lead to a lack of clarity about when Crown funding should be used and for what. A more principled and transparent approach would help manage Crown cost and will provide more certainty and predictability for Waka Kotahi and cities and regions.

INVESTING IN A HIGH-QUALITY TRANSPORT SYSTEM

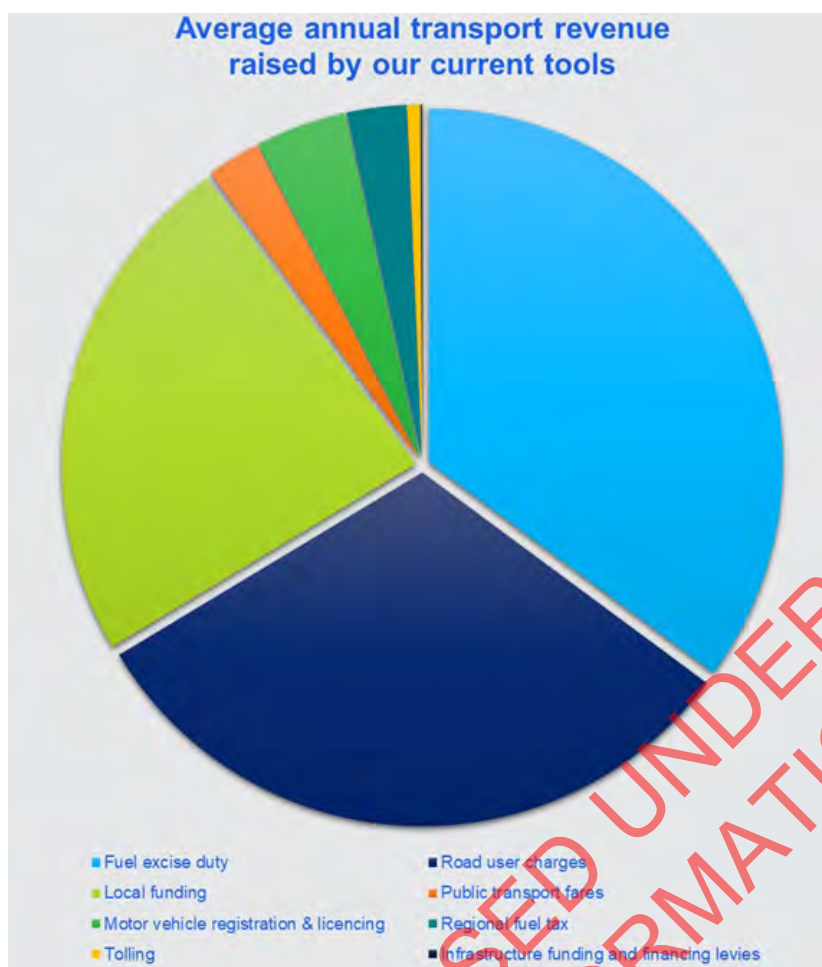


Figure 3 Average annual revenue raised by New Zealand's current tools

Source: Ministry of Transport

The Ministry has been working on a sustainable land transport revenue system

The Ministry has been working on what is needed to enhance the transport revenue system, including the potential role of additional tools and providing more clarity on who should pay for what. There are longer-term and shorter-term elements to this work. In the long term, there are opportunities to look at the balance between who should bear the costs of the transport

system amongst users, ratepayers, taxpayers and other beneficiaries. What ever approach is chosen, it will need to be predictable, stable and have good levels of public buy-in, as transport costs affect every New Zealander and every New Zealand business. The consequences of choosing the wrong solution, or implementing a good solution poorly, are significant.

A transition towards RUC uptake is already underway. The RUC system overcomes the fuel efficiency issues with FED, and it may enable a more sustainable stream of funding over time. There are options for extending RUC, including moving all vehicles on to the system or more sophisticated charging approaches that would add time and location based charging.

While some changes would need to be implemented over the longer-term, there are revenue options that can be progressed in the shorter-term. While such tools would help provide additional revenue, they are unlikely to generate enough revenue to fill expected gaps over the next decade and each option comes with its own risks and challenges. These revenue options include:

Value capture mechanisms

Value capture is under utilised in New Zealand compared to other countries. Value capture involves recovering or 'capturing' the incremental benefit residential or commercial landowners receive from investments in public infrastructure and the resulting urban development and amenity.

This benefit is usually reflected in higher property (land and building) values. There are a range of levy⁹ and uplift-based¹⁰ methods available to both central and local government.

Work to date has highlighted the potential for value capture but also the operational complexities of implementing these mechanisms.

Congestion charging

Congestion charging is a method for managing demand, so revenue is not its primary aim. This type of charging sets a higher cost for travelling at peak times, and encourages some users to change the time, route, or way they travel. This can reduce congestion by spreading out use over time and defer the cost of new capacity because better use is made of existing capacity. Congestion charging has been successfully implemented to reduce congestion in cities around the world, for example, London and Singapore. However, schemes have also failed when there were low levels of public acceptability, in part due to concern about equity and a perception congestion charging is only about raising revenue.

There is interest from several of the large metro councils in congestion charging, both to reduce congestion by managing traffic and potentially raise revenue for transport projects. The Ministry expects them to seek your support for legislation. Draft legislation has been developed so could be advanced quickly although the underlying policy would need to be confirmed with you.

Tolling

As Minister of Transport, you are responsible for approving tolling schemes under the Land Transport Management Act 2003. The Ministry expects at least three tolling proposals will be submitted to you in this term of Government¹¹.

Tolling settings are relatively permissive but tolls can only be applied to “new roads”. As well, New Zealand’s low traffic volumes, the high administrative costs of collecting tolls and a lack of public acceptance, may limit the widespread use of tolling.

Within these constraints, tolling is being rolled out where a case can be made. However, there are options for new tolling approaches, including variable pricing or tolling existing roads, but these would require amending the Land Transport Management Act. For example, Waka Kotahi has been working with Tauranga City and Eastern Bay of Plenty on a proof-of-concept study for variable road pricing.

Tolling options also need to be considered alongside other arrangements, such as congestion charges at a network level. In the longer term, shifting to a distance-based RUC system could provide greater scope to implement variable charging across the network to manage demand more effectively.

⁹ i.e., a one-off charge based on property value increases due to the infrastructure.

¹⁰ i.e., a proportion of any capital value uplift is taxed.

¹¹ These are: new roads between Ōtaki to North of Levin and the Takitimu North Stage 1 project, and additional interchange on Tauranga Eastern Link at Papamoa

INVESTING IN A HIGH-QUALITY TRANSPORT SYSTEM

Making greater use of private capital

In the past, Public Private Partnerships (PPPs) have been used with varying degree of success but have delivered some important lessons. Two roads have been delivered under the PPP model: Transmission Gully and Pūhoi to Warkworth.¹² Compared to other types of PPPs, roading projects are riskier and more complex, largely due to ground and environmental factors, including weather and storm damage.

The ability for PPP consortia to manage risk is critical for the success of the model. How this is done, when procurement processes are heavily weighted towards a low price, will affect the degree to which PPPs are used for roading projects in the future.

If implemented well, there is potential for PPPs to improve services and deliver new infrastructure. Using private finance means more projects can be built sooner than through the conventional “pay as you go” public sector procurement. However, the current PPP model spreads out the costs of these projects over a longer period, which must be managed as a first call against the National Land Transport Fund. Alternatively, Government could consider whether there is benefit in changing the contracting model for roading PPPs to transfer more risk to the operator (eg, through demand-based tolling arrangements).

You can also choose to involve private equity in the delivery of transport infrastructure. Under this arrangement, the investor would take an ownership stake in an asset and would seek greater control over design, construction and operation. However, they may also be prepared to take on a wider range of risks. Investors such as ACC and the NZ Super Fund have shown an interest in these arrangements which may be a good way of approaching wider packages of development in cities. Equity-based arrangements would challenge the transport system’s existing ways of operating and may raise concerns with the public if there are perceptions of offshore ownership. This approach requires longer-term planning and funding certainty, with private sector investors able to work with Crown agencies (among others) earlier so they can influence design choices and delivery arrangements.

The Ministry will meet you soon to discuss your investment and revenue priorities

The Ministry will seek to meet with you as soon as possible to discuss your priorities and the next steps for GPS 2024, Budget 2024, and the Ministry’s revenue work. Clarifying your expectations early will ensure agencies do not commit resources to developing bids unlikely to be supported.

¹² Neither road was delivered for a fixed price with all risk taken by the private industry. For the capital build, the Transmission Gully contract was signed in July 2014 and was priced at \$800 million; it ended up costing \$1.25 billion. The contract for the Pūhoi to Warkworth motorway was signed in November 2016 at around \$700 million and is likely to have a final price tag of \$1.1 billion.

A net-zero transport system

The Climate Change Response Act 2002 sets New Zealand's framework for reducing emissions

When New Zealand ratified the Paris Agreement in 2016, it committed to joining a global effort to limit temperature rise to 1.5°C above pre-industrial levels. In 2019, Parliament amended the Climate Change Response Act 2002 (CCRA) setting the target of reaching net zero GHG emissions by 2050.

In 2022, the first three emissions budgets were gazetted as outlined in Table 1 below. The Climate Change Commission is due to advise the Government on the level of the fourth budget, covering the period 2036-2040, by 31 December 2024.

Table 1 Emissions budgets

Time period	Level of permitted emissions (carbon dioxide equivalent, all sectors)
Emissions budget 1: 2022-2025	290 Megatons CO ₂ -e
Emissions budget 2: 2026-2030	305 Megatons CO ₂ -e
Emissions budget 3: 2031-2035	240 Megatons CO ₂ -e

New Zealand's overall emissions reduction success is likely to rely on transport meeting its potential to almost fully decarbonise by 2050

As well as recommending the first three emissions budgets, the Commission's analysis included a "demonstration pathway" outlining how New Zealand could stay within the emissions budgets and successfully reach net zero by 2050. This pathway informed the development of expected contributions from different parts of the economy. While not legislated, the Government adopted these as sub-sector targets to enable sectors to track progress and manage 'unders and overs' between sectors while staying on track to meet the overall target.

Transport is one of New Zealand's largest sources of GHG emissions, producing 40% of our domestic CO₂ emissions and 17% of total GHG emissions. Between 1990 and 2019, transport emissions rose approximately 80% faster than any other sector. The Commission identified transport as a sector with the potential to almost completely decarbonise by 2050 and make large reductions, especially from the third emissions budget period (2031-2035) onwards. New Zealand's overall emissions reduction success is likely to rely heavily on transport realising this potential.



Figure 4 Additional emissions reduction needed

Source: Ministry of Transport

The transport sector is delivering on the first Emissions Reduction Plan (ERP1)

The Government's approach to emissions reduction in the first emissions budget period was set out in the Emissions Reduction Plan (ERP1) published in May 2022. ERP1 sets focus areas, targets and specific actions to be taken between 2022 and 2025 to reduce transport emissions in line with the transport sub-sector target.

Officials are working to implement the actions in the ERP1 by the end of 2025.

Current estimates suggest transport is likely to stay within its sub-sector target and meet its expected contribution to reducing emissions during the first emissions budget period. However, these estimates assume work underway to reduce transport emissions continues and incorporate data reflecting lower-than-expected rates of travel. This decline in travel is not fully understood and a range of factors are likely to have contributed, including migration, cost of living, and changing travel patterns in a post-COVID-19 environment. Therefore, caution should be applied when assuming this trend will continue.

Changes to the actions in ERP1 may affect New Zealand's ability to meet the first three emissions budgets.

Work is underway to develop the second Emissions Reduction Plan (ERP2)

As shown in Figure 4 above, a considerable jump is required in emissions reductions from transport from the first to second emissions budget period, and again from the second to the third.

Work is underway at the cross-government and sector-specific levels to develop the second Emissions Reduction Plan (ERP2), which is due by the end of 2024. ERP2 will need to contain actions that can meet the gazetted emissions budget for the second emissions budget period, from 2026-2030.

Meeting the second emissions budget is reliant on what is still an ambitious set of actions in ERP1 and will also depend on what actions the Government decides to include in ERP2. A buffer can help to account for some of the uncertainty.

In its draft advice to inform the strategic direction of ERP2, the Commission has also advised ERP2 will need to include actions that set the transport sector up for the third emissions budget period.

In December 2023, you will receive initial cross-agency advice about key opportunities and challenges for ERP2 and some indicative content about what could be included. Cabinet will make decisions about the draft and final content for ERP2 in 2024.

Meeting the third emissions budget and beyond require significant system changes

Current modelling suggests meeting the third budget for transport will require significant additional effort beyond currently committed policies as shown in Figure 5.

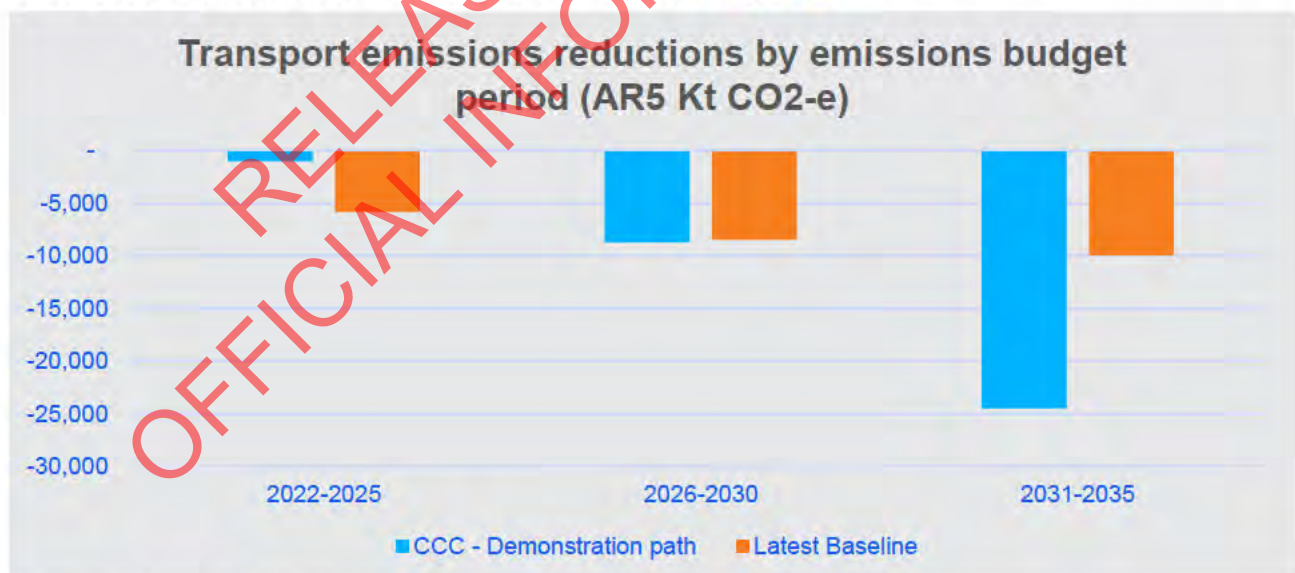


Figure 5 Transport emissions reduction by emissions budget period

Source: Ministry of Transport

ERP1 placed particular emphasis on rapidly transitioning the vehicle fleet to low- or zero-emissions vehicles because it is one of the few ways to significantly reduce transport emissions that can be set in motion quickly. By the time we progress to the third emissions budget, we will need to have

A NET-ZERO TRANSPORT SYSTEM

made much more significant changes to the transport system including large scale public transport improvements, significant uptake of low emissions heavy vehicles and land use patterns that support low emissions transport options in urban areas.

These changes are challenging to deliver in the time available and, once implemented, it can be years before they begin to deliver significant emissions reductions. It will be necessary to prepare for, invest in, and implement sufficient actions now to ensure transport emissions continue to trend down during all three gazetted budget periods to 2035 and beyond.

With such systemic changes in place, transport emissions reductions could accelerate rapidly from around 2030 onwards (often referred to as 'bending the curve'). This can be observed in the Commission's demonstration path in **Figure 6**.

However, as **Figure 6** also shows, these systemic changes are not factored into current investment plans for transport. Our latest baseline projection, shown in yellow, reflects expected transport emissions based on committed and funded actions, and suggests more investment and ambition will be required in ERP2 to successfully 'bend the curve' and meet our long-term targets.

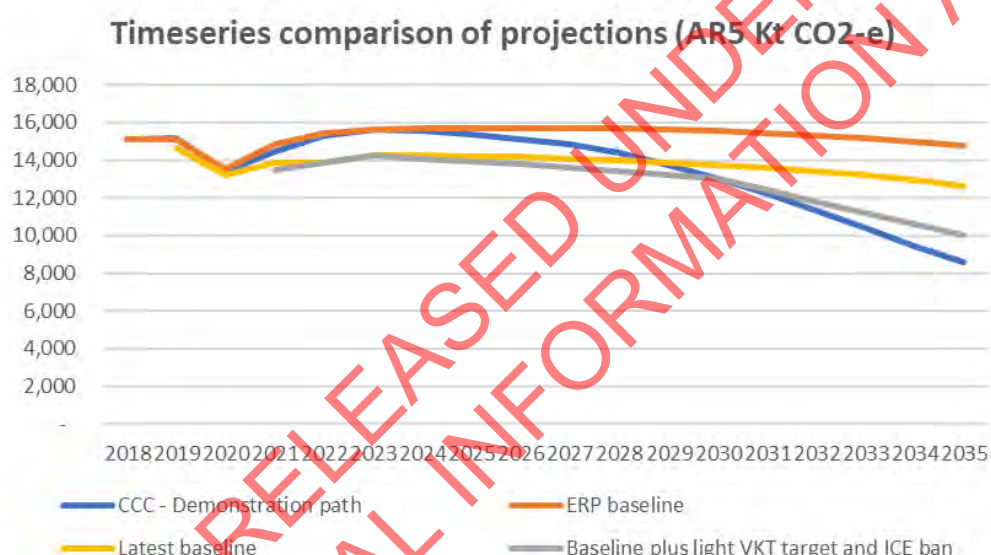


Figure 6 Timeseries comparison of (emissions reduction) projections

Source: Ministry of Transport

The next steps for ERP1 and ERP2

Aligning ERP1 with your strategic objectives

We can provide you with more detail about the focus areas, targets, and actions for transport in ERP1 and advise you on the impact of any changes you may wish to make to the remaining actions to be delivered in the first budget period.

Ensuring ERP2 meets your strategic objectives

Setting strategic priorities for ERP2 with your Cabinet colleagues and deciding what actions will be included for transport to meet its expected contribution will be some of the biggest strategic decisions you will make as Minister of Transport in the next 12 months. The Ministry will support you with advice to inform these decisions.

In December 2023, along with your Ministerial colleagues in other climate portfolios, you will receive a package of preliminary advice about the long-term pathways to net zero by 2050 and indicative advice about what these mean for ERP2. This advice is likely to seek your direction on some key strategic priorities, risks, benefits sought, and potential trade-offs, to inform the development of detailed options for inclusion in ERP2. The Ministry will provide you with additional transport-specific advice to supplement this interagency advice.

Maintaining and growing New Zealand's international connectivity

New Zealand's prosperity is heavily reliant on its connections to the world

International connectivity enables people and goods to move across our borders and is an important contributor to New Zealand's prosperity and well-being.

Most of our imports and exports move by sea - 99.7% of New Zealand's export goods by volume, and 80.9% of its exports by value. This makes the maritime sector vital to New Zealand's interests, including ports and the connections to them. The aviation system also delivers economic and social benefits of staying connected to each other and the global community. Air transport underpins key sectors in the New Zealand economy, including tourism, international education and high-value freight.

New Zealand's international connections face a changing environment

The geo-political environment is becoming less rules based and more volatile, and there is growing risk around the international politics of climate change. This presents some risk to New Zealand as a distant trade reliant economy. The emissions from the aviation and maritime sectors are subject to increasingly tighter international standards and we need to be well engaged to ensure these support New Zealand's carbon emissions and connectivity objectives while not disadvantaging our connectivity to the world. The international security environment has also become more complex.

Government can help promote efficient supply chains

After COVID-19 highlighted vulnerabilities in our supply chains, the Ministry conducted extensive engagement with supply chain stakeholders to develop a National Freight and Supply Chain Strategy, which was issued on 18 August 2023. Industry stakeholders especially called for:

- better signalling of government's long-term plans for supply chain infrastructure

DEVELOPING THRIVING CITIES AND REGIONS

- better consenting and spatial planning that protects key logistic routes and nodes
- a review of the current port system
- improved data collection and availability
- improved ability to transfer across transport modes
- building the workforce for the supply chain of the future.

It is important the Strategy, which supports a stronger and more resilient supply chain, is translated into action. The next step proposed for the Strategy was the development of an action plan. Work priorities were identified around ports and their connections, road freight decarbonisation, freight data, and international connections.

Proposed actions for progress on international connectivity and supply chain issues

Key actions we will look to progress are:

- Taking forward actions to better collaborate with the private sector, so New Zealand has future supply chains that are zero emission, resilient, productive, efficient, safe and sustainable. This is likely to involve work on ports and their connections to road and rail, the transition to low emission heavy vehicles and improving freight data collection.
- Working across government and the aviation sector to develop a national policy statement for aviation and provide a joined-up view on how best to embrace opportunities and address challenges in the sector. A private partnership has already begun to accelerate decarbonisation of the aviation sector.
- Initiating a review of maritime legislation to ensure our regulatory frameworks support an innovative, productive, safe and secure maritime sector.

We will discuss these potential actions further with you.

Developing thriving cities and regions

High quality transport is a basic requirement for cities and regions

Cities and regions depend on high quality transport systems to have strong economies and good social connections. Regions need resilient and safe roading connections to enable communities to participate in society and connect our primary producers to their overseas markets. Well targeted road investment and effective maintenance is critical to sustain connectivity. Traditional public transport services are often less useful in rural areas. Meanwhile cities need to be able to move many people around their networks on roads and public transport while allowing freight to move efficiently.

Transport should be well-integrated with other sectors

An important way to deliver good transport, either in cities or regions, is to make sure transport planning, funding, and delivery are aligned with land use planning, housing and utility provision, and broader funding and financing approaches.

This need for integration is clearest in our largest cities, where there is a need to build more housing, improve economic productivity, reduce greenhouse gas emissions and become more resilient to natural hazards.

One way to address these challenges is to deliver more medium and high-density, mixed-use developments in areas where people have a good range of transport options. Making a wider range of travel options available will allow more people to live and work in our cities and to choose from a greater range of housing and transport options, without increasing traffic, congestion, and emissions. New developments in greenfield locations also need to be well-designed and well-connected with multi-modal transport networks. The transport, housing, and planning systems need to be well-aligned to achieve these outcomes.

In the past, cross-portfolio Ministerial forums have been used for urban development and infrastructure to encourage government agencies to work together on policy development and delivery. For example, increasing the supply of public transport is only effective if it is accompanied by high quality developments.

Spatial planning is an important tool to support better integration

Spatial planning can provide long-term (30 years+), high-level, strategic direction for how cities and regions need to grow to achieve national and regional priorities. Integrated planning with other sectors like housing and water is critical to delivering long-term plans that retain support and can serve as a foundation for communities to develop well. Good spatial planning can also allow national transport priorities to be integrated, alongside other national priorities, with regional priorities.

There is an ad-hoc approach to spatial planning in New Zealand. Only Auckland is legally required to deliver a regional spatial plan (the Auckland Plan). Four other high-growth cities have developed spatial plans under Urban Growth Partnerships between central government and local government. These spatial plans are at sub-regional levels, focusing on high-growth areas.

Integrated planning across transport and other sectors will deliver much better outcomes and greater planning certainty but this is hard to achieve due to the numbers of decision-makers involved and the depth of issues involved. A structured approach is needed to make it possible. The Spatial Planning Act 2023 enacted by the last Parliament was an effort to achieve this. This Act requires all regions to develop a regional spatial plan, in partnership between councils, central government, and mana whenua.

City and regional deals provide a potential mechanism to support spatial planning

A shift to regional spatial planning raises questions about funding and financing the major infrastructure projects that feature in these plans. For example, all the existing spatial plans developed through the Urban Growth Partnerships include rapid transit services and high-

STRONG AUCKLAND, STRONG NEW ZEALAND

frequency public transport networks to provide the backbone for future large-scale urban developments. There is no funding pathway to deliver most of these projects.

Given the constrained funding environment, and the substantial costs of delivering large-scale transport projects, it is important to explore innovative new funding and financing models to deliver major projects. It is also important to make better use of existing transport networks (eg, by using transport pricing tools, and by encouraging more efficient use of road space).

'City deals' and 'regional deals' provide a potential way for central and local government to coordinate the funding streams required to fund the large investment in infrastructure that many cities need. These deals reflect approaches used in other countries, including the United Kingdom, Canada, and Australia to support integrated programme delivery. They involve long-term partnerships between local and central government, with packages of funding and decision-making powers.

The Ministry can provide further advice on spatial planning and city and regional deals

The Ministry can provide you with further information and advice on opportunities for Ministerial collaboration, spatial planning and city and regional deals. As these deals require the input of different portfolios, substantial work would be needed with other Ministers to determine their viability and potential effectiveness in a New Zealand context.

Strong Auckland, strong New Zealand

Auckland is critical to achieving New Zealand's goals

Auckland is home to one third of New Zealand's population, contributes 38% of the nation's GDP and is projected to account for around 60% of New Zealand's population growth between 2013 and 2043.

Over recent years Auckland has accounted for 30% of the National Land Transport Fund spend and increasingly Crown funding is required to complement the National Land Transport Fund and Auckland Council funding.

While there have been successes in both roading and public transport projects, Auckland's transport challenges remain significant. An efficient and effective transport system in Auckland is essential to achieving national goals of increasing productivity and reducing emissions. The city is also expected to deliver 48% of the national reduction in transport emissions.

Auckland continues to need a large investment in its transport networks

Auckland requires transport investment in roads, public transport and active transport. Along with investment, interventions such as congestion pricing and better integration of transport and land-use are required to achieve outcomes and manage affordability. Congestion pricing in Auckland is

unlikely to raise significant revenue but its value is improved productivity and potentially deferring some road maintenance and capital spend.

The strategic roading network in Auckland is almost complete. Penlink is underway and a preferred option for Mill Road as part of the package of investment in south Auckland needs to be determined. While there is scope to improve aspects of the roading network in Auckland, more roading capacity will mean public transport in Auckland will need to contribute more to emissions reduction.

Rapid public transport is integral to improving Auckland's public transport network

Auckland's future public transport network will have to be much larger than it is today, and rapid transit will be needed to move people in a fast, frequent and reliable manner. While there have been some setbacks with the rail rebuild and bus driver shortages, public transport patronage has increased significantly in Auckland. Patronage increased from 84 million boardings in 2016 to 100 million boardings at the end of 2019. This can be further improved by increasing frequency and reliability on the current bus network and extending coverage, particularly to some of the lower income areas where access to public transport is poor. Successes to date have been the northern busway and passenger rail, post electrification. The City Rail Link and Eastern busway are well into construction and will support further growth in the short term. Work on a 30-year plan for rail investment in Auckland is also well advanced.

Business case work is underway on a range of major projects including on the northwest and city centre to Māngere corridors, as well as an additional crossing over Waitematā harbour. There is a lack of consensus on the best way to proceed with these projects, and how work should be prioritised and sequenced. Our view is it is not feasible to progress with all of these projects as planned from both a funding and construction capacity perspective. Within the limited funding and delivery capacity available, you will want to consider striking the right balance between high volume and high-cost options, such as light or heavy rail, and lower volume but faster to deliver options such as busways. The Ministry's advice is these should be considered in the context of the type of overall network that should be available in future, and the nature and scale of development desired for Auckland.

Reaching agreement with Auckland Council on the sequencing of investments in Auckland over the longer-term is a priority. This can be achieved by continuing to work through the Auckland Transport Alignment Project (ATAP). Since around 2017, ATAP has been New Zealand's most mature 'city deal'. The Minister of Transport and Mayor of Auckland are political sponsors of ATAP and a Governance Group of Chief Executives provides oversight and governance.



Figure 7 Auckland Commuter Rail

Source: Ministry of Transport

The joint Government/Auckland Council Tāmaki Makaurau Transport Plan needs to be completed

The Tāmaki Makaurau Transport Plan, a long-term integrated plan has

been the key piece of work progressed under the ATAP structure over recent months. It is paused and it will be important for you to meet with the Mayor of Auckland to agree on the next steps for completing the Plan. Your priorities will guide the next phase of work and the sequencing and phasing work noted above is key to the Plan's completion

Previously, Auckland has seen an expectation of National Land Transport Fund funding included in the Government Policy Statement (GPS), providing Auckland with some certainty of overall funding, while noting individual projects remain subject to Waka Kotahi approval. You may wish to revisit expectations for National Land Transport Fund funding for Auckland as you finalise GPS 2024, as part of your agreement with Auckland Council.

Several major Auckland transport projects are underway

There are pressing choices to be made about investments in Auckland over the 10 and 30-year horizons. Affordability and delivery capacity need to be considered as an investment programme, which includes sustaining the current network, expanding public transport services and progressing major projects, is completed.

City Rail Link (CRL)

Most construction work is now complete, and the focus is on integrating CRL with the Auckland network and testing readiness for operations. The Ministry monitors the work of the delivery company, City Rail Link Company (CRL) and advises on broader investments needed to realise the benefits of the project. CRL is funded 50:50 by the Crown and Auckland Council. You are a joint sponsor of the work along with the Minister of Finance and Auckland Council, represented by Mayor Brown.

Auckland Light Rail (ALR)

ALR is an integrated urban and transport project along the city centre to Māngere corridor. Auckland Light Rail Limited (ALRL) is working on a detailed business case. The Ministry monitors

the work of the company, provides policy advice on the project and supports the project's Sponsors. You chair the Sponsors Group and it will be a priority to provide direction to the project.

Waitematā Harbour Connections

Waka Kotahi is developing an indicative business case on a recommended option including roading, rapid transit and cycling connections. This is scheduled to be considered by the Waka Kotahi Board in early 2024. The Ministry's feedback is significant work is required before moving to a decision-making process, including on lower-cost options. You have a role in setting direction for the work and ultimately deciding whether to take the project forward through Cabinet.

Northwest

The Northwest corridor has consistently been identified as a high-priority rapid transit corridor for Auckland. Interim improvements are underway including new bus stops, interchange enhancements, and extended bus lanes on SH16. Waka Kotahi is starting a detailed business case on a permanent rapid transit system. This corridor is a priority for the Mayor of Auckland and the Ministry expects it to be raised as part of your discussions on the Tāmaki Makaurau Transport Plan

The Ministry will seek your direction on Auckland's transport priorities

The Ministry will seek your direction on completing work on the Tāmaki Makaurau Transport Plan and on the next steps for some of the planned projects in Auckland.

Building a resilient transport system

The transport system connects New Zealanders but is vulnerable to shocks and disruptions

The transport system and our communities and businesses are vulnerable to shocks and disruptive events (either natural or human). New Zealand has transport corridors in steep valleys, alongside coastlines, and across rivers and floodplains. Many communities are in remote areas or have limited routes connecting them to the rest of New Zealand. In recent years, New Zealand has experienced climate change related severe weather events like Cyclone Gabrielle and natural disasters like the Christchurch and Kaikōura earthquakes in 2011 and 2016 respectively.

Transport operations can also be disrupted by other vulnerabilities. Parts of the transport system rely on highly trained workforces which are susceptible to staff shortages, for example, maritime pilots, air traffic controllers, ground handlers, airport rescue fire services, and bus and train drivers. The aviation system relies on imported jet fuel, which if it fails quality testing on arrival into the country results in disruptions to aviation operations. We also need to manage the transport system's susceptibility to security threats from malicious actors.

A lack of resilience drives extra costs into the transport system

Being resilient is the ability to anticipate and manage disruptive events, minimise their impacts, and respond and recover effectively. A transport system that is not resilient increases the costs and time to reinstate critical transport connectivity to affected communities. Shocks from natural disasters such as the Christchurch and Kaikōura earthquakes, alongside the increasing frequency and severity of weather events caused by climate change, result in significant social and economic costs to restore transport networks.

The Ministry is working to enhance the resilience of the transport system

The Ministry uses its leadership role across strategic policy and operational work to build transport system resilience into wider system reforms and work programmes. The Ministry works to ensure a broader 'New Zealand Inc' perspective is applied to managing transport system risks and in building better transport system resilience. This includes using an agreed national framework, together with the transport Crown entities, to manage risks.

Resilience work includes:

- Involvement in the National Security System reforms, and membership of the Counter-Terrorism Coordination Committee, Major Events Security Committee, and the National Security Board (as the Strategic Coordination Agency for maritime security).
- Involvement in the Emergency Management System reforms, including emergency and catastrophic planning, and the current emergency management and the DPMC-led Critical National Infrastructure work programme.
- Involvement in climate change work programmes, including the Resource Management System Reforms, National Adaptation Plan, Emissions Reduction Plan, and membership of the Climate Change Interdepartmental Executive Board.
- Connecting the transport system into operational readiness, response, and recovery activity through its role as Chair of the interagency Transport Response Team, which is the Sector Coordinating Entity for the transport system in an emergency.

As the Minister of Transport, you can play an important role to enhance transport system resilience

You can play a role in enhancing the resilience of the transport system by:

- Maintaining relationships across the sectors identified so the perspective of the transport sector is given due weight in government's wider resilience-related work.
- Engaging with your Ministerial colleagues on legislative programmes which cut across the transport system, such as the Emergency Management reforms, Climate Adaptation Bill, and Resource Management reforms.
- Engaging with other Ministers to address specific resilience issues (eg, the availability of RNZAF Base Ohakea and jet fuel supply chains).
- Making decisions on further investments via the National Resilience Plan.

Safer and more secure transport

Travel throughout the transport system needs to be safe and secure

Travel needs to be as safe and secure as it can be, whether by road, rail, aviation or maritime. People should not be harmed when using transport and should be confident when using the system. Confidence is important, so New Zealand can unlock the benefits of new technology, such as drones and e-scooters.

Different transport modes have different attributes which mean that safety and security outcomes are achieved in different ways in each of those sectors.

For aircraft and ships that operate internationally, safety and security settings are driven by international standards. Aviation and maritime also have greater inherent risk of catastrophic harm events. New Zealand engages internationally with the relevant bodies, in particular, the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) and with other jurisdictions so we stay up to date with global developments and can influence international settings.

The maritime security environment has become increasingly complex. The effective delivery of the Maritime Security Strategy requires strong leadership and alignment across government. The Ministry has a key role to play as we chair the Maritime Security Officials Committee (MSOC).

Road crashes killed 376 people last year and cause \$8 billion of harm each year

Roads are used by just about everyone in New Zealand, and usually on a daily basis. Provisional figures show, 377 people died in road crashes in 2022, with 2,470 people suffering permanent life-changing injuries¹³. Social cost of road trauma is estimated to be as much as \$8 billion a year. Our rate of road deaths is also significantly higher than many other jurisdictions New Zealand compares itself to, as indicated in Figure 1 below.



Figure 8 Road deaths per 1000,00 inhabitants (2022)

Sustained effort is required to reduce the number of people being killed or seriously injured on our roads.

¹³ Serious injuries are defined as fractures, concussions, internal injuries, crushings, severe cuts and lacerations, severe general shock necessitating medical treatment and any other injury involving removal to and detention in hospital.

Evidence suggests interventions are required across all parts of the system to improve road safety

New Zealand has followed the safe system approach in recent years, which is the internationally accepted best practice for road safety. A safe system means improving the safety of all parts of the system – roads and roadsides, speeds, vehicles and road user behaviour – so that if one part fails, other parts will work to protect people if they are involved in a crash.

Progress in all areas is still needed to reduce deaths and serious injuries on our roads. However, you can choose to place more emphasis on interventions in some areas rather than others.

New Zealand has made progress in some areas, but there are significant opportunities for improvement

The current *Road to Zero* road safety strategy has targets for reductions in deaths and serious injuries. There has been progress in all areas. For example, Police have increased their enforcement activity in the last 12 months, with an additional one million alcohol breath tests conducted than in the previous year.

The interventions set out in the strategy that have been delivered have been proven to be highly effective in the New Zealand context. For example, changes to speed limits on State Highway 6 Blenheim to Nelson has seen the number of deaths and serious injuries reduce by approximately 80% in first two years, while the average journey time has increased by approximately four minutes over the 110km road length. Installation of median barriers at SH2 Waipukurau in 2020 has seen a 100% reduction in deaths and serious injuries in the two years since.

COVID-19 slowed delivery of initiatives and there have been other challenges, which have impacted the scale and pace of implementation.

Public acceptance of some of the actions under the strategy has been limited, in particular, concern has been expressed about:

- the public advertising and associated messaging, particularly how “zero” is unrealistic
- some of the focus areas, such as the extent of speed management proposed.

Given these challenges, the Ministry has started reviewing the approach to road safety. We are preparing more in depth advice on the impacts different initiatives will have on reducing deaths and serious injuries to assist you as you consider the strategic direction you wish to take for road safety. The Ministry would welcome the opportunity to discuss your expectations for road safety, including on the interventions you want to focus on.

Rail safety requires clear regulatory frameworks and investment

Rail safety needs clear regulatory frameworks, strong oversight and investment to provide the required level of safety assurance. After recent investment and growth, the risk profile of rail has increased. There have been several rail safety incidents involving fatal and serious injuries and recent reviews into the Auckland and Wellington metro systems have highlighted the need for system improvement and the need for the rail regulator to rigorously address risks.

Waka Kotahi has primary regulatory responsibility for rail safety in New Zealand. Waka Kotahi has a critical regulatory role in assuring stakeholders and the public that the country's rail networks are being managed safely. This is achieved through regulation of the rail industry in accordance with the Railways Act 2005.

There will be opportunities over this term to consider how to continue to improve the legislation, regulation and oversight of rail safety, and to align New Zealand's rail safety approach with international best practice.

Emerging aviation technology require updated regulation

The Ministry is responsible for providing advice on how existing regulatory frameworks can be adapted to enable the safe use of emerging aviation technology so that they can be safely integrated into the aviation system. Examples of this emerging technology are drones and other uncrewed aircraft, which need to be able to operate safely in the same airspace as traditional manned aircraft.

Increasingly innovative uses of these technologies offer potential economic, environmental and social benefits. This includes ensuring that New Zealand provides an enabling environment for innovators, supporting the growth of the aerospace industry, lifting productivity through innovation, lowering emissions and improving other environmental outcomes.

The Ministry has developed an Enabling Drone Integration (EDI) package to enhance the regulatory framework for drone operations, and as a building block for supporting autonomous operations. We will provide you with further advice on the proposed package of measures.

Maritime safety and security are important to people, the economy and the environment

Maritime transport is a critical part of our economy, with most of our imports and exports moving by sea. As an island nation, New Zealand relies on ferries to transport commuters, tourists, and domestic travellers between islands. Boating is also an important part of our culture with over 1.9 million people taking part in recreational boating in 2020.

Maritime activity can be dangerous. Since 2015, an average of 16 recreational boating fatalities have occurred every year. Fatalities occur throughout the country, and most are associated with falls overboard, a vessel capsizing or flooding. Many Transport Accident Investigation Commission and coroner reports have found fatalities might have been prevented if lifejackets had been worn.

Safe navigation is as critical in the maritime space as on land. Maritime incidents not only endanger human lives, but also the environment and the economy, as the Rena disaster demonstrated. The accessibility of the sea to recreational boating means recreational boating and commercial shipping operate in very close proximity to each other.

Maritime legislation needs to be reviewed

The Ministry and Maritime New Zealand have started a review of primary maritime legislation. Changes could be made to make the system safer, while ensuring the maritime regulatory system supports trade in the face of future emergencies, transnational crime, climate change, technological change and other challenges.

As Minister of Transport, you can help to enhance transport safety

The Ministry can provide you with any further information you require on these areas of transport system safety. You can help to enhance transport safety by:

- Considering advice on reframing the approach to road safety
- Taking a package of drone policy decisions to Cabinet
- Considering advice on the review of maritime legislation.

Using regulation to support transport outcomes and improve productivity

Regulatory frameworks are generally fit-for-purpose but require some refinements

Transport regulatory systems are made up of primary and secondary legislation, the Ministry, and transport Crown entities who carry out the role of regulators, deliver services, and educate and inform people on requirements set out in legislation.

New Zealand's transport regulatory systems are significantly shaped by international obligations, standards and recommended practices.

A more challenging economic outlook and fiscal position means there is added emphasis on ensuring all aspects of our regulatory systems deliver value for money and support increased productivity. For example, out-of-date regulatory requirements impose unnecessary costs on firms and individuals, which harms New Zealand's productivity.

Our current regulatory frameworks are generally fit-for-purpose and contribute well to our transport outcomes. However, some parts of these frameworks need to be updated if we want to ensure that regulation does not impose unnecessary costs and enables novel technology, such as driverless vehicles/craft (eg, unmanned aircraft and autonomous vehicles), different fuel types (eg, sustainable aviation fuel, hydrogen) and different types of craft (eg, drones). In addition, artificial intelligence (AI) is disrupting every industry and will change the way New Zealanders commute and the way they use transport infrastructure.

Regulation is needed to realise the benefits of new technologies

Introducing still evolving technologies, while minimising harm, is a major challenge for policy makers and regulators. The beneficiaries of these technologies (the investors, manufacturers and consumers) often do not wear the full costs of their risks. Instead, the burden is borne by society at large and their governments, which must take action to address the risks.

Therefore, it is crucial to have a regulatory system that balances safety with innovation, certainty and efficiency before new transport technologies are rolled out at scale.

Regulation provides the framework and permissible set of conditions under which decisions can be made on important features of transport markets such as entry, pricing, access obligations and quality or conditions of service. The regulatory framework needs to evolve as technological and

USING REGULATION TO SUPPORT TRANSPORT OUTCOMES AND IMPROVE PRODUCTIVITY

society changes. Timely and proportionate regulation can support the exploitation of promising opportunities while also limit harmful trends.



For government, new technologies raise issues about when to act. Drones are here and regulatory action is being taken. While technological innovations, such as driving automation technology in vehicles like Electronic Stability Control, already contribute to the decline in deaths and serious injuries on our roads, the deployment of fully automated vehicles at scale remains very uncertain. Potential safety benefits are high but so are the risks. Safety will be the primary consideration before fully automated vehicles will be allowed to operate on New Zealand roads. In this case, the Ministry has carried out preparatory work to identify the issues and the regulatory work needed, including releasing a Long-Term Insights Briefing on the impact of these vehicles on New Zealand's roads in 2022. The Ministry will be well placed to advise you should the priority of this work need to be raised

Positioning New Zealand's regulatory frameworks for the future

Implementing the new Civil Aviation Act and the proposed review of maritime legislation are all examples of work to bring regulatory systems up to speed with new developments and help to future-proof them. The Ministry looks forward to providing you with more information on our regulatory activities and the Ministry's work to help position New Zealand for future technological developments like drones and automated vehicles.

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Te Kāwanatanga o Aotearoa
New Zealand Government

From: [Jennifer McSaveney](#)
To: [Anastasia Lagoutaris](#); [Kate Saunders](#)
Cc: [Roselle Thoreau](#)
Subject: Nov BIM development correspondence with NZTA (was FW: NZT-8688 RESPONSE (2): Transport metrics for the upcoming Briefing to the Incoming Minister (transport service licence holders and rail numbers) - extension request for the public transport and walk...
Date: Friday, 9 February 2024 12:10:04 pm
Attachments: [image002.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image001.png](#)

Hi,

For the OIA related to the developments of November BIMs, please find below the email chain associated with a data request from NZTA for updating of certain transport metrics reported in a previous BIM.

Hope that covers things off/helps with things.

Cheers

Jennifer

Jennifer McSaveney ([she / her / Dr](#))

s 9(2)(a)

E: j.mcsaveney@transport.govt.nz | transport.govt.nz



From: Jennifer McSaveney <j.mcsaveney@transport.govt.nz>

Date: Thursday, 27 July 2023 at 4:56 PM

To: Laisiana Qetaki <Laisiana.Qetaki@nzta.govt.nz>

Cc: Official Correspondence NZTA <official.correspondence@nzta.govt.nz>, Cody Davidson <Cody.Davidson@nzta.govt.nz>

Subject: Re: NZT-8688 RESPONSE (2): Transport metrics for the upcoming Briefing to the Incoming Minister (transport service licence holders and rail numbers) - extension request for the public transport and walk/cycle numbers

Thank you very much for that, and in your efforts in trying to find possible answers.

Cheers and thanks

Jennifer

Jennifer McSaveney ([she / her / Dr](#))

s 9(2)(a)

E: j.mcsaveney@transport.govt.nz | transport.govt.nz



From: Laisiana Qetaki <Laisiana.Qetaki@nzta.govt.nz>

Date: Thursday, 27 July 2023 at 2:52 PM

To: Jennifer McSaveney <j.mcsaveney@transport.govt.nz>

Cc: Official Correspondence NZTA <official.correspondence@nzta.govt.nz>, Cody Davidson <Cody.Davidson@nzta.govt.nz>

Subject: NZT-8688 RESPONSE (2): Transport metrics for the upcoming Briefing to the Incoming Minister (transport service licence holders and rail numbers) - extension request for the public transport and walk/cycle numbers

Kia ora Jennifer

Further to our response sent last Thursday 20 July 2023, please see our advice below regarding the public transport and walk/cycle numbers:

- Waka Kotahi does not hold updated numbers for questions 7, 8, 9 and do not have a readily available methodology to do so.
- Waka Kotahi recommends that the Ministry refers to the “proportion of people who live within 500m of a frequent service”, as reported on page 35 of the [Sustainable urban mobility benchmarking \(nzta.govt.nz\)](https://www.nzta.govt.nz/assets/Uploads/Sustainable-urban-mobility-benchmarking.pdf).
- Regarding the numbers for the drop in walking and cycling levels in the last 25 years (questions 10 & 11), this would require a comparison of the most recent available Census modeshare results with Census results from 25 years ago.

For context we were asked to provide updated numbers for the following:

1. 76890 good service transport licences (2020)
2. 26603 large passenger service transport licences (2020)
3. 3877 rental service transport licences (2020)
4. 1404 vehicle recovery transport licences (2020)
5. 29585 small passenger transport service licences (2020)
6. 82 rail licences (2020)
7. In Auckland 33% of population with access to frequent public transport services (2018/19)
8. In Wellington 19% of population with access to frequent public transport services (2018/19)
9. In Christchurch 24% of population with access to frequent public transport services (2018/19)
10. 14% drop in walking levels in the last 25 years
11. 60% drop in cycling levels in the last 25 years
12. 3938 km of rail network

The updated figures for questions 1, 2, 3, 4, 5, 6 and 12 have been provided to you on Thursday 20 July 2023 (refer to the forwarded email below).

Ngā mihi

Laisiana Qetaki

Senior Advisor - Ministerial Services
Te Waka Kotuia | Engagement and Partnerships-Government
Laisiana.Qetaki@nzta.govt.nz
Waka Kotahi NZ Transport Agency
Chews Lane Office, 50 Victoria Street
Private Bag 6995, Wellington 6141, New Zealand
[Facebook](#) | [Twitter](#) | [LinkedIn](#)



From: Laisiana Qetaki <Laisiana.Qetaki@nzta.govt.nz>

Sent: Thursday, 20 July 2023 4:11 pm

To: Jennifer McSaveney <J.Mcsaveney@transport.govt.nz>

Cc: Official Correspondence <Official.Correspondence@nzta.govt.nz>; Cody Davidson
<Cody.Davidson@nzta.govt.nz>

Subject: NZT-8688 RESPONSE (1): Transport metrics for the upcoming Briefing to the Incoming Minister (transport service licence holders and rail numbers) - extension request for the public transport and walk/cycle numbers

Kia ora Jennifer

Please find the updated values below:

- 79,914 good service transport licences (2023)
- 26,306 large passenger service transport licences (2023)
- 4,060 rental service transport licences (2023)
- 1,464 vehicle recovery transport licences (2023)
- 32,020 small passenger transport service licences (2023)

However it should be noted that although these are the licences that are current it does not mean that they actively being used.

- 79 rail licences at the moment, 2 of which are non-operational.
- KiwiRail reported 4563km of track last year.

We are yet to receive the numbers for the public transport and walk/cycle numbers – could we have an extension on this to **Thursday 27 July 2023** please?

Ngā mihi

[Laisiana Qetaki](#)

Senior Advisor - Ministerial Services
Te Waka Kotuia | Engagement and Partnerships-Government
Laisiana.Qetaki@nzta.govt.nz
s 9(2)(a)

Waka Kotahi NZ Transport Agency
Chews Lane Office, 50 Victoria Street
Private Bag 6995, Wellington 6141, New Zealand

[Facebook](#) | [Twitter](#) | [LinkedIn](#)



From: Jennifer McSaveney <j.mcsaveney@transport.govt.nz>
Sent: Thursday, 13 July 2023 10:42 am
To: Laisiana Qetaki <Laisiana.Qetaki@nzta.govt.nz>
Cc: Official Correspondence <Official.Correspondence@nzta.govt.nz>
Subject: Re: NZT-8688: Transport metrics for the upcoming Briefing to the Incoming Minister

CAUTION: The sender of this email is from outside Waka Kotahi. Do not click links, attachments, or reply unless you recognise the sender's email address and know the content is safe.

Hi,
Confirming that so far as I am aware, it is for the post general election BIM, so 20 July (if not later, if you need the time), is fine.
Yours sincerely
Jennifer McSaveney

Jennifer McSaveney ([she / her / Dr](#))
s 9(2)(a) | E: j.mcsaveney@transport.govt.nz | transport.govt.nz



From: Laisiana Qetaki <Laisiana.Qetaki@nzta.govt.nz>
Date: Thursday, 13 July 2023 at 9:59 AM
To: Jennifer McSaveney <j.mcsaveney@transport.govt.nz>
Cc: Official Correspondence NZTA <official.correspondence@nzta.govt.nz>
Subject: NZT-8688: Transport metrics for the upcoming Briefing to the Incoming Minister

Kia ora Jennifer

Silvina had asked us to provide our response to you as she's left MOT.

It's taken me a while to identify the people who would be able to provide the information so I'm going to be able to provide this next week.

Is it ok with you if we aim to have it to you by **COP Thursday 20 July 2023**? I understand that it's needed for the post-General Election 2023 BIM which is some time away.

Please advise.

Ngā mihi
[Laisiana Qetaki](#)

Senior Advisor - Ministerial Services
Te Waka Kotuia | Engagement and Partnerships-Government

From: Laisiana Qetaki
Sent: Thursday, 6 July 2023 10:48 am
To: Silvina Pugliese <S.Pugliese@transport.govt.nz>; Jennifer McSaveney <J.Mcsaveney@transport.govt.nz>
Cc: Official Correspondence <Official.Correspondence@nzta.govt.nz>
Subject: NZT-8688: Transport metrics for the upcoming Briefing to the Incoming Minister

Kia ora Silvina

Thank you for confirming.

Can we please ask for more time until COP Thursday 13 July 2023 and we will send the updated values to Jennifer.

All the best in your new endeavours.

Ngā mihi
[Laisiana Qetaki](#)

Senior Advisor - Ministerial Services
Te Waka Kotuia | Engagement and Partnerships-Government
Laisiana.Qetaki@nzta.govt.nz
s 9(2)(a)

Waka Kotahi NZ Transport Agency
Chews Lane Office, 50 Victoria Street
Private Bag 6995, Wellington 6141, New Zealand
[Facebook](#) | [Twitter](#) | [LinkedIn](#)



From: Silvina Pugliese <S.Pugliese@transport.govt.nz>
Sent: Tuesday, 4 July 2023 12:05 pm
To: Laisiana Qetaki <Laisiana.Qetaki@nzta.govt.nz>
Cc: Official Correspondence <Official.Correspondence@nzta.govt.nz>; Statistical Analysis <StatisticalAnalysis@nzta.govt.nz>
Subject: RE: NZT-8688: Transport metrics for the upcoming Briefing to the Incoming Minister

CAUTION: The sender of this email is from outside Waka Kotahi. Do not click links, attachments, or reply unless you recognise the sender's email address and know the content is safe.

Kia Ora Laisiana,

Thank you very much for your email.

Yes indeed, this request is for the post-General Election 2023 BIM. Basically we want to update metrics that were reported in the previous BIM which can be found here:

<https://www.transport.govt.nz/assets/Uploads/About-us/Corporate/BriefingIncomingMinister2020.PDF>

As mentioned in my previous email, this is my last week at MoT, thus we would appreciate it if you could provide the update to my colleague [@Jennifer McSaveney](#) when the new values are available.

Thank you again,

Ngā mihi nui,

Silvina Pugliese (she/her)

Senior Data Analyst | Kaitātari Matua

Te Manatū Waka Ministry of Transport

s 9(2)(a) | E: S.Pugliese@transport.govt.nz | transport.govt.nz



From: Laisiana Qetaki <Laisiana.Qetaki@nzta.govt.nz>

Sent: Tuesday, 4 July 2023 10:20 am

To: Silvina Pugliese <S.Pugliese@transport.govt.nz>

Cc: Official Correspondence NZTA <official.correspondence@nzta.govt.nz>; Statistical Analysis <StatisticalAnalysis@nzta.govt.nz>

Subject: NZT 8688: Transport metrics for the upcoming Briefing to the Incoming Minister

Kia ora Silvina

I would like to seek clarity from MoT if your request for data is related to your work for the post-General Election 2023 BIM.

We're assuming it is because you have already provided a BIM to Minister Parker last week.

Can you please confirm.

Ngā mihi

[Laisiana Qetaki](#)

Senior Advisor - Ministerial Services

Te Waka Kotuia | Engagement and Partnerships-Government

Laisiana.Qetaki@nzta.govt.nz

s 9(2)(a)

Waka Kotahi NZ Transport Agency
Chews Lane Office, 50 Victoria Street
Private Bag 6995, Wellington 6141, New Zealand
[Facebook](#) | [Twitter](#) | [LinkedIn](#)



From: Silvina Pugliese <S.Pugliese@transport.govt.nz>

Sent: Monday, 3 July 2023 3:24 pm

To: Data <data@nzta.govt.nz>; Jennifer McSaveney <J.Mcsaveney@transport.govt.nz>

Subject: Transport metrics for the upcoming Briefing to the Incoming Minister

CAUTION: The sender of this email is from outside Waka Kotahi. Do not click links, attachments, or reply unless you recognise the sender's email address and know the content is safe.

Kia Ora,

I'm reaching out to you because we need to update certain metrics for the upcoming Briefing to the Incoming Minister, and we have been unable to locate these specific metrics on the Waka Kotahi website.

Would it be possible for you to redirect the following questions to the appropriate individuals who can provide us with the updated values?

- 76890 good service transport licences (2020)
- 26603 large passenger service transport licences (2020)
- 3877 rental service transport licences (2020)
- 1404 vehicle recovery transport licences (2020)
- 29585 small passenger transport service licences (2020)
- 82 rail licences (2020)
- In Auckland 33% of population with access to frequent public transport services (2018/19)
- In Wellington 19% of population with access to frequent public transport services (2018/19)
- In Christchurch 24% of population with access to frequent public transport services (2018/19)
- 14% drop in walking levels in the last 25 years
- 60% drop in cycling levels in the last 25 years
- 3938 km of rail network

These values were reported in the previous briefing:

<https://www.transport.govt.nz/assets/Uploads/About-us/Corporate/BriefingIncomingMinister2020.PDF>

Please note that this is my last week at MoT, but I have included my colleague [@Jennifer McSaveney](#) who will be able to receive the update if it becomes available after my last day.

Thank you very much for your help,

Ngā mihi nui,

Silvina Pugliese ([she/her](#))

Senior Data Analyst | Kaitātari Matua

Te Manatū Waka Ministry of Transport

s 9(2)(a)

| E: S.Pugliese@transport.govt.nz | transport.govt.nz



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From: [Jeff Trevella](#)
To: [Alec Morrison](#)
Cc: [Vanessa Bates](#)
Subject: RE: Draft System BIM
Date: Wednesday, 18 October 2023 7:42:05 am
Attachments: [image002.png](#)
[image003.png](#)

Hello Alec,

Thank you for the opportunity to review the System BIM. Please find to follow Waka Kotahi feedback for your consideration:

Reference	Waka Kotahi feedback
Page 7 Crown funds	<p>The current description aligns with how Crown funds have been managed in previous years, but does not reflect recent arrangements around Crown funding (i.e. how cyclone funding is being managed) or future opportunities to do things better/differently. The current content may suggest that how it’s been done in the past is the only option for the future.</p> <p>Waka Kotahi would like to get to a place where Crown funds are provided as top ups to the NLTF and with minimal additional oversight arrangements as existing Waka Kotahi assurance and governance arrangements are sufficient.</p> <p>Consider altering the heading to move away from projects and instead mention specific outcomes.</p>
Page 10 LoE	Consider making it clear that the LoE is the Minister’s letter, as distinct from the other entries in the table which are entity mechanisms.
Appendix 3	Consider mentioning the Director of Land Transport role (who has independent statutory functions).
Overall	Consider consistency of language in reference to us (and CAA and MNZ) where there is an interchange between ‘transport agencies’ and ‘crown entities’. Waka Kotahi is using Crown entity in our BIM.

Best wishes

Jeff Trevella
Principal Advisor Cross Government Collaboration
Te Waka Kōtuia | Engagement and Partnerships

From: Alec Morrison <a.morrison@transport.govt.nz>

Sent: Friday, 13 October 2023 9:08 AM

To: kirstie.hewlett@maritimenz.govt.nz; Keith.Manch@caa.govt.nz;
stephen.hunt@metsservice.com; James Young <james.young@airways.co.nz>;
martin.sawyers@taic.org.nz; tommy.parker@aucklandlightrail.govt.nz; Helen Rogers
<helen.rogers@kiwirail.co.nz>; David Wood <D.Wood@transport.govt.nz>; Tommy Parker
<tommy.parker@lightrail.co.nz>; Nicole Rosie <Nicole.Rosie@nzta.govt.nz>; Karen Jones
<Karen.Jones@nzta.govt.nz>; Peter Brunt <Peter.Brunt@maritimenz.govt.nz>
Cc: John Edwards <j.edwards@transport.govt.nz>; Ella Sparrow <E.Sparrow@transport.govt.nz>;
Sarah Carson <S.Carson@transport.govt.nz>; Carmen Mak <C.Mak@transport.govt.nz>; Richard
Cross <r.cross@transport.govt.nz>; Siobhan Routledge <S.Routledge@transport.govt.nz>; Jeff
Trevella <Jeff.Trevella@nzta.govt.nz>; Vanessa Bates <Vanessa.Bates@nzta.govt.nz>; Jane
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<b.johnston@transport.govt.nz>

Subject: Draft System BIM

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Good morning all

As discussed at TSL this week, please find a draft of the System BIM for your consideration. As a reminder the System BIM aims to describe how the transport system works rather than be a decision-making document. The aim is to be as informative while keeping descriptions relatively high-level in acknowledgement more detail will follow in subsequent briefings and in your respective BIMs.

The Strategic BIM, which is still in development, aims to provide an overview of the opportunities and challenges facing the transport system.

Please let us know if you have any show stopper feedback by **COP 18 October 2023**. Feel free to pass the draft onto those looking after your respective BIMs - I have copied in those I have already been in contact with. In particular, please provide track changes to any descriptions we have made of your organisation within the

document, especially where we have them listed towards the end.

If you have any questions please feel free to get in touch. We appreciate any thoughts you might have.

Kind regards

Alec Morrison (he / his)

Policy Delivery Lead - Kaiarataki Uruhi Kaupapahere

Rautaki | Strategy

Te Manatū Waka Ministry of Transport

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From: [Martin Sawyers](#)
To: [Alec Morrison](#)
Subject: RE: Draft System BIM
Date: Tuesday, 17 October 2023 8:54:19 am
Attachments: [image001.png](#)
[Draft System BIM - comments from TAIC.docx](#)

Alec,

Attached is document with comments from TAIC. Happy to discuss.

Kind regards

Martin.

Ngā mihi

--

Martin Sawyers

Chief Executive - Tumu Matua

s 9(2)(a)

Transport Accident Investigation Commission

Te Kōmihana Tirotiroti Aitua Waka

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'No repeat accidents – ever!'

From: Alec Morrison <a.morrison@transport.govt.nz>

Sent: Friday, 13 October 2023 9:08 am

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Subject: Draft System BIM

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Good morning all

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system works rather than be a decision-making document. The aim is to be as informative while keeping descriptions relatively high-level in acknowledgement more detail will follow in subsequent briefings and in your respective BIMs.

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If you have any questions please feel free to get in touch. We appreciate any thoughts you might have.

Kind regards

Alec Morrison (he / his)

Policy Delivery Lead - Kaiarataki Uruhi Kaupapahere

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

Te Manatū Waka Ministry of Transport

October 2023

Contents

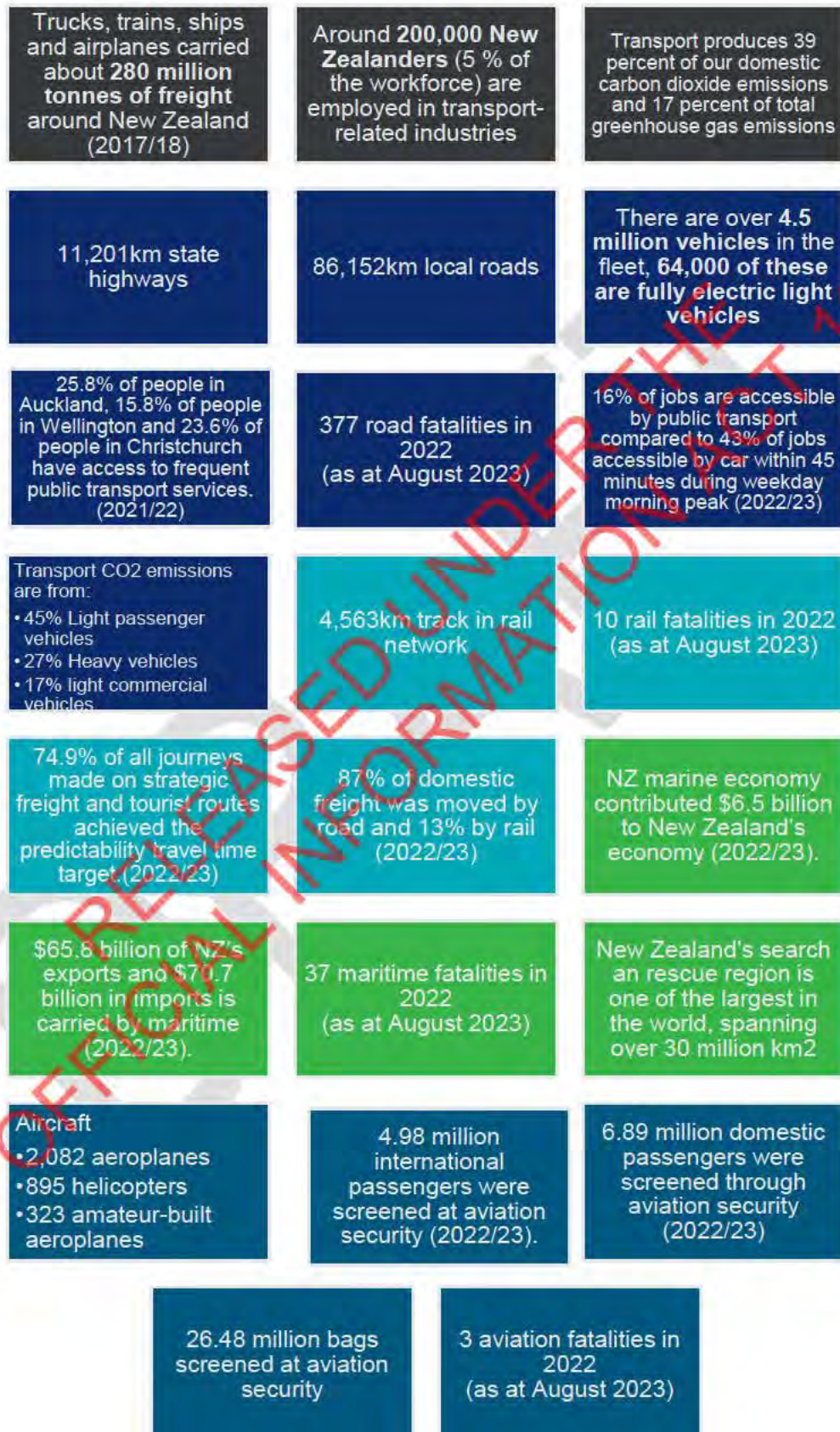
A snapshot of your portfolio.....	1
Shaping our transport system	2
Introduction	2
The Transport Portfolio	2
Your role in the system	2
The different parts of the transport system.....	3
Measuring progress and using evidence.....	4
Key transport responsibilities	5
Investment and revenue	5
Economic and educational tools.....	7
Regulation	7
Crown monitoring, assurance, and oversight	8
Influencing the international environment.....	11
Delivering your priorities	12
Transport's role within the wider system.....	12
 Appendices	
Appendix 1 Emergency Management and search and rescue functions	14
Appendix 2 Cross system collaboration	15
Appendix 3 Summary of agencies, state owned enterprises, and their functions.....	16

Glossary of terms and abbreviations

Editing Note – being generated when document is finalised

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A snapshot of your portfolio – **MOCK UP**



Shaping our transport system

Introduction

This briefing describes your role and responsibilities as Minister of Transport, along with those of Te Manatū Waka Ministry of Transport (the Ministry), government transport agencies, transport Crown entities, State-Owned Enterprises, and key stakeholders you will work with. It also outlines the tools available to you for influencing the transport system and enabling better outcomes for everyone in New Zealand.

This briefing should be read in conjunction with the Strategic BIM.

The Transport Portfolio

The transport system is a significant part of our social and economic infrastructure, providing the links that help establish and sustain our economy and society.

The transport system includes:

- vehicles that move people and products
- physical infrastructure (e.g., airports, seaports, the rail network, roads, busways, and cycleways)
- transport services (e.g., public transport, bike-sharing, ride sharing)
- digital infrastructure (e.g., satellite-based navigation infrastructure and aids, travel apps, communications technologies)
- institutions and regulatory systems that influence how the transport system functions and develops (e.g., through their management practices, rules, policies, and investment tools).

Transport is a delivery arm of many broader government strategies, and many key government priorities will not be achieved unless transport plays its part: reaching New Zealand's emissions targets, growing the economy and connecting to markets, and enabling economic and social mobility in our towns and cities. Transport cannot achieve these priorities by itself, but its absence can slow or prevent their delivery.

Your role in the system

As Transport Minister you have a range of responsibilities, some of which you must do by law. These provide you with opportunities to influence the system. Your role as Minister is to set the overall direction for the transport system, including through:

- setting the overall direction for investment in the transport system through the Government Policy Statement on land transport (GPS).
- setting the regulatory framework by developing legislation and regulation to influence individual and business behaviour
- appointing board members to the transport Crown entities, setting their expectations and overseeing their delivery and performance.
- seeking Cabinet's agreement to the rates at which fees, charges, and levies are set. These are critical decisions because they determine the resourcing available to the transport agencies to deliver their regulatory responsibilities.

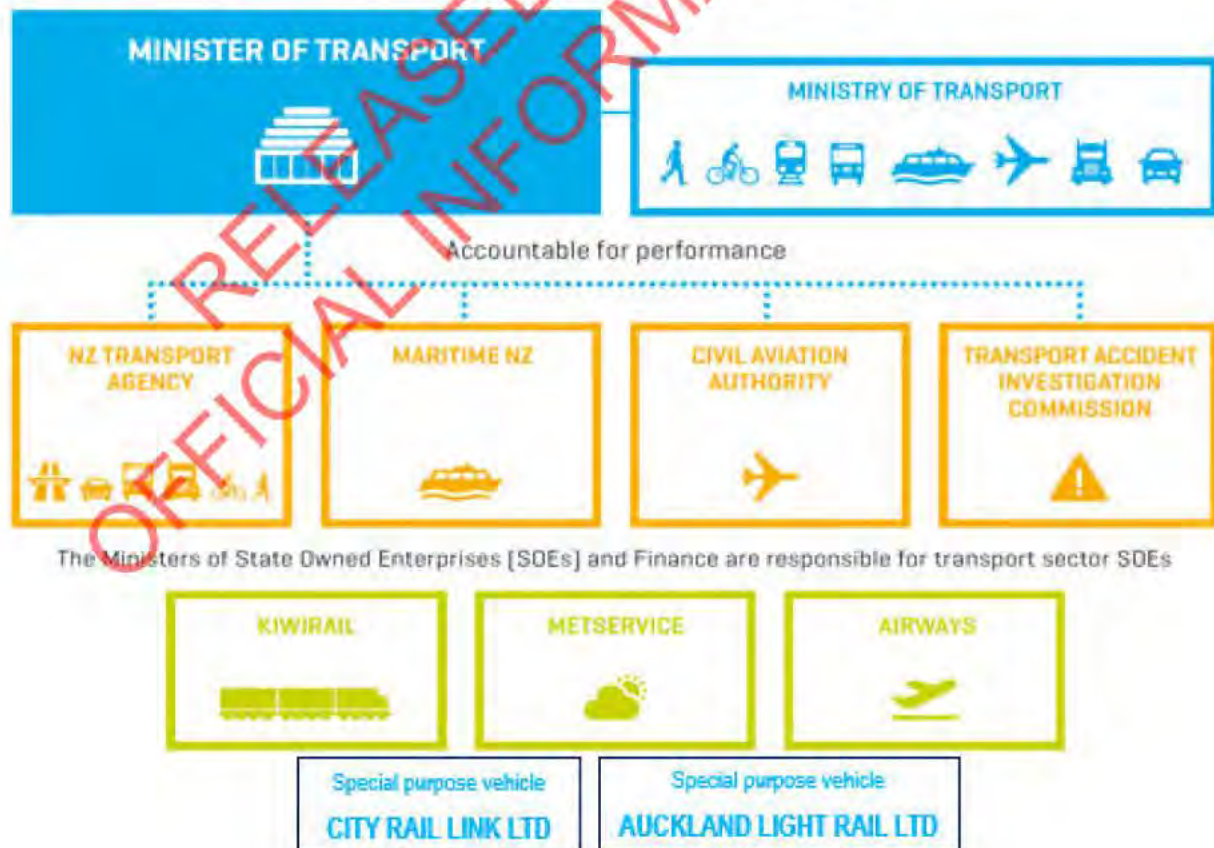
The different parts of the transport system

Central government is heavily involved in the transport system as a planner, funder, partner, enforcer, and regulator. A major part of your role will be working with transport sector agencies that help deliver the Government's objectives, these include:

- Te Manatū Waka Ministry of Transport (the Ministry) is a government department.
- Waka Kotahi NZ Transport Agency (Waka Kotahi), the Civil Aviation Authority (CAA), Maritime New Zealand (MNZ) are transport agencies.
- The Transport Accident Investigation Commission (TAIC) is an independent Crown entity and Standing Commission of Inquiry.
- There are three state-owned enterprises (SOEs): KiwiRail, Airways Corporation of New Zealand Ltd (Airways), and Meteorological Services of New Zealand Ltd (MetService).
- Auckland Light Rail Limited (ALRL) was established in late 2022 under Schedule 2 of the Crown Entities Act 2004. Additionally, City Rail Link Limited is the sole company under Schedule 4A of the Public Finance Act, jointly established by the Crown and Auckland Council to deliver Auckland's City Rail Link (CRL).

You have different roles and responsibilities in relation to each of these agencies.

Figure 1 Relationship between you, the Ministry, SOEs and agencies



*The Ministers of Transport and Finance are jointly responsible for CRL and ALRL.

We can help you understand the implications of your decisions on the transport system, from modelling the impacts, to monitoring and evaluating the effectiveness of policies and investment in infrastructure. For example, the Ministry has developed a **National Transport Model (Monty)** to understand how people interact with the transport system.

The **Ministry's Transport Sector Monitoring Framework** provides a consistent approach to monitoring how well services or interventions are being delivered, whether they have been delivered in a timely and fiscally responsible way and if outcomes have been achieved..

The **Transport Evidence Base Strategy (TEBS)** and the **Decarbonising Transport Research Strategy (DTRS)** set out the paths to ensure the transport sector has the right data, information, research and evaluation to support policy decisions. Implementing the TEBS and the DTRS is the responsibility of transport agencies (e.g., through the Land Transport Sector Research Programme managed by Waka Kotahi) and SOEs, working alongside local government and other stakeholders.

Key transport responsibilities

As Minister, you have a range of levers to influence the transport system. There are differences in the way the various levers are exercised for each mode, and each mode has its own regulatory model. Our advice to you will always focus on how you can make use of these levers to achieve your objectives.

You are responsible for 20 transport Acts which set out:

- the roles and functions of the Ministry, transport agencies and TAIC, and SOEs
- the planning and funding arrangements for land transport
- the roles and powers of local authorities for transport activities and road controlling authorities
- licensing and certification arrangements for transport system users, vehicles and technology
- the requirements for making transport regulations and rules
- compliance tools to promote adherence to safety, security and environmental requirements across transport modes.

Investment and revenue

Investing in transport infrastructure is a priority for any Government. Investment comes from range of funding sources, including the National Land Transport Fund (NLTF) revenue, local authority funds, Crown funds and loans. This investment is used to build, operate and maintain the network and services and influence how people decide to travel through funding alternative travel options.

The GPS allows you to guide investment from the NLTF

The GPS outlines what the Government wants to achieve in land transport, and how it expects to see funding allocated between types of activities (for example, roading, public transport and road safety) across the land transport system. Each GPS sets out the priorities for the following 10-year period and is reviewed and updated every three years

KEY TRANSPORT RESPONSIBILITIES

While you can use the GPS to indicate what types of transport activities you want delivered, you cannot specify what individual projects are funded using hypothecated NLTF revenue.

The Land Transport Management Act 2003 (LTMA) requires you to issue a GPS. This statutory document allows you to guide investment from the NLTF and can be used both to maintain a level of service and drive change on the land transport network, while delivering value for money. This is done through applying the Ministry's value for money assessment model in the appraisal and evaluation process and establishing funding ranges for activity classes. Each GPS sets out the priorities for the following 10-year period and is reviewed and updated every three years.

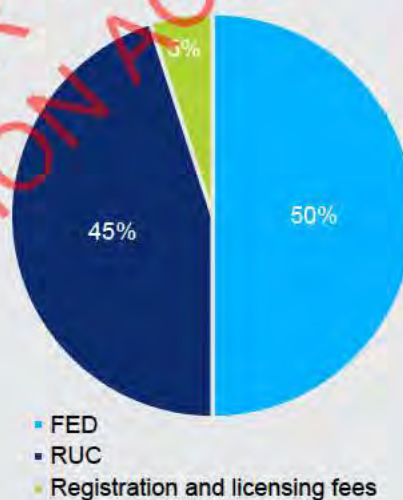
The LTMA gives Waka Kotahi statutory independence to select projects for the National Land Transport Programme (NLTP). However, the GPS can set an expectation for Waka Kotahi to consider government programmes and priorities when allocating funding through the NLTP.

The NLTF is mainly funded by motor vehicle users

The NLTF is administered by Waka Kotahi and collects about \$4.2 billion per annum. The main sources of revenue for the NLTF are:

- Fuel Excise Duty (FED) which is tax applied at a rate of 70c/l to petrol and 10.4c/l to liquid petroleum gas.
- Road User Charges (RUC) which is a distance-based charge applied to diesel vehicles and heavy vehicles over 3.5 tonnes. Different RUC rates are applied to vehicle classes depending on weight and axle configuration and range from \$76 to over \$1,000 per 1,000 km travelled.
- Motor vehicle registration and annual licensing fees

Main sources of revenue for the NLTF (%)



Revenue from the fund is invested in state highways, coastal shipping, local roads, road policing, walking and cycling, and public transport. Local government matches the \$1 billion contribution from the NLTF with another \$1 billion per year of its own funding.

National rail network maintenance and renewals investment is also funded through the NLTF as part of the Rail Network activity class. KiwiRail is required to prepare a Rail Network Investment Programme (RNIP) every three years, and you are responsible, as Minister for Transport, for approving KiwiRail's RNIP

You can adjust the rate of charges and duties for the NLTF to meet your priorities

RUC rates are set through the RUC Rates Regulations 2015 and changes must be confirmed by Parliament. FED is generally set through amendments to the Customs and Excise Act 2018 and sometimes by an Order in Council.

Crown funds can supplement transport revenue and be used to purchase specific projects or programmes

Not all investment in the transport sector has been able to be met from the NLTF. Increasingly, the Crown has made direct investments in specific transport activities through the annual budget process led by the Minister of Finance.

Unlike investment from the NLTF where the Waka Kotahi Board has an independent role in overseeing and monitoring expenditure, ministers are accountable for Crown-funded activities. Ministers have decision making rights when changes are needed to the budget, scope or timeframes for these projects. While bodies like Waka Kotahi or KiwiRail may deliver Crown-funded activities and investment programmes, the Crown usually establishes additional oversight arrangements for any projects or programmes with Crown funding, such as the NZ Upgrade programme. These arrangements give Ministers assurance the intended investment outcomes are being achieved.

Economic and educational tools

You can use travel demand management tools to drive behaviour change within the transport system

Pricing and other economic tools can be used to encourage more efficient use of the network and can be used by local government to influence travel choices and decisions. Such tools include differential charging of public transport (e.g., reduced off-peak fares), subsidised public transport fares, tolling, congestion charging, and parking fees.

Tolling, for example, can contribute to the cost of building and maintaining new roads. You are the key decision maker and responsible for recommending to the Governor General that a road is tolled under the LTMA. The Ministry will provide advice on tolling proposals, liaise with the Road Controlling Authorities, and advise on the legislative process to establish a tolling order.

Information and education are used in road safety and can nudge people to make more informed travel decisions by communicating information about their travel choices. Examples of ways we can influence travel choices and decisions include travel planning apps, social media marketing, information provision, and mass media campaigns.

The greatest benefits come from combining economic and educational instruments with complementary measures, such as infrastructure provision and legislative changes. In doing so, these measures help to achieve the outcomes you want to see in the transport system.

Regulation

You have a range of tools in the transport regulatory system to deliver durable transport outcomes

Regulation is indispensable to the proper functioning of economies and societies. Regulation underpins markets, creates an enabling environment for firms and individuals, protects the rights and safety of citizens, and ensures the delivery of public goods and services.

KEY TRANSPORT RESPONSIBILITIES

The system is comprised of primary and secondary legislation (which includes regulations, rules, and other instruments) and local government by-laws¹. You are responsible for the passage of primary transport legislation through Parliament. The Ministry supports you to do this.

Some transport regulation involves the direct prohibition or authorisation of some commercial activity. For example, foreign ships are prohibited from carrying coastal cargo, except in specific circumstances and with approval. Airlines operating scheduled international services require an international air services licence, issued within parameters set out in Air Services Agreements. Some parts of the transport sector are subject to regulation by other agencies, e.g., the Commerce Commission regulates the disclosure of pricing by airports given their monopolistic nature.

Regulations set out associated offences and penalties, fees, and charges

Transport regulations mainly set out the associated rule-related offences and penalties, and fees and charges that fund the work of the transport agencies. The Ministry leads the development of these with involvement from transport agencies and SOEs, and the NZ Police depending on the subject. Regulations must be approved by Cabinet.

Transport rules contain detailed standards, requirements and procedures that govern transport activities

Transport rules are the most common form of delegated legislation for transport. Rules contain detailed technical standards, requirements, and procedures governing transport activities within modes. You are empowered under primary legislation to make these rules through delegated responsibilities. You are expected to advise Cabinet you intend to make a rule if there would be wide-ranging impacts. There is an expedited rule making process where urgent changes can be made by Order in Council.

The transport Crown entities develop most transport rules with the Ministry's involvement, but the Ministry leads policy development on significant rules.

Transport instruments support a more flexible regulatory system

Transport instruments improve the flexibility of the rule-making process by having more customised consultation requirements, meaning changes that only affect a small number of transport users can be progressed quickly. Transport instruments are more easily amended in response to technological innovation.

Transport instruments are outlined in a rule made by you as Minister of Transport, with the design and management delegated to a specified official (such as the Director of the relevant transport agency). Several transport instruments exist in Maritime legislation, with more planned in other modes as part of work on secondary legislation. The Civil Aviation Act 2023 (which comes into force in 2025) also empowers the Minister to create transport instruments.

Crown monitoring, assurance, and oversight

You have a role in appointing board members to the transport agencies and transport Crown entities, setting their expectations and monitoring their performance.

¹ As Transport Minister you have powers to amend, replace or disallow some local government bylaws.

Crown entity monitoring and oversight is a key mechanism to deliver your priorities

The Ministry and the transport Crown entities work collaboratively to progress your priorities and the delivery of transport outcomes, and other priority actions to maintain and renew the system.

Your role as responsible Minister of these entities is to oversee and manage the Crown's interests in, and relationship with, a statutory entity.² While you are ultimately accountable for their performance, the boards you appoint to these are primarily responsible.

The Crown carries out service delivery and regulation activities in the transport system through Crown transport entities and Crown companies: Waka Kotahi, MNZ, CAA, ALRL and CRL.

The Ministry is your monitoring agent for the transport Crown entities. The roles and responsibilities of the Minister, Crown entity and monitoring department are outlined in the *It Takes Three Framework*³.

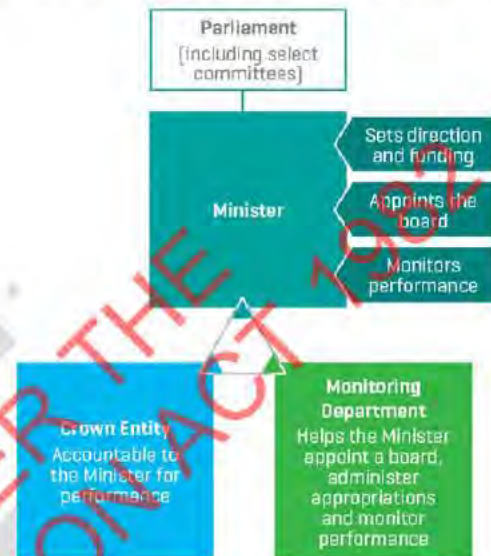


Figure 3 Roles and responsibilities of the Minister, Crown entity and monitoring department

You have a vital role in overseeing the delivery and performance of key transport agencies

Your oversight role, supported by the Ministry, is vital to ensure the transport Crown entities are effectively performing their functions, many of which deliver critical services to New Zealanders. Below are a range of accountability mechanisms that the Ministry will advise you on to assist you in overseeing the transport Crown entities and meeting your statutory responsibilities.

The capability and performance of the transport entity boards is critical in delivering your priorities and expectations

Each Crown entity and company is governed by a board. There are a maximum of 69 ministerial appointed positions across the transport sector. This is comprised of up to 23 positions on Crown entities, including positions on the ALRL Board, CRL Board, Aviation Medical Conveners, and advisory committee positions. TAIC Commissioners are appointed by the Governor-General on your recommendation and also act as the members of that entity's Board.

Crown entity boards have the primary responsibility for their entity's performance. They exercise the power, perform the functions of each entity and hold responsibility for the operational decisions of their entities. You appoint (or recommend the appointment of) and oversee those boards as

² As defined under section 27 of the Crown Entities Act

³ <https://www.publicservice.govt.nz/guidance/it-takes-three-operating-expectations-framework-for-statutory-crown-entities/>

KEY TRANSPORT RESPONSIBILITIES

responsible Minister and are assisted by the Ministry as your monitoring agent, assisting you in discharging your statutory functions.

Before appointments fall due, we will provide you with advice to support the appointment and re-appointment of board members. As part of this process, we will provide you with an overall assessment of board capability and recommendations on the skills and capabilities needed to ensure your boards are well governed, effective, and high performing.

Table 1 Accountability mechanisms

Accountability Mechanism	Description
Letter of Expectations	Primary mechanism used to set the priorities and performance expectations on an annual basis. You can expect to receive draft letters from the Ministry around October/November. These letters are sent out well in advance of the financial year, so Crown entities can respond effectively.
Statement of Intent	Sets out the entity's strategic intentions against the Government's priorities and direction. The Statement of Intent is developed by an entity for at least a four-year period.
Statement of Performance Expectations	Sets out the entity's annual delivery and performance expectations against your Letter of Expectations and the Statement of Intent. Entities are required to provide their final drafts of their Statements of Performance Expectations for your comment before 1 May each year.
Annual Report	Sets out entities' annual non-financial and financial performance against the expectations set out in the Statement of Performance Expectations. You can expect to receive annual reports from each entity around October.
Quarterly reporting	Performance reporting provided by the entity against the priorities and expectations set out in the Statement of Performance Expectations.

You will have regular meetings with Crown entity chairs to discuss entity governance, performance and key risks. The Ministry will provide you with advice to assist in your engagement.

The Ministry also conducts other assurance, funding, contracting and reviewing activities

In addition to overseeing and monitoring the Crown entities and companies on your behalf, the Ministry also conducts other activities for government transport initiatives and programmes, Crown entities and Crown companies. For example, providing advice on and monitoring programmes such as the NZ Upgrade Programme, the Climate Emergency Response Fund (CERF), and managing the MetService contract to ensure New Zealand has a service that fulfils the World Meteorological Organisation Technical Regulations.

The Ministry uses the **Transport Sector Monitoring Framework** which provides a structured approach to monitor interventions. This assesses entity governance, capability and performance, how entities communicate information to the board, their assurance mechanisms for key projects and programmes, and whether the board is receiving the necessary information from an entity. The approach is informed by your priorities and our assessment of key risks for each entity.

Influencing the international environment

New Zealand's transport regulatory systems are significantly shaped by international obligations, standards and recommended practices. New Zealand benefits strongly from international transport regulatory frameworks, which underpin our international connections and facilitate our trade in goods and services.

The Ministry and the Crown Entities work together to:

- monitor and understand what is happening internationally, and how it affects, or may affect, New Zealand's transport system
- influence relevant international standards to protect and promote New Zealand's interests
- ensure New Zealand meets its international transport commitments

A wide range of international organisations influence New Zealand's transport settings. Some of the key organisations the Ministry works with, and their role, are:

- **The International Civil Aviation Organisation:** sets standards and regulations for the aviation sector (international safety, security, and environmental protections).
- **International Maritime Organisation:** sets standards and regulations for the maritime sector (international safety, security, and environmental protections).
- **International Labour Organisation:** sets conditions of work and employment on ships (under the Maritime Labour Convention).
- **United Nations working parties:** New Zealand has obligations as a party to two United Nations Agreements relating to road vehicle and road vehicle standards. Under these agreements, regulations and standards are set to improve road safety and facilitate international trade.
- **World Meteorological Organisation:** Fulfils New Zealand's obligations under the World Meteorological Organisation, the United Nations specialised agency for weather, climate, and water, by way of the Ministry's contract with MetService.

Your engagement at the international level is important

The Ministry will provide advice on where we consider there will be good value in your engagement in Ministerial-level forums

Key opportunities over the next year may include:

- The Transport and Infrastructure Council.
- Pacific Transport Ministerial-level meetings.
- International Transport Forum (ITF) Annual Ministerial Summit.
- Asia-Pacific Economic Cooperation (APEC) Ministerial meeting.

Delivering your priorities

As your Ministry, we can help to embed your priorities and connect them with whole of government priorities and advise you on how to use the available levers to achieve your short-, medium-, and longer-term goals. This includes working with the transport agencies to develop a coherent strategic view of the longer-term needs for the transport system.

Medium term-strategies that use a package of interventions to address specific issues may be developed or amended. For example, the **Road to Zero** strategy was developed to respond to a sustained high level of deaths and serious injuries on New Zealand roads. The strategy supports a range of actions to reduce road trauma which can be monitored and adjusted over time.

Transport sector agencies also support a range of cross-government strategies. For example, the Ministry and the CAA also have important roles in supporting the implementation of the **Aotearoa New Zealand Aerospace Strategy**, led by the Ministry of Business, Innovation and Employment.

Additionally, there are short-term transport sector delivery plans, many of which are governed by Acts of Parliament and are key components of the transport planning and funding system. For example, the **Decarbonising Transport Action Plan (2022-25)** sets out what the Government will do to implement the transport actions in the first Emissions Reduction Plan, and what we need to reduce our transport emissions by 41 percent by 2035 and reach net zero by 2050.

Transport's role within the wider system

Outside of existing collaboration between government agencies and SOEs, collaboration with other stakeholders in the transport system is critical to realising positive transport outcomes.

Effective and meaningful engagement with stakeholders from local government, the private sector, researchers and iwi will be critical to achieving government priorities and shaping the transport system. We can provide you with further advice on engagement that you should prioritise, and when.

There are other important levers that transport does not 'own', but there are actions that can be taken to influence these. For example, land use is an important lever that requires cross-system collaboration and agreement.

Given its role as a key enabler of social and economic connections, the transport system intersects with a wide range of other systems at the local, national and global levels. This underlines the need to coordinate and recognise the impacts decisions in transport may have on other sectors.

Figure 4 below illustrates some of the key relationships with the transport system, and Appendix 2 includes further detail on some key areas where a coordinated response and decisions are required, including maritime security, border security and climate response.

TRANSPORT'S ROLE WITHIN THE WIDER SYSTEM



Figure 4 Transport's role within the wider system

Notes

- 1 Key groupings
- 2 * Secretary for Transport attends ODESC as required

Appendix 1 Emergency Management and search and rescue functions

Emergency Management and search and rescue functions

Emergency Management

The transport system is vulnerable to major natural events and man-made shocks that disrupt services. The Ministry exercises its system stewardship role by being the transport sector lead on resilience and security policy matters with other government agencies such as the Department of Prime Minister and Cabinet (DPMC), the National Emergency Management Agency (NEMA), and the National Security System. The Ministry works closely with the other transport Crown entities to plan for future needs and emergencies so the transport sector can respond efficiently and effectively to system disruptions or damaged infrastructure.

System planning and preparedness is reviewed during DPMC-led Officials Committee for Domestic and External Security Coordination (ODESC) forums and exercised as part of the NEMA-led all-of-government National Exercise Programme. During significant responses the Ministry will activate and lead the Transport Response Team (TRT), which acts as the sector coordinating entity for transport under the Civil Defence and Emergency Management Act. As a non-operational agency, the Ministry's role is to coordinate the transport sector and ensure a single transport voice is provided to the lead agency for the response and to Ministers.

New Zealand Search and Rescue Council

New Zealand's 30 million km² Search and Rescue (SAR) region (the world's third largest) extends from the South Pole to the southern border of the Honolulu region, halfway to Australia and Chile, and includes American Samoa, Cook Islands, Niue, Norfolk Island, Samoa, Tokelau, and Tonga. Collectively, the SAR sector comprises approximately 11,095 people from a wide variety of public, non-government and commercial organisations of whom around 89 percent are volunteers. During the 2022/23 year, the sector saved 137 lives, rescued 744 people, and assisted a further 1130 people. These actions averted \$1.639 billion in social costs to New Zealand.

The New Zealand Search and Rescue (NZSAR) Council, established by Cabinet in 2003 provides strategic governance, leadership to the SAR sector, manages the government's investment into the sector and provides SAR advice to Ministers. The Council consists of the chief executives of departments with SAR responsibilities and includes the Ministry (chair), Maritime NZ (MNZ), the Civil Aviation Authority, the Department of Conservation, the NZ Police, the New Zealand Defence Force, Fire and Emergency NZ, and a non-government independent member.

The Ministry receives funding for and hosts the NZSAR Secretariat. Either the NZ Police or the Rescue Coordination Centre NZ (which is an operating group within MNZ) coordinates SAR operations. The responsible coordinating authority will request the use of SAR assets depending on the requirements of the operation. A wide variety of organisations may participate in SAR operations, including the Department of Conservation, NZ Land Search and Rescue, Coastguard NZ, Surf Life Saving NZ, rescue helicopters, the NZ Police, commercial vessels, Defence and a variety of smaller organisations or assets including members of the public.

The SAR sector's revenue comes from a variety of sources, including Crown funding through Vote Transport, Vote Police, Vote Conservation, and Vote Defence, and hypothecated funding collected under the LTMA (which recognises FED paid by recreational boat users). Commercial sponsorship, local fundraising, community grants, class 4 gaming (including gaming machines from pubs and clubs) and the Lotteries Grants Board also provide funding to the wider search and rescue and recreational safety sectors.

Ministers of Transport and Finance are empowered under the LTMA to allocate FED funding for SAR purposes. The NZSAR Council (on behalf of the Ministry) administers approximately \$21.8 million per annum of FED investment into SAR sector agencies. The NZSAR Council (on behalf of the Ministry) also administers the government's investment of \$15.1 million per annum into frontline water safety rescue and prevention services (Coastguard NZ and Surf Life Saving NZ).

Appendix 2 Cross system collaboration

Maritime Security

You are the lead minister for Maritime Security and the Ministry is the lead agency for maritime security policy. The Ministry chairs the Maritime Security Oversight Committee (MSOC) which is responsible for oversight of New Zealand's maritime security and comprises the lead 11 maritime security agencies. MSOC developed a Maritime Security Strategy (endorsed by Cabinet in 2019) in response to multiple, increasing security pressures.

There are 12 core national security issues within the National Security Strategy with each issue assigned a Strategic Coordination Agency. The Ministry performs that role for maritime security so sits on the National Security Board where it is also able to represent other national security issues such as transport security and the supply chain.

Border Executive Board

The Border Executive Board (BEB) is an interdepartmental executive board with six member agencies – New Zealand Customs Service (chair), Ministry for Primary Industries, Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, Manatū Hauora Ministry of Health, and Te Manatū Waka Ministry of Transport. The BEB provides joint accountability for New Zealand's border system and acts as a single point of contact for issues and opportunities that can only be progressed by working across more than one agency.

Cabinet has set five accountabilities for the BEB and approved the first BEB Border Sector Strategy in May 2023. The BEB has four priorities for 2023/24: implement the digital arrival card; progress trans-Tasman seamless travel; respond to the resumption of demand for air travel; and coordinate maritime activity. The work programme is reviewed on a six-monthly basis and includes a mix of stewardship, coordination and improvement activity.

Climate Change Chief Executives Board

New Zealand has international commitments under the Paris Agreement, and a domestic legislative framework (under the Climate Change Response Act 2002) that commits the government to ambitious emissions reduction targets and to improving our resilience and ability to adapt to the effects of climate change. The Climate Change Chief Executives Board (the Board) was established in July 2022 as an Interdepartmental Executive Board (IEB) under the Public Service Act 2020 to align and co-ordinate cross-department climate change action.

The Board comprises of eight chief executives, is chaired by the Secretary for the Environment, and is responsible to the Prime Minister for its operations. The Ministry of Transport's Chief Executive serves on the Board to drive collaboration with other key departments alongside delivering on your transport portfolio commitments.

While the Board is responsible for overseeing the delivery of the first emissions reduction plan and national adaptation plan as a whole, Te Manatū Waka remains accountable for the delivery of actions within your portfolio.

For more information on the Board and its work, please refer to the Climate Change Chief Executives Board BIM.

Appendix 3 Summary of transport agencies, Crown entities, state owned enterprises, and their functions

Agency/SOE	Key Functions
Te Manatū Waka Ministry of Transport	The Ministry advises you, and government more widely, on all policy and regulatory matters within the transport system, and also on funding and governance of the transport Crown entities. The Ministry has key functions under five key levers (previously detailed).
Waka Kotahi	<p>Waka Kotahi is a Crown entity primarily governed by the Land Transport Management Act 2003 (LTMA) and Crown Entities Act 2004. Waka Kotahi's functions include investing in, and managing most aspects of the land transport network, including rail.</p> <p>Waka Kotahi has a set of statutorily independent functions, including determining which activities should be included in the NLTP. Waka Kotahi also approves activities as qualifying for payment from the NLTF, approving procurement procedures for land transport activities, issuing or suspending any land transport document or authorisation, and exercises enforcement powers.</p> <p>Waka Kotahi has regulatory compliance and enforcement responsibilities relating to aspects of rail safety, driver licensing, vehicle testing and certification and revenue collection.</p>
Civil Aviation Authority (CAA)	CAA is a Crown entity primarily governed under the Civil Aviation Act 2023 and Crown Entities Act 2004. Led by the Director of Civil Aviation, the Authority has two functional divisions: Civil Aviation Authority performs safety and security regulatory functions, and Aviation Security Service (Avsec) delivers aviation security services at New Zealand's six security designated airports.
Maritime New Zealand (MNZ)	MNZ is a Crown entity established under the Maritime Transport Act 1994. It is responsible for promoting a safe, secure, clean and sustainable maritime environment for all commercial and recreational activities on the water and minimising the impact of maritime incidents and accidents on New Zealand and its people. MNZ has both a domestic and international focus.
Transport Accident Investigation Commission (TAIC)	<p>TAIC is an independent Crown entity, and acts as a standing commission of inquiry. The Commission's core purpose is to determine the circumstances and causes of certain aviation, rail and maritime occurrences with a view to avoiding similar occurrences in the future, rather than to ascribe blame.</p> <p>TAIC was established to assist New Zealand to comply with its international aviation obligations of ensuring independently conducted, safety-focused accident and incident investigations, a role that has since expanded to include investigations of maritime and rail occurrences. The Commission has a range of investigative (not enforcement) powers.</p>
City Rail Link Limited	<p>City Rail Link Limited is listed as a company under Schedule 4A of the Public Finance Act. It was established in 2017 by the Crown and Auckland Council to deliver Auckland's City Rail Link (CRL) project.</p> <p>The Crown and Auckland Council jointly own City Rail Link Limited (with a 51/49 percent shareholding respectively). You are jointly responsible, with the Minister of Finance, for the Crown's interest in City Rail Link Limited (as shareholding Ministers). Board appointments require joint agreement from the Crown and Auckland Council.</p> <p>The Board operates independently to shareholding Ministers and Auckland Council, in accordance with the Project Delivery Agreement. The Project Delivery Agreement is a contractual agreement between the Crown, Council and City Rail Link Limited that sets out the terms for City Rail Link Limited to manage the delivery of the CRL project on behalf of the Crown and Council, as joint sponsors of the project.</p>

TRANSPORT'S ROLE WITHIN THE WIDER SYSTEM

Agency/SOE	Key Functions
Auckland Light Rail Limited	<p>Auckland Light Rail Limited (ALRL) was established in late 2022 under Schedule 2 of the Crown Entities Act 2004 to deliver a Detailed Business Case (DBC) by mid 2024 for the Crown to make a final investment decision on a light rail route from the Auckland city centre to Auckland Airport. The ALR project includes urban development and integration with other transport initiatives and systems, such as the Additional Waitematā Harbour Crossing.</p> <p>You are jointly responsible for ALRL along with the Minister of Finance and the Minister of Housing with each Minister having a 1/3 share in ALRL. In addition, Auckland Council and Manu Whenua representatives are joint sponsors along with the Crown.</p> <p>The Board operates independently at arm's length to shareholding Ministers and Sponsors, in accordance with the Project Planning and Funding Agreement. This is a contractual agreement between the Crown, Council and ALRL that sets out the terms for ALRL to manage the delivery of the Auckland Light Rail project.</p>
KiwiRail	<p>KiwiRail is a SOE responsible for operating freight and tourism passenger services on 3,700 kilometres of rail network and three inter-island ferries. KiwiRail owns, maintains and upgrades the national rail network and associated infrastructure, including the rail networks used by Auckland and Wellington passenger rail services. KiwiRail will also be responsible for operating Te Huia (Hamilton to Auckland start-up service), once it is operational.</p> <p>Auckland Transport and Greater Wellington Regional Council are responsible for planning, funding and procuring operators for the passenger rail services in their regions. They also own the passenger rolling stock and related infrastructure required to support operations, such as station buildings and maintenance depots. KiwiRail's core purpose is to move people and freight, and to cooperate with other players in the sector to create integrated transport solutions for customers. KiwiRail is focused on efficient freight movements (via rail and ferry) and helping customers to be more competitive.</p>
Meteorological Service of New Zealand Ltd (MetService)	<p>The core purpose of MetService is to provide weather services that support safety of life and property and, as a SOE, add value to the New Zealand economy. The weather impacts significantly on New Zealand's economy, transport safety, primary industries, energy production/consumption and general public safety.</p> <p>MetService provides a wide range of weather information services and data to government (including other transport sector agencies), business, and directly to the public, to promote public safety and inform weather-related risk management and decision making.</p> <p>MetService works closely with other transport sector agencies. It provides specialised road environmental information services to Waka Kotahi and its Network Operations Contractors (contracted to maintain the operations of road networks), and for the management of weather impacts on the state highway network and other major roads.</p>
Airways Corporation of New Zealand Ltd (Airways)	<p>Airways is a commercial Air Navigation Service Provider (ANSP) that is committed to ensuring safe skies for today and tomorrow. Airways works with partners to provide global aviation customers with safe, integrated airspace management through a proactive safety culture, expert knowledge, and technology-enabled solutions.</p> <p>Airways provides air traffic control services and infrastructure to enable safe, reliable and efficient air transport within the New Zealand Flight Information Region. Airways is also responsible for maintaining and investing in the aviation infrastructure that supports New Zealand's air traffic management system. Airways invest in new technology that enhances safety and delivers real economic and environmental benefits for customers and the public.</p> <p>As an ANSP, Airways is regulated by CAA and provides its service in line with Civil Aviation Rules and international standards.</p>

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Briefing to the Incoming
Minister (System)

Your guide to the Transport
system

transport.govt.nz



Te Kāwanatanga o Aotearoa
New Zealand Government

From: [John Edwards](#)
To: [Alec Morrison](#); [Carmen Mak](#); [Bronwyn Turley](#)
Subject: FW: Draft Strategic BIM
Date: Thursday, 26 October 2023 8:57:21 am
Attachments: [Strategic BIM - Fourth Draft - SLT 16 October 2023.docx](#)

Comments from TAIC on the Strategic BIM fyi.

From: Martin Sawyers <Martin.Sawyers@taic.org.nz>
Sent: Wednesday, October 25, 2023 9:34 AM
To: John Edwards <j.edwards@transport.govt.nz>
Subject: RE: Draft Strategic BIM

Hi John,

Please see draft with our comments and suggested amendments.

Thanks.

Martin

Ngā mihi

--

Martin Sawyers

Chief Executive - Tumu Matua

s 9(2)(a)

Transport Accident Investigation Commission
Te Kōmihana Tirotiro Aituā Waka
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'No repeat accidents – ever!'

From: John Edwards <j.edwards@transport.govt.nz>
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Subject: Draft Strategic BIM

You don't often get email from j.edwards@transport.govt.nz. [Learn why this is important](#)

Kia ora tātou

Following on from Alec's email about our System BIM, please find a draft of the Ministry's Strategic BIM for your consideration. This BIM aims to provide an overview of the opportunities and challenges facing the transport system.

Please let us know if you have any show stoppers by **Midday 25 October 2023**. Feel free to pass the draft onto those looking after your respective BIMs – we have copied in those we have already been in contact with. Please note that the draft is still evolving and we are especially working to shorten the content.

If you have any questions, please feel free to get in touch. We appreciate any thoughts you might have.

Ngā mihi

John Edwards

Kaitohutohu Matua | Principal Adviser

Rautaki | Strategy

Te Rautaki Pūnaha Waka me te Pūtea Haum | System Strategy & Investment

Te Manatū Waka Ministry of Transport

s 9(2)(a)

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

Te Manatū Waka Ministry of Transport

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Contents

Part One: He Wakamana i a Aotearoa Kia Momoho Enabling New Zealanders to Flourish	1
Transport is critical for New Zealand’s economic, social and environmental health.....	1
Growing demands on the transport system are creating new challenges.....	2
The land transport system is more expensive to build and maintain	2
Ambitions for new investment are growing beyond capacity.....	3
A new approach to paying for land transport is needed.....	4
We need to decarbonise the transport system.....	4
New Zealand’s international connections are increasingly vulnerable and uncertain.....	4
New technologies need to be integrated	4
Transport safety and security remains a priority	5
You can guide and shape the system to meet present and future challenges.....	5
Short-term policy priorities	5
Part Two: Strategic Opportunities and Challenges	7
Investing in a high-quality transport system	7
Challenging economic context.....	7
New Zealand has been spending more on transport.....	7
The Government invests in land transport through the National Land Transport Fund and through direct funding.....	7
GPS 2024 will set the Government’s land transport policy	8
There are fiscal constraints in Budget 2024.....	9
Ensuring a sustainable land transport revenue system	9
The Ministry has been working on a sustainable land transport revenue system	10
Value capture mechanisms	10
Congestion charging	11
Tolling	11
Making greater use of private capital	12
The Ministry will meet you soon to discuss your investment and revenue priorities	12
A net-zero transport system.....	13
The Climate Change Response Act 2002 sets New Zealand’s framework for reducing emissions.....	13
New Zealand’s overall emissions reduction success is likely to rely on transport meeting its potential to almost fully decarbonise by 2050	13
The transport sector is delivering on the first Emissions Reduction Plan (ERP1).....	14
Work is underway to develop the second Emissions Reduction Plan (ERP2)	15

CONTENTS

Meeting the third emissions budget and beyond require significant system changes	15
The next steps for ERP1 and ERP2	16
Aligning ERP1 with your strategic objectives	16
Ensuring ERP2 meets your strategic objectives	17
Maintaining and growing New Zealand's international connectivity	17
New Zealand's prosperity is heavily reliant on its connections to the world.....	17
New Zealand's international connections face a changing environment	17
Government can help promote efficient supply chains.....	17
Proposed actions for progress on international connectivity and supply chain issues	18
Developing thriving cities and regions.....	18
High quality transport is a basic requirement for cities and regions	18
Transport should be well-integrated with other sectors	19
Spatial planning is an important tool to support better integration	19
City and regional deals provide a potential mechanism to support spatial planning	19
The Ministry can provide further advice on spatial planning and city and regional deals.....	20
Strong Auckland, strong New Zealand.	20
Auckland is critical to achieving New Zealand's goals.....	20
Auckland continues to need a large investment in its transport networks	20
Rapid public transport is integral to improving Auckland's public transport network	21
The joint Government/Auckland Council Tāmaki Makaurau Transport Plan needs to be completed	22
Several major Auckland transport projects are underway.....	22
City Rail Link (CRL).....	22
Auckland Light Rail (ALR)	22
Waitematā Harbour Connections.....	23
Northwest.....	23
The Ministry will seek your direction on Auckland's transport priorities	23
Building a resilient transport system	23
The transport system connects New Zealanders but is vulnerable to shocks and disruptions	23
A lack of resilience drives extra costs into the transport system	24
The Ministry is working to enhance the resilience of the transport system	24
As the Minister of Transport, you can play an important role to enhance transport system resilience	24
Safer and more secure transport.....	25
Travel throughout the transport system needs to be safe and secure	25

Road crashes killed 376 people last year and cause \$8 billion of harm each year	25
Evidence suggests interventions are required across all parts of the system to improve road safety	26
New Zealand has made progress in some areas, but there are significant opportunities for improvement	26
Rail safety requires clear regulatory frameworks and investment	26
Emerging aviation technology require updated regulation	27
Maritime safety and security are important to people, the economy and the environment	27
Maritime legislation needs to be reviewed	27
As Minister of Transport, you can help to enhance transport safety.. ..	28
Using regulation to support transport outcomes and improve productivity	28
Regulatory frameworks are generally fit-for-purpose but require some refinements	28
Regulation is needed to realise the benefits of new technologies ..	28
Positioning New Zealand's regulatory frameworks for the future.....	29

Appendices

No table of contents entries found.

Schedules

No table of contents entries found.

Annexes

No table of contents entries found.

Tables

Table 1 Emissions budgets	13
---------------------------------	----

Figures

Figure 1 Heavy Civil construction employment	3
Figure 2 Forecast expenditure and revenue (Crown and National Land Transport Fund)	9
Figure 3 Average annual revenue raised by New Zealand's current tools	10
Figure 4 Additional emissions reduction needed	14
Figure 5 Transport emissions reduction by emissions budget period	15
Figure 6 Timeseries comparison of (emissions reduction) projections	16
Figure 7 Auckland Commuter Rail	22

CONTENTS

Figure 8 Road deaths per 1000,00 inhabitants (2022)..... 25

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Foreword

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

The Ministry has a key role to provide you advice on the decisions to sustain the transport system and to help achieve your transport priorities.

Transport is about people. We move to go to work or school, to connect with family, friends and communities, and to shift materials, goods and services. New Zealand's transport system enables the social and economic prosperity of our cities, towns and rural communities.

The transport system also has negative impacts, including road deaths and serious injuries, air and noise pollution that affects the health of the general population, as well as producing a significant proportion of New Zealand's greenhouse gas emissions.

This year, we have seen extreme weather events impacting communities and transport networks across the country. The Auckland Anniversary floods and Cyclone Gabrielle caused lasting damage to communities and vital infrastructure.

Increasingly, our cities and towns are facing funding pressures, driven by the demand for new or replacement infrastructure, of which transport is a major component. We must ensure the transport system is fit for future generations and able to withstand the impacts of extreme weather events.

Addressing these challenges places further pressure on existing funding models. The cost of maintaining the transport system, together with the need for repairs to roading and rail networks damaged by extreme weather events, will need to be balanced with new investment priorities.

The Ministry has been investigating the future of transport revenue system, including the role of additional funding tools, with the objective of providing more clarity on who should pay for what and how to apply a sharper focus on value for money.

The Ministry works collaboratively with agencies and stakeholders to advance a long-term, integrated approach to the transport system. To create thriving cities and regions the transport sector needs to be more closely joined-up with planning, housing, other infrastructure, and broader funding and financing models.

As a Crown agency, we have an important responsibility to actively improve outcomes for Māori to ensure a transport system serves all New Zealanders equitably. A key focus area for everyone at the Ministry is our He Arataki strategy which seeks to identify issues and opportunities for Māori in transport policy design and delivery.

As Minister of Transport, you can make real differences to the lives of all New Zealanders. In our role as system lead, we look forward to giving you the advice and support needed to put your priorities in place to help advance the nation's transport system.

Nāku noa, nā

Audrey Sonerson Secretary for Transport and Chief Executive

Glossary of terms and abbreviations

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Part One: He Wakamana i a Aotearoa Kia Momoho | Enabling New Zealanders to Flourish

Transport is critical for New Zealand's economic, social and environmental health

New Zealand's transport system connects us to work and school, to our whānau, to our communities and to the rest of the world. The smooth and sustainable movement of people and goods throughout the system is critical to our economic, social and environmental health. The transport system is an important contributor to productivity and economic growth. The system supports other sectors and society's wider goals like better and affordable housing, desirable cities to attract skilled and talented people and healthier New Zealanders. The system also has negative impacts, including producing a significant proportion of New Zealand's greenhouse gas emissions, other air and noise pollution that affects the health of the general population and deaths and serious injuries for the people using the system.

The transport system involves millions of journeys every day on extensive networks of public and private infrastructure across New Zealand. These networks connect a population spread-out thinly across regions, but also concentrated in cities, who all need to be well served by the transport system to meet their social and economic needs.

These networks are used by a wide array of vehicles every day, and there are competing demands, including increasingly for use of street and city spaces. New Zealand's environment and geography also mean our critical transport infrastructure is exposed to a broader and more consequential range of potential shocks than many other highly developed countries.

Some facts about New Zealand's transport system

- There are over **4.5 million** registered motor vehicles, which is one of the highest rates of vehicle ownership in the world – around **64,000** are fully electric light vehicles
- Transport produces **39%** of our domestic carbon dioxide emissions and **17%** of total greenhouse gas emissions
- Around **200,000 New Zealanders** (5% of the workforce) are employed in transport-related industries.¹
- Around **34% New Zealanders** aged 15 or more used public transport in the past year, while 36% aged 3 or more used a bike.

¹ Based on Statistics NZ Business Demography Statistics, Snapshot at February 2022

- Each year, more than half of New Zealander's total travel time (58%) is spent driving, and a further quarter is spent as passengers in private vehicles. Vehicles travelled a total of **48.8 billion kilometres** on New Zealand roads in 2022/23²
- **377 people** died on our roads in 2022
- Trucks, trains, ships and airplanes carried about **280 million tonnes** of freight around New Zealand in 2017/18 - **90%** was carried by road.³
- KiwiRail operates around **40,400 mainline freight departures** each year – replacing around 1 million truck trips.⁴
- **9.7 million passengers** arrived or departed from New Zealand in 2022/23 – **70%** of pre-COVID levels in 2018/19⁵.
- There were **2208 overseas ship voyages** to New Zealand in 2022 – an **18%** reduction from the peak in 2017.⁶
- **1.6 million full containers (TEU)** were imported or exported from New Zealand – **46%** entered through Ports of Auckland and 52% left through the Port of Tauranga.⁷
- Approximately **2 million adult New Zealanders** participated in recreational boating activities in 2022.⁸

Growing demands on the transport system are creating new challenges

As New Zealand has matured, the demands on the transport system have grown significantly. In the past, the challenge revolved around efforts to grow capacity as activity increased and keeping the system maintained. However, new challenges, especially the need to adapt and mitigate the effects of climate change, call for a fundamental shift in the way New Zealand's transport system operates. The long-lived networks underpinning the transport system need to be planned and funded over the long-term, managed and regulated effectively to support the shift needed.

The land transport system is more expensive to build and maintain

As the land transport system grows, it becomes more expensive to build, operate and maintain. Operating and maintenance costs are making up an increasing share of transport spending. This has taken place in the context of a planning and funding system, especially for land transport, that works well to signal investment priorities and ambitions but works less well to create incentives to spend money efficiently and effectively.

² Waka Kotahi, data published September 2023

³ National Freight Demand Study, 2017/18

⁴ KiwiRail Integrated Report 2023, p 10 and

⁵ Statistics NZ, International Travel and Migration – total passenger movements by travel mode

⁶ Freight Information Gathering System Data – Overseas ship visits

⁷ Freight Information Gathering System Data - Containers

⁸ Maritime NZ Survey

The increase in costs is driven by a range of factors, including cost inflation across the economy, climate events and natural disasters, increased aspiration for investment, a need to consider resilience, and an expanded range of activities being funded. This has led to increased pressure on the available funding and resulted in a range of short-term solutions being put in place, including increased Crown funding and debt.

Ambitions for new investment are growing beyond capacity

Investment in the transport system is an important way of increasing New Zealand's economic growth and meeting many of the social and educational ambitions of New Zealanders. Cities need to move people and freight efficiently while the regions need strong connections to well-run ports and airports to move their products to market. Still, investment ambitions are running ahead of the capacity of the revenue system to meet them or the capacity of the construction sector to deliver new projects, especially alongside ambitious programmes in other sectors like water and housing.

Planned expenditure for the next 20 years is nearly double the \$10 billion per annum of current investment, and more than four times the size of the National Land Transport Fund. These commitments have not been made based on a system-wide investment plan and have likely driven inefficiencies in the system. Management oversight is also spread very thinly which exacerbates risk.



Figure 1 Heavy Civil construction employment

Source: Ministry of Transport

There is a growing urgency to consider the balance between new expenditure and maintaining the system and establish a more certain and sustainable model for funding their transport priorities to meet short term needs and to establish an enduring model for the next decade and beyond. This will involve considering the balance between new expenditure and expenditure to maintain the system and how to apply a sharper focus on value for money. New Zealand must also look to other

tools, such as pricing and demand management (eg, congestion charging), regulatory interventions, use of data, and the way transport and land use are considered together.

A new approach to paying for land transport is needed

In the aviation and maritime sectors, the networks are mostly owned and operated by private interests, with some local government investment. However, in the land transport sector, central government plays a lead role in how the system is planned and funded. New Zealand's land transport system has been reliant on a narrow range of user charges (mainly taxes on fuel and charges on diesel and heavy vehicles) to pay for much of our land transport.

Over the last two decades, Crown contributions and borrowing have increased as the level of funding from user charges has fallen behind investment ambitions. This and other factors, have put the system under pressure. Our revenue system does not easily support large, long-term investments. Many of these have a scale of cost that needs to be spread over many years.

We need to decarbonise the transport system

Transport is one of New Zealand's largest sources of greenhouse gas (GHG) emissions, producing 40% of our domestic CO₂ emissions and 17% of total GHG emissions. Most transport emissions (92%) come from land transport (primarily light vehicles such as cars, utes and vans at 64%).

The Climate Change Commission has identified transport as a sector with the potential to almost completely decarbonise by 2050 and make large reductions from the third emissions budget period (2031-2035) onwards. Because some other sectors are expected to be more challenging to decarbonise, New Zealand's overall emissions reduction success is likely to rely heavily on transport realising this potential.

New Zealand's international connections are increasingly vulnerable and uncertain

New Zealand's ability to trade and connect with the world is increasingly influenced by geopolitics, the international politics of climate change and New Zealand's position as the last stop on many international supply chains. Aviation and maritime are emissions intensive industries and, in the coming decades, there will be growing global pressure on these sectors to decarbonise. Market based measures to reduce emissions in these sectors will be important, but they are likely to disproportionately impact New Zealand due to our distance from the rest of the world and a lack of viable alternatives. It is therefore important we work collaboratively with these sectors and support them to decarbonise as quickly as possible. These sectors are increasingly seeking government leadership, involvement and support for measures to enable and support their efficiency and transformation.

New technologies need to be integrated

Transport will need to integrate new advances in technology, including novel craft and new types of fuel. This brings considerable opportunity but also risk. Managing this quickly and safely will require some changes to the transport regulatory system. These changes will help ensure that regulation enables the use of this new technology in a way that does not impose unnecessary costs. Government will also need to continue to work closely with the private sector on how to fund the infrastructure necessary to adopt new technologies. For example, airports need to consider the

infrastructure investment required for aircraft which might be electrified or use hydrogen as a fuel source. Electrification of aircraft at scale will also have significant implications for the supply of electricity needed from the grid.

Transport safety and security remains a priority

Improving transport safety and enhancing security of the transport system remains an issue for New Zealand. For example, proportionally more people per capita are killed on our roads than most other OECD countries. The death rate in Australia per 100,000 people was 4.6 while, for New Zealand, it was 7.3 or approximately 58.7% more. Provisional figures for 2022 saw 377 people killed on the roads. Measures needed to improve road safety require sustained effort from government agencies and social acceptance from those who may be affected by changes. Meanwhile, it is critical New Zealand continues to effectively implement international security obligations for aviation and maritime to ensure New Zealand remains a trusted destination for airlines and shipping operators.

You can guide and shape the system to meet present and future challenges

The responses to the challenges and opportunities New Zealand's transport system faces will involve many choices. Over the next decade, New Zealand's transport system will need to evolve to produce net zero emissions by 2050, significantly reduce road deaths and serious injuries, and address identified challenges some groups and individuals face when accessing the transport system. The system will also need to further adapt to shocks like severe weather, future possible pandemics, natural disaster, or economic downturns.

While transport decision-making is more demanding than it has been in the past, there are good opportunities to achieve change. As Minister, you can shape the system to make sure all New Zealanders can access safe and efficient transport options, and the Ministry's role is to support you in your efforts.

As the Government's policy lead for transport, the Ministry commits to giving you robust, evidence-based, future-focused advice on the policy, investment, and regulatory settings that provide the best opportunity to achieve your goals. The Ministry's *System BIM* gives further detail on the policy tools and levers available to you, including the role of the Ministry's Transport Outcomes Framework.

Short-term policy priorities

There are several short-term priorities for you and your incoming Government to consider. The Ministry would like to discuss these with you as soon as possible. These priorities include:

- Finalising and issuing the 2024 Government Policy Statement on Land Transport (GPS). The GPS will give effect to your vision and priorities for investing the National Land Transport Fund into the land transport system. This will require you to consider how to fund the GPS, including progressing work on revenue options (eg, congestion charging) that can be implemented at pace.
- Alongside the GPS, ensuring a stronger focus on cost management in the land transport system given cost pressures.

- Confirming your intended direction for a range of major planned infrastructure investments, including the rapid transit network in Auckland.
- Confirming your approach to emissions reductions in the transport sector, including by setting priorities for the 2nd Emissions Reduction Plan (ERP2).
- Restoring the financial sustainability of our transport regulatory agencies, whose revenue streams were disrupted by the COVID-19 pandemic.

The Ministry looks forward to discussing your objectives and these priorities further with you.

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Part Two: Strategic Opportunities and Challenges

Investing in a high-quality transport system

Challenging economic context

With a challenging economic outlook, increasing risks to long-run fiscal sustainability and cost pressures, New Zealand must make choices about how the transport system will be developed and managed over the next decade and beyond. Government investment, along with other interventions, is needed to create a high-quality transport system for all New Zealanders. However, a good result requires investing in the right things and at the right time, with tight cost control.

New Zealand has been spending more on transport

New Zealand has been spending more on transport, both on new infrastructure and to sustain existing networks. This is driven by a range of factors, including cost inflation across the economy, climate events and natural disasters, increased aspiration for investment and an expanded range of activities being funded. More investment has been going towards public transport and rail, in part to meet broader objectives, such as improving access and reducing emissions. Around 60% of the funding available through the National Land Transport Fund is usually committed to maintenance and providing core services, such as road policing, and these activities are becoming increasingly costly.

With increased pressure on existing funding models, a range of short-term solutions are being put in place, including increased Crown funding and debt. Existing revenue sources are unlikely to keep pace with demands, unless decisions are taken to increase the amount collected. Fuel excise duty is a major source of revenue for the transport system, but will become less certain over time as vehicles become more fuel efficient and more people choose to travel by other modes.

An ambitious pipeline of projects has either been committed to, or explored, but the funding, scoping and phasing of these projects is still largely to be decided. These projects include Auckland Light Rail, the Strategic Investment Programme (outlined in the draft GPS 2024), and the additional Waitematā Harbour Crossing. If all these projects proceed to construction, the Ministry estimates the total investment in land transport from 2024 to 2034 will be \$125 billion, compared to \$61 billion in the 10 years from 2013-2023. Analysis from the New Zealand Infrastructure Commission, Te Waihanga, suggests this would materially exceed the capacity of the labour market in Auckland, even under optimistic growth assumptions.

The Government invests in land transport through the National Land Transport Fund and through direct funding

The Government Policy Statement (GPS) sets the Government's priorities for the National Land Transport Fund over a 10-year period. A draft GPS has been out for public consultation and, as a

INVESTING IN A HIGH-QUALITY TRANSPORT SYSTEM

statutory document, must be published by 1 July 2024. Finalising the GPS is essential to drive land transport planning and funding decisions made by both Waka Kotahi and local government.

Waka Kotahi gives effect to the GPS through the 3-yearly National Land Transport Programme, which sets out planned activities and projects. Waka Kotahi has statutory authority over what activities and projects are included in the National Land Transport Programme and approved for funding. Regional Land Transport Plans made by Regional Transport Committees, consisting of Waka Kotahi, local government and sometimes KiwiRail, feed into the National Land Transport Programme. This process helps reconcile the different priorities of central and local government.

Separate to the GPS process, the Crown has, at various times, funded additional transport projects through the annual Budget process. These have tended to be larger projects, such as those under the New Zealand Upgrade Programme (eg, Melling interchange, Ōtaki to north of Levin), or the Auckland City Rail Link. These projects may have bespoke delivery and governance arrangements depending on the preferences of the Government. Sometimes, these projects are committed before the final scope of the project or the full costs are fixed, leading to subsequent trade-offs in scope or unexpected cost increases.

GPS 2024 will set the Government's land transport policy

As well as setting out proposed strategic priorities, the draft GPS outlines the core investment required to maintain the system, the funding available from usual sources, as well as the suggested funding package to address the gap between them. That funding package emphasises the choices to be made in finalising GPS 2024 because it relies on raising FED and RUC (\$1.4 billion), Crown grants (\$2.7 billion), Crown loans (\$3.1 billion) and some non-traditional funding sources like the revenue from traffic infringements (\$300 million) and the Climate Emergency Response Fund (\$500 million).

While the proposed funding package would reduce the pressure over 2024-27, the Ministry expects there will continue to be a gap between expenditure and revenue. The draft GPS 2024 outlines a \$4.4 billion decrease in funding over 2027-30 compared to 2024-27.

In these circumstances, the investment proposed in the final GPS must be carefully prioritised, be affordable, and meet your objectives. Cost must also be better managed and demonstrate value for money. This includes strong business cases and ensuring there are a broad range of options considered, including options that do not involve investment, such as demand management. While there are also choices to generate additional revenue through existing tools, and maybe some newer ones, there will be constraints, especially in the face of upward pressure on the cost of living.

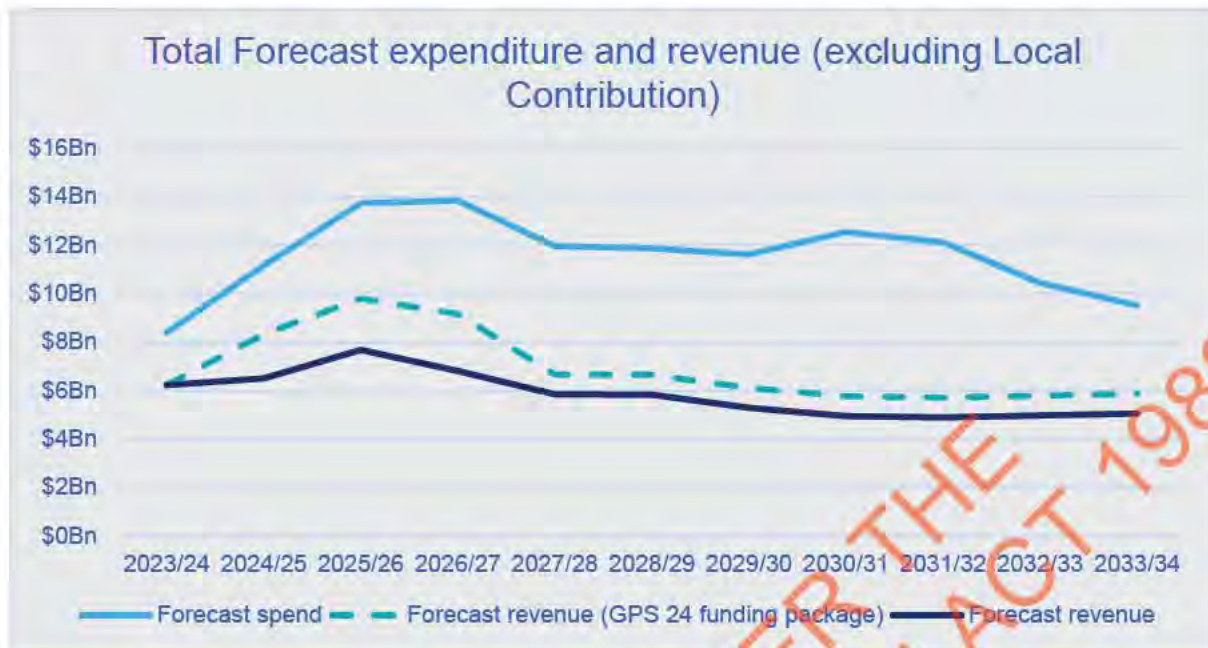


Figure 2 Forecast expenditure and revenue (Crown and National Land Transport Fund)

Source: Ministry of Transport

There are fiscal constraints in Budget 2024

The Budget process is your opportunity to seek new investment for the Transport sector to progress your priorities and meet pressing cost pressures.

With Budget 2024 allowances likely to be constrained, funding is likely to be insufficient to meet cost pressures and fund new spending proposals. While the position might differ under a new government, the Ministry is investigating opportunities to reprioritise existing funding towards new, higher priority initiatives and find savings.

Ensuring a sustainable land transport revenue system

The existing tools for funding the land transport system, like the distance and weight-based Road User Charges system for diesel and heavy vehicles, are still world leading. Fuel Excise Duty is also an extremely cost-effective and efficient method for collecting revenue from petrol vehicles.

However, these forms of funding are not well suited to very large, lumpy infrastructure investments (eg, mass rapid transit) that have social wider benefits, such as supporting intensification. Further, there are developing issues around inequities and inconsistencies between road users, the charging of externalities and the long-term sustainability of Fuel Excise Duty.

Crown funding or debt can play a useful role in meeting transport funding needs. However, practices have varied and this can lead to a lack of clarity about when Crown funding should be used and for what. A more principled and transparent approach would help manage Crown cost and will provide more certainty and predictability for Waka Kotahi and cities and regions.

INVESTING IN A HIGH-QUALITY TRANSPORT SYSTEM

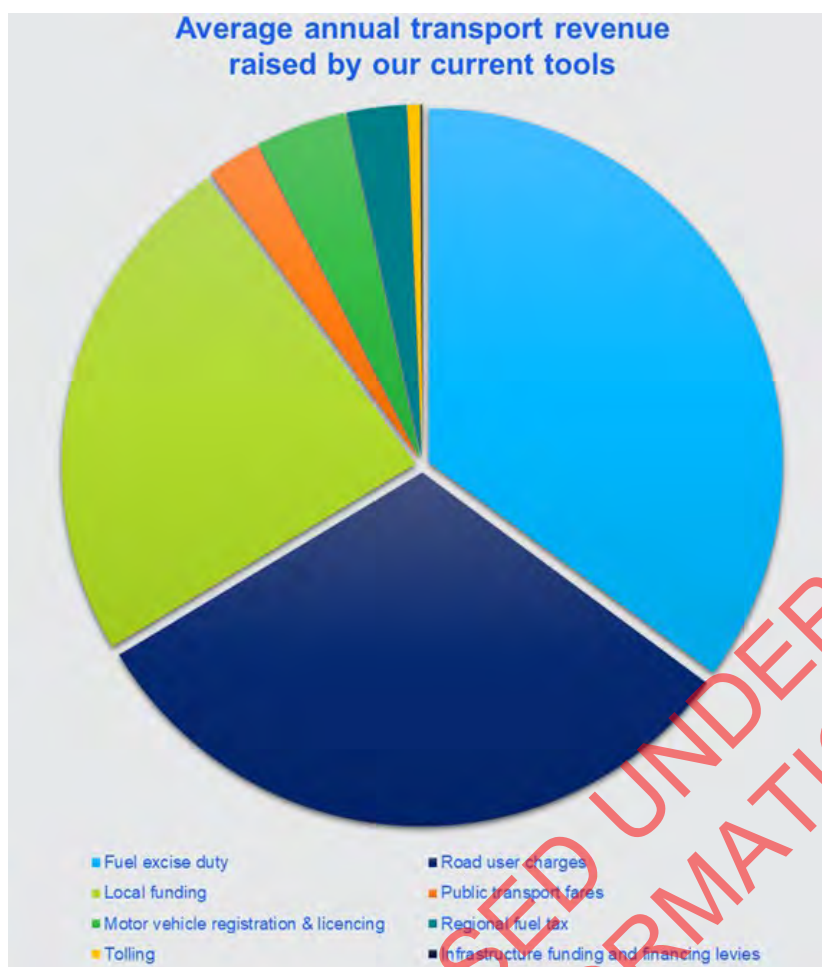


Figure 3 Average annual revenue raised by New Zealand's current tools

Source: Ministry of Transport

The Ministry has been working on a sustainable land transport revenue system

The Ministry has been working on what is needed to enhance the transport revenue system, including the potential role of additional tools and providing more clarity on who should pay for what. There are longer-term and shorter-term elements to this work. In the long term, there are opportunities to look at the balance between who should bear the costs of the transport

system amongst users, ratepayers, taxpayers and other beneficiaries. What ever approach is chosen, it will need to be predictable, stable and have good levels of public buy-in, as transport costs affect every New Zealander and every New Zealand business. The consequences of choosing the wrong solution, or implementing a good solution poorly, are significant.

A transition towards RUC uptake is already underway. The RUC system overcomes the fuel efficiency issues with FED, and it may enable a more sustainable stream of funding over time. There are options for extending RUC, including moving all vehicles on to the system or more sophisticated charging approaches that would add time and location based charging.

While some changes would need to be implemented over the longer-term, there are revenue options that can be progressed in the shorter-term. While such tools would help provide additional revenue, they are unlikely to generate enough revenue to fill expected gaps over the next decade and each option comes with its own risks and challenges. These revenue options include:

Value capture mechanisms

Value capture is under utilised in New Zealand compared to other countries. Value capture involves recovering or 'capturing' the incremental benefit residential or commercial landowners receive from investments in public infrastructure and the resulting urban development and amenity.

This benefit is usually reflected in higher property (land and building) values. There are a range of levy⁹ and uplift-based¹⁰ methods available to both central and local government.

Work to date has highlighted the potential for value capture but also the operational complexities of implementing these mechanisms.

Congestion charging

Congestion charging is a method for managing demand, so revenue is not its primary aim. This type of charging sets a higher cost for travelling at peak times, and encourages some users to change the time, route, or way they travel. This can reduce congestion by spreading out use over time and defer the cost of new capacity because better use is made of existing capacity. Congestion charging has been successfully implemented to reduce congestion in cities around the world, for example, London and Singapore. However, schemes have also failed when there were low levels of public acceptability, in part due to concern about equity and a perception congestion charging is only about raising revenue.

There is interest from several of the large metro councils in congestion charging, both to reduce congestion by managing traffic and potentially raise revenue for transport projects. The Ministry expects them to seek your support for legislation. Draft legislation has been developed so could be advanced quickly although the underlying policy would need to be confirmed with you.

Tolling

As Minister of Transport, you are responsible for approving tolling schemes under the Land Transport Management Act 2003. The Ministry expects at least three tolling proposals will be submitted to you in this term of Government¹¹.

Tolling settings are relatively permissive but tolls can only be applied to “new roads”. As well, New Zealand’s low traffic volumes, the high administrative costs of collecting tolls and a lack of public acceptance, may limit the widespread use of tolling.

Within these constraints, tolling is being rolled out where a case can be made. However, there are options for new tolling approaches, including variable pricing or tolling existing roads, but these would require amending the Land Transport Management Act. For example, Waka Kotahi has been working with Tauranga City and Eastern Bay of Plenty on a proof-of-concept study for variable road pricing.

Tolling options also need to be considered alongside other arrangements, such as congestion charges at a network level. In the longer term, shifting to a distance-based RUC system could provide greater scope to implement variable charging across the network to manage demand more effectively.

⁹ i.e., a one-off charge based on property value increases due to the infrastructure.

¹⁰ i.e., a proportion of any capital value uplift is taxed.

¹¹ These are: new roads between Ōtaki to North of Levin and the Takitimu North Stage 1 project, and additional interchange on Tauranga Eastern Link at Papamoa

INVESTING IN A HIGH-QUALITY TRANSPORT SYSTEM

Making greater use of private capital

In the past, Public Private Partnerships (PPPs) have been used with varying degree of success but have delivered some important lessons. Two roads have been delivered under the PPP model: Transmission Gully and Pūhoi to Warkworth.¹² Compared to other types of PPPs, roading projects are riskier and more complex, largely due to ground and environmental factors, including weather and storm damage.

The ability for PPP consortia to manage risk is critical for the success of the model. How this is done, when procurement processes are heavily weighted towards a low price, will affect the degree to which PPPs are used for roading projects in the future.

If implemented well, there is potential for PPPs to improve services and deliver new infrastructure. Using private finance means more projects can be built sooner than through the conventional “pay as you go” public sector procurement. However, the current PPP model spreads out the costs of these projects over a longer period, which must be managed as a first call against the National Land Transport Fund. Alternatively, Government could consider whether there is benefit in changing the contracting model for roading PPPs to transfer more risk to the operator (eg, through demand-based tolling arrangements).

You can also choose to involve private equity in the delivery of transport infrastructure. Under this arrangement, the investor would take an ownership stake in an asset and would seek greater control over design, construction and operation. However, they may also be prepared to take on a wider range of risks. Investors such as ACC and the NZ Super Fund have shown an interest in these arrangements which may be a good way of approaching wider packages of development in cities. Equity-based arrangements would challenge the transport system’s existing ways of operating and may raise concerns with the public if there are perceptions of offshore ownership. This approach requires longer-term planning and funding certainty, with private sector investors able to work with Crown agencies (among others) earlier so they can influence design choices and delivery arrangements.

The Ministry will meet you soon to discuss your investment and revenue priorities

The Ministry will seek to meet with you as soon as possible to discuss your priorities and the next steps for GPS 2024, Budget 2024, and the Ministry’s revenue work. Clarifying your expectations early will ensure agencies do not commit resources to developing bids unlikely to be supported.

¹² Neither road was delivered for a fixed price with all risk taken by the private industry. For the capital build, the Transmission Gully contract was signed in July 2014 and was priced at \$800 million; it ended up costing \$1.25 billion. The contract for the Pūhoi to Warkworth motorway was signed in November 2016 at around \$700 million and is likely to have a final price tag of \$1.1 billion.

A net-zero transport system

The Climate Change Response Act 2002 sets New Zealand's framework for reducing emissions

When New Zealand ratified the Paris Agreement in 2016, it committed to joining a global effort to limit temperature rise to 1.5°C above pre-industrial levels. In 2019, Parliament amended the Climate Change Response Act 2002 (CCRA) setting the target of reaching net zero GHG emissions by 2050.

In 2022, the first three emissions budgets were gazetted as outlined in Table 1 below. The Climate Change Commission is due to advise the Government on the level of the fourth budget, covering the period 2036-2040, by 31 December 2024.

Table 1 Emissions budgets

Time period	Level of permitted emissions (carbon dioxide equivalent, all sectors)
Emissions budget 1: 2022-2025	290 Megatons CO ₂ -e
Emissions budget 2: 2026-2030	305 Megatons CO ₂ -e
Emissions budget 3: 2031-2035	240 Megatons CO ₂ -e

New Zealand's overall emissions reduction success is likely to rely on transport meeting its potential to almost fully decarbonise by 2050

As well as recommending the first three emissions budgets, the Commission's analysis included a "demonstration pathway" outlining how New Zealand could stay within the emissions budgets and successfully reach net zero by 2050. This pathway informed the development of expected contributions from different parts of the economy. While not legislated, the Government adopted these as sub-sector targets to enable sectors to track progress and manage 'unders and overs' between sectors while staying on track to meet the overall target.

Transport is one of New Zealand's largest sources of GHG emissions, producing 40% of our domestic CO₂ emissions and 17% of total GHG emissions. Between 1990 and 2019, transport emissions rose approximately 80% faster than any other sector. The Commission identified transport as a sector with the potential to almost completely decarbonise by 2050 and make large reductions, especially from the third emissions budget period (2031-2035) onwards. New Zealand's overall emissions reduction success is likely to rely heavily on transport realising this potential.



Figure 4 Additional emissions reduction needed

Source: Ministry of Transport

The transport sector is delivering on the first Emissions Reduction Plan (ERP1)

The Government's approach to emissions reduction in the first emissions budget period was set out in the Emissions Reduction Plan (ERP1) published in May 2022. ERP1 sets focus areas, targets and specific actions to be taken between 2022 and 2025 to reduce transport emissions in line with the transport sub-sector target.

Officials are working to implement the actions in the ERP1 by the end of 2025.

Current estimates suggest transport is likely to stay within its sub-sector target and meet its expected contribution to reducing emissions during the first emissions budget period. However, these estimates assume work underway to reduce transport emissions continues and incorporate data reflecting lower-than-expected rates of travel. This decline in travel is not fully understood and a range of factors are likely to have contributed, including migration, cost of living, and changing travel patterns in a post-COVID-19 environment. Therefore, caution should be applied when assuming this trend will continue.

Changes to the actions in ERP1 may affect New Zealand's ability to meet the first three emissions budgets.

Work is underway to develop the second Emissions Reduction Plan (ERP2)

As shown in Figure 4 above, a considerable jump is required in emissions reductions from transport from the first to second emissions budget period, and again from the second to the third.

Work is underway at the cross-government and sector-specific levels to develop the second Emissions Reduction Plan (ERP2), which is due by the end of 2024. ERP2 will need to contain actions that can meet the gazetted emissions budget for the second emissions budget period, from 2026-2030.

Meeting the second emissions budget is reliant on what is still an ambitious set of actions in ERP1 and will also depend on what actions the Government decides to include in ERP2. A buffer can help to account for some of the uncertainty.

In its draft advice to inform the strategic direction of ERP2, the Commission has also advised ERP2 will need to include actions that set the transport sector up for the third emissions budget period.

In December 2023, you will receive initial cross-agency advice about key opportunities and challenges for ERP2 and some indicative content about what could be included. Cabinet will make decisions about the draft and final content for ERP2 in 2024.

Meeting the third emissions budget and beyond require significant system changes

Current modelling suggests meeting the third budget for transport will require significant additional effort beyond currently committed policies as shown in Figure 5.

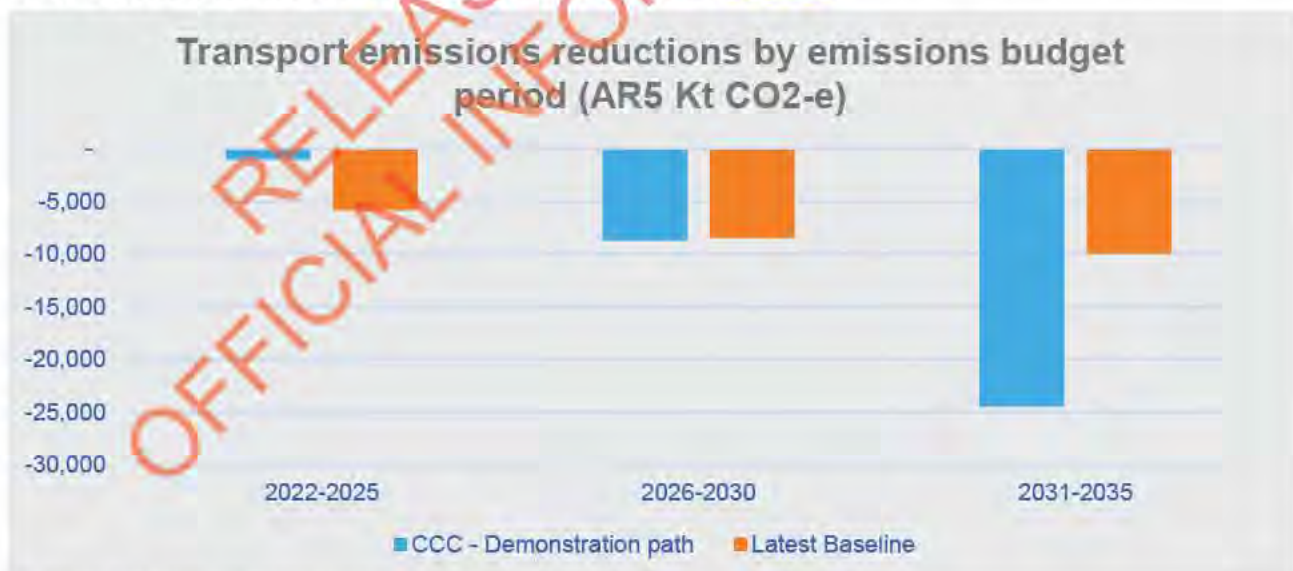


Figure 5 Transport emissions reduction by emissions budget period

Source: Ministry of Transport

ERP1 placed particular emphasis on rapidly transitioning the vehicle fleet to low- or zero-emissions vehicles because it is one of the few ways to significantly reduce transport emissions that can be set in motion quickly. By the time we progress to the third emissions budget, we will need to have

A NET-ZERO TRANSPORT SYSTEM

made much more significant changes to the transport system including large scale public transport improvements, significant uptake of low emissions heavy vehicles and land use patterns that support low emissions transport options in urban areas.

These changes are challenging to deliver in the time available and, once implemented, it can be years before they begin to deliver significant emissions reductions. It will be necessary to prepare for, invest in, and implement sufficient actions now to ensure transport emissions continue to trend down during all three gazetted budget periods to 2035 and beyond.

With such systemic changes in place, transport emissions reductions could accelerate rapidly from around 2030 onwards (often referred to as 'bending the curve'). This can be observed in the Commission's demonstration path in **Figure 6**.

However, as **Figure 6** also shows, these systemic changes are not factored into current investment plans for transport. Our latest baseline projection, shown in yellow, reflects expected transport emissions based on committed and funded actions, and suggests more investment and ambition will be required in ERP2 to successfully 'bend the curve' and meet our long-term targets.

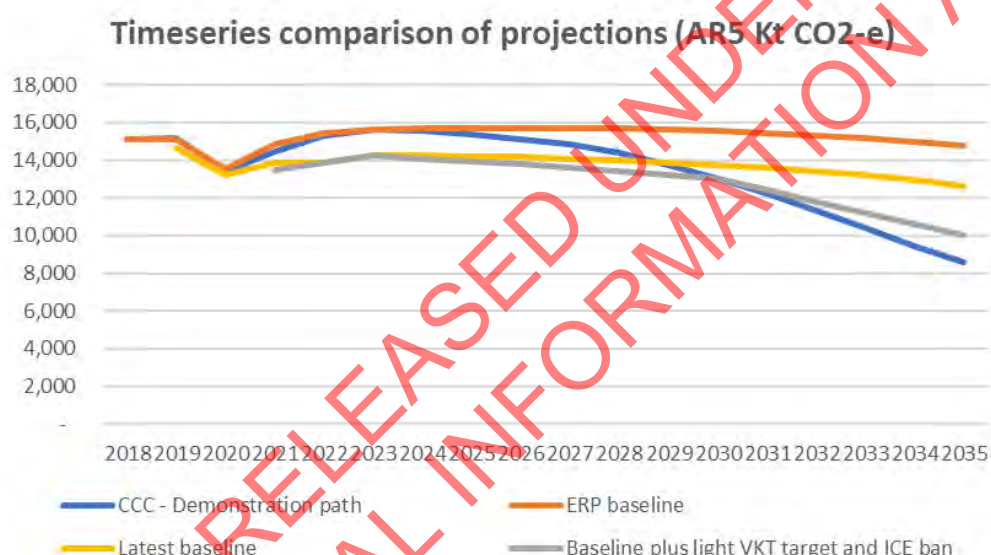


Figure 6 Timeseries comparison of (emissions reduction) projections

Source: Ministry of Transport

The next steps for ERP1 and ERP2

Aligning ERP1 with your strategic objectives

We can provide you with more detail about the focus areas, targets, and actions for transport in ERP1 and advise you on the impact of any changes you may wish to make to the remaining actions to be delivered in the first budget period.

Ensuring ERP2 meets your strategic objectives

Setting strategic priorities for ERP2 with your Cabinet colleagues and deciding what actions will be included for transport to meet its expected contribution will be some of the biggest strategic decisions you will make as Minister of Transport in the next 12 months. The Ministry will support you with advice to inform these decisions.

In December 2023, along with your Ministerial colleagues in other climate portfolios, you will receive a package of preliminary advice about the long-term pathways to net zero by 2050 and indicative advice about what these mean for ERP2. This advice is likely to seek your direction on some key strategic priorities, risks, benefits sought, and potential trade-offs, to inform the development of detailed options for inclusion in ERP2. The Ministry will provide you with additional transport-specific advice to supplement this interagency advice.

Maintaining and growing New Zealand's international connectivity

New Zealand's prosperity is heavily reliant on its connections to the world

International connectivity enables people and goods to move across our borders and is an important contributor to New Zealand's prosperity and well-being.

Most of our imports and exports move by sea - 99.7% of New Zealand's export goods by volume, and 80.9% of its exports by value. This makes the maritime sector vital to New Zealand's interests, including ports and the connections to them. The aviation system also delivers economic and social benefits of staying connected to each other and the global community. Air transport underpins key sectors in the New Zealand economy, including tourism, international education and high-value freight.

New Zealand's international connections face a changing environment

The geo-political environment is becoming less rules based and more volatile, and there is growing risk around the international politics of climate change. This presents some risk to New Zealand as a distant trade reliant economy. The emissions from the aviation and maritime sectors are subject to increasingly tighter international standards and we need to be well engaged to ensure these support New Zealand's carbon emissions and connectivity objectives while not disadvantaging our connectivity to the world. The international security environment has also become more complex.

Government can help promote efficient supply chains

After COVID-19 highlighted vulnerabilities in our supply chains, the Ministry conducted extensive engagement with supply chain stakeholders to develop a National Freight and Supply Chain Strategy, which was issued on 18 August 2023. Industry stakeholders especially called for:

- better signalling of government's long-term plans for supply chain infrastructure

DEVELOPING THRIVING CITIES AND REGIONS

- better consenting and spatial planning that protects key logistic routes and nodes
- a review of the current port system
- improved data collection and availability
- improved ability to transfer across transport modes
- building the workforce for the supply chain of the future.

It is important the Strategy, which supports a stronger and more resilient supply chain, is translated into action. The next step proposed for the Strategy was the development of an action plan. Work priorities were identified around ports and their connections, road freight decarbonisation, freight data, and international connections.

Proposed actions for progress on international connectivity and supply chain issues

Key actions we will look to progress are:

- Taking forward actions to better collaborate with the private sector, so New Zealand has future supply chains that are zero emission, resilient, productive, efficient, safe and sustainable. This is likely to involve work on ports and their connections to road and rail, the transition to low emission heavy vehicles and improving freight data collection.
- Working across government and the aviation sector to develop a national policy statement for aviation and provide a joined-up view on how best to embrace opportunities and address challenges in the sector. A private partnership has already begun to accelerate decarbonisation of the aviation sector.
- Initiating a review of maritime legislation to ensure our regulatory frameworks support an innovative, productive, safe and secure maritime sector.

We will discuss these potential actions further with you.

Developing thriving cities and regions

High quality transport is a basic requirement for cities and regions

Cities and regions depend on high quality transport systems to have strong economies and good social connections. Regions need resilient and safe roading connections to enable communities to participate in society and connect our primary producers to their overseas markets. Well targeted road investment and effective maintenance is critical to sustain connectivity. Traditional public transport services are often less useful in rural areas. Meanwhile cities need to be able to move many people around their networks on roads and public transport while allowing freight to move efficiently.

Transport should be well-integrated with other sectors

An important way to deliver good transport, either in cities or regions, is to make sure transport planning, funding, and delivery are aligned with land use planning, housing and utility provision, and broader funding and financing approaches.

This need for integration is clearest in our largest cities, where there is a need to build more housing, improve economic productivity, reduce greenhouse gas emissions and become more resilient to natural hazards.

One way to address these challenges is to deliver more medium and high-density, mixed-use developments in areas where people have a good range of transport options. Making a wider range of travel options available will allow more people to live and work in our cities and to choose from a greater range of housing and transport options, without increasing traffic, congestion, and emissions. New developments in greenfield locations also need to be well-designed and well-connected with multi-modal transport networks. The transport, housing, and planning systems need to be well-aligned to achieve these outcomes.

In the past, cross-portfolio Ministerial forums have been used for urban development and infrastructure to encourage government agencies to work together on policy development and delivery. For example, increasing the supply of public transport is only effective if it is accompanied by high quality developments.

Spatial planning is an important tool to support better integration

Spatial planning can provide long-term (30 years+), high-level, strategic direction for how cities and regions need to grow to achieve national and regional priorities. Integrated planning with other sectors like housing and water is critical to delivering long-term plans that retain support and can serve as a foundation for communities to develop well. Good spatial planning can also allow national transport priorities to be integrated, alongside other national priorities, with regional priorities.

There is an ad-hoc approach to spatial planning in New Zealand. Only Auckland is legally required to deliver a regional spatial plan (the Auckland Plan). Four other high-growth cities have developed spatial plans under Urban Growth Partnerships between central government and local government. These spatial plans are at sub-regional levels, focusing on high-growth areas.

Integrated planning across transport and other sectors will deliver much better outcomes and greater planning certainty but this is hard to achieve due to the numbers of decision-makers involved and the depth of issues involved. A structured approach is needed to make it possible. The Spatial Planning Act 2023 enacted by the last Parliament was an effort to achieve this. This Act requires all regions to develop a regional spatial plan, in partnership between councils, central government, and mana whenua.

City and regional deals provide a potential mechanism to support spatial planning

A shift to regional spatial planning raises questions about funding and financing the major infrastructure projects that feature in these plans. For example, all the existing spatial plans developed through the Urban Growth Partnerships include rapid transit services and high-

STRONG AUCKLAND, STRONG NEW ZEALAND

frequency public transport networks to provide the backbone for future large-scale urban developments. There is no funding pathway to deliver most of these projects.

Given the constrained funding environment, and the substantial costs of delivering large-scale transport projects, it is important to explore innovative new funding and financing models to deliver major projects. It is also important to make better use of existing transport networks (eg, by using transport pricing tools, and by encouraging more efficient use of road space).

'City deals' and 'regional deals' provide a potential way for central and local government to coordinate the funding streams required to fund the large investment in infrastructure that many cities need. These deals reflect approaches used in other countries, including the United Kingdom, Canada, and Australia to support integrated programme delivery. They involve long-term partnerships between local and central government, with packages of funding and decision-making powers.

The Ministry can provide further advice on spatial planning and city and regional deals

The Ministry can provide you with further information and advice on opportunities for Ministerial collaboration, spatial planning and city and regional deals. As these deals require the input of different portfolios, substantial work would be needed with other Ministers to determine their viability and potential effectiveness in a New Zealand context.

Strong Auckland, strong New Zealand

Auckland is critical to achieving New Zealand's goals

Auckland is home to one third of New Zealand's population, contributes 38% of the nation's GDP and is projected to account for around 60% of New Zealand's population growth between 2013 and 2043.

Over recent years Auckland has accounted for 30% of the National Land Transport Fund spend and increasingly Crown funding is required to complement the National Land Transport Fund and Auckland Council funding.

While there have been successes in both roading and public transport projects, Auckland's transport challenges remain significant. An efficient and effective transport system in Auckland is essential to achieving national goals of increasing productivity and reducing emissions. The city is also expected to deliver 48% of the national reduction in transport emissions.

Auckland continues to need a large investment in its transport networks

Auckland requires transport investment in roads, public transport and active transport. Along with investment, interventions such as congestion pricing and better integration of transport and land-use are required to achieve outcomes and manage affordability. Congestion pricing in Auckland is

unlikely to raise significant revenue but its value is improved productivity and potentially deferring some road maintenance and capital spend.

The strategic roading network in Auckland is almost complete. Penlink is underway and a preferred option for Mill Road as part of the package of investment in south Auckland needs to be determined. While there is scope to improve aspects of the roading network in Auckland, more roading capacity will mean public transport in Auckland will need to contribute more to emissions reduction.

Rapid public transport is integral to improving Auckland's public transport network

Auckland's future public transport network will have to be much larger than it is today, and rapid transit will be needed to move people in a fast, frequent and reliable manner. While there have been some setbacks with the rail rebuild and bus driver shortages, public transport patronage has increased significantly in Auckland. Patronage increased from 84 million boardings in 2016 to 100 million boardings at the end of 2019. This can be further improved by increasing frequency and reliability on the current bus network and extending coverage, particularly to some of the lower income areas where access to public transport is poor. Successes to date have been the northern busway and passenger rail, post electrification. The City Rail Link and Eastern busway are well into construction and will support further growth in the short term. Work on a 30-year plan for rail investment in Auckland is also well advanced.

Business case work is underway on a range of major projects including on the northwest and city centre to Māngere corridors, as well as an additional crossing over Waitematā harbour. There is a lack of consensus on the best way to proceed with these projects, and how work should be prioritised and sequenced. Our view is it is not feasible to progress with all of these projects as planned from both a funding and construction capacity perspective. Within the limited funding and delivery capacity available, you will want to consider striking the right balance between high volume and high-cost options, such as light or heavy rail, and lower volume but faster to deliver options such as busways. The Ministry's advice is these should be considered in the context of the type of overall network that should be available in future, and the nature and scale of development desired for Auckland.

Reaching agreement with Auckland Council on the sequencing of investments in Auckland over the longer-term is a priority. This can be achieved by continuing to work through the Auckland Transport Alignment Project (ATAP). Since around 2017, ATAP has been New Zealand's most mature 'city deal'. The Minister of Transport and Mayor of Auckland are political sponsors of ATAP and a Governance Group of Chief Executives provides oversight and governance.



Figure 7 Auckland Commuter Rail

Source: Ministry of Transport

The joint Government/Auckland Council Tāmaki Makaurau Transport Plan needs to be completed

The Tāmaki Makaurau Transport Plan, a long-term integrated plan has

been the key piece of work progressed under the ATAP structure over recent months. It is paused and it will be important for you to meet with the Mayor of Auckland to agree on the next steps for completing the Plan. Your priorities will guide the next phase of work and the sequencing and phasing work noted above is key to the Plan's completion

Previously, Auckland has seen an expectation of National Land Transport Fund funding included in the Government Policy Statement (GPS), providing Auckland with some certainty of overall funding, while noting individual projects remain subject to Waka Kotahi approval. You may wish to revisit expectations for National Land Transport Fund funding for Auckland as you finalise GPS 2024, as part of your agreement with Auckland Council.

Several major Auckland transport projects are underway

There are pressing choices to be made about investments in Auckland over the 10 and 30-year horizons. Affordability and delivery capacity need to be considered as an investment programme, which includes sustaining the current network, expanding public transport services and progressing major projects, is completed.

City Rail Link (CRL)

Most construction work is now complete, and the focus is on integrating CRL with the Auckland network and testing readiness for operations. The Ministry monitors the work of the delivery company, City Rail Link Company (CRL) and advises on broader investments needed to realise the benefits of the project. CRL is funded 50:50 by the Crown and Auckland Council. You are a joint sponsor of the work along with the Minister of Finance and Auckland Council, represented by Mayor Brown.

Auckland Light Rail (ALR)

ALR is an integrated urban and transport project along the city centre to Māngere corridor. Auckland Light Rail Limited (ALRL) is working on a detailed business case. The Ministry monitors

the work of the company, provides policy advice on the project and supports the project's Sponsors. You chair the Sponsors Group and it will be a priority to provide direction to the project.

Waitematā Harbour Connections

Waka Kotahi is developing an indicative business case on a recommended option including roading, rapid transit and cycling connections. This is scheduled to be considered by the Waka Kotahi Board in early 2024. The Ministry's feedback is significant work is required before moving to a decision-making process, including on lower-cost options. You have a role in setting direction for the work and ultimately deciding whether to take the project forward through Cabinet.

Northwest

The Northwest corridor has consistently been identified as a high-priority rapid transit corridor for Auckland. Interim improvements are underway including new bus stops, interchange enhancements, and extended bus lanes on SH16. Waka Kotahi is starting a detailed business case on a permanent rapid transit system. This corridor is a priority for the Mayor of Auckland and the Ministry expects it to be raised as part of your discussions on the Tāmaki Makaurau Transport Plan

The Ministry will seek your direction on Auckland's transport priorities

The Ministry will seek your direction on completing work on the Tāmaki Makaurau Transport Plan and on the next steps for some of the planned projects in Auckland.

Building a resilient transport system

The transport system connects New Zealanders but is vulnerable to shocks and disruptions

The transport system and our communities and businesses are vulnerable to shocks and disruptive events (either natural or human). New Zealand has transport corridors in steep valleys, alongside coastlines, and across rivers and floodplains. Many communities are in remote areas or have limited routes connecting them to the rest of New Zealand. In recent years, New Zealand has experienced climate change related severe weather events like Cyclone Gabrielle and natural disasters like the Christchurch and Kaikōura earthquakes in 2011 and 2016 respectively.

Transport operations can also be disrupted by other vulnerabilities. Parts of the transport system rely on highly trained workforces which are susceptible to staff shortages, for example, maritime pilots, air traffic controllers, ground handlers, airport rescue fire services, and bus and train drivers. The aviation system relies on imported jet fuel, which if it fails quality testing on arrival into the country results in disruptions to aviation operations. We also need to manage the transport system's susceptibility to security threats from malicious actors.

A lack of resilience drives extra costs into the transport system

Being resilient is the ability to anticipate and manage disruptive events, minimise their impacts, and respond and recover effectively. A transport system that is not resilient increases the costs and time to reinstate critical transport connectivity to affected communities. Shocks from natural disasters such as the Christchurch and Kaikōura earthquakes, alongside the increasing frequency and severity of weather events caused by climate change, result in significant social and economic costs to restore transport networks.

The Ministry is working to enhance the resilience of the transport system

The Ministry uses its leadership role across strategic policy and operational work to build transport system resilience into wider system reforms and work programmes. The Ministry works to ensure a broader 'New Zealand Inc' perspective is applied to managing transport system risks and in building better transport system resilience. This includes using an agreed national framework, together with the transport Crown entities, to manage risks.

Resilience work includes:

- Involvement in the National Security System reforms, and membership of the Counter-Terrorism Coordination Committee, Major Events Security Committee, and the National Security Board (as the Strategic Coordination Agency for maritime security).
- Involvement in the Emergency Management System reforms, including emergency and catastrophic planning, and the current emergency management and the DPMC-led Critical National Infrastructure work programme.
- Involvement in climate change work programmes, including the Resource Management System Reforms, National Adaptation Plan, Emissions Reduction Plan, and membership of the Climate Change Interdepartmental Executive Board.
- Connecting the transport system into operational readiness, response, and recovery activity through its role as Chair of the interagency Transport Response Team, which is the Sector Coordinating Entity for the transport system in an emergency.

As the Minister of Transport, you can play an important role to enhance transport system resilience

You can play a role in enhancing the resilience of the transport system by:

- Maintaining relationships across the sectors identified so the perspective of the transport sector is given due weight in government's wider resilience-related work.
- Engaging with your Ministerial colleagues on legislative programmes which cut across the transport system, such as the Emergency Management reforms, Climate Adaptation Bill, and Resource Management reforms.
- Engaging with other Ministers to address specific resilience issues (eg, the availability of RNZAF Base Ohakea and jet fuel supply chains).
- Making decisions on further investments via the National Resilience Plan.

Safer and more secure transport

Travel throughout the transport system needs to be safe and secure

Travel needs to be as safe and secure as it can be, whether by road, rail, aviation or maritime. People should not be harmed when using transport and should be confident when using the system. Confidence is important, so New Zealand can unlock the benefits of new technology, such as drones and e-scooters.

Different transport modes have different attributes which mean that safety and security outcomes are achieved in different ways in each of those sectors.

For aircraft and ships that operate internationally, safety and security settings are driven by international standards. Aviation and maritime also have greater inherent risk of catastrophic harm events. New Zealand engages internationally with the relevant bodies, in particular, the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) and with other jurisdictions so we stay up to date with global developments and can influence international settings.

The maritime security environment has become increasingly complex. The effective delivery of the Maritime Security Strategy requires strong leadership and alignment across government. The Ministry has a key role to play as we chair the Maritime Security Officials Committee (MSOC).

Road crashes killed 376 people last year and cause \$8 billion of harm each year

Roads are used by just about everyone in New Zealand, and usually on a daily basis. Provisional figures show, 377 people died in road crashes in 2022, with 2,470 people suffering permanent life-changing injuries¹³. Social cost of road trauma is estimated to be as much as \$8 billion a year. Our rate of road deaths is also significantly higher than many other jurisdictions New Zealand compares itself to, as indicated in Figure 1 below.



Figure 8 Road deaths per 1000,00 inhabitants (2022)

Sustained effort is required to reduce the number of people being killed or seriously injured on our roads.

¹³ Serious injuries are defined as fractures, concussions, internal injuries, crushings, severe cuts and lacerations, severe general shock necessitating medical treatment and any other injury involving removal to and detention in hospital.

Evidence suggests interventions are required across all parts of the system to improve road safety

New Zealand has followed the safe system approach in recent years, which is the internationally accepted best practice for road safety. A safe system means improving the safety of all parts of the system – roads and roadsides, speeds, vehicles and road user behaviour – so that if one part fails, other parts will work to protect people if they are involved in a crash.

Progress in all areas is still needed to reduce deaths and serious injuries on our roads. However, you can choose to place more emphasis on interventions in some areas rather than others.

New Zealand has made progress in some areas, but there are significant opportunities for improvement

The current *Road to Zero* road safety strategy has targets for reductions in deaths and serious injuries. There has been progress in all areas. For example, Police have increased their enforcement activity in the last 12 months, with an additional one million alcohol breath tests conducted than in the previous year.

The interventions set out in the strategy that have been delivered have been proven to be highly effective in the New Zealand context. For example, changes to speed limits on State Highway 6 Blenheim to Nelson has seen the number of deaths and serious injuries reduce by approximately 80% in first two years, while the average journey time has increased by approximately four minutes over the 110km road length. Installation of median barriers at SH2 Waipukurau in 2020 has seen a 100% reduction in deaths and serious injuries in the two years since.

COVID-19 slowed delivery of initiatives and there have been other challenges, which have impacted the scale and pace of implementation.

Public acceptance of some of the actions under the strategy has been limited, in particular, concern has been expressed about:

- the public advertising and associated messaging, particularly how “zero” is unrealistic
- some of the focus areas, such as the extent of speed management proposed.

Given these challenges, the Ministry has started reviewing the approach to road safety. We are preparing more in depth advice on the impacts different initiatives will have on reducing deaths and serious injuries to assist you as you consider the strategic direction you wish to take for road safety. The Ministry would welcome the opportunity to discuss your expectations for road safety, including on the interventions you want to focus on.

Rail safety requires clear regulatory frameworks and investment

Rail safety needs clear regulatory frameworks, strong oversight and investment to provide the required level of safety assurance. After recent investment and growth, the risk profile of rail has increased. There have been several rail safety incidents involving fatal and serious injuries and recent reviews into the Auckland and Wellington metro systems have highlighted the need for system improvement and the need for the rail regulator to rigorously address risks.

Waka Kotahi has primary regulatory responsibility for rail safety in New Zealand. Waka Kotahi has a critical regulatory role in assuring stakeholders and the public that the country's rail networks are being managed safely. This is achieved through regulation of the rail industry in accordance with the Railways Act 2005.

There will be opportunities over this term to consider how to continue to improve the legislation, regulation and oversight of rail safety, and to align New Zealand's rail safety approach with international best practice. The Transport Accident Investigation Commission conduct independent investigation inquiries into rail accidents and incidents. The inquiries they conduct result in recommendations that will be of assistance in identifying opportunities to improve rail safety.

Emerging aviation technology require updated regulation

The Ministry is responsible for providing advice on how existing regulatory frameworks can be adapted to enable the safe use of emerging aviation technology so that they can be safely integrated into the aviation system. Examples of this emerging technology are drones and other uncrewed aircraft, which need to be able to operate safely in the same airspace as traditional manned aircraft.

Increasingly innovative uses of these technologies offer potential economic, environmental and social benefits. This includes ensuring that New Zealand provides an enabling environment for innovators, supporting the growth of the aerospace industry, lifting productivity through innovation, lowering emissions and improving other environmental outcomes.

The Ministry has developed an Enabling Drone Integration (EDI) package to enhance the regulatory framework for drone operations, and as a building block for supporting autonomous operations. We will provide you with further advice on the proposed package of measures.

Maritime safety and security are important to people, the economy and the environment

Maritime transport is a critical part of our economy, with most of our imports and exports moving by sea. As an island nation, New Zealand relies on ferries to transport commuters, tourists, and domestic travellers between islands. Boating is also an important part of our culture with over 1.9 million people taking part in recreational boating in 2020.

Maritime activity can be dangerous. Since 2015, an average of 16 recreational boating fatalities have occurred every year. Fatalities occur throughout the country, and most are associated with falls overboard, a vessel capsizing or flooding. Many Transport Accident Investigation Commission and coroner reports have found fatalities might have been prevented if lifejackets had been worn.

Safe navigation is as critical in the maritime space as on land. Maritime incidents not only endanger human lives, but also the environment and the economy, as the Rena disaster demonstrated. The accessibility of the sea to recreational boating means recreational boating and commercial shipping operate in very close proximity to each other.

Maritime legislation needs to be reviewed

The Ministry and Maritime New Zealand have started a review of primary maritime legislation. Changes could be made to make the system safer, while ensuring the maritime regulatory system

supports trade in the face of future emergencies, transnational crime, climate change, technological change and other challenges.

As Minister of Transport, you can help to enhance transport safety

The Ministry can provide you with any further information you require on these areas of transport system safety. You can help to enhance transport safety by:

- Considering advice on reframing the approach to road safety
- Taking a package of drone policy decisions to Cabinet
- Considering advice on the review of maritime legislation.

Using regulation to support transport outcomes and improve productivity

Regulatory frameworks are generally fit-for-purpose but require some refinements

Transport regulatory systems are made up of primary and secondary legislation, the Ministry, and transport Crown entities who carry out the role of regulators, deliver services, and educate and inform people on requirements set out in legislation.

New Zealand's transport regulatory systems are significantly shaped by international obligations, standards and recommended practices.

A more challenging economic outlook and fiscal position means there is added emphasis on ensuring all aspects of our regulatory systems deliver value for money and support increased productivity. For example, out-of-date regulatory requirements impose unnecessary costs on firms and individuals, which harms New Zealand's productivity.

Our current regulatory frameworks are generally fit-for-purpose and contribute well to our transport outcomes. However, some parts of these frameworks need to be updated if we want to ensure that regulation does not impose unnecessary costs and enables novel technology, such as driverless vehicles/craft (eg, unmanned aircraft and autonomous vehicles), different fuel types (eg, sustainable aviation fuel, hydrogen) and different types of craft (eg, drones). In addition, artificial intelligence (AI) is disrupting every industry and will change the way New Zealanders commute and the way they use transport infrastructure.

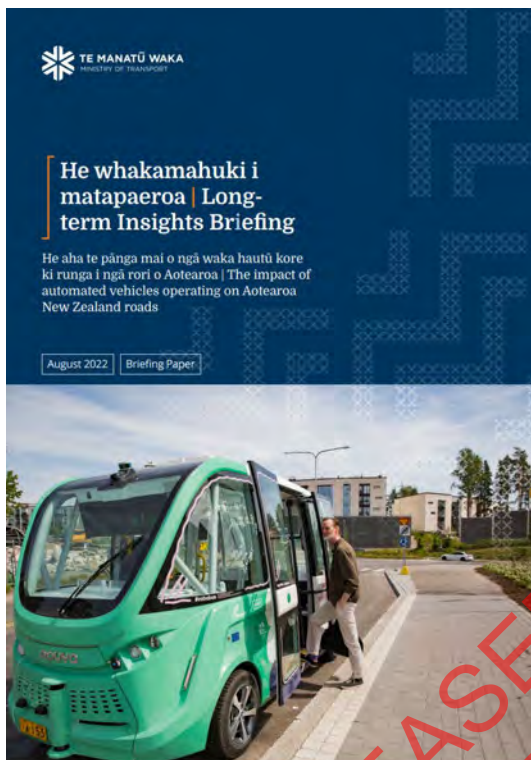
Regulation is needed to realise the benefits of new technologies

Introducing still evolving technologies, while minimising harm, is a major challenge for policy makers and regulators. The beneficiaries of these technologies (the investors, manufacturers and consumers) often do not wear the full costs of their risks. Instead, the burden is borne by society at large and their governments, which must take action to address the risks.

Therefore, it is crucial to have a regulatory system that balances safety with innovation, certainty and efficiency before new transport technologies are rolled out at scale.

USING REGULATION TO SUPPORT TRANSPORT OUTCOMES AND IMPROVE PRODUCTIVITY

Regulation provides the framework and permissible set of conditions under which decisions can be made on important features of transport markets such as entry, pricing, access obligations and quality or conditions of service. The regulatory framework needs to evolve as technological and society changes. Timely and proportionate regulation can support the exploitation of promising opportunities while also limit harmful trends.



For government, new technologies raise issues about when to act. Drones are here and regulatory action is being taken. While technological innovations, such as driving automation technology in vehicles like Electronic Stability Control, already contribute to the decline in deaths and serious injuries on our roads, the deployment of fully automated vehicles at scale remains very uncertain. Potential safety benefits are high but so are the risks. Safety will be the primary consideration before fully automated vehicles will be allowed to operate on New Zealand roads. In this case, the Ministry has carried out preparatory work to identify the issues and the regulatory work needed, including releasing a Long-Term Insights Briefing on the impact of these vehicles on New Zealand's roads in 2022. The Ministry will be well placed to advise you should the priority of this work need to be raised

Positioning New Zealand's regulatory frameworks for the future

Implementing the new Civil Aviation Act and the proposed review of maritime legislation are all examples of work to bring regulatory systems up to speed with new developments and help to future-proof them. The Ministry looks forward to providing you with more information on our regulatory activities and the Ministry's work to help position New Zealand for future technological developments like drones and automated vehicles.

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