

OC250741

8 September 2025

Tēnā koe

I refer to your email dated 11 August 2025, requesting the following under the Official Information Act 1982 (the Act):

*“OC250394 Meager 7/05/2025 Government Response to the Report of the Petitions Committee on the RMS Niagara  
OC250376 Bishop 7/05/2025 City and Regional Deals - Options to Deliver Transport Components  
OC250207 Bishop 8/05/2025 Next Steps to Improve the EV Charging Co-Investment Model  
OC250405 Bishop 9/05/2025 Interim Advice on Revenue Tools  
OC250437 Meager cc Bishop 15/05/2025 Meeting with Maritime NZ Chair on 20 May 2025  
OC250170 Bishop 21/05/2025 NZTA Regulatory Funding Review  
OC250403 Bishop 22/05/2025 Lower North Island Rail Integrated Mobility (LNIRIM) Procurement Update  
OC250500 Bishop 29/05/2025 Meeting with Nick Forster, Managing Director, CIT  
OC250464 Bishop 4/06/2025 Regulations Review Committee Letter on Revenue Instruments under the Land Transport Act 1998  
OC250493 Meager 4/06/2025 Maritime New Zealand Performance Report Quarter Three 2024/25  
OC250485 Meager 6/06/2025 ICAO Safety Audit  
OC250528 Bishop 11/06/2025 Aide Memoire: Lower North Island Rail Integrated Mobility Patronage Assumptions  
OC250520 Meager 13/06/2025 Civil Aviation Authority Performance Report Quarter Three 2024/25  
OC250527 Bishop 19/06/2025 Meeting with the Bus and Coach Association, 24 June 2025  
OC250587 Bishop 30/06/2025 Aide Memoire: Meeting with Peter Lensink and Matt McInnes (Transdev)  
OC250481 Bishop 1/07/2025 Meeting with Anthonie Tonnon of the Whanganui Connection, Operator of the Durie Hill Elevator”*

On 13 August 2025, the Ministry of Transport (the Ministry) advised you that the following part of your request had been transferred to New Zealand Transport Agency (NZTA):

*OC250170 Bishop 21/05/2025 NZTA Regulatory Funding Review*

Of the remaining fifteen documents, twelve are released with some information withheld or refused, two are withheld in full and one is refused.

The document schedule attached as Annex 1 outlines how the documents you requested have been treated under the Act. Certain information is withheld or refused under the following sections of the Act:

9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
18(d)	the information requested is or will soon be publicly available

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

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

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

Nāku noa, nā



Hilary Penman  
**Manager, Ministerial and Executive Services**

## Annex 1: Document Schedule

Doc #	Reference number	Date	Title of Document	Decision on request
1	OC250376	7/05/2025	City and Regional Deals - Options to Deliver Transport Components	Withheld in full under sections 9(2)(f)(iv) and 9(2)(j).
2	OC250394	7/05/2025	Government Response to the Report of the Petitions Committee on the RMS Niagara	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).  Attachment is refused under section 18(d) as the final Cabinet paper is available on the Ministry's website: <a href="https://www.transport.govt.nz/assets/Uploads/Government-Response-to-the-Report-of-the-Petitions-Committee-on-the-Petition-of-Erin-Tiplady-Redacted.pdf">https://www.transport.govt.nz/assets/Uploads/Government-Response-to-the-Report-of-the-Petitions-Committee-on-the-Petition-of-Erin-Tiplady-Redacted.pdf</a>
3	OC250207	8/05/2025	Next Steps to Improve the EV Charging Co-Investment Model	Refused under section 18(d).  Once published, it will be found here: <a href="https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/results">https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/results</a>
4	OC250405	9/05/2025	Interim Advice on Revenue Tools	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).
5	OC250437	15/05/2025	Meeting with Maritime NZ Chair on 20 May 2025	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).
6	OC250403	22/05/2025	Lower North Island Rail Integrated Mobility (LNIRIM) Procurement Update	Withheld in full under section 9(2)(i).
7	OC250500	30/05/2025	Meeting with Nick Forster, Managing Director, CITI	Released with some information withheld under section 9(2)(a).
8	OC250464	4/06/2025	Regulations Review Committee Letter on Revenue Instruments under the Land Transport Act 1998	Released with some information withheld under section 9(2)(a).
9	OC250493	4/06/2025	Maritime New Zealand Performance Report Quarter Three 2024/25	Released with some information withheld under sections 9(2)(a), 9(2)(f)(iv) and 9(2)(g)(i).
10	OC250485	6/06/2025	ICAO Safety Audit	Released with some information withheld under section 9(2)(a).
11	OC250528	11/06/2025	Aide Memoire: Lower North Island Rail Integrated Mobility Patronage Assumptions	Released with some information withheld under sections 9(2)(a) and 9(2)(g)(i).

Doc #	Reference number	Date	Title of Document	Decision on request
12	OC250520	11/06/2025	Civil Aviation Authority Performance Report Quarter Three 2024/25	Released with some information withheld under section 9(2)(a).
13	OC250527	19/06/2025	Meeting with the Bus and Coach Association, 24 June 2025	Released with some information withheld under sections 9(2)(a), 9(2)(b)(ii), 9(2)(ba)(i), 9(2)(f)(iv) 9(2)(g)(i) and 9(2)(j).
14	OC250587	30/06/2025	Aide Memoire: Meeting with Peter Lensink and Matt McInnes (Transdev)	Released with some information withheld under section 9(2)(a).
15	OC250481	1/07/2025	Meeting with Anthonie Tonnon of the Whanganui Connection, Operator of the Durie Hill Elevator	Released with some information withheld under section 9(2)(a).





7 May 2025

OC250394

Hon James Meager

Action required by:

Associate Minister of Transport

Tuesday, 13 May 2025

## GOVERNMENT RESPONSE TO THE REPORT OF THE PETITIONS COMMITTEE ON THE RMS NIAGARA

Advises you on the steps to progress the Government response to the Petitions Committee's (the Committee's) recommendation on the petition of Erin Tiplady: Survey the RMS *Niagara* to find out exactly how much oil is still on board.

### Key points

- Under Standing Orders, the Government must table a paper to the House responding to the recommendation of the Petitions Committee, no later than 12<sup>th</sup> June 2025.
- To progress through Cabinet in time, the attached Cabinet paper and draft Government response have been provided for your consideration.
- We have drafted a response to the Petitions Committee's recommendation in consultation with Maritime New Zealand that declines the recommendation but notes the situation will continue to be monitored.
- Subject to any feedback, your approval is sought to progress to Ministerial consultation before submission to the Cabinet Legislation Committee.

### Recommendations

We recommend you:

- 1 **provide** your feedback, if any, to officials on the draft documents by 13 May 2025
- 2 **agree** to progress the draft Cabinet paper and draft Government response for Ministerial consultation by 15 May 2025

Yes / No

3 s 9(2)(f)(iv)

*M Willberg*

Marian Willberg  
 Manager Maritime, Freight and Access

.....7/05/2025...

Hon James Meager  
 Associate Minister of Transport

..... / ..... / .....

Minister's office to complete:

☐ Approved☐ Declined☐ Seen by Minister☐ Not seen by Minister☐ Overtaken by events

Comments

## Contacts

Name	Telephone	First contact
Marian Willberg, Manager Maritime, Freight and Access	s 9(2)(f)(iv)	✓
Matt Mintrom, Senior Advisor Maritime, Freight and Access		

## GOVERNMENT RESPONSE TO THE REPORT OF THE PETITIONS COMMITTEE ON THE RMS NIAGARA

### The Government is required to respond to the petition

1. The Petition's Committee (the Committee) published its final report on the petition of Erin Tiplady on 17 March 2025.
2. Under Standing Order 256, the Government must present a paper to the House responding to any recommendations of the Committee within 60 working days. The latest date you must table the response is Thursday 12 June 2025.

### The Petition calls for the Government to recommend Maritime New Zealand undertake a visual survey of the RMS Niagara to determine how much oil is still on board

3. On 22 May 2024, Erin Tiplady, on behalf of Northcote Intermediate School Room 3, presented a petition to the Committee requesting that the RMS *Niagara* in the Hauraki Gulf be surveyed to determine how much oil remains on board (the petition).
4. The Committee received written and oral submissions from students in Erin Tiplady's class. The students expressed concerns about the RMS *Niagara* wreck, noting that it has been leaking oil into the Hauraki Gulf for 84 years and highlighting the potential environmental damage a major oil leak could cause. They fear the ship could break up, resulting in a catastrophic spill that would harm marine life and make local beaches unusable.
5. The petition received 518 signatures, and the Committee received supporting submissions from the Department of Conservation, Northland Regional Council and Mangāwhai Museum. Maritime NZ confirmed to the Committee that it has twice asked the Government for funding to survey the RMS *Niagara*, but these proposals have not been successful.
6. On 17 March 2025 the Committee submitted its final report and recommendations.

### The Petitions Committee recommends to the Government that Maritime NZ prioritise a survey and risk assessment of the RMS *Niagara*

7. In its final report (Appendix 1), the Committee agreed with the petitioner that New Zealanders deserve to know whether the quantity of fuel oil remaining on the RMS *Niagara* shipwreck poses a risk to the environment. It recognises that an oil spill could potentially affect iconic and valued species, oceans, and coastlines.
8. The Committee also acknowledges the financial constraints under which every Government operates. However, it considers effective risk management relies on having accurate information, enabling decision-makers to assess and prioritise risks and to develop appropriate strategies to minimise or mitigate them.
9. The Committee recommends to the Government that Maritime NZ prioritise a survey and risk assessment of the RMS *Niagara*.

**Maritime NZ is not funded to undertake a survey and risk assessment of the RMS *Niagara***

10. The petition refers to a recommendation Maritime NZ has made to successive Associate Ministers of Transport (MNZ 25-010 refers) that a detailed visual survey should be undertaken of the RMS *Niagara* to determine the risks of an oil spill in the environmentally sensitive Hauraki Gulf.
11. Maritime NZ has noted to Associate Ministers of Transport that this would be a complex operation, requiring specialised equipment and potentially costing around \$14m. There are also risks that the survey may not improve knowledge of the risk due to the wreck's position, and the exercise could even cause a leak.
12. Maritime NZ is not funded to undertake a survey or other actions associated with the RMS *Niagara*. The Government has not approved this funding to date. The site continues to be observed by Maritime NZ, in its role as lead agency for oil spill response.

**The Ministry has drafted a potential Government response**

13. We have drafted a Cabinet Legislative Committee paper (Appendix 2) and potential Government response (Appendix 3) setting out our recommended approach to the Committee's recommendation. These were drafted with the understanding that funding has not been approved for a visual survey of the RMS *Niagara* but that the situation will continue to be monitored should the risk of a major oil spill increase, or the fiscal position improve.
14. The Government response is the Associate Minister and Cabinet's. The recommendation has been drafted by the Ministry in consultation with Maritime NZ, emphasising the need to balance environmental impacts with economic considerations, safety and community views.

*Recommendation: The Petitions Committee recommends to the Government that Maritime New Zealand prioritise a survey and risk assessment of the RMS *Niagara*.*

1. Response. The Government takes the risk of a major oil spill from the RMS *Niagara* very seriously. Over a number of years, considerable work has been undertaken to assess the risk posed by the wreck. Maritime New Zealand, the lead government agency responsible for oil spill response, has conducted and commissioned multiple studies, reports, site visits and seabed surveys, and has maintained ongoing observation of the site.
2. Maritime New Zealand has, for some time, recommended conducting a more detailed visual survey of the wreck to enhance its risk assessment. It notes that such a survey would be a complex operation requiring specialised equipment and could cost around \$14 million. There are also risks that the survey may not be able to obtain the necessary information, due to the position the ship is lying in, and the survey could even trigger a leak.
3. At this stage, the Government has not approved funding for this proposal. That decision has been made in the context of:
  - no current evidence of risks requiring immediate intervention
  - the need to prioritise Crown investment across many important environmental and

5. The Government may reconsider its position should the condition of the wreck change and/or the fiscal environment allow.
6. Maritime New Zealand continues to observe the RMS Niagara and remains prepared for any potential leaks or incidents. The most up-to-date information on this work is available on its website (<https://www.maritimenz.govt.nz/public/in-focus/rms-niagara/>), and we encourage interested parties to follow the updates there.

### Next steps

15. Subject to any feedback from you, the next step is for you to initiate Ministerial consultation on the attached documents, before submission to the Cabinet Legislation Committee. We recommend the timeline in Table 1 below to meet the required deadline under Standing Order 256.

Table 1: Timetable to meet Standing Order 256

Action	Date	Working days left
Approval to consult	Tuesday 13 May 2025	22
Ministerial consultation begins	Thursday 15 May 2025	20
Final approval	Wednesday 28 May 2025	11
Submit paper to Cabinet	Thursday 29 May 2025	10
Cabinet Legislation Committee	Thursday 5 June 2025	6
Full Cabinet	Monday 9 June 2025	4
Tabled in the House by the Associate Minister of Transport	Thursday 12 June 2025	0

16. s 9(2)(f)(iv)

Attachment is refused under section 18(d) as the final Cabinet paper is available on the Ministry's website: [https://www.transport.govt.nz/assets/Uploads/Government-Response-to-the-Report-of-the-Petitions-Committee-on-the-Petition-of-Erin-Tiplady-\\_Redacted.pdf](https://www.transport.govt.nz/assets/Uploads/Government-Response-to-the-Report-of-the-Petitions-Committee-on-the-Petition-of-Erin-Tiplady-_Redacted.pdf)

<sup>1</sup> The Performance Plan is the mechanism to capture all pressures and ministerial commitments that portfolio Ministers consider necessary to fund within baselines over the forecast period.

IN CONFIDENCE



9 May 2025

OC250405

Hon Chris Bishop

Action required by:

Minister of Transport

Monday, 19 May 2025

## INTERIM ADVICE ON REVENUE TOOLS

### Purpose

Seeks your feedback on which of the existing and potential revenue tools available to fund transport investment you would like further advice on.

### Key points

- The right package of revenue and demand management tools should achieve the following objectives:
  - **Efficient:** Tools should maximise net revenue and improve network efficiency at least cost.
  - **Fair and transparent:** People should understand how prices are set, and should pay in proportion to the benefits they receive and the costs they create.
  - **Easy to engage with:** It should be as easy as possible for people to pay and comply.
- This briefing provides a rapid assessment of revenue tools against these objectives, as well as their revenue potential.

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s 9(2)(f)(iv)

IN CONFIDENCE



- s 9(2)(f)(iv)
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- In the time available we have not been able to bring together a picture of how the expenditure funded from the National Land Transport Fund (NLTF) has changed over time, but that will be available next week.

### Recommendations

We recommend you:

- 1 provide feedback on areas you would like to receive further advice on, and which areas you would explicitly rule out at this time. Yes / No



Paul O'Connell  
Deputy Chief Executive, Sector Strategy  
9 May 2025

Hon Chris Bishop  
Minister of Transport  
..... / ..... / .....

Minister's office to complete:

- ☐ Approved
 ☐ Declined  
☐ Seen by Minister
 ☐ Not seen by Minister  
☐ Overtaken by events

Comments

### Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	✓

## ANNEX ONE – Summary of existing revenue tools

	Meets objective		Mostly meets		Partially meets		Does not meet	N/A	Criteria not applicable
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	Revenue tool	Indicative revenue potential	Efficient	Fair and transparent	Easy to engage with	s 9(2)(f)(iv)
User charges	Fuel excise duty (FED)	\$\$\$	100% compliance, very low collection and implementation costs.	Mixed – is based on average fuel consumption levels. Some users pay much more than others despite driving the same distance. Incentivises drivers to buy fuel efficient vehicles.	Built into the cost of fuel. No compliance burden on individuals.	
	Road user charges (RUC)	\$\$\$	Compliance and implementation costs are reasonable but not as good as FED.	Users pay based on distance travelled, but not where and why they travel. Prices in the current system are not fully cost-reflective but they could be made more so.	Currently requires people to take active steps to meet their obligations (although this can be somewhat mitigated with improvements).	
	Public transport fares	\$	Some lost revenue through non-compliance and different transaction costs.	Transparency around rates (e.g. zone systems, on vs off-peak). Subsidies mean people do not fully pay in proportion to the benefits they receive and the costs they create.	Requires some manual engagement with the system (e.g. topping up payment cards).	
	Annual vehicle licensing	\$\$	Some lost revenue through non-compliance. Some ongoing administration costs (e.g. over the counter sales, postage for manual label).	Charges are not proportionate to actual use of the land transport system.	Requires people to take active steps to meet their obligations.	
	Tolling (NZTA-run)	\$	Relatively high proportion of revenue is currently spent on administration.	People pay to use a higher quality road than alternative routes. However, prices only partially reflect costs to system.	Requires some manual engagement with the system (especially for casual users).	
	Time-of-use charging	\$	Improving network efficiency is a clear purpose of any scheme established under the Bill. Administrative efficiency will depend on scheme design but will use same back-office as tolling, and may require high upfront costs.	Users pay based on when and where they travel. However, depending on design, the prices may not be fully cost-reflective.	Requires some manual engagement with the system (especially for casual users).	
	Parking fees and fines	\$	Some lost revenue through non-compliance. Requires manual enforcement.	Prices are reasonably transparent but not typically cost-reflective.	Requires some manual engagement with the system (i.e. paying at meter).	
Beneficiary pays	Development levies and targeted rates	\$	Implementation costs could be relatively low.	Depends on design. Targeted to the people that benefit. Prices can be reasonably transparent but aren't necessarily cost-reflective.	Likely to be built into existing rates bills.	
Taxation	Council contributions (via local rates)	\$\$	High compliance and low collection costs.	People do not pay based on use or fully in proportionate to the benefits they receive. However, given rating is based on property value this can capture some realised benefits.	Sourced from existing rates payments.	
	Crown grants (via general taxation)	\$\$	High compliance and low collection costs.	People do not pay based on use or in proportion to the benefits they receive or costs they impose.	Sourced from existing tax mechanisms.	
Other	Toll road concessions (one-off revenue rather than ongoing)	\$\$	Implementation costs are largely limited to the costs of the transaction/contracting process. However, this process may be complex and the cost may be significant depending on the complexity and nature of the transaction.	People pay to use a higher quality road than alternative routes. However, prices only partially reflect costs to system.	Requires some manual engagement with the system (especially for casual users) but private providers may have greater incentives to enhance user-friendliness of the toll roads they operate.	

	Revenue tool	Indicative revenue potential	Efficient	Fair and transparent	Easy to engage with
	Sale of NZTA-owned land (one-off cash inflow rather than ongoing revenue)	\$	Legal complexities.	N/A	N/A
	Advertising and/or naming/sponsorship rights	\$	Implementation costs are largely limited to costs of contract management.	Companies will be willing to pay for advertising and/or sponsorship rights in proportion to the benefits they receive.	N/A

s 9(2)(f)(iv)

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**ANNEX TWO – Summary of potential other revenue tools**

s 9(2)(f)(iv)

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OFFICIAL INFORMATION ACT 1982



15 May 2025

OC250437

**Hon James Meager**  
**Associate Minister of Transport**

cc Hon Chris Bishop  
 Minister of Transport

## MEETING WITH MARITIME NZ CHAIR ON 20 MAY 2025

### Snapshot

You are meeting with the Maritime New Zealand (Maritime NZ) Chair, Dame Jo Brosnahan, on 20 May 2025.

<b>Time and date</b>	4:30-5:00pm, 20 May 2025
<b>Venue</b>	Parliament House G.037
<b>Attendees</b>	Dame Jo Brosnahan, Chair, Maritime NZ Kirstie Hewlett, Director/Chief Executive, Maritime NZ
<b>Officials attending</b>	David Wood, Deputy Chief Executive, Investment and Monitoring Liz Anderson, Manager, Crown Entity Monitoring Marcus Schutenko, Senior Adviser, Crown Entity Monitoring
<b>Agenda</b>	<ol style="list-style-type: none"> <li>1. Introduction to Maritime NZ</li> <li>2. Feedback on the draft 2025/26 Statement of Performance Expectations</li> <li>3. Funding</li> <li>4. Cruise sector</li> <li>5. Governance</li> </ol>

### Contacts

Name	Telephone	First contact
Liz Anderson, Manager, Crown Entity Monitoring	s 9(2)(a)	✓
Marcus Schutenko, Senior Advisor, Crown Entity Monitoring		

## Key points

- You are meeting with Dame Jo Brosnahan (Maritime NZ Chair) on 20 May 2025. Kirstie Hewlett (Chief Executive) will also be in attendance. This will be your first in-person meeting with the Chair.
- Maritime NZ suggested the following agenda items:
  - Introduction to Maritime NZ - strategy and priorities
  - Draft SPE feedback
  - Funding
  - Cruise sector.
- We have also added a Governance agenda item, to provide an opportunity to discuss Board-related issues such as how well the Board and/or its individual members are performing.
- This briefing draws on the following five documents:
  - Your letter of expectations to the Maritime NZ Chair (dated 3 March 2025)
  - The Chair's response to your letter of expectations (dated 19 March 2025)
  - The Chair's letter outlining Maritime NZ's top five priorities (dated 2 April 2025)
  - Maritime NZ's draft 2025/26 Statement of Performance Expectations
  - The Ministry's briefing on this draft SPE (OC250433 refers).

## Item one: Introduction to Maritime NZ

*The Chair is likely to provide a brief introduction to Maritime NZ, including its strategy and priorities*

- 1 You could acknowledge the Chair's reply to your letter of expectations and the letter outlining the Board's top five priorities, and the help they have given you in understanding what's front of mind for the Board.
- 2 You may want to reiterate your interest in the Board's regulatory priorities and regulatory reform programme (as outlined in your letter of expectations). You may also wish to express an interest in Maritime NZ producing a regulatory strategy which provides transparency on its regulatory priorities, approach, and performance measurement framework.
- 3 Note that Maritime NZ is the only transport regulator that does *not* have a current regulatory strategy that outlines (in one place) how the entity and its Director perform their regulatory function. Maritime NZ has a number of documents that refer to the entity's regulatory approach, but none of them document all of the following<sup>1</sup>:
  - 3.1 key areas of focus, including the key risks being targeted within those areas
  - 3.2 its regulatory approach, including in relation to monitoring, enforcement and compliance

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<sup>1</sup> Content required under s96A of the Land Transport Management Act 2003 (for NZTA's regulatory strategy) and s27 of the Civil Aviation Act 2023 (for CAA's regulatory strategy).



- 3.3 how performance will be assessed
- 3.4 a summary of how the strategy will be updated and reviewed.

**Item two: Feedback on the draft 2025/26 Statement of Performance Expectations**

s 9(2)(f)(iv)

- 4 As per the Ministry's briefing on Maritime NZ's 2025/26 draft Statement of Performance Expectations (OC250433 refers), s 9(2)(f)(iv)

**Item four: Cruise**

*The Chair is expected to provide a verbal update on the cruise sector and its impact on Maritime NZ's levy revenue*

**Item five: Governance (Chair only)***Board appointments*

- 9 Lesley Haines' term is due to expire in November 2025 – refer to Figure 1 s 9(2)(f)(iv)
- 10 Dame Jo is in her second term as Chair – her current term is due to expire in June 2026. s 9(2)(f)(iv)
- 11 Kevin Short and Viv Bull were appointed in April 2025 – s 9(2)(f)(iv)

*Board evaluation*

- 12 You could ask the Chair how the Board is currently performing, and whether it's getting the right information at the right time to make informed decisions. You could also ask about any high priority organisational matters that the Board is currently grappling with<sup>2</sup>.
- 13 Your letter of expectations noted that you "...are extremely interested in the performance of the Board and its members. Therefore, I expect to discuss Board performance with you on an annual basis, including an independent evaluation at least once every three years." The Chair's reply noted that the board undertakes an anonymous annual survey of the Board, but that "To date we have not undertaken an external IOD survey...However, if you would like to, we will undertake one."
- 14 You may want to emphasise that you do not expect the Board to undertake an external IOD survey. Any credible external provider would suffice – this is the Board's decision. If necessary, you could also emphasise the importance of sharing the results of Board evaluations with you as responsible Minister, as one input into a discussion on the performance of individual members.

**Figure 1: Maritime NZ Board Membership**

Members	Original appointment date	Expiry date of current term
Dame Jo Brosnahan (C)	01/07/2018	30/06/2026
Kevin Short (DC)	03/04/2025	28/02/2028
Danny Tuato'o	01/08/2020	30/06/2027
Lesley Haines	07/11/2022	06/11/2025
Viv Bull	03/04/2025	30/06/2027
Parke Pittar	16/08/2023	28/02/2028
Lara Ariell (Future Director*)	01/07/2024	30/06/2025

\*Appointed by Board

<sup>2</sup> Note that the Chair's top five priorities letter focusses on 'external' issues of greatest direct relevance to you as responsible Minister.

30 May 2025

OC250500

Hon Chris Bishop  
 Minister of Transport

## MEETING WITH NICK FORSTER, MANAGING DIRECTOR, CITI

### Snapshot

On Tuesday 3 June 2025, Nick Forster (Managing Director, Citi) is meeting with you to discuss toll road concessions and Private Public Partnerships (PPPs).

Citi is the preferred supplier to support the Ministry of Transport on its market sounding for toll road concessions (OC250426 refers) and Nick attended the officials' meeting on Wednesday 28 May 2025 for an initial introduction.

Time and date	Time TBA, Tuesday 3 June 2025
Venue	Parliament EW6.3
Attendees	Nick Forster, Managing Director, Citi
Officials attending	Mark Hodge, Manager, Transport Financing (if required)
Agenda	Investment and infrastructure discussion
Talking points	<ul style="list-style-type: none"> <li>• Citi's experience with toll road concessions in Australia</li> <li>• How we can best position toll road concessions in New Zealand to the investor market.</li> </ul>

### Contacts

Name	Telephone	First contact
Jess Edlin, Acting Manager, Investment	s 9(2)(a)	X
Geraldene Peters, Senior Advisor, Investment		

## MEETING WITH NICK FORSTER, MANAGING DIRECTOR, CITI

### Key points

- Nick Forster is Managing Director and Co-Head of Resources, Infrastructure and Utilities and head of Investment Banking at Citi in Australia and New Zealand. Citi is a large multi-national investment bank and is part of Citigroup Inc. (which includes Citibank). Nick is the Managing Director only of New Zealand, based in Auckland. Australia was included in error.
- Nick has extensive experience in advising on toll road concessions in Australia – including advising the New South Wales Government on the sale of its stake in WestConnex.
- The Ministry of Transport has engaged Citi to act as our preferred supplier of financial and commercial advisory services on the toll road concessions market sounding. Nick Forster will act as lead advisor on this work.
- Nick attended the officials meeting on Wednesday 28 May 2025 for an initial introduction.
- There is no set agenda for this meeting. You may wish to discuss Nick's experience in advising on toll road concessions and how we can best position New Zealand toll road concession opportunities with the private sector as part of the upcoming market sounding. Mark Hodge, Manager Transport Financing, can be made available to attend the meeting if desired.

### Background

- 1 Nick has extensive experience in advising on both the buy and sell side of toll road concessions and transactions. Highlights of Nick's experience include:
  - 1.1 Advising the New South Wales Government on the sale of its 49 percent stake in WestConnex to Sydney Transport Partners, and the WestConnex scoping study, in 2021.
  - 1.2 Advising the NSW Government on its scoping study into the Western Harbour Tunnel and Beaches Link.
  - 1.3 Advising Transurban on its acquisition of Queensland Motorways in 2014.
- 2 Nick has also advised on the funding model for Auckland Airport where Auckland Council sold its stake in the airport in December 2024.
- 3 Nick attended the New Zealand Infrastructure Summit in March this year.

### Market sounding on toll road concessions

- 4 The Ministry of Transport has engaged Citi as our preferred supplier of financial and commercial advisory services to support the upcoming market sounding on toll road concessions. Nick Forster will be the lead advisor on this work.



- 5 We have had early engagements with Nick and his team at Citi, including discussing the proposed process and timeline for market sounding that we provided to you on 21 May 2025 (briefing OC250426 refers).
- 6 A key consideration for market sounding is ensuring the process and timeline provides sufficient time to prepare high-quality engagement materials on the toll road concession opportunities and ensure that participants are provided an early heads-up so that key senior representatives are available to meet with us. These senior representatives are critical for us to extract high-quality insights from our market sounding.
- 7 You may wish to discuss Nick's experience in advising on toll road concessions and how we can best position New Zealand toll road concession opportunities with the market. Talking points and questions are set out below.

#### Talking points and questions

- I understand you have advised on several large toll road concessions in Australia, including WestConnex. What lessons can you suggest from these processes as we look at toll concessions here?
- In New Zealand we have several toll roads in operation, or coming up, but these have low traffic volumes by international standards. How can we generate investor interest in concessions on our toll road network?

#### Biographies



**Nick Forster – Head of Investment Banking, Citi**

- Nick is Citi's Australia/NZ Managing Director and leads infrastructure advisory and investment banking functions for the investment bank.
- Nick joined Citi in 2017 as a Managing Director and Co-Head of Resources, Infrastructure and Utilities. He has over 24 years of relevant experience in Australia completing numerous domestic and cross-border Mergers & Acquisitions. Nick has advised corporate, institutional investors and government clients on accessing debt, equity, and structured capital markets.
- Before joining Citibank, Nick was a Managing Director and Co-Head of Natural Resources and Infrastructure at Goldman Sachs. Before joining Goldman Sachs, in 2009, Nick was Head of Infrastructure at UBS. Nick commenced his advisory career in the Macquarie Group's Infrastructure and Utilities team.

4 June 2025

OC250464

**Hon Chris Bishop****Action required by:****Ministry of Transport**

Friday, 13 June 2025

## **REGULATIONS REVIEW COMMITTEE LETTER ON REVENUE INSTRUMENTS UNDER THE LAND TRANSPORT ACT 1998**

### **Purpose**

To seek your agreement to the proposed response to the Regulations Review Committee's (RRC) letter about fees and charges under the Land Transport Act 1998 (LTA) that are spent like taxes.

### **Key points**

- The RRC has written to you seeking your views on regulations under the LTA that allow Ministers to decide that a fee (which is typically raised and spent on the same user) can be spent on a broader set of users, like a tax.
- The LTA enables the setting of fees and charges by regulation but not levies. However, the LTA empowers Ministers to decide through a regulation to spend a fee on a broader set of users in the form of land transport revenue, which is akin to a levy or tax (Section 168(4)(h) refers). To ensure appropriate oversight, any fees or charges to be used in this way must be confirmed by Parliament (Section 167(4) refers).
- The RRC is concerned that the current legislative design is not consistent with the principle in the Constitution Act 1986 that Ministers can only impose a tax under an Act of Parliament. They propose that Ministers be specifically and separately empowered under the LTA to set a "tax-like levy" in addition to fees and charges.
- The main example of this is motor vehicle registration (MVR) which is raised as a fee under the LTA and allocated under the Land Transport Management Act (LTMA) to fund a range of land transport activities including public transport, rail, and roading.
- The RRC has liaised with the Attorney-General, the Parliamentary Counsel Office, the Legislation Design and Advisory Committee, and the Ministry of Transport on this matter. All consultees advised RRC that no action was warranted because fees and charges that Ministers agree to spend like taxes are subject to confirmation by Parliament.
- We agree that an amendment to address this aspect of the LTA design in isolation is not warranted. However, it is an issue that could be considered in any future LTA amendments, to improve clarity and consistency. Our proposed response to the RRC reflects this position.



## Recommendations

We recommend you:

- 1 Sign the attached letter and forward it to the Regulations Review Committee by 5:00pm Friday 13 June 2025. Yes / No



Chris Nees  
Acting Chief of Staff  
04/06/2025

Hon Chris Bishop  
Minister of Transport  
..... / ..... / .....

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

## Contacts

Name	Telephone	First contact
Tony Frost, Managing Principal, Funding Reviews	s 9(2)(a)	✓
Greg Mossong, Principal Advisor, Funding Reviews		

Arena Williams  
Chairperson  
Regulations Review Committee

Dear Chairperson,

I am writing in response to your letter dated 14 May 2025 raising the Committee's concerns about the cost-recovery provisions set out in section 167(1)(j) and section 168(4)(h) of the Land Transport Act 1998 (LTA) and section 6(c) of the Land Transport Management Act 2003.

While I agree the existing arrangements are unusual, they achieve the intended outcome. If a fee or charge made under the LTA is similar to a tax because it flows into the National Land Transport Fund as land transport revenue, this triggers Parliamentary oversight in the form of confirmation. In my assessment, a review of this one aspect of the system is not warranted. The current legislative design was put in place by Parliament, maintains Parliamentary oversight and has worked for many years.

I will keep this issue in mind if we need to make other changes to the LTA that would provide an appropriate legislative vehicle to address this issue.

Yours sincerely,

Hon Chris Bishop  
**Minister of Transport**



Document 9

4 June 2025

OC250493

Hon James Meager

Action required by:

Associate Minister of Transport

Friday, 20 June 2025

## MARITIME NEW ZEALAND PERFORMANCE REPORT QUARTER THREE 2024/25

### Purpose

This briefing provides you with an analysis of Maritime New Zealand's performance during the first three quarters of 2024/25 (to 31 March 2025).

### Key points

- Maritime New Zealand (Maritime NZ) has provided consolidated quarterly reporting against its statutory accountability documents (i.e. Statement of Intent (SOI) and Statement of Performance Expectations (SPE)).
- While Maritime NZ is largely on track to meet the outputs and outcomes outlined in its current 2024/25 SPE and 2024-28 SOI, concerns remain about the entity's financial performance and sustainability.
- The Board has reforecast Maritime NZ's 2024/25 deficit to \$2.5 million, an improvement on the original budget deficit of \$3.0 million. While total revenue is now forecast to increase \$5.8 million (despite lower maritime levy revenue), expenditure is expected to increase \$5.3 million (despite lower personnel costs).
- The Maritime NZ Board signed off the Quarter Three Performance Report immediately before you met with the Chair on 20 May 2025. Therefore, the financial information contained in the Report does not address the matters you discussed with the Chair.

### Recommendations

We recommend you:

- 1 **note** that Maritime NZ has provided consolidated quarterly reporting against its SOI and SPE

- 2 note that while Maritime NZ had made some good progress against its system outcomes, there remains an ongoing risk to the entity's financial sustainability
- 3 agree to meet with the Maritime NZ Chair to discuss issues raised in this briefing and other performance-related issues Yes / No
- 4 agree to share this briefing with the Maritime NZ Chair prior to meeting with her Yes / No
- 5 refer this briefing to the Minister of Transport for their information.

Richard Cross  
Acting Manager, Crown Entity Monitoring

Hon James Meager  
Associate Minister of Transport

..... / ..... / .....

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

#### Contacts

Name	Telephone	First contact
Richard Cross, Acting Manager Crown Entity Monitoring	s 9(2)(a)	✓
Marcus Schutenko, Senior Advisor, Crown Entity Monitoring		

## MARITIME NEW ZEALAND PERFORMANCE REPORT QUARTER THREE 2024/25

### Background

- 1 You received the 2024/25 Q3 Performance Report from Maritime New Zealand (Maritime NZ) on 21 May 2025. Maritime NZ's Q3 Report (at Annex One) covers the nine-month period to 31 March 2025. The report documents progress made during this period against the key targets outlined in:
  - Maritime NZ's Statement of Intent 2024-28 (SOI)
  - Maritime NZ's Statement of Performance Expectations 2024/25 (SPE)
- 2 Quarterly reports are an important part of the Crown entity performance management system, as they track actual performance against the targets included in the SOI and SPE. They provide an opportunity for responsible Ministers to check-in with their Crown entities about progress against annual targets, to discuss key risks and issues, and the measures being taken by the entity to address any adverse performance results.
- 3 This briefing takes an exceptions-based approach to assessing Maritime NZ's performance, primarily focussing on activities and measures that are not on track and unlikely to be delivered by year-end, along with any other significant risk areas.

### Statement of Intent and Statement of Performance Expectations

*Maritime NZ has made good progress against many of the targets outlined in its SOI and SPE*

- 4 Maritime NZ has set eight intermediate *outcomes* to demonstrate its impact over the medium- to long-term. Most of these outcomes do not have quantitative targets and are difficult to report on in a quarterly manner, for example, 'recreational users are aware of their responsibilities and manage the risks'.
- 5 Maritime NZ provides quarterly data on four of its outcome measures:
  - 5.1 Fatalities and serious harm across the maritime sector
  - 5.2 Search and rescue operations
  - 5.3 Maritime incident and oil spill response operations, and
  - 5.4 Maritime security.
- 6 In the 12 months to March 2025, Maritime NZ advises that there were 16 recreation sector fatalities and 14 commercial sector fatalities – refer to Figure 1 below to a 12-month moving average time series since 2020/21. While the number of recreation sector fatalities has remained relatively stable since Q3 2020/21, there has been a significant increase in commercial sector fatalities over the past year due to a spike in deaths during the latter half of 2023/24. While Maritime NZ is not solely responsible for mitigating commercial sector fatalities, this is a performance dimension that the Ministry will maintain close oversight of.

- 7 Maritime NZ advises that its search and rescue operations saved 17 lives and rescued 113 people during Q3. This compares with 16 lives saved and 94 rescues during the third quarter of 2023/24.
- 8 The number and severity of oil spills has remained relatively stable over the past 12 months, as has the number of security incidents.

Figure 1: Recreation and Commercial Sector Fatalities (12 month moving average)



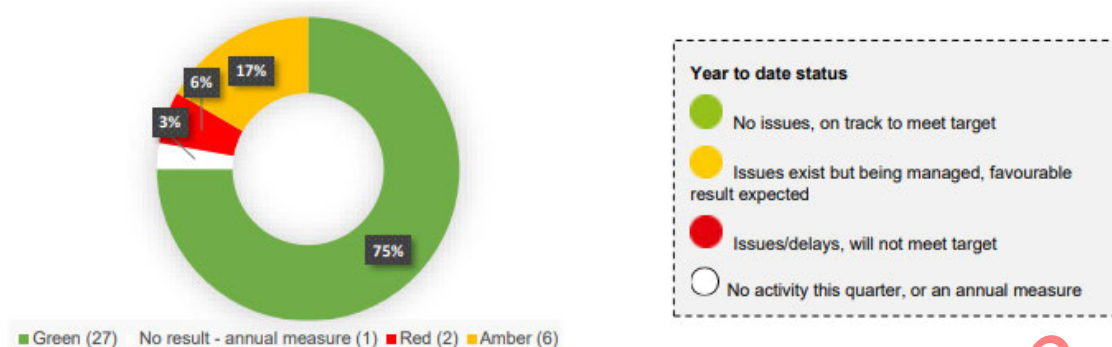
- 9 After the third quarter, Maritime NZ estimates that two of its 36 output measures are off-track and unlikely to recover by year-end. Another six measures are experiencing issues but are expected to meet year-end targets. Refer to Figure 2 below.
- 10 The two measures not on track to achieve their year-end targets relate to the timely processing of maritime applications and the percentage of peak period search and rescue duty shifts that have a qualified watch leader.
- 11 The percentage of maritime documents processed within 20 working days was 40%<sup>1</sup>, compared to a target of at least 70%. This represents a significant deterioration on Maritime NZ's 2023/24 result of 63% and 2022/23 result of 56%<sup>2</sup>, but has been improving each quarter in 2024/25 from 28% in Q1, 39% in Q2 and 55% in Q3.
- 12 The percentage of peak period search and rescue duty shifts that have a qualified Watch Leader was 51% compared with an annual target of 100%. In November 2024 the Government provided Maritime NZ with \$0.690 million for 2024/25, increasing year-on-year (OC241179 refers), to create a 'fifth watch'. With this new funding Maritime NZ anticipates being able to achieve target by June 2025.

<sup>1</sup> This is a year-to-date result, and relates to the processing of maritime documents, marine protection documents, statutory certificates and permits within 20 working days from receipt of a complete application.

<sup>2</sup> Refer to the Ministry's AM on the 2023/24 Annual Report (OC241349).



Figure 2: Status of Maritime NZ's Output Measures (9 months to March 2025)



## Financial performance

*While the forecast financial result has improved, concerns remain*

- 13 The Board has reforecast Maritime NZ's 2024/25 deficit to \$2.5 million<sup>3</sup>, an improvement on the original budget deficit of \$3.0 million. Interestingly, 2024/25 revenue is now forecast to increase \$5.8 million to \$93.0 million despite a decline in maritime levy revenue, due to an unexpected increase in section 9 search and rescue funding.
- 14 Maritime NZ's 2024/25 expenditure is now forecast to increase \$5.3 million to \$95.6 million compared with the original SPE budget. Personnel costs are now expected to be \$1.2 million less than the 2024/25 budget (at \$55.8 million) and \$1.4 million less than personnel costs in 2023/24 – this is a positive development.
- 15 However, operating expenses are now expected to be \$6.8 million higher than the 2024/25 budget (at \$36.4 million), and \$3.2 million more than such costs in 2023/24. Maritime NZ doesn't provide a breakdown of operating costs on a quarterly basis so it's difficult to know what accounts for this increase s 9(2)(g)(i)
- 16 The Ministry will seek to clarify the reason for such a significant increase in Maritime NZ's operating costs and in particular, the extent to which this may be due to contractors and/or consultants.

17 s 9(2)(f)(iv)

## Next steps

- 18 We recommend that you meet with the Maritime NZ Chair on a quarterly basis to discuss performance-related risks and issues. The Ministry can provide you with another briefing, including talking points, to assist with such quarterly meetings.

<sup>3</sup> Excluding the NZ Oil Pollution Fund.

<sup>4</sup> Based on data submitted to the Public Service Commission as part of its quarterly survey of contractors and consultants.

2024/25 Quarter 3

Performance Report

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# Executive summary

## Our highlights

In Quarter 3 (Q3) of 2024/25, Maritime NZ has made tangible gains in embedding our regulatory approach and delivering better outcomes for the maritime sector.

- Our main focus in Q3 has been our ongoing drive to be more **efficient and effective** in how we operate and doing so as financially prudent as possible.
- We have made good progress across a range of initiatives to facilitate **growth and innovation** in the maritime sector, including progress on rules and legislation enabling new and low carbon technology and addressing maritime workforce needs. For more, see pages 6-8.
- Thank you for approving additional funding via **Fuel Excise Duty** (FED) to meet cost pressures for our recreational craft harm prevention work and search and rescue function. The funding will enable us, and our partners, to continue our behaviour change work and on the ground activity that has proven to save lives. Additionally, the funding for variable search and rescue recovery costs will also remove cash flow pressures.
- A key priority has been implementing the **Approved Code of Practice for Loading and Unloading cargo at ports and on ships** (ACOP), which was launched in November. We have commenced proactive inspections, starting with a focus on breakbulk (in particular log ships). For more, see page 9.
- Following the funding announced in Q2 for a **fifth search and rescue watch**, preparations are well underway to embed this capacity with search and rescue officers now recruited and induction and training underway.
- The **quality of ships** operating globally is in decline. The number of underperforming ships in the Asia Pacific is increasing (published by the Tokyo MOU Port State Control Committee). However, we are seeing some early signals that where we have increased inspections the quality of vessels is slightly increasing. In Q3, our Maritime Inspections team conducted 111 initial and follow-up inspections on foreign ships operating in our waters. 65% (53) of these inspections resulted in deficiencies issued and three foreign vessels detained.
- We appreciate your support to allow our rules programme to progress furthering consultation milestones for **40 Series rules reform** (design, construction and equipment rules for domestic commercial ships) and for approval of international omnibus rules (aimed at ensuring we comply with international standards). For more, see page 11.
- With the **review of the Health and Safety at Work Act 2015** (HSWA) recently signalled, we are engaging with MBIE to support work on the reform and to understand the implications for ourselves as a regulator, our regulatory approach and for the sector. We will keep you informed.
- In February, former Port of Auckland chief executive, **Tony Gibson**, was sentenced in a significant case in relation to a 2020 fatal incident at the port. In November last year, Mr Gibson was found guilty of one HSWA charge. This is the first time in New Zealand an officer of a large company has been convicted of a breach of their due diligence duty. The decision was fact specific and provides helpful information about due diligence responsibilities for Chief Executives. We are partnering with the Business Leaders Health and Safety Forum, IOD and Worksafe to provide support to Chief Executives to understand their obligations in more detail. However, Mr Gibson has appealed the verdict and development of the guidance continues.

- We were really pleased to see our lawyers take out three awards at the 37<sup>th</sup> Annual ILANZ Conference. Rose Mein for best in-house lawyer of the year, Suzanne Trouson for best new in-house lawyer, and our Legal Team for best in-house legal team.

## **Our organisational improvement, efficiency and effectiveness**

### **Certification and licensing improvement programme**

Our multi-year regulatory licensing improvement programme is advancing well and we are making good progress towards our ambitious target of 70% of licensing applications processed in 20 working days. Even with increasing application volumes, our quarterly processing rate continues to improve, with an uplift from 27.8% in Q1, to 38.9% in Q2 and 55.4% in Q3.

While we are doing our best to improve processing times, we are aware that real improvement will only be possible when our MyMNZ project is completed, enabling the digitisation of seafarer licensing forms and processes. Planned Rule changes will also help.

In Q3, our multi-year certification and licensing improvement programme:

- Focused on opportunities to simplify our licensing processes, making progress towards the digitisation of seafarer applications, with a focus on user experience and support for the sector.
- Established the Regulatory Licensing Review Panel to provide the maritime sector with an accessible mechanism to dispute licensing decisions. Insights from these reviews may inform future operational and policy decisions, strengthening the effectiveness of the wider system.

We have a group of maritime operators we work with on improving certification and licensing, meeting every 6 months to discuss progress and seek feedback. They are pleased with the progress we are making and that we are listening to the sector.

### **Embedding our regulatory approach**

As a risk-based regulator focused on preventing harm across the maritime domain, we prioritise preventing harm through delivering our regulatory activity, including proactive harm prevention programmes in order to achieve our vision and outcomes. In Q3:

- A briefing has been prepared for you on our Harm Prevention Programmes Approach which we intend to share with you shortly.
- We continue to roll out policies to implement our Regulatory Approach, including our corrective and enforcement tools policy this quarter. The policy encourages and supports staff to use a wide range of corrective and enforcement tools based on risk, as well as the compliance and attitude of the operator. We have received positive feedback already about how we are using these tools in a risk based way. Voluntary Agreements have worked particularly well where there is medium harm and the operator is taking action and working with us to fix a problem.
- Work continues across the organisation to get people familiar with the new approach and what it means for their work.

### **Understanding officer duties (HSWA) following recent court ruling**

Following the conviction of former Port of Auckland CEO, Tony Gibson, which has since been appealed, we are working with the Business Leaders Health and Safety Forum (BLH&SF), WorkSafe NZ and the Institute of Directors following the court findings. The court ruling has implications for all CEOs, managing directors or other leaders who run businesses in NZ.



To ensure the responsibilities and duties of officers under s44 are understood, we are partnering with key stakeholders to develop a due diligence guidance which will support Chief Executives in fulfilling their duties, while making clearer the difference between a Director and a Chief Executives due diligence obligations, and where they overlap. Key messages and material to support CEOs and senior leaders were recently published on the BLH&SF website.

### Third-party oversight implementation

Our **third-party oversight function** is taking shape. We have recruited a small team, as agreed in the last funding review to begin implementing a new framework ensuring people who perform delegated, designated or authorised regulatory functions have clear expectations and support to do their role. Sector oversight will provide assurance that people they hire are performing to a good standard and there is a level playing field.

### Data, Systems and Technology programme

We continue to make good progress on the implementation of our Data, Systems and Technology strategy over the quarter. In Q3 we have:

- Focused on building the underlying product services capability in our MyMNZ online digital portal to enable business features in support of digitisation of certification and licensing improvements.
- Continued the ongoing release of new features and enhancements of our back office regulatory management information systems.
- Neared completion of our FMIS upgrade along with integrations to other existing systems with 'go-live' anticipated in May.
- Strengthened our underlying cyber-security posture through consolidation and rationalisation of tools and implementation of Microsoft products.
- Finalised our *Use of Artificial Intelligence* policy and associated implementation plan.

### Maritime Digital Transformation (MDT)

Land Information NZ (LINZ) and Maritime NZ are responsible for ensuring that New Zealand meets obligations under the IMO's International Convention for Safety of Life at Sea. In its regulatory role as the New Zealand Hydrographic Authority, LINZ is responsible for providing up-to-date nautical information, including charts in New Zealand waters and areas of Antarctica and the South-West Pacific, as well as tidal and bathymetric (ocean depth) data for New Zealand. We are responsible for issuing navigational warnings across a 50 million square kilometre area.

The Maritime Digital Transformation (MDT) project seeks to provide this data in a modern, electronic format. This will ensure it is fit for purpose for future regulatory and international requirements. It will also be an important enabler for new technologies, such as automation.

## Managing costs and efficiency

Leading into 2024/25 we faced a funding gap of approximately \$6m due to reduced levy revenue and volatility. We managed that down through intentional cost savings to achieve a budgeted deficit of \$3.043m, and now through further cost management anticipate a deficit of approximately \$2.5m. This has been achieved through tight efficiency work and prioritisation. We are proud of our managers and staff who have worked hard to manage costs and make savings.

Our Q3 efficiency metrics continue to demonstrate ongoing performance.

Metric	Purpose	Target or desired trend	2024/25 Q3 Result
Frontline staff percentage	Organisation's focus on delivering directly to the maritime sector and other stakeholders	At least 75%	77.7%
Staff turnover percentage	Retaining resources to deliver frontline activity	Below public sector average (15.9% for the year ending June 2023)	8.3%
Contractor costs (as a percentage of workforce costs)	Small amount of spend covers short term temporary needs such as backfill and time-limited work	Combined total 10% to 12% (Treasury and Public Service Commission guidance)	3.8%
Consultancy costs (as a percentage of workforce costs)	Small amount of spend on specialist skillsets not held internally		3.9%
Percentage of overhead cost	Organisation's optimal spend on overhead functions to support our frontline delivery	Remains between 25% and 30%	26.1%
Percentage of overdue debt of our total billed revenue	Organisation's revenue efficiency	Reducing over time	0.9%

## Our cross-sector initiatives – enabling growth and innovation

We are undertaking various work to reform regulatory frameworks to remove unnecessary costs and barriers for operators, enable growth and innovation and deliver on our *Sustainable* outcome including:

### Maritime legislation review and rules reform

s 9(2)(f)(iv)

We have an ongoing programme for reviewing and reforming maritime rules to ensure they are fit for purpose informed by issues raised by the sector. In Q3:

s 9(2)(f)(iv)

- We are in communication with the sector about rule changes you recently agreed to under our regulatory amendment project, including those relating to seafarer certification and recreational use of commercial vessels. The amendment instrument was published on our website along with the updated consolidated versions of the affected rule parts that came into force in April.

### New and low carbon technologies

As technology continues to advance rapidly, it creates both opportunities and risks for the maritime sector. We are working on various short and longer-term projects to ensure we are well placed to enable new technologies through our regulatory framework. In particular, we have a new technology pipeline where those considering new technologies can engage with us early in the process to enable innovation, and are looking at Rules change where we think a new technology will become mainstream. In Q3:

- We engaged key stakeholders to understand new and low carbon technology priorities, ensuring we are conscious of their 'Regulated Experience' with regards to our regulatory framework. This will assist us in undertaking a gap analysis of our current regulatory framework, identifying any areas for improvement.
- The project reference group wrote a new technology assessment advice paper for Wing in Ground (WIG) craft as a test case to demonstrate the effectiveness of the new pipeline.

## Maritime workforce

We continue to work with key stakeholders on options to improve workforce availability and training across the sector (maritime and ports). This is of strong interest to us, given our role in certifying seafarers and the risks to regulatory outcomes from the current workforce shortages in the sector. In Q3:

- We continued **international discussions** on multiple fronts, including those underway with India and the Philippines to agree additional undertakings i.e. MOUs with other countries to recognise their seafarer qualifications, as well as those currently in place with the United Kingdom and Fiji to update existing arrangements.
- We advanced discussions at the International Maritime Organization (IMO) to agree changes to the convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW).
- In November 2024, **European Maritime Safety Agency (EMSA)** undertook its audit of New Zealand's compliance with STCW. We have now received EMSA's report and the corrective action plan is drafted and due to be completed end of May 2025. These audits are undertaken by countries to provide assurance around ongoing acceptance of seafarers trained in other jurisdictions. Both Maritime NZ and the two main Maritime Schools (in Auckland and Nelson) were involved in the audit.
- Following the recent decision of the **Tertiary Education Commission** to decline funding for the Port and Crane Academy of New Zealand (PCANZ), the Port Industry Association (PIA) have been exploring training delivery options on a user-pays basis. The loss of funding is a significant blow. However, PIA remain committed to the vision of the programme.
- After a review, led by the **Workforce Development Council**, the port sector has submitted its revised Level 3 Certificate in Port Operations to NZQA and has since been progressing a technical review of the unit standards it consists of. The working group agreed to pause the development of the Level 4 qualification whilst awaiting the outcome of the Vocational Education Reform.
- The recently formed **New Zealand Seafarer Welfare Council** met. The council helps New Zealand more effectively meet its Maritime Labour Convention (MLC) obligations for international seafarers and is made up of welfare providers, worker representatives, port and shipping representatives and government (Maritime NZ and MBIE). Priorities were discussed, which included building effective collaboration between those who are involved in service delivery locally and nationally.
- All remaining **funding allocated to Seafarer Welfare** was paid out to deliver services until the end of June 2025. We are currently focussed on the monitoring and evaluation of the current grant recipients.

## Our enduring harm prevention programmes

Our harm prevention programmes seek to understand the key causes of harm for the sector and progress evidence-based interventions, by working in partnership with a range of sector stakeholders.

### Ports and harbours harm prevention programme

#### Port Health and Safety Leadership Group (PHSLG)

We continue to work closely with the PHSLG, which is made up of union, government agencies and sector businesses as part of a tripartite approach of which MNZ leads and chairs. In Q3:

- We ran a successful annual strategy day in March where priorities for 2025 were agreed. The work plan that was developed focused on key critical risks including working from height, working under suspended loads, person versus machine and musculoskeletal issues. For the year ahead, the group will work with other persons conducting a business or undertaking (PCBUs) on ports in areas of mutual interest, such as the transport and forestry sectors.
- The PHSLG is prioritising supporting the implementation of the ACOP via both educative tools and guidance in areas such as falls from heights, traffic management and how to provide effective toolbox talks (see below)
- Fatigue and the need for better communication within and across businesses are key drivers of incidents and harm. In Q3, the **Fatigue Working Group** commenced peer reviews of companies' fatigue risk management systems, with Port Taranaki's review completed in March and CentrePort in early April. The purpose of these peer reviews is to assist companies to work together in order to manage the risk of fatigue through a non-binding process.

#### ACOP implementation<sup>1</sup>

Since the successful launch of the ACOP, which came into effect on 29 November 2024, implementation is now the priority. In Q3:

- We developed an ACOP implementation **inspection plan** which was communicated to the Port Health & Safety Leadership Group (PHSLG) and Port Industry Association (PIA).
- We undertook an increased number (67) of **proactive HSWA inspections on ports** with a focus on managing risks related to breakbulk cargo (goods shipped individually, not in containers, due to their size, shape or weight, which often include vehicles, construction equipment and materials). The inspections resulted in **nine voluntary agreements** to address areas of improvement, which we will monitor to ensure that the issues found are resolved.
- We commenced development of **risk assessment education tools** for the maritime workforce, including e-learning modules and other materials under the topic of risk management. With funding now confirmed for the ACOP Education tools, the next tool will focus on working at height.
- **Guidance on confined and enclosed spaces** is in development in partnership with both ports and fishing sectors, which will include examples from landside port operations, large ships and

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<sup>1</sup> Maritime NZ, in collaboration with the maritime sector, co-designed an approved code of practice (ACOP) for the loading and unloading of cargo at ports and on ships. The ACOP came into force on 29 November 2024. It provides assurance that where businesses can show that the health and safety systems and procedures they have in place are equivalent to or better than the requirements in the ACOP, then they are likely to be meeting the test of what is reasonably practicable under the Health and Safety at Work Act 2015. The ACOP also clarifies health and safety expectations Maritime NZ will have on ports when undertaking inspections, assessments and investigations, and when deciding the appropriate enforcement action following a breach of legislation.



fishing vessels. The fishing sector has nominated a number of representatives to assist us with this work, which has been prioritised due to a request for more support to what was provided in the ACOP.

## Port and Harbours Marine Safety Code (the Code)

This self-regulatory code provides national best practice guidance to port operators and councils to manage the safety of marine activities in their ports and harbours and is designed and implemented between ports, Regional Councils and Maritime NZ. In Q3:

- The first stage of the **four-yearly Code review** was completed, with the final of five workshops held in March. We have received excellent insights on how the document should be refreshed to be fit-for-purpose for the future.

The next stages include reviewing and updating content developed, then consultation. Using insights from the workshops, the Working Group met for a strategic session on the next 3-5 years of the Code. The outcomes of this session will be developed into an updated strategy and medium-term work programme for the group.

## Maritime security

- In Q3, we set security work programme priorities with a focus on activities that will provide value for port and ship security by increasing consistency of practice and working from an up to date understanding of risks and threats. s 9(2)(f)(iv)

- s 9(2)(f)(iv) and s9(2)(g)(i)

-

## Other programme highlights

- There is a significant safety concern for **pilot boarding arrangements** where the standards for construction, position and securing arrangements for pilot ladders are not met. The joint-working group on pilot ladders released draft guidance for consultation with the sector. Working collaboratively with industry on the concerns they voice is an example of our regulatory approach and principles in action.
- Engagement with **Cook Strait ferry operators** on the purchase of new ferries. In this quarter, when requested, we continued to provide information and engage on the purchase of new ferries for the Cook Strait. We also continued to work closely with Strait NZ and Interislander on maintenance, dry docking and safety culture. Strategic leadership engagements occur regularly to discuss emerging risks and opportunities from both the operator and regulator perspectives.

## Recreational craft harm prevention programme

Over the quarter, our recreational craft governance group agreed on a national risk-based approach for the programme moving forward, reflecting the need to ensure it appropriately reflects our regulatory approach, other harm prevention programmes, changes in the sector and the operating environment – in particular, leadership and strategy changes amongst sector NGOs are impacting sector collaboration. In Q3:

- We continued to work closely with the New Zealand Safer Boating Forum (SBF), which we chair. The SBF is planning for the Forum in May 2025, which will focus on improving the sector's understanding of **close-to-shore fatalities**, sharing best practice in prevention initiatives, as well as progressing projects under the 2023-25 Recreational Craft Strategy. The SBF will also consider a consistent approach to the wearing of lifejackets.
- We engaged with organisations across the **water safety sector** to share preventative messages with Māori-based media and influencers to extend the reach of these messages due to the overrepresentation of Māori in recreational craft fatalities.
- We are fine-tuning the **s21 International Voyage Certificate** process (for approving pleasure craft that go on international voyages), and the club exemption process in cooperation with Yachting New Zealand.
- We **partnered with MetService** to improve boating forecasts and bar safety information. A meeting with MetService and Coastguard was held to discuss bar safety crossing messaging and content for the MetService marine website.
- Our **behavioural change campaign** continued, with a focus on promoting the three key messages for the summer: wearing correctly fitted life jackets, carrying two forms of waterproof communication and checking the marine weather forecast. As part of our partnership with ACC, we recorded kayak safety videos with the Kiwi Association of Sea Kayakers, that are now live across multiple social channels and on our website.
- We supported MBIE on an **inflatable life jacket product safety recall**. The recall went live in January, and we have been utilising our networks and channels to get information on the recall to the public. Over 22,000 individual life jackets are effected by the recalls.
- We provided input into **regional council bylaw reviews** and had discussions on the Marlborough Navigation (Vessel Speed) Bylaw, the Northland Navigation bylaw and Kai Iwi Lakes bylaw.

## Domestic commercial harm prevention programme

In Q3:

- We engaged with sector leaders in the commercial fishing sector in February to initiate the establishment of a **Fishers Health and Safety Leadership Group**, similar to the successful PHSLG. This meeting was constructive and some areas of focus and actions were agreed for this group.
- Key stakeholders across the 11 sub-sectors in the domestic commercial industry have been identified and the programme's Working Group has been commissioned to complete high-level profiles for selected domestic commercial sectors. This will identify their characteristics (size, workforce) information about incidents and harm statistics, exposure to risks and issues of concern.
- The **Bluefin tuna project** seeks to address concerns about recreational vessels getting too close to commercial vessels and creating safety risks. The project has progressed to the design stage for education resources for recreational tuna fishers and is expected to be finished by tuna fishing season.

## 40 series reform project

- We briefed you and sought and gained your permission to progress 40 Series rules reform (design, construction and equipment rules for domestic commercial ships), including preparing for Package 2 consultation (stability, watertight and weathertight, radio and electrical rules).
- We prepared an overarching 'invitation to comment' proposal for each topic and draft rule and Maritime Transport Instruments.
- We held regular discussions with the Marine Transport Association and Federation of Commercial Fishermen on the key proposals in Package 2 to test how these are likely to be received. As expected, there were significant concerns with any proposal that would impose additional cost on existing operators, particularly where there is limited evidence of existing risk.

## Maritime readiness and incident response programme

In Q3:

- The **Maritime Response Model and the Notification, Activation, and Escalation programmes** were approved and adopted. These two pieces of work ensure that response to maritime incidents is consistent, rapid and simple for the responders involved.
- The **Emergency Ocean Response Capability** has been introduced with the signing of the Tri-Party agreement with OMV and MMA Offshore. The *MMA Vision* has spent her first stand-by period in Wellington. We will work with the external stakeholders on ensuring alignment and common understanding on the deployment of the capability.
- We are collaborating with the Ministry of Health, Health New Zealand, Air Ambulance operators and search and rescue partners to respond to lessons identified following the sinking of the *Enchanter* in 2022 (TAIC report), debriefs and reviews following Tropical Cyclone Gabrielle and more recently, the TAIC recommendations on the *i-Catcher* capsized. These reports point towards a need to ensure situational awareness and effective communications are maintained to support effective and efficient coordination of crucial air rescue assets.
- In line with these lessons, we have commenced a **trial of a system** used extensively by other jurisdictions (in particular the United Kingdom) that is designed to provide shared situational awareness of aviation assets and improved communication (text, data sharing and video). The outcomes of this limited trial will inform future decisions around systems to ensure ongoing efficient and effective tasking and coordination of rescue aviation.
- Our Board and Executive Leadership team met with **incident response community stakeholders** in Wellington on 24 March as part of the Board's regular engagement programme. Senior leaders from the incident response community discussed the topic of **collaborative leadership in incident response**.

Participants were given an overview of the maritime domain and its economic, social and cultural importance to New Zealand and had a good discussion on the current and emerging challenges and opportunities with maritime incident response.

s 9(2)(a)

Representatives included the Department of the Prime Minister and Cabinet, Fire and Emergency New Zealand, National Emergency Management Agency, CentrePort, NZ Police, Transport Accident Investigations Commission, KiwiRail, NZ Oil Services, Civil Aviation Authority, OMV New Zealand, Rail and Maritime Transport Union and the Ministry.

## Our international programme

### Engagement with the IMO

The work of the International Maritime Organization (IMO) was particularly busy with New Zealand's continued engagement on issues impacting our maritime sector. In Q3:

- The priority was the Sub-Committee on Human Element, Training and Watchkeeping, involving the comprehensive review of the Standards of Training, Certification and Watchkeeping (STCW) for Seafarers Convention. New Zealand's primary objective for this review is to give seafarers and employers greater mobility and flexibility by allowing training and sea-going service between fishing and non-fishing roles to be recognised. To improve the implementation of STCW and reduce administrative burden, New Zealand is promoting efforts to bring audit functions into the IMO Member State Audit Scheme framework.
- We were active in discussions on pollution prevention and response, new guidelines to protect seafarers from unfair treatment when detained in foreign jurisdictions, marine environmental protection and the Maritime Labour Convention.
- Preparation began for the **IMO Secretary-Generals visit to Australasia** in August 2026 that will be an important opportunity to press both New Zealand and Pacific needs for the IMOs work in the region. This trip will coincide with the opening of the Regional Pacific Office in Fiji and includes three days in New Zealand and two days in the Cook Islands. Your office will be engaged as plans progress.

### Pacific Maritime Safety Programme

The Pacific Maritime Safety Programme (PMSP) is funded by MFAT and over the quarter the programme demonstrated good examples of multi-government-agency and private agency collaboration. In Q3:

- Staff visited the **Cook Islands** to support its maritime administration as it prepares for an **IMO Audit** requiring input from our Investigators, procurement specialists, Rescue Coordination Centre, Maritime Response, Technical Advice and Support, and contracted technical writers.
- To help the Cook Islands prepare for the audit, PMSP has worked with our Investigators to support the delivery of a maritime casualty investigations course to 16 participants; supported the development of a revised maritime transport strategy and conducted a mock internal audit to help identify gaps in anticipation of the real thing in September.
- PMSP also completed preparation for the launch of the community education programme in Tonga, 'Safer Water, Safer Communities,' enabling Tongan maritime agencies to promote safety practices to small boat operators. The launch took place on the 11 April and was attended by Minister of Foreign Affairs, Winston Peters. Development of Samoa's revised Maritime Act and Quality Management was also finalised during the quarter.

## Appendix One: Q3 Outcomes Performance

### Fatalities and serious harm across the maritime sector

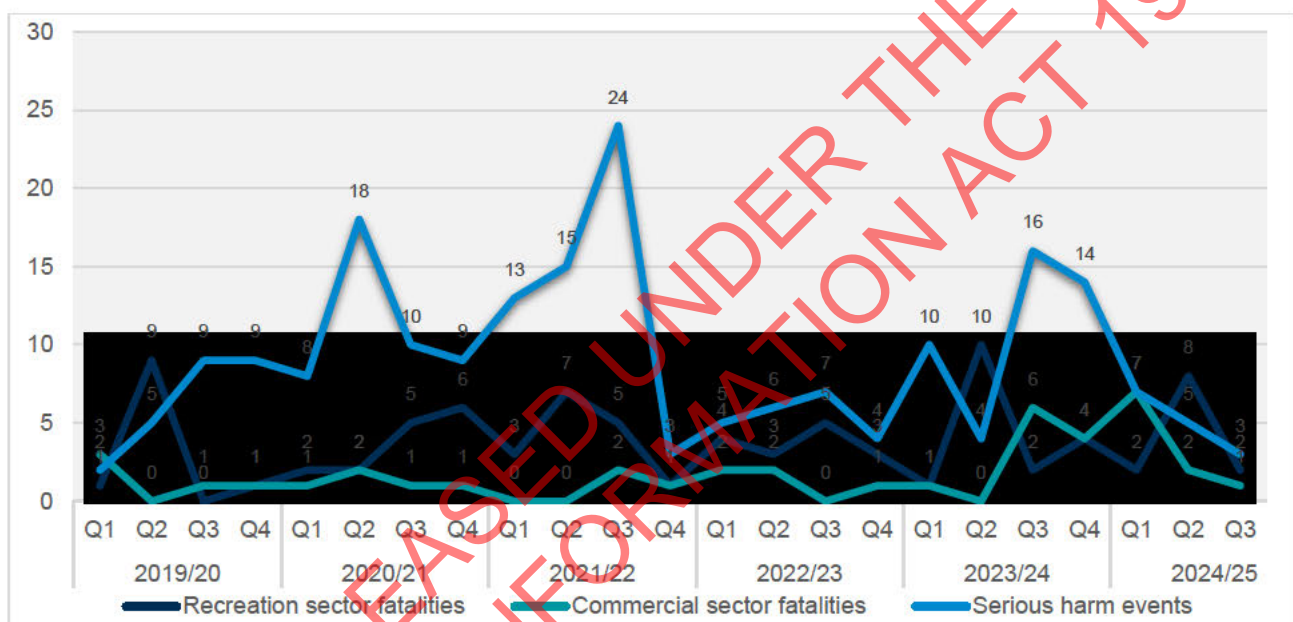
Fulsome outcomes reporting is contained within our annual report and below provides a snapshot based on the quarter.

#### Notifiable events

There were **53** notified events in the recreational sector during Q3.

There were **263** notified events from the commercial sectors during Q3.

Figure 1: Fatalities and Serious Harm by quarter



#### Recreational

**2** recreational jet skier fatalities

**1** diver fatality on return to vessel

**1** passenger fatality due to vessel hitting a rock

#### Domestic commercial

**Nil** fatal accidents

**4** notified serious harm events

#### Ports and harbours

**1** passenger fatality (medical event)

**6** notified serious harm events



## Search and rescue operations

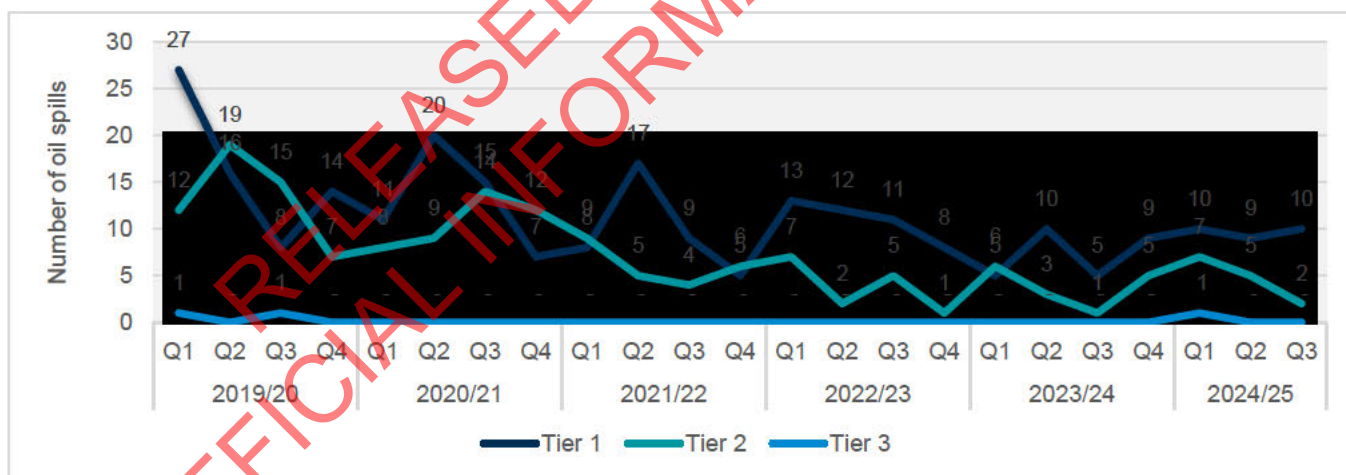
- RCCNZ responded to 467 search and rescue incidents, 55% of which were land-based, 24% were maritime, 10% were aviation and 10% were inadvertent or false alarms.
- 17 lives saved, 113 rescued, and 1,953 rendered assistance in some form.
- RCCNZ was operational 99.67 percent of the time, as defined by having two search and rescue officers on duty 24/7. For more, see page 20.
- However, only 52.8% of peak period duty shifts had a qualified Watch Leader. The new fifth watch will mitigate this issue so we expect to see this result improve over time.

## Maritime incident and oil spill response operations

One incident occurred in the quarter, when a barge tipped in Tauranga on 31 March. This is being managed as a Tier 1 response (regional level) and no oil was spilled. An estimated 120 litres spilled into the marine environment during Q3.

- **10 Tier 1 spills:** are responded to and resolved by the operator. An estimated 108 litres were spilt, with the largest in the Bay of Plenty (an estimated 50 litres) and Auckland (30 litres).
- **2 Tier 2 spills:** are generally those beyond the capability of the operator acting alone and the response is led and resolved by the local regional council. An estimated 12 litres were spilt.
- **0 Tier 3 spills:** are generally more complex, of longer duration and impact, and beyond the response capability of the regional council or operator.

**Figure 2: Trend in number of reported oil spills by Tier by quarter**



## Maritime security

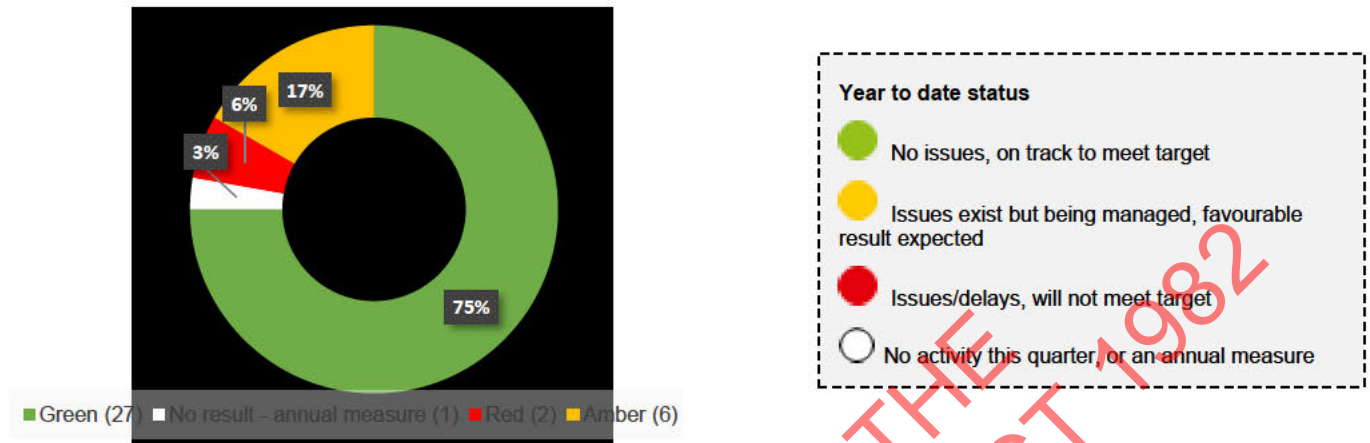
We received reports of **27 security incidents on ports**. A trend continues around access control, with 15 incidents involving perimeter security, where there was an incident involving an attempted breach of the port secure area.

**10 of New Zealand's international ports have now conducted their annual security exercise**, reporting that their exercise met the requirements under the Maritime Security Act 2004, including achieving their agreed objectives.

## Appendix Two: Q3 Output Performance

Performance for the quarter and year are reported against the performance standards set out in the [2024/25 Statement of Performance Expectations](#) (SPE).

Overall, our performance against targets are tracking well across the majority of output measures.



### Output Class 1: Regulation *He Waeture*



#### Stewarding the maritime regulatory framework

Output 1.1: Operational maritime policy advice				
Performance measures	2024/25 Target	Quarter Result	YTD Result	YTD Status
1.1.1 The percentage of papers to the responsible Minister of Transport or the Ministry of Transport, which are assessed, are at least 3.5 out of 5	≥80%	Annual measure	○	○
1.1.2 The percentage of the transport regulatory programmes completed subject to variations agreed with the Ministry of Transport	100%	100%	100%	●
<ul style="list-style-type: none"> <li>The average score for papers to the Minister of Transport or Ministry will be measured in Q4.</li> <li>The regulatory work programme is being delivered as planned.</li> </ul>				

Output 1.2: International obligations and relations				
Performance measures	2024/25 Target	Quarter Result	YTD Result	YTD Status
1.2.1 The percentage of international engagement objectives met that align with identified priorities	≥95%	100%	100%	●
1.2.2 The percentage of international reporting obligations to international organisations completed by due date	≥95%	100%	100%	●
<ul style="list-style-type: none"> <li>All international engagement objectives that aligned with our priorities were met in Q3.</li> <li>MARPOL Annex I oil spill report for the 2023 calendar year was submitted by the due date of 30 September 2024. The IOPC Oil Fund report for 2024 is due in April 2025 and we are on track to submit this by the deadline.</li> </ul>				





### Output 1.3: Parliamentary and government accountability


Performance measures	2024/25 Target	Quarter Result	YTD Result	YTD Status
1.3.1 The percentage of completed replies to ministerial correspondence and parliamentary questions that meet Maritime NZ's quality criteria	95%	100%	98.59%	
<i>Provided as context:</i> The number of ministerial correspondence and parliamentary questions received (demand driven)	N/A	57	142	
1.3.2 The percentage of Official Information Act 1982 completed responses that meet Maritime NZ's quality criteria	95%	100%	96.09%	
<i>Provided as context:</i> The number of OIA requests received (demand driven)	N/A	24	95	
<ul style="list-style-type: none"> <li>Three Ministerials were received with one responded to within the agreed timeframes in Q3. Two will be carried over and responded to in Q4 within the expected timeframe for response. 60 Written Parliamentary Questions were received during the quarter, with 57 responded to within the agreed timeframes. Three were received 31 March 2025 and responded to 1 April 2025 (technically Q4) and were not included in the total for Q3.</li> <li>24 OIAs were received in Q3.</li> <li>17 OIAs were completed within the quarter (including six received in the previous quarter that were carried over). All 17 were completed within 20 working days of being received, or within an extended timeframe set within those 20 days. All other quality criteria were met.</li> <li>13 OIAs received this quarter are still awaiting response as their response time crosses into Q4.</li> </ul>				


## Output Class 2: Regulatory Operations *He Whakaū*

### Providing regulatory operations that incentivise a reduction in harm




#### Output 2.1: Maritime Security

Performance measure	2024/25 Target	Quarter Result	YTD Result	YTD Status
2.1.1 The percentage of port exercises, designed to assess port security plans, which meet the agreed exercise key performance indicators	>95%		100%	
<i>Provided as context:</i> The number of port exercises conducted	N/A	0	10	
<ul style="list-style-type: none"> <li>None of NZ's international ports carried out their annual security exercise during Q3 due to an expected lull in planned exercises to focus on carrying out unannounced inspections, known as Section 18s, with ports. This time of year for NZ ports is exceptionally busy with visiting research ships, increased numbers of cruise ships and cargo transits. The remaining planned exercises will be carried out during Q4.</li> </ul>				


Output 2.2: Regulatory Licensing				
Performance measure	2024/25 Target	Quarter Result	YTD Result	YTD Status
2.2.1 The percentage of applications for maritime documents, marine protection documents, statutory certificates and permits processed within 20 working days measured from receipt of a complete application to a decision being made	≥70%	55.44%	40.13%	
<i>Provided as context:</i> The number of applications for maritime documents, marine protection documents, statutory certificates and permits received	N/A	1,032	3,491	
<i>Provided as context:</i> The number of applications for maritime documents, marine protection documents, statutory certificates and permits processed	N/A	947	3,134	
<i>Provided as context:</i> The average number of working days for a decision to be made on seafarer certificate applications	N/A	28.50	32.92	
<ul style="list-style-type: none"> <li>The percentage of applications processed within 20 days continued to recover at over 55 percent for Q3, up from 39 percent in Q2 and 28 percent in Q1.</li> <li>We have processed more applications this financial year (3134, end of Q3 2024/25) than at the same point in time last financial year (2602, end of Q3 2023/24).</li> <li>Work is being undertaken across MNZ to better understand the drivers for processing delays so that suitable and targeted solutions can be developed for the different types of applications we process. For example, analysis is being undertaken around non-MOSS safety systems. These types of applications make up a significant proportion of work and due to their complexity are consistently taking longer to assess.</li> <li>For more on these, refer to our <a href="#">certification and licensing improvement programme</a>.</li> </ul>				



Output 2.3: Proactive compliance activity				
Performance measures	2024/25 Target	Quarter Result	YTD Result	YTD Status
2.3.1 The percentage of ships inspected that were assessed as meeting Maritime NZ's Port State Control ship selection criteria	>90%	100%	99.06%	
<i>Provided as context:</i> Number of Port State Control inspections completed	N/A	83	213	
<i>Provided as context:</i> Number of ship detentions (PSC)	N/A	3	18	
<i>Provided as context:</i> Number of follow-up visits (PSC)	N/A	41	118	
<ul style="list-style-type: none"> <li>In Q3, all 83 PSC initial inspections completed met MNZ's ship selection criteria. This process included 35 follow-up PSC inspections and six remote follow-up PSC inspections that were completed in the quarter.</li> <li>There were three detentions issued to foreign flagged ships under the PSC regime.</li> <li>There were no foreign ship detentions under domestic legislation only.</li> </ul>				



2.3.2 The percentage of scheduled inspections of active New Zealand flag state ships completed	100%	100%	100%	
<i>Provided as context:</i> The number of International Safety Management Audits of Flag State Operators	N/A	4	8	
<i>Provided as context:</i> Number of ship detentions (Flag State)	N/A	0	1	
<i>Provided as context:</i> Number of follow-up visits (Flag State)	N/A	0	3	
<ul style="list-style-type: none"> <li>In Q3, we undertook three Flag State Inspections, including the <i>Korimako</i>, <i>Awanuia</i> and <i>Rangitata</i> with no detentions issued.</li> <li>This year there are 11 Flag State Inspections to be completed as the Takutai Chief has de-registered from NZ Flag and re-flagged to Singapore and the Strait NZ operated <i>Connemara</i> is foreign (Bahamas) flagged and not included in this count.</li> <li>Seven of 11 Flag State Inspections have been completed for the year. The remaining four inspections are scheduled for completion in Q4.</li> <li>Four International Safety Management Audits of Flag State Operators were completed in Q3 and a further four are scheduled for Q4.</li> </ul>				
2.3.3 The percentage of active Maritime Operator Safety System (MOSS) operators who are audited as scheduled under the Maritime Transport Act 1994, which includes an assessment under the Health and Safety at Work Act 2015 (HSWA) and marine protection rules	≥80%	71.90%	85.27%	
<i>Provided as context:</i> The number of ship detentions (MOSS & HSWA)	N/A	0	3	
<i>Provided as context:</i> The number of MOSS audits with HSWA inspection conducted	N/A	87	249	
<ul style="list-style-type: none"> <li>In Q3, 87 scheduled audits were completed. Q4 historically proves to be a busy period for audits and we are on track to meet our target for this measure.</li> <li>There were no new domestic detention notices issued during Q3. However, a revised detention notice was issued in February for the <i>Manahau</i>. The conditions of the current notice will be met prior to undertaking a single voyage under dead-ship tow from Nelson to repair at Port Moresby (Papua New Guinea). Once met, a further notice will cover the conditions of the voyage to the repair port.</li> </ul>				
2.3.4 The percentage of corrective tools issued under the Health and Safety at Work Act 2015 where inspectors have followed up with the PCBU	100%	100%	100%	
<i>Provided as context:</i> The number of corrective tools issued	N/A	2	4	
<ul style="list-style-type: none"> <li>In Q3, there was one improvement notice and one prohibition notice issued, with follow up with respective PCBUS conducted.</li> </ul>				








Output 2.4: Notifications and enquiries				
Performance measure	2024/25 Target	Quarter Result	YTD Result	YTD Status
2.4.1 The percentage of high harm event notifications where we have communicated our response within four hours	100%	85.71%	93.33%	
<ul style="list-style-type: none"> <li>During Q3, we received 11 high-rated notifications under section 31 of the Maritime Transport Act 1994 (MTA) or section 56 of the Health and Safety at Work Act 2015 (HSWA). However four of these events are excluded from the Service Level Agreement (this measure) that relate to two recreational incidents necessitating emergency response which were responded to by Police and Coastguard; an Maritime Labour Complaint; and an international vessel requiring RCCNZ to lead the response.</li> <li>Six notifications met the SLA, however one event relating to a Lyttleton Port Company stevedore injury that occurred over a weekend did not meet our four hour agreed timeframe, although the scene was held. Despite instructions when the person called our after-hours number he did not stay on the line to speak to a call taker. Instead he filled in a notification form and called someone not on duty. Had he stayed on the after-hours line he would have been triaged through to someone, who would have responded in the timeframe. While strictly not an issue at our end, we are looking to continuously improve, and have included in the result to ensure we learn from the incident and implement changes necessary.</li> </ul>				

Output 2.5: Investigation and enforcement				
Performance measures	2024/25 Target	Quarter Result	YTD Result	YTD Status
2.5.1 The percentage of investigations concluded within 12 months of being opened	≥95%	100%	100%	
2.5.2 The percentage of prosecutions brought under the Maritime Transport Act 1994 and/or Health and Safety at Work Act 2015 that result in the relevant parties being held to account	≥80%	100%	80%	
<i>Provided as context:</i> The number of active and concluded prosecutions	N/A	36	N/A	
<i>Provided as context:</i> The number of active and concluded Enforceable Undertakings	N/A	5	5	
<ul style="list-style-type: none"> <li>In Q3, all 21 investigations were concluded within 12 months of being opened. At the end of Q2 (2024/25), there were 33 active prosecutions before the courts.</li> <li>During Q2, two prosecutions were concluded (both sentenced) and three new prosecutions were undertaken. At the end of Q3, there are 34 prosecutions before the courts.</li> <li>At the end of Q2, there were five active Enforceable Undertakings. During Q3, two Enforceable Undertakings were concluded with the remaining three making good progress towards conclusion. There were no new applications during the quarter but we received two expressions of interest.</li> </ul>				

## Output Class 3: Response *He Whakautu*

### Providing integrated maritime incident readiness and response

Output 3.1: Search and rescue (SAR) coordination				
Performance measure	2024/25 Target	Quarter Result	YTD Result	YTD Status
3.1.1 The percentage of time the Rescue Coordination Centre New Zealand is operational	100%	99.00%	99.67%	
<i>Provided as context:</i> Number of Search & Rescue Incidents	N/A	467	1,210	
3.1.2 The percentage of peak period duty shifts that have a qualified Watch Leader	100%	52.78%	50.54%	
<ul style="list-style-type: none"> <li>During Q3, RCCNZ responded to 467 incidents. For more see page 15.</li> <li>Due to staff illness and lack of senior Search and Rescue Officers (SARO), we had one night shift during Q3 where, whilst we had two personnel manning the operations room, neither were a Watch Leader or Senior SARO. Mitigation of having a Watch Leader available remotely and the Operations Manager on standby were put into place. The training of a fifth watch will alleviate this as an ongoing risk.</li> <li>SAR operator training courses, provision of leave and additional work streams (management and administrative roles) have seen Watch Leaders only available on 52.8 percent of resourced shifts during peak periods.</li> </ul>				




Output 3.2: Maritime incident readiness and response				
Performance measure	2024/25 Target	Quarter Result	YTD Result	YTD Status
3.2.1 The average annual survey rating by exercise and workshop participants of their level of competence in a response	3 out of 5	4.08	4.36	
<i>Provided as context:</i> The number of exercises and workshops completed	N/A	6	14	
<i>Provided as context:</i> The number of real maritime incidents responded to	N/A	1	4	
3.2.2 The percentage of regional (19) and national (4) equipment stockpiles where equipment maintenance inspections have been conducted as scheduled	100%	100%	100%	
3.2.3 The percentage of regional councils that undertake two oil spill exercises annually	≥95%	25%	78.12%	
<ul style="list-style-type: none"> <li>In Q3, six exercises and workshops were completed, including Salvage, Maritime Response and Regional Responders courses. Three received positive survey ratings by participants of their level of competence in a response (an average of 4.08 out of 5) and three did not include a survey as they were provided to internal staff.</li> <li>There was one real maritime incident responded to during the quarter, the response to a barge that tipped in Tauranga.</li> <li>15 regional stockpiles and four national stockpiles received maintenance during the quarter. All stockpiles have had maintenance in the last 12 months.</li> </ul>				






- During Q3, eight regional councils completed oil spill exercises. Overall, 25 regional council exercises have been completed and, with seven exercises scheduled in Q4, we are on track to have all 32 completed by financial year end.

## Output Class 4: Maritime safety infrastructure *Ngā Hanga Whakahaumarū*

### Providing maritime safety services and infrastructure

Output 4.1: Distress beacon systems				
Performance measures	2024/25 Target	Quarter Result	YTD Result	YTD Status
4.1.1 The percentage of time ground-based satellite equipment is operational	≥99.5%	99.88%	99.95%	
4.1.2 The percentage of time the beacons' database system is available to the public	≥99.5%	99.92%	99.81%	
<i>Provided as context:</i> Number of beacon registrations updated by beacon owners	N/A	2,780	7,223	
<i>Provided as context:</i> Number of beacons registered	N/A	2,886	7,622	
4.1.3 The percentage of scheduled maintenance of the distress beacons ground site completed	≥90%	25%	75%	
<ul style="list-style-type: none"> <li>The ground-based satellite equipment was effectively operational continuously during Q3.</li> <li>The beacons' database system was available for public use 99.92 percent of the time.</li> <li>During Q3, there were 2,780 beacon entries updated by owners via the portal – well above the same quarter last year (1,401 – Q3 2023/24).</li> <li>The number of new beacon registrations this quarter was 2,886, which also increased compared to the number (2,796) of beacons registered in the same quarter last year (Q3 2023/24).</li> </ul>				

Output 4.2: Aids to navigation				
Performance measures	2024/25 Target	Quarter Result	YTD Result	YTD Status
4.2.1 The percentage of time lighthouses are operational (per IALA category 1)	≥99.8%	99.87%	99.93%	
4.2.2 The percentage of time that day beacons and buoys are operational (per IALA category 3)	≥97%	100%	100%	
4.2.3 The percentage of scheduled maintenance of aids to navigation completed	≥90%	33.80%	66.90%	
<ul style="list-style-type: none"> <li>Our Aids to Navigation (AtoN) capability continues to run effectively and meet international target standards and guidelines.</li> <li>There were two minor outages to lighthouses during Q3.</li> <li>48 AtoN sites were maintained this quarter. The remaining scheduled maintenance of aids to navigation is scheduled for Q4 and is on track to meet our target.</li> </ul>				

Output 4.3: Distress safety communications				
Performance measures	2024/25 Target	Quarter Result	YTD Result	YTD Status
4.3.1 The percentage of time communication services are available	≥99.8%	99.88%	99.86%	●
4.3.2 The percentage of time the Maritime Operations Centre is operational	≥99.8%	100%	100%	●
4.3.3 The percentage of scheduled maintenance of radio sites completed	≥90%	22.58%	51.61%	●
<ul style="list-style-type: none"> <li>There were outages to six VHF sites during Q3 - none of these were significant.</li> <li>Distress and safety communication capability is fully effective, functional and reliable.</li> <li>Annual maintenance was completed on seven radio sites during Q3. Maintenance for the remaining radio sites is scheduled for Q4 so we are on track to meet the target.</li> </ul>				

## Output Class 5: Harm prevention *He ārai wharanga*

### Preventing harm through insight, partnership and influence

Output 5.1: Information, education and engagement				
Performance measures	2024/25 Target	Quarter Result	YTD Result	YTD Status
5.1.1 The percentage of harm prevention programme activities delivered against respective plans	≥90%	79.59%	80.30%	●
5.1.2 The percentage of published education and guidance documents or publications to industry that are up to date	≥90%	5.74%	56.56%	●
<i>Provided as context:</i> The number of updated education and guidance documents	N/A	7	69	
5.1.3 The percentage of new and reviewed published education and guidance documents that meet Maritime NZ's quality criteria	≥95%	100%	98.25%	●
<i>Provided as context:</i> The number of new education and guidance documents published for industry	N/A	7	28	
<i>Provided as context:</i> The number of proactive media releases associated with harm prevention programmes	N/A	1	10	
5.1.4 The percentage of digital marketing activities that reach our targeted audiences for the recreational craft programme	≥80%	63%	62.50%	●
5.1.5 The percentage of recreational craft surveys undertaken that meet Maritime NZ's quality criteria	100%	100%	100%	●
5.1.6 The percentage of allocated recreational craft investment funding paid out to key target areas	≥95%	0.46%	50.46%	●



## Output 5.1: Information, education and engagement

5.1.7 The percentage of funding for seafarer welfare services that target improved welfare outcomes for seafarers

≥95%

41.71%

100%



- 5.1.1: 39 out of 49 activities were completed or underway during Q3. Nine activities in the Recreational Craft programme were unable to progress due to a combination of external decisions or timelines out of our control. One initiative in the Ports and Harbours programme has been placed on hold at the request of an external stakeholder.
- 5.1.2: We produced or updated seven new documents, taking the year to date total to 69. These documents were large and complex and there are many others that are near completion to be published in Q4. We are on track to meet our target.
- 5.1.3: All seven education and guidance documents met our quality criteria. These included two pieces of HSWA guidance, one Maritime Update, one Investigation Insight, one update to the Radio Handbook guidance and two Position Statements. One press release was issued during the quarter, addressing the sentencing of former Port of Auckland CEO over the death of a stevedore.
- 5.1.4: We ran our summer Kia Mataara 'Come Home Safe' campaign, targeting a primary audience of Males 40+. The campaign runs from 15 December to 21 April, reaching 320,710 (63%) people across Meta platforms (Facebook and Instagram). We have revised this target in the 2025/26 SPE to align with industry performance standard.
- 5.1.5: Recreational boating participation and safety surveys run by Ipsos met all quality criteria.
- 5.1.6: The second half of invoicing for planned activities will occur in Q4 so we are on track to meet our target.
- 5.1.7: All remaining funding allocated to Seafarer Welfare was paid out during Q3 to deliver services until the end of June 2025.

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## Appendix Three: Organisational health and capability

### FTE and Workforce

As at 31 March 2025, we had a total of **397.2** full-time equivalent employees (FTE)<sup>2</sup> consisting of 376.9 permanent and 20.3 fixed-term employees, as shown in Figure 4.

The increase in FTE through 2024/25 is a result of the associated uplift relating to recent fees and funding review. Our permanent FTE cap is 408 permanent as outlined in our performance plan, however, we are holding vacancies to address savings.

**Figure 4: Employee FTEs by quarter**



### Turnover<sup>3</sup>

Our core unplanned turnover of permanent staff for the 12 months to 31 March 2025 was **8.3** percent, which compares to 8.4 percent for the previous year. This remains lower than the Public Service Commission's published turnover of 11.9 percent (in the 12 months to 30 June 2024), and it is useful to see an increase at the beginning of each year.

### Sick, Domestic, and ACC leave

Our 12-month rolling average rate of sick, domestic, and ACC leave taken is 7.7 days per employee as at 31 March 2025. This compares with 6.9 days for the previous year and the Public Service Commission's published average of 10.2 days (for the 12 months to 30 June 2024).

<sup>2</sup> Fulltime equivalent employees – includes permanent and fixed-term employees only. Excludes temps, contractors, staff on parental leave without pay and leave without pay and seconded to other agencies.

<sup>3</sup> Core unplanned turnover – primarily due to resignation of permanent (open-term) employees, but also includes retirements, dismissals and deaths.

## Appendix Four: Emissions reduction performance

As a Crown entity, Maritime NZ is part of the Carbon Neutral Government Programme, (CNGP) which has been set up to accelerate the reduction of GHG emissions within the public sector.

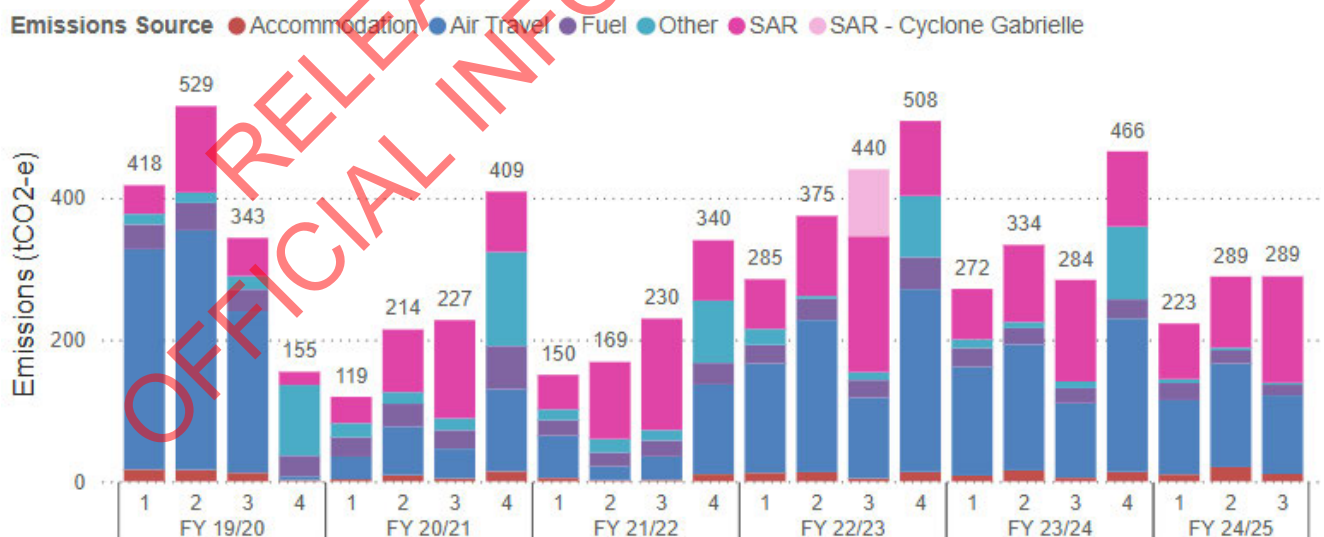
Our emissions for Q3 totaled 289.2 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). This includes emissions from air travel, accommodation, fuel (including EV charging), electricity (from the majority of our sites and which are on the All of Government contract), and search and rescue activity, as shown in Figure 5. These sources collectively account for more than 90% of our total emissions, providing a strong indication of overall organisational performance.

For the 2024/25 financial year, we remain on track to comfortably achieve our first emission target of a 21 percent reduction in CNGP mandatory emission sources by 1 July 2025.

Excluding emissions from our search and rescue related activity emissions (which are outside the scope of our targets), all major sources of emissions continue to track lower than they did at the same time last year, except for accommodation. The increase in accommodation emissions was driven by higher emissions from stays in Samoa, incurred as part of the *HMNZS Manawanui* response. Pacific nations have high emission factors for accommodation, primarily due to the way electricity is generated.

We continue to progress our organisational Environmental Sustainability Strategy and Plan, working towards being an environmentally sustainable workforce, environmentally sustainable workplace and environmental sustainability influencer. As our inaugural strategy was designed to position us to meet our first target in 2025, it is now timely to review and refresh our strategy and settings to ensure alignment with our 2030 target, consistent with CNGP requirements and 1.5C science aligned.

**Figure 5: emissions by major source by quarter**



## Appendix Five: Financial performance

### Consolidated financial performance

	Year to Date Mar-2025		Variance YTD		FY24/25	
	Actuals	Budget 2024-25	Act vs. Budget		Budget (SPE) FY24-25	Q2 Forecast FY24-25
	\$000	\$000	\$000	%	\$000	\$000
<b>Maritime NZ</b>						
Maritime levy	32,741	34,531	(1,791)	-5%	42,842	41,103
Other revenue	34,876	33,368	1,507	5%	44,357	51,946
<b>Total Revenue</b>	<b>67,617</b>	<b>67,900</b>	<b>(283)</b>	<b>0%</b>	<b>87,199</b>	<b>93,049</b>
Personnel costs	41,097	40,953	(144)	0%	57,075	55,797
Operating expenses	23,262	22,452	(810)	-4%	29,609	36,448
Depreciation and amortisation expense	2,444	2,633	190	7%	3,558	3,340
<b>Total Expenditure</b>	<b>66,802</b>	<b>66,038</b>	<b>(764)</b>	<b>-1%</b>	<b>90,242</b>	<b>95,584</b>
<b>Surplus/(Deficit)</b>	<b>814</b>	<b>1,861</b>	<b>(1,047)</b>	<b>56%</b>	<b>(3,043)</b>	<b>(2,535)</b>
<b>New Zealand Oil Pollution Fund</b>						
Oil pollution levy	6,699	6,547	152	2%	8,325	8,376
Other revenue	484	271	213	79%	351	545
<b>Total Revenue</b>	<b>7,183</b>	<b>6,818</b>	<b>366</b>	<b>5%</b>	<b>8,675</b>	<b>8,921</b>
<b>Total Expenditure</b>	<b>6,152</b>	<b>6,019</b>	<b>(133)</b>	<b>-2%</b>	<b>8,337</b>	<b>8,800</b>
<b>Surplus/(Deficit)</b>	<b>1,031</b>	<b>799</b>	<b>232</b>	<b>29%</b>	<b>338</b>	<b>121</b>

### Maritime NZ

Maritime NZ recorded a surplus for the nine months to 31 March 2025 of \$0.814m, compared to a budgeted surplus of \$1.861m. Unfunded variable SAR costs are driving the lower surplus and are \$2.174m more than anticipated. Variable SAR deficits are attended to through capital injection during baseline update processes so affect cashflow.

Additional funding has now been approved for 2024/25 to cover the SAR costs which will be received in the fourth quarter.

We have been advised of additional s9 funding for SAR and recreational craft cost pressures along with an increase to baseline SAR funding. The latter will resolve similar cashflow issues in 2025/26.

Total revenue is 0.4% less than budgeted, a variance of \$0.283m:

- Levy revenue \$1.791m less than budgeted, mainly due to lower cruise visits than budgeted and cancellation of port visits due to unfavourable weather.
- s9 funding \$0.765m greater than budgeted due to additional funding for Distress Radio and the RCCNZ 5<sup>th</sup> watch agreed after budgets were finalised.

Total expenditure is \$0.764m greater than budgeted:

- SAR costs \$2.174m greater than budgeted due to variable SAR.
- Other expenses are intentionally \$1.410m less than budgeted as we manage costs.

The cruise season is now largely complete. We have updated our full year revenue forecast for the Maritime Levy and expect this to be \$1.791m less than budgeted.

We have reduced spending to offset the revenue decline and anticipate to end the 2024/25 financial year with a deficit of approximately \$2.5m.

## Oil Pollution Fund

The Oil Pollution Fund (OPF) recorded a surplus for the nine months to 31 March 2025 of \$1.031m, compared with a budgeted surplus of \$0.799m.

Total revenue is \$0.366m greater than budgeted, due to recovery of expenses for support provided for the *Manawanui* response in Samoa.

Total expenditure is \$0.133m greater than budgeted due to the direct costs incurred in the *Manawanui* response, offset by lower training costs for Regional Councils, due to activity re-prioritisation.

We have updated our full year forecast for the OPF and expect to end the year close to budget with a small surplus of \$0.121m.

## Consolidated financial position

Cash and liquidity positions sit well above our minimum requirements.

	Maritime NZ			Oil Pollution Fund		
	Q3-FY24/25	Q2-FY24/25	FY23/24	Q3-FY24/25	Q2-FY24/25	FY23/24
	Actuals \$000	Actuals \$000	Actuals \$000	Actuals \$000	Actuals \$000	Actuals \$000
<b>Assets</b>						
Cash and Investments	11,865	12,301	14,588	5,808	3,402	5,216
Other current assets	10,799	11,594	4,517	1,857	3,019	1,077
<b>Total Current assets</b>	<b>22,664</b>	<b>23,894</b>	<b>19,104</b>	<b>7,666</b>	<b>6,422</b>	<b>6,293</b>
<b>Total Non Current Asset</b>	<b>21,070</b>	<b>19,411</b>	<b>16,733</b>	<b>14,334</b>	<b>14,615</b>	<b>14,130</b>
<b>Total Asset</b>	<b>43,734</b>	<b>43,306</b>	<b>35,837</b>	<b>21,999</b>	<b>21,037</b>	<b>20,423</b>
<b>Liabilities</b>						
<b>Total Current Liability</b>	<b>12,738</b>	<b>16,494</b>	<b>10,134</b>	<b>998</b>	<b>465</b>	<b>453</b>
<b>Total Non Current Liabilities</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>93</b>	<b>93</b>	<b>93</b>
<b>Total Liability</b>	<b>12,752</b>	<b>16,509</b>	<b>10,149</b>	<b>1,091</b>	<b>558</b>	<b>546</b>
<b>Equity</b>						
<b>Total Equity</b>	<b>30,982</b>	<b>26,797</b>	<b>25,688</b>	<b>20,908</b>	<b>20,478</b>	<b>19,877</b>
<b>Total Liability and Equity</b>	<b>43,734</b>	<b>43,306</b>	<b>35,837</b>	<b>21,999</b>	<b>21,037</b>	<b>20,423</b>



6 June 2025

OC250485

Hon James Meager

Action required by:

Acting Minister of Transport

Monday, 16 June 2025

## ICAO SAFETY AUDIT

### Purpose

Provide you with an overview of the upcoming safety audit of New Zealand to be undertaken by the International Civil Aviation Organization (ICAO) in July 2025.

### Key points

- ICAO is a United Nations (UN) technical agency that sets standards and global norms for safe, secure civil aviation. It periodically audits ICAO Member States to assess their capabilities to ensure aviation safety.
- ICAO will carry out a full safety audit of New Zealand's civil aviation system over 8 to 22 July 2025. The audit will focus on New Zealand's regulatory framework, resources, and capacity to implement ICAO standards.
- The Civil Aviation Authority (CAA) is leading the preparations for, and participation in, the audit, while working closely with the Ministry of Transport (the Ministry), the Transport Accident Investigation Commission (TAIC), and other agencies and stakeholders.
- Once the audit is completed, ICAO will indicate whether there are any areas New Zealand needs to improve on to meet international standards, and we will develop follow-up actions, as appropriate. ICAO will then finalise the audit report by January 2026.
- The assessed level of compliance highlighted in the final audit report is important as it will have a bearing on New Zealand's reputation, and the willingness of other States to engage with us and/or enter into mutual recognition or other aviation agreements with us.
- Accordingly, we are assigning all stages of work on the audit, including the follow-up actions after July 2025, a high priority in our respective work programmes.
- ICAO has adopted a more exacting approach to safety audits over the last few years, so we anticipate significant follow-up work from the audit. We expect this will have a major impact on the work programme for the Civil Aviation Rules.



- We do not envisage you will have any direct involvement in the audit. We will, however, provide you with regular progress updates leading up to, during and after the audit through the Ministry's and the CAA's weekly reports.




Tom Forster  
Manager  
Aviation  
Ministry of Transport  
06/06/2025

John Kay  
Deputy Chief Executive  
System, Strategy and Policy  
Civil Aviation Authority  
06/06/2025

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

#### Contacts

Name	Telephone	First contact
Tom Forster	s 9(2)(a)	✓
John Kay		
Laurence Tyler		

## ICAO SAFETY AUDIT

### **New Zealand is a contracting state of the International Civil Aviation Organization (ICAO)**

- 1 ICAO is the specialised agency of the United Nations, formed to promote the safe and orderly development of international civil aviation throughout the world. It sets standards and recommended practices (SARPs) for aviation safety, security, efficiency and regularity, as well as for aviation environmental protection.
- 2 New Zealand has been a member of ICAO since it was established in 1947. ICAO periodically audits the aviation safety and security oversight capabilities of Member States, focusing on government agencies and their implementation of ICAO standards.

### **ICAO is to conduct a safety audit of New Zealand's aviation system this year**

- 3 The audit is to take place over 8 to 22 July 2025 and will assess New Zealand's capability for safety oversight.
- 4 For each area of the audit, ICAO will issue results that are combined to determine an 'Effective Implementation' (EI) score. New Zealand will need to address any detailed findings from the audit, where appropriate, through corrective action plans.
- 5 ICAO's last full safety audit of New Zealand was in 2006. ICAO conducted a security audit of New Zealand's aviation system in 2022, which is a separate process from the safety audit.
- 6 New Zealand's current EI score for safety is 84.56 percent, which is comparable to the average score for Organisation for Economic Co-operation and Development (OECD) countries of 84.26 percent.
- 7 However, we understand that ICAO's current approach to auditing has become more exacting in recent years. For example, Canada had a major time gap between its last two safety audits and its EI score fell from 90 to 65 percent after its most recent safety audit, which ICAO carried out in 2024.

### *A range of agencies and organisations are participating in the audit*

- 8 The Civil Aviation Authority (CAA), in line with its role as the safety and security regulatory entity for the New Zealand aviation system, is leading the preparations and coordination of the audit. It is working closely with the Ministry of Transport (the Ministry), which is the lead policy agency and Ministerial advisor for the aviation system.
- 9 Other agencies and organisations involved in the audit are:
  - the Transport Accident Investigation Commission (TAIC), as the independent accident investigation body
  - the New Zealand MetService, as the provider of meteorological information in the New Zealand aviation system
  - Airways New Zealand, as the provider of air navigation services

- a still-to-be-determined airport (possibly two) to examine how they operate in practice with respect to ICAO SARPs, and the requirements set out in New Zealand's regulatory framework
- a still-to-be-determined airline or other operators (e.g., commercial general aviation operators and/or emergency service operators) to demonstrate how they operate with respect to SARPs and the requirements set out in New Zealand's domestic legislation
- the New Zealand Defence Force (NZDF) with respect to the interface between the civil and military aviation systems.

#### **Preparations for the audit are well under way**

- 10 A steering group of senior managers from the CAA and the Ministry is overseeing preparations for the audit, and officials are liaising with other participating agencies and stakeholders to ensure the necessary preparations are carried out
- 11 Key activities include:
- preparing answers to 851 Protocol Questions (PQs) and 171 State Aviation Activity Questionnaire (SAAQ) questions that the ICAO auditors are using to assess New Zealand's safety oversight systems and activities – all answers need to be supported by documentary evidence
  - updating the State Safety Programme (SSP) document, which outlines the regulatory framework and activities carried out to maintain aviation safety in New Zealand.
- 12 The CAA has nearly completed answering the PQs and SAAQ questions and uploading responses and evidence to the ICAO system. CAA will finalise all answers no later than 30 days prior to the start of the audit, which is the timeframe set by ICAO.
- 13 The SSP has also been finalised and is now available online<sup>1</sup>:  
<https://www.aviation.govt.nz/assets/safety/safety-management-systems/nz-aviation-state-safety-programme.pdf>
- 14 The CAA is now focusing on preparations for the on-site audit itself, including logistics and training for staff across government who will be involved in audit activities.

*As part of these preparations, we have identified some potential risks*

- 15 Member States may file 'Differences' with SARPs, indicating where their aviation regulations do not fully comply with individual SARPs, and whether the State uses an alternative standard that achieves the same or a similar outcome as the SARP.
- 16 Over the last three years, however, ICAO has changed its audit approach and it now expects Member States to comply with *all* SARPs over time. Its current audit methodology does not typically recognise a State can achieve adequate safety outcomes using regulatory approaches that deviate from the SARPs on a long-term basis. This has contributed to the lower-than-expected scores some Member States have received in recent ICAO safety audits.

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<sup>1</sup> ICAO will be conducting a 'Beta test' of a new methodology for assessing the State's SSP implementation as part of this audit. The results of this assessment will not form part of the final EI score, and will not be published without our agreement.

- 17 New Zealand currently has 2,007 'Differences' filed with ICAO for SARPs that we do not fully comply with.<sup>2</sup> These Differences have occurred over time due to several factors, including the speed at which regulatory change occurs. Changes to SARPs tend to outpace the changes we can make to the Civil Aviation Rules (the Rules) – this is largely due to resource pressures and other government priorities for the Rules work programme. New Zealand has also chosen not to adopt some SARPs in the past because we have viewed them as impractical, or not appropriate for New Zealand circumstances.
- 18 Our explanations of these Differences and work under way to resolve them may impact the audit report, and therefore may affect New Zealand's EI score. We are therefore carefully considering how we should engage with ICAO on this matter during the audit.
- 19 CAA is undertaking a partial review of the most recent Differences prior to the audit, to determine if any can be resolved in the short-term and, if not, what work needs to be done in the medium- to long-term to resolve each Difference.

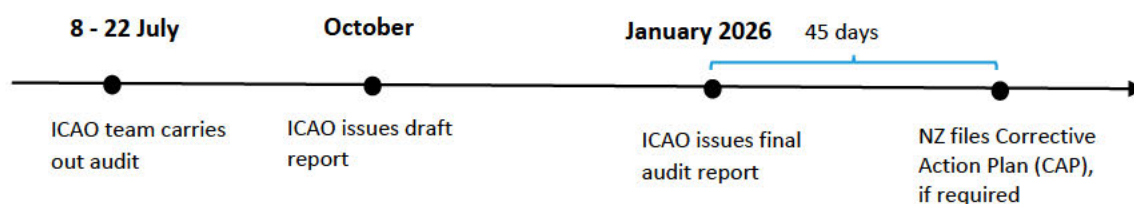
### **We anticipate significant follow-up work**

- 20 After ICAO completes the audit, it will send us a report on our audit performance. This report will include findings on whether we have any areas of deficiency that require action. The draft report, our comments, and the finalisation of the report must take place within 165 days of the last day of the site visit.
- 21 Based on our understanding of ICAO's current approach to safety audits, we anticipate New Zealand's EI score will be reduced to a level significantly lower than the present level after the audit. We do not expect this will mean New Zealand's aviation regulatory system has become less safe since the previous audit. Instead, it will more likely reflect ICAO's recent increased focus on assessing a State's technical compliance with ICAO SARPs, rather than using an outcomes-focused approach.
- 22 We expect there will be some findings that will require us to invest significant resources to address. These may include SARP differences outlined in the previous section. It is also possible that the audit may result in other recommendations (called 'Findings' by ICAO) for us to strengthen the performance of the aviation system. Findings can include 'Significant Safety Concerns', which are the most serious type of finding that ICAO makes.
- 23 We expect the draft audit report will be made available in October 2025, and the final report by January 2026. New Zealand will have 45 days from the date of the final report to file a Corrective Action Plan to address any identified deficiencies. This Plan needs to outline the actions New Zealand will take to address the findings in the audit report or explain why we will not act on them if that is the case.

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<sup>2</sup> Out of a total of 12,340 SARPs, there are 322 where NZ requirements are different in character or NZ has other means of compliance, and 1,685 where NZ requirements are less protective, partially implemented, or not implemented.

Fig 1: timeline for ICAO audit



- 24 The Corrective Action Plan will need to provide enough detail to reassure ICAO that New Zealand is making reasonable efforts to address the findings and to undertake corrective actions. This may include advice such as an undertaking to amend a Rule within a set number of months or years; or how the CAA or Ministry of Transport will amend operational practice in some way.
- 25 New Zealand will be required to regularly update ICAO on progress on implementing the Corrective Action Plan, and provide supporting evidence. Once ICAO has assessed that 75 percent of the proposed actions outlined in the Plan have been successfully implemented, they will initiate a validation activity. The outcome of this validation will impact New Zealand's EI score.
- 26 The CAA will lead the development of the Corrective Action Plan, working with other government agencies, once ICAO's preliminary findings are made available at the conclusion of the audit. It has developed a process for working within and with other government agencies to develop the Corrective Action Plan.

**The outcomes are important to our international reputation for having a safe and secure aviation system**

- 27 While ICAO will not publicly release the final audit report<sup>3</sup>, it will release the EI score. We expect this will be of interest to domestic and international aviation participants, counterpart aviation authorities in other countries, and the media and wider New Zealand public. ICAO will also directly notify other Member States if New Zealand has unresolved Significant Safety Concerns once the audit report is finalised.
- 28 The assessed level of compliance arising from an ICAO audit can impact a Member State's reputation. Our assessed level of compliance could impact the willingness of other Member States to engage and share information with us, or enter into mutual recognition or other aviation agreements with us.
- 29 Accordingly, we are assigning all stages of work on the audit, including the follow-up actions after July 2025, a high priority in our respective work programmes.

<sup>3</sup> The detailed findings are confidential and covered by the memorandum of understanding between ICAO and the State. If anybody wishes to obtain them, they would need to make a request to the CAA's National Continuous Monitoring Coordinator (NCMC), which will then decide what / how much it wishes to publish.



*We expect the follow-up work will have a significant impact the Rules work programme*

- 30 The CAA plans to undertake two consecutive ICAO Rule Alignment projects, with the first commencing in the second half of 2025, to resolve the highest priority issues identified by the audit. If appropriate, we will also consider making use of new tools such as transport instruments, which are provided for in the Civil Aviation Act 2023.<sup>4</sup>
- 31 The ICAO Rule Alignment projects will be part of the rolling two-year Rules work programme that the CAA and the Ministry are currently working to develop.
- 32 Our prioritisation of any required ICAO Rule alignment projects following the audit will impact on CAA's capacity to carry out other Rules-based projects. We will provide you with an update on the Rules work programme in July 2025.

### **The CAA and the Ministry are managing communications issues**

- 33 We will work with your office to address communications issues arising from the audit, including the release of the EI score in 2026.
- 34 We will also work closely with the stakeholders participating in the audit to ensure they respect the confidentiality of the audit findings. In particular, we intend to avoid the experience of the 2022 ICAO security audit, where one participating stakeholder discussed some of the audit findings (that were critical of airside security measures) with the media.

### **Next Steps**

- 35 We do not envisage you will have any direct involvement in the audit. We will though provide you with regular progress updates leading up to, during and after the audit through the Ministry's and the CAA's weekly reports.
- 36 Ministers and Cabinet also have no role in approving the Corrective Action Plan – as the Plan is developed by the responsible agency (CAA) and signed-off by ICAO. However, you may wish to inform your Cabinet colleagues of the outcome of the audit, once we receive the initial report from ICAO, and the steps being taken to address any findings.

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<sup>4</sup> Transport Instruments (TIs) can set out technical requirements relating to a particular Rule. These are intended to facilitate efficient and prompt specifications of these requirements. However, new TIs first need to be enabled by a rule amendment, so it is not simply a case of deploying them as an isolated measure to address Differences.

**AIDE MEMOIRE**

11 June 2025

OC250528

**Hon Chris Bishop**  
**Minister of Transport****AIDE MEMOIRE: LOWER NORTH ISLAND RAIL INTEGRATED MOBILITY  
PATRONAGE ASSUMPTIONS****Summary/Purpose**

- 1 To provide you with the information on the modelled patronage numbers for the Lower North Island Rail Integrated Mobility (LNIRIM) programme that you requested on 5 June 2025.

**Key points**

- The Greater Wellington Regional Council (GWRC) has updated the patronage forecasts used in the Detailed Business Case (DBC) for the LNIRIM programme to account for new information, including changes in travel behaviour, updated train timetables and the confirmed seating configurations of the new units.
- The forecasts project that passenger volumes on the Wairarapa line could increase from around 40,000 per month in 2025, to between 100,000 and 120,000 per month in 2040. On the Manawatu line, passenger volumes are projected to increase from 10,000 per month to between 15,000 and 33,000 per month by 2040.

- s 9(2)(g)(i)

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s 9(2)(g)(i)

## Background

- 2 The LNIRIM programme aims to replace rolling stock and network upgrades to enable an improved schedule of passenger rail services between Wellington and the Wairarapa and Manawatū regions. This includes the design, build, and maintenance (DBM) of 18 new trains and a maintenance depot.
- 3 The Crown – through direct Crown funding and the National Land Transport Fund (NLTF) – is funding approximately 92% of the upfront capital cost, with the remainder funded by two regional councils, GWRC and Horizons Regional Council (HRC). GWRC is leading the procurement process for the DBM contract, which is in its final stages, and has commenced negotiating terms with a short-listed supplier.
- 4 The programme's costs and benefits were set out in a DBC in 2021,<sup>1</sup> a key input of which was a set of patronage forecasts for the new services on the Wairarapa and Manawatū lines. Prior to a DBM contract being awarded for the new trains, GWRC must update its cost and benefits modelling to show that the programme is affordable within the agreed funding envelope and that it delivers good value for money through the programme benefits.
- 5 The former Minister of Transport, Hon Simeon Brown, wrote to GWRC Chair Darran Ponter in 2024 seeking assurance of several matters, including the patronage forecasts. GWRC officers have since updated the patronage forecasts to include the latest historical data (considering the post-COVID recovery has been slower than anticipated) and new information about the proposed new trains (for example, seating capacity). s 9(2)(g)(i)
- 6 At the 5 June 2025 officials meeting, you requested information on the patronage forecasts for the LNIRIM programme.

**GWRC forecasts that patronage on the Wairarapa and Manawatū lines could grow between 130% and 206% from today's levels**

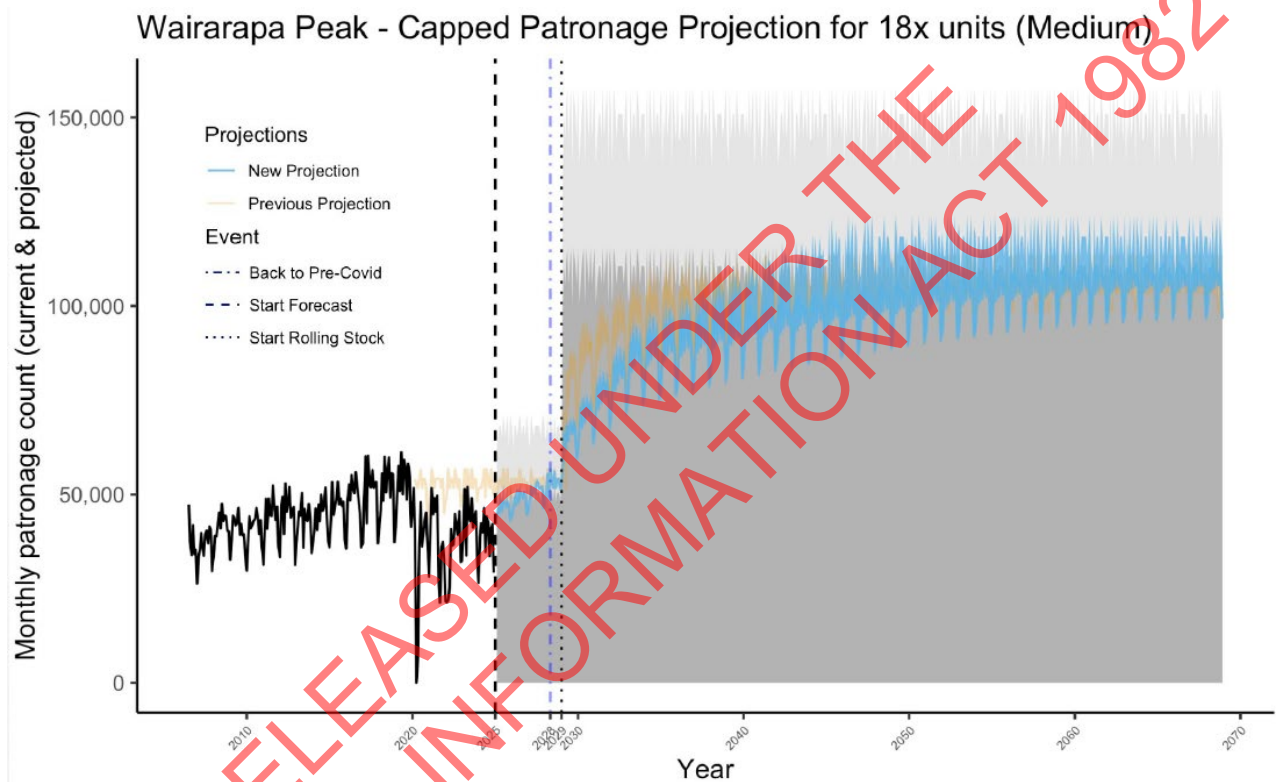
- 7 GWRC updated its patronage forecasts for the LNIRIM programme in March 2025.<sup>2</sup> This modelling was updated for several reasons, including to inform the remodelling of LNIRIM programme costs and benefits (of which GWRC is required to report on under the Funding Agreement). The modelling contractor also incorporated several new assumptions and information into the forecasts, including:

<sup>1</sup> <https://www.gw.govt.nz/document/19521/detailed-business-case-lower-north-island-rail-integrated-mobility-2021/>

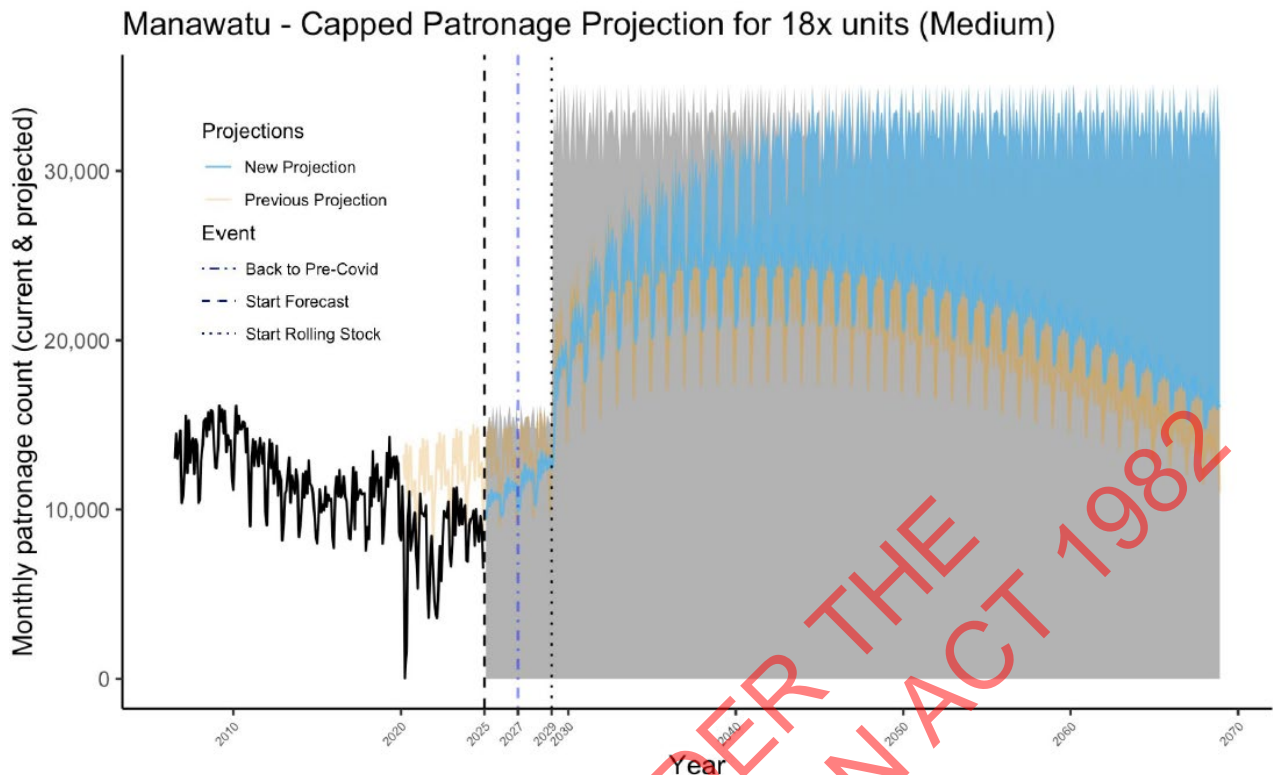
<sup>2</sup> GWRC contracted Lynxx (<https://www.lynxx.com/>), an insights and data consultancy, to forecast the patronage for LNIRIM.

- 7.1 recent historical patronage data that was not available for the 2021 DBC (this showed that patronage on the Wairarapa and Manawatū lines has bounced back from COVID more slowly than expected)
- 7.2 updated train timetables (including journey times and numbers of services)
- 7.3 an increase in total seating capacity (the proposed trains have a higher seating capacity than the capacity assumed as part of the 2021 DBC modelling).

8 The following charts show the updated patronage forecasts for the Wairarapa and Manawatū lines, including the 2021 DBC modelling for comparison.







- 9 In the above charts (separately, for the Wairarapa line and the Manawātū line):
- 9.1 the black lines show historical monthly patronage data
  - 9.2 the pale-yellow lines show the 2021 DBC patronage forecasts
  - 9.3 the light-blue lines show the updated patronage forecasts
  - 9.4 the grey shaded areas denote the seated (darker grey) and unseated (lighter grey) capacity of the trains
- 10 Both charts show the forecasts as a range of modelled outcomes (a band). GWRC note that it uses the most pessimistic forecast (the bottom of the band) for each line in its modelling of benefits.
- 11 For the Wairarapa line, patronage is currently around 40,000 passengers per month. Prior to COVID-19, passenger volumes on the Wairarapa line were around 50,000 per month, which exceeded the available seating capacity resulting in passengers having to stand over long distances. The forecasts project that monthly passenger numbers will grow until around 2040 and then level out at around 100,000–120,000 passengers per month. In comparison with the 2021 DBC forecasts, the updated numbers for the Wairarapa line peak around 5–6 years later than the original forecasts but stabilise at a similar level of passengers per month.
- 12 For the Manawātū line, patronage is currently around 10,000 passengers per month (significantly below the pre-COVID peak patronage of around 15,000 passengers per month around 2010). In GWRC's model projected monthly passenger numbers grow until around the mid-2040s and then level out at around 15,000–33,000 passengers per month; though the modelling also indicates patronage could materially fall away, potentially back to 2010 patronage levels. The forecast patronage for the Manawātū line shows a much greater level

of uncertainty than the Wairarapa forecast, in part due to the current low level of service on the line. It also shows that passenger volumes are unlikely to exceed available seat capacity, even by the end of the forecast period in 2070.

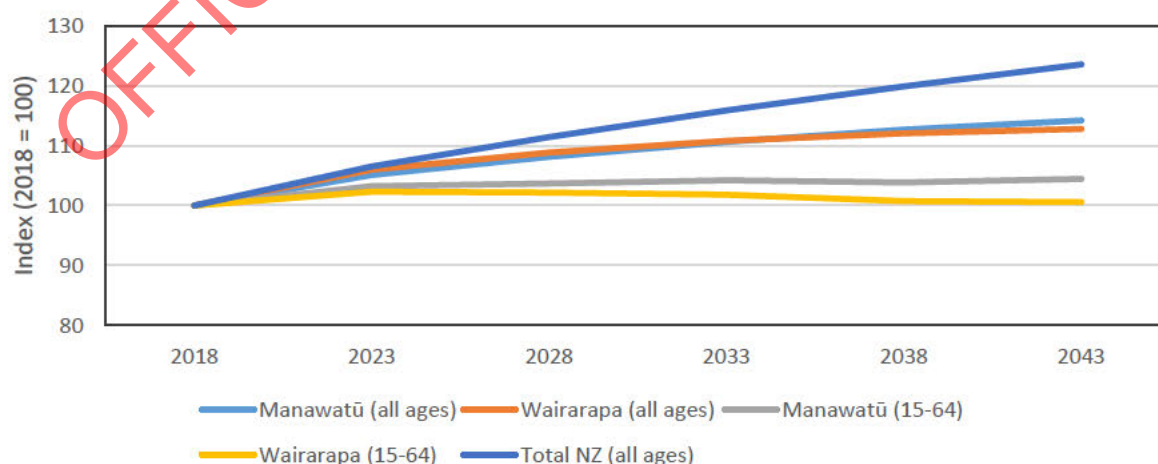
- 13 Together, the forecasts show monthly patronage growing from around 50,000 in 2025 to between 115,000 and 153,000 passengers per month in 2060 – a 130% to 206% growth on 2025 patronage.

s 9(2)(g)(i)

- 15 We have reviewed official population projections for Wairarapa (comprising South Wairarapa, Carterton, and Masterton Districts) and Manawātū (comprising Palmerston North City, Horowhenua, and Kāpiti Coast Districts). The following chart shows the projected population growth for these areas since 2018 (expressed as an index relative to 2018 levels). It shows that population for all ages is projected to grow in Manawātū by 14% between 2018 and 2043, and by 13% in Wairarapa.

- 16 The working age population (15–64 years old) is projected to grow by 4.4% in Manawātū and by 0.5% in Wairarapa over the same period. By comparison, the total population in New Zealand (all ages) is projected to grow by 24% between 2018 and 2043. For a commuter-based service, these demographic projections suggest patronage would have to increase through mode shift rather than population growth, s 9(2)(g)(i)

Population projections for Wairarapa and Manawātū



Source: Statistics NZ, Ministry of Transport calculations.

17

s 9(2)(g)(i)

18

You have also received a letter from Tony Randle, s 9(2)(g)(i)

19

s 9(2)(g)(i)

20

He states that train boardings between July 2024 and April 2025 are 8.2% lower compared with the same period in 2023/24. For the Wairarapa line, boardings were 14.6% lower in 2024/25 compared with 2023/24. Consequently, fare revenue for all rail services between July 2024 and April 2025 was \$11.8 million (28%) below budget for that period.

21

Although GWRC has updated its patronage forecasts to include this recent data on actual patronage, this has not materially impacted the level of its forecasts s 9(2)(g)(i)

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<sup>3</sup> Currently, the drive time between Palmerston North and Wellington is approximately 1:49 (off-peak), compared with a journey time of 2 hours and 6 minutes on the Capital Connection. By contrast, the drive time between Masterton and Wellington is approximately 1:42 (off-peak) compared with a journey time of 1:35 on the Wairarapa train service.

23 s 9(2)(g)(i)

24

25 We will continue to engage with GWRC over the patronage forecasts and will advise you if further modelling is commissioned.

**Contacts**

Name	Telephone	First contact
David Wood, Deputy Chief Executive, Investment and Monitoring	s 9(2)(a)	✓
Bryan Field, Manager, Programme Monitoring and Investment Management		



11 June 2025

OC250520

**Hon James Meager****Action required by:****Acting Minister of Transport**

Friday, 20 June 2025

## **CIVIL AVIATION AUTHORITY PERFORMANCE REPORT QUARTER THREE 2024/25**

### **Purpose**

This briefing provides you with an analysis of the Civil Aviation Authority's (the Authority) performance report during 1 January to 31 March 2025.

### **Key points**

- You received the Authority's Quarter Three Report on 6 June 2025, not long after you received the Quarter Two report that was delayed due to data issues. The purpose of the quarterly report is to enable you to track the Authority's progress and performance against the metrics set out in its Statement of Performance Expectations (SPE) 2024/25.
- Our main feedback is as follows:
  - The Quarter Three report is telling a clearer performance story compared to previous reports and shows efficiency improvements at Aviation Security (AvSec).
  - There remain areas where improvements are needed – for example, cost metrics that were previously requested have still not been included in reporting for Output Class 5 – Security Service Delivery.
  - Certification timeliness is still not meeting targets. There has been a modest improvement in wait times for amendments or renewals during the reporting period – and a worsening of wait times for initial applications. We note the Board is reviewing this area with management to identify areas for improvement. The Authority also intends to work with the Ministry of Transport on how certification timeliness can be better measured in its 2026/27 SPE.
- The Authority's new organisational structure was put in place during Quarter Three.

## Recommendations

We recommend you:

- 1 **note** that the Civil Aviation Authority has provided you with the Quarter Three Report for 2024/25
- 2 **agree** to share this briefing with the Civil Aviation Authority Chair prior to meeting with him Yes / No
- 3 **provide** a copy of this briefing to the Minister for Space, Hon Judith Collins KC Yes / No



\_\_\_\_\_  
 Liz Anderson  
 Manager, Crown Entity Monitoring  
 .... / ..... / .....

\_\_\_\_\_  
 Hon James Meager  
 Acting Minister of Transport  
 .... / ..... / .....

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

## Contacts

Name	Telephone	First contact
Liz Anderson, Manager, Crown Entity Monitoring	s 9(2)(a)	✓

## CIVIL AVIATION AUTHORITY PERFORMANCE REPORT QUARTER THREE 2024/25

*You received the 2024/25 Q3 Performance Report from the Authority on 6 June 2025*

- 1 The Authority's Q3 Report (refer Annex One) covers the three-month period to 31 March 2025. The report documents progress made during this period against the key targets outlined in the Authority's Statement of Performance Expectations 2024/25 (SPE).
- 2 Quarterly reports are an important part of the Crown entity performance management system, as they track actual performance against the targets included in the SPE. They provide an opportunity for responsible Ministers to check-in with their Crown entities about progress against annual targets, to discuss key risks and issues, and the measures being taken by the entity to address any adverse performance results.
- 3 This briefing takes an exceptions-based approach to assessing the Authority's performance, focussing on activities and measures that are not on track and unlikely to be delivered by year-end, along with any other significant risk areas. This approach enables a focused entity performance discussion with the Authority Chair on 17 June 2025.

### **The Quarter Three report is telling a clearer performance story compared to previous reports**

- 4 The Authority continues to improve its performance reporting. It is good to see that queues seem better managed. The Authority is clearly demonstrating better financial management with a much stronger focus on costs than we have seen in the past.

*Output Class 3 – Certification and Licencing: timeliness of new applications and amendments of all certification types remains below the timeliness targets (pages 7 - 9)*

- 5 The Board has made improving certification timeliness a priority. In April 2025, after the reporting period of the Quarter Three report, the Authority undertook a deep dive into certification timeliness to identify opportunities for improvements. The Board has directed the Authority to work with the Ministry on more precise certification timeliness measures for the 2026/27 SPE.
- 6 During the Quarter Three reporting period there was a modest improvement in wait times for amendments or renewals of all certification types. This is an encouraging result but will require further quarterly reporting to establish a trend.
- 7 There has been a worsening of wait times for new applications of all certification types. The Authority has prioritised certification amendments and renewals over new applications to ensure that participants already operating in the system don't have their operations disrupted and safety risk is managed. New applications are for participants who haven't entered the aviation system, so it considers there is no impact on safety.
- 8 The number of amendment applications received during Quarter 3 was more than double the number of new applications.
- 9 Wait times for new and amendments for Part 102 applications have stayed the same or improved (apart for 80 working day timeliness for amendments, which has declined due to

staff leave and the impact of organisational change). Work to identify process efficiencies is ongoing. The Authority is working on a prioritisation framework for applications and expects the framework to be in effect by the end of the Quarter 4 reporting period.

- 10 The Authority reports a worsening of the certification backlog (page 19), and attributes this to its focus on the impact of the ICAO audit, Civil Aviation Act 2023 implementation and the organisational changes process. The Authority expects the backlog to increase further over the next performance reporting period due to resource being diverted to the ICAO audit work.
- 11 You may want to ask for further information about the certification backlog and thoughts on the root causes of the backlog, if improvements to processes and systems are sufficient to get it back to acceptable levels, and if other interventions are needed. You may want to seek assurance the Authority is actively trying to mitigate any further delays. You may also want to reiterate you want regular reporting on certification timeliness as you have previously discussed with the Chair.

*Output Class 5 – Security Service Delivery: there are efficiency improvements (pages 11 – 15)*

- 12 Investment in technology to support aviation security facilitation appears to be driving efficiency improvements at the airports where the technology has been installed (OC250186 refers). Overall, the Authority continues to do well in improving aviation security queue management. However, cost metrics that were previously requested have still not been included in reporting - the Board has directed the Authority to work with the Ministry on how cost efficiency can be measured as part of its review of SPE measures for 2026/27.
- 13 The Ministry is also working with the Authority and industry over the next six months on metrics to track the efficiency of aviation security delivery (OC250388 refers). We expect this work, and the review of aviation security performance measures, will inform each other to develop better performance measures and metrics.

*Financial Performance*

- 14 The Authority appears to have a stronger focus on costs.
- 15 PwC has provided the Board with a draft report outlining the results of the independent cost-base review (OC250515 refers).

*Other comments*

- 16 The Authority is generally on track for its other outputs such Policy and Regulatory Strategy and Outreach. However, certain metrics, such as Output Class One use percentages to measure activities and outputs that do not provide much insight about performance. Feedback on these outputs was provided as part of the feedback on the SPE 2025/26.



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# 2024/25 QUARTER THREE PERFORMANCE REPORT

Civil Aviation Authority of New Zealand

## Director's Overview of the Quarter

The third quarter of the 2024/25 financial year (Q3) was defined by CAA preparing for the fourth quarter (Q4) when the Civil Aviation Act 2023 (CA Act 2023) and organisational changes came into force.

We prioritised several Ministerial focus areas, including preparing for the ICAO Safety Audit in July 2025, enabling international flights from Hamilton Airport in June 2025, and initiatives to improve the timeliness of security and certification activities. Other highlights in Q3 included:

- Installing new technologies to cut down queue wait-times at airport screening points, while driving down costs. One example is **Lane Matrix Screening (LMS)** which improves the throughput capacity of a single lane by up to 20%, delaying the need to open an additional lane to manage passenger flow efficiently. LMS equipment was permanently installed at Wellington Southern Domestic and International, Christchurch Domestic, and Auckland Domestic screening points ahead of the summer peak.
- Progressing the **Airport Passenger Data project** with airports to install **passenger sensing technology** to predict airport queue wait-times more accurately and manage fluctuations in volumes. Data from Wellington Southern Domestic and Dunedin is provided in your Weekly Report. We have been able to increase throughput and reduce excess capacity by closing lanes that were previously opened for a small number of overflow passengers. This made it possible to reallocate more capacity to peak times.
- **Passenger wait-times decreasing steadily** since October 2024, as a result of the two innovations outlined above. In Wellington, the percentage of passengers waiting longer than 10 minutes fell from 4.5% at its peak in October 2024 to 0.10% in March 2025.
- To further assist with international services at **Hamilton Airport**, running staff training and security and risk assessment workshops, to ensure compliance with Non-Passenger Screening standards and help **Waikato Regional Airport Ltd** attain security designation.
- Running 11 seminars with participants covering recent changes to the Investigation, Triage, Analytics, and Intelligence functions. Participants included aerodrome user groups, Part 149 organisations and their members, industry bodies, and TAIC.
- Progressing the **transition from ASMS – our legacy technology platform – to Kapua**, running staff training and identifying barriers to using Kapua most effectively.
- Improving the **timeliness (and efficiency) of certification** through the 'batching' of similar Part 102 work requests; and implementing work tools that allow inspectors to conduct risk-based assessments for certificate renewals to deliver more efficient, but targeted, audits including renewals via desk-top assessment only. These changes have resulted in positive feedback from the sector.

- Progressing the **Advanced Aviation Reform (AAR)** project in line with the Minister of Space's expectations – to improve the regulatory settings that support that enable the rapid testing of technologies for experimental or developmental aircraft operations and move lower risk operations from Part 102 to Part 101 to free up inspector time and resource to assess more complex applications.
- Preparing to deliver the **Pricing Review** by 1 July 2025, following consultation in November 2024, and Cabinet approval of increases to fees, charges and levies in December 2024. The final framework reduces the increase on other fees, levies and charges to 10% and allows CAA to pass any new savings it identifies to the sector by reducing rates during the term of the pricing review (i.e. without having to wait for the next review). A summary of submissions was published on CAA's website on 26 February 2025.
- Engaging with the Ministry of Transport on options to **restore CAA's reserves**, resulting in advice to joint Ministers on proposed next steps. CAA needs to restore reserves of around \$19 million to address a forecast 'dip' in available cash in August 2025 (due to monthly debtor receipts being received later in the month). Ministerial decisions on restoration were communicated in May 2025.
- Work on the new **State Safety Programme (SSP)**, to reflect changes to New Zealand's aviation safety oversight system since the previous version in 2018. An SSP describes how New Zealand manages and improves its aviation safety system and outlines the roles and responsibilities of each relevant State authority involved in maintaining a safe aviation system (e.g. Airways, TAIC). We also started work on the National Aviation Safety Plan (NASP), to meet ICAO expectations to give effect to the SSP.
- Preparing for the first round of **Collective Bargaining** in April 2025.
- Completing consultation on organisational changes, working through the Expressions of Interest process for affected staff, and drafting a Ways of Working document to provide a clear framework and expectations for how to work to deliver our core safety and security activity and organisational priorities.






A stylized handwritten signature in black ink.

**Keith Manch**  
Chief Executive and  
Director of Civil Aviation

## Using this report

This report sets out the CAA's performance against the measures in its *Statement of Performance Expectations 2024 - 2025*. A RAG system is used to provide an 'at a glance' view of our performance, alongside a more detailed analysis of our work to meet each measure – this notes the risks/issues that could (or will impact) our ability to achieve the measure by 30 June 2025. Where relevant, quarter on quarter trend performance is included.

	On track to achieve the EOY target		At risk of not achieving the EOY target		The EOY target cannot be achieved
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### Reporting sections

Section	Page(s)
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Output Class 3 - Certification and Licensing	7 – 9
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## Output Class 1 - Policy and Regulatory Strategy

Note: The RAG for measure 1.3 has been left blank, as it has not been started yet.

Output measure	EOY target	YTD result	RAG	Analysis
<b>1.1. International engagement</b>				
<ul style="list-style-type: none"> <li>The Authority's international activities are consistent with ICAO's global priorities for aviation safety and security</li> </ul>	100%	100%		The EOY target is on track to being achieved by 30 June 2025.
<ul style="list-style-type: none"> <li>We provide regulatory support and assistance to Pacific Island States as agreed with the Ministry of Foreign Affairs and Trade</li> </ul>	100%	100%		The EOY target is on track to being achieved by 30 June 2025.
<b>1.2 Regulatory system design</b>				
<ul style="list-style-type: none"> <li>We develop and maintain rules in accordance with the Minister's agreed programme</li> </ul>	100%	100%		EOY target on track to being achieved by 30 June 2025. Work continues to progress Advanced Aviation Reform - in line with the Minister of Space's expectations, including changes to rules to enable rapid testing of technologies for experimental or developmental aircraft and systems.
<ul style="list-style-type: none"> <li>We assess current and emerging issues in the aviation system, and develop appropriate responses</li> </ul>	100%	100%		In Q3, CAA proposed changes to the framework for making Civil Aviation Rules to ensure New Zealand keeps pace with changes to emerging aviation technologies and is aligned with ICAO standards. We are working with the Ministry of Transport to progress this work.
<ul style="list-style-type: none"> <li>We support the implementation of the CA Act 2023, including development of guidance and operational policy</li> </ul>	100%	100%		Outside of the reporting period, the CA Act 2023 went live on 5 April 2025 - replacing Civil Aviation Act 1990 and the Airport Authorities Act 1966.
<b>1.3 Ministerial servicing</b>				
<ul style="list-style-type: none"> <li>Our engagement with the Minister's Office on correspondence, briefings, enquiries, Parliamentary Questions, Ministers' meetings, and other ministerial requests meets the Minister's expectations</li> </ul>	100%	TBC		Your Office will be asked to complete a survey in Q4. We have continued to engage with the Office on expectations.

## Output Class 2 – Outreach

**Note:** The RAG for part of measure 2.1.1, *Safety education products distributed*, has been left blank, as this is a demand-driven, so out of CAA's control. CAA has added this to the list of measures it will review in preparation for reviewing the SPE measures for FY2026/7.

Output measure	EOY target	YTD result	RAG	Analysis
<b>2.1.1 We build safety awareness through:</b>				
• Education courses, workshops or seminars to participants nationwide	12	12		EOY target achieved. (NB: This does not include seminars on the Triage, Analysis and Investigation team, noted in the Overview.)
• Safety education products distributed	80,000	50,730		CAA distributes safety education productions on a demand driven basis.. Demand has been met.
• Vector magazines published				
○ Print copies distributed	56,000	42,103		The EOY target is on track to being achieved by 30 June 2025.
○ Online readership	5,700	28,165		EOY target achieved.
• Public aviation safety dashboard accessible on the Authority website	100%	97%		This measure – and EOY target - requires the safety dashboard to always be accessible. CAA will technically not achieve 100% as there was a single required outage to update its website in December 2024.
• Targeted safety campaigns address specific areas of concern or new issues that arise	100%	100%		In Q3, CAA ran safety campaign <i>Winging It?</i> following a rise in incidents involving hang gliding, paragliding, and speedwing activities, including a fatality. During the campaign from 9 March to 30 April, ads were displayed on Facebook, Instagram, Google and YouTube, with over 5 million 'impressions' (i.e., the time an ad was seen on a user's screen).  Like other campaigns, such as <i>Work Together, Stay Apart</i> , safety campaigns embody the intelligence-led, risk-based approach, by targeting campaigns based on intelligence about the risks of certain activities. They are conducted with strong industry engagement.

#### 2.2.1 Our education courses, workshops, or seminars are rated by participants as a 3 or higher

- Our education courses, workshops, or seminars are rated by participants as a 3 or higher

85%

91.77%

EOY target achieved.

NB: To measure this rating, workshop attendees are sent a link to an online survey via SurveyMonkey at the conclusion of each workshop. The same set of questions is used for each workshop. CAA tracks responses to workshop surveys in a spreadsheet, specifically the number of responses received to:

- *Question 10: Considering the above, what is your overall rating for the workshop*

This question allows responses of 1 (Poor) to 5 (Excellent).

CAA calculates the percentage of responses that answer that question as a 3 or above, then calculates an overall score across workshops for the year.

#### 2.2.2 Public aviation safety dashboard is rated by users as a 3 or higher

- Public aviation safety dashboard is rated by users as a 3 or higher

85%

TBC

The user rating survey will be done in June 2025.

#### 2.2.3 Percentage of emerging technology participants surveyed

- Percentage of emerging technology participants surveyed reporting the Emerging Technology Unit (ETU) gateway process has met or exceeded their expectations

70%

86%

The survey was completed in July 2024, providing insights to enhance engagement between ETU and participants and improve processes.



## Output Class 3 – Certification and Licensing

In 2024/25, several initiatives were introduced to improve certification timeliness, including triaging. These led to some improvements, notably the Part 102 backlog, which reduced on average from 18 months to 5 – 6 months. While the performance of timeliness, as outlined below, is still 'red' – we are beginning to see the impact of the initiatives outlined above, with significant improvements in amendment timeliness. It has become evident that the measures for timeliness do not accurately reflect performance, so work is underway to develop more meaningful measures.

In Q4, the impact of our new structure and new ways of working will start to show their effects, such as the use of desktop audits, to reduce the time staff need to research applicants to decide applications. Other ways to support faster decision-making will include training, developing work tools to streamline the assessment process, and standardising processes across certifications teams, allowing for batching and economies of scale and enabling inspectors to focus on the assessment part of an application. We will also continue batching applications where useful and start a project to assess the appropriateness of increasing renewal timeframes. While in the early stages, the Advice, Planning and Triage (ATP) team, whose initiatives are outlined in more detail on p 18, will start to examine the bottlenecks of the application process, which should help to identify common reasons for delays.

Output measure	EOY target	Q1 result	Q2 result	Q3 result	Trend	RAG	Analysis
<b>3.1.1 Certificates or licences that we issue (for personnel, organisations, aircraft, and service providers) meet our quality and timeliness standards</b>							
<ul style="list-style-type: none"> <li>Quality meets internal CAA criteria</li> </ul>	100%	TBC	TBC	TBC	TBC		Quality checks to assess CAA's performance against this measure will be completed before 30 June 2025, including calibrating previous quarter results in ensure accuracy.
<b>3.1.1 Timeliness of initial applications for all certification types – including Part 102 - certification for applications processed within:</b>							
<ul style="list-style-type: none"> <li>20 working days from receipt of application</li> </ul>	>50%	42.77%	41.00%	38.85%	↓		In Q3, CAA focused Inspector resources on assessing amendment applications. This, combined with diverting SMEs to work on preparations for the ICAO audit, and be trained in the CA Act 2023, resulted in a decrease in the timeliness for deciding initial issue applications.
<ul style="list-style-type: none"> <li>40 working days from receipt of application</li> </ul>	>70%	57.23%	53.69%	50.60%	↓		
<ul style="list-style-type: none"> <li>120 working days from receipt of application</li> </ul>	>90%	71.69%	69.92%	66.91%	↓		



Output measure		EOY target	Q1 result	Q2 result	Q3 result	Trend	RAG	Analysis
3.1.1 Timeliness of amendments for all certification types – certification for applications processed within:								
• 20 working days from receipt of application	>50%	20.87%	23.72%	28.13%	↑↑			Focusing inspector resources on amendments has resulted in improved timeliness for amendment applications. Other changes which have supported this improvement, have been applying an intelligence-led, risk-based approach to amendments, for example, batching applications that are similar (enabling faster decisions for that batch of application), and applying a more 'light-touch' approach to amendment applications which are for minor or immaterial changes in the operations.
• 40 working days from receipt of application	>70%	38.83%	43.02%	47.30%	↑			
• 80 working days from receipt of application	>90%	64.08%	67.44%	71.72%	↑			
3.1.1 Timeliness of new applications for Part 102 applications – certification for applications processed within:								
• 20 working days from receipt of application	>50%	0%	0%	0%	→			The average time for Part 102 assessments reduced to an average of 144 working days in Q3, compared to an average of 182 days in Q2. The number of Part 102 applications continues to increase each quarter.
• 40 working days from receipt of application	>70%	0%	0%	0%	→			
• 120 working days from receipt of application	>90%	0%	2.13%	4.48%	↑			Timeliness has improved slightly, as a result of batching similar applications.
Timeliness of amendments for Part 102 applications – certification for applications processed within:								
• 20 working days from receipt of application	>50%	8.33%	8.82%	13.56%	↑↑			With the focus on amendments, along with batching similar applications, we have seen slight improvements in the 20 working days and the 40 working day percentages. However, these have remained consistent overall for the three quarters of the current FY.
• 40 working days from receipt of application	>70%	37.50%	35.29%	38.98%	↑			
• 80 working days from receipt of application	>90%	79.17%	79.41%	74.58%	↓			The 80 day timeliness measure has declined slightly (by 5%). This is possibly due to long leave periods, along with the staff being diverted by CAA's organisational change and the draw on SMEs in support of other non-discretionary priorities.

Output measure	EOY target	Q1 result	Q2 result	Q3 result	Trend	RAG	Analysis
<b>Percentage of Part 102 applicants surveyed</b>							
<ul style="list-style-type: none"> <li>Percentage of Part 102 applicants surveyed who report CAA has met or exceeded timeliness expectations for processing their applications.</li> </ul>	>70%	-	-	TBC	TBC		CAA developed a survey for all certification types. However, the response rate to the existing survey is extremely low. CAA is considering how to repurpose this survey to focus on Part 102 specifically, but this is unlikely to be ready for this FY.
<b>Licensing</b>							
<ul style="list-style-type: none"> <li>Quality meets internal CAA criteria</li> </ul>	100%	100%	100%	100%	→		License applications processed through the digital MyAviation platform met internal CAA quality criteria.
<ul style="list-style-type: none"> <li>Licences for complete applications processed within 10 working days of receipt (excluding printing and shipping time)</li> </ul>	>90%	100%	100%	TBC	TBC		Work is underway to validate the data for this measure. Q3 and Q4 data will be complete before the end of the year.

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## Output Class 4 – Monitoring, Inspection, and Investigation

Output measure	EOY target	YTD result	RAG	Analysis
4.1.1 We'll influence aviation safety and security through monitoring, inspection and investigation activities:				
<ul style="list-style-type: none"><li>Planned oversight activity (monitoring and inspection) compared to activity conducted</li></ul>	80%	63.8%		<p>This target will not be achieved in the current FY as, to support certification work and prepare for the ICAO Safety Audit, some Monitoring and Inspection staff were redeployed to these activities in Q3. This is likely to continue into Q4.</p> <p>In the medium term, this reduction in planned oversight activity will not have a negative impact on safety. CAA will continue to monitor at other points where participants interact with CAA, such as assessing applications for renewals, which involve assessing an applicant's history.</p>
<ul style="list-style-type: none"><li>Oversight activities (monitoring and inspections) meet the objectives of the oversight programme</li></ul>	100%	100%		The EOY targets are on track to being achieved by 30 June.
<ul style="list-style-type: none"><li>Intelligence reports assessed for inclusion in the programme of oversight activities</li></ul>	100%	100%		
4.1.2 Investigations independently assessed by a third party				
<ul style="list-style-type: none"><li>Investigations independently assessed by a third party to ensure they're completed within 12 months and the recommendations made comply with our regulatory model</li></ul>	100% of those assessed comply	TBC		This measure could not be assessed in Q3. Previously CAA used an assessor from another government agency who did audits for free, however this arrangement is no longer in place. We are actively looking into other third parties to audit this, or if that is not possible, undertaking an internal assessment using our own quality assurance function (in a separate business group to the one responsible for the activity) or an external lawyer.
4.2.1 Support delivered to the Airspace Integration Trials programme				
<ul style="list-style-type: none"><li>Support delivered to the Airspace Integration Trials programme meets the terms of reference agreed with the Ministry of Business, Innovation and Employment</li></ul>	N/A	100%		The MBIE-led Airspace Integration Trials Programme closed, as planned, at the end of July 2024. The Programme was fully supported throughout its lifespan.

## Output Class 5 – Security Service Delivery

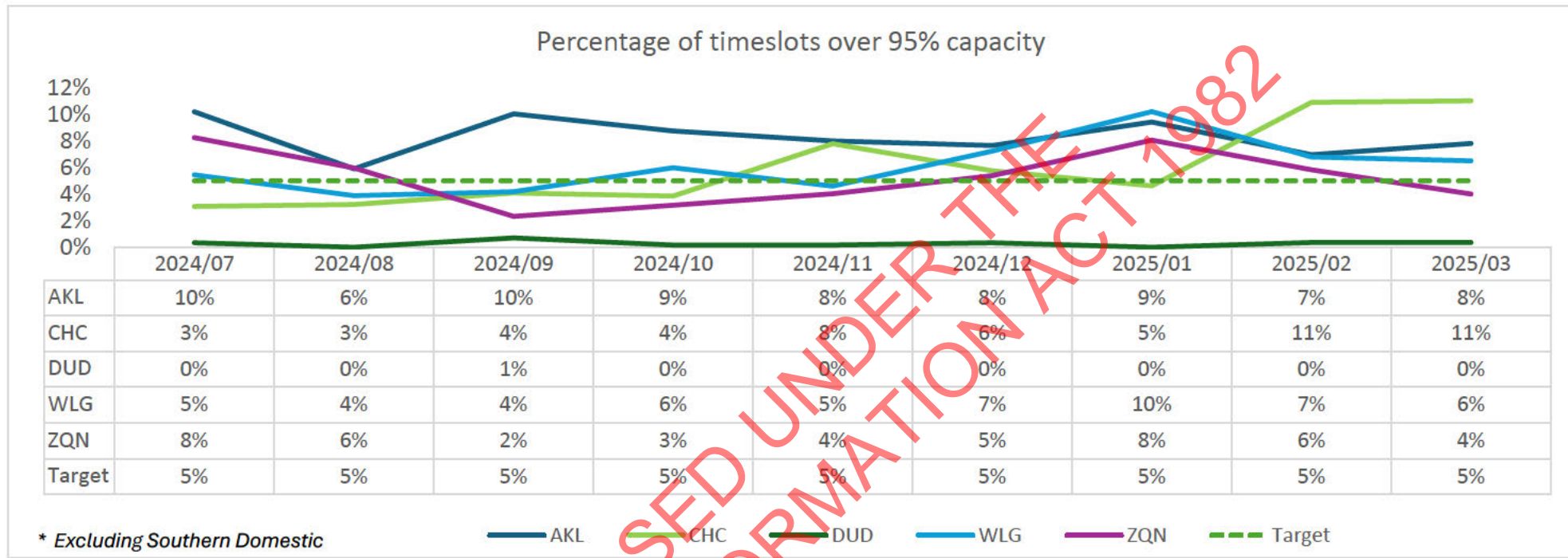
Queues remain a key focus. While we saw a small number of longer queues in the build-up to Christmas, there is a steady decline in reported queues as new processes get bedded in, and we continue to work with airports and other stakeholders to align resources to demand.

Output measure	EOY target	YTD result	RAG	Analysis
5.1.1 Time periods where screening capacity was insufficient to meet passenger demand (95% of lane capacity exceeded)	<5%	6.1%		<p>While this measure has not technically been met, in practice CAA's performance and use of new technology have rendered it obsolete. This measure was originally selected as a proxy to identify when longer queues could be expected. Since then, however, the implementation of LMS and other changes mean CAA can now manage lanes at more than 95% capacity without longer queues. As measure 5.1.2 below shows, LMS and other innovations have enabled CAA to achieve a significant improvement in operational performance, with passenger wait-times of more than 10 minutes becoming much less common.</p> <p>In other words, this result combined with the results in 5.1.2 shows a significant increase in facilitation throughput.</p> <p>CAA has added lane capacity measures to the list of measures it will review in preparation for reviewing the SPE measures for FY2026/7.</p>

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Output measure	EOY target	YTD result	RAG	Analysis
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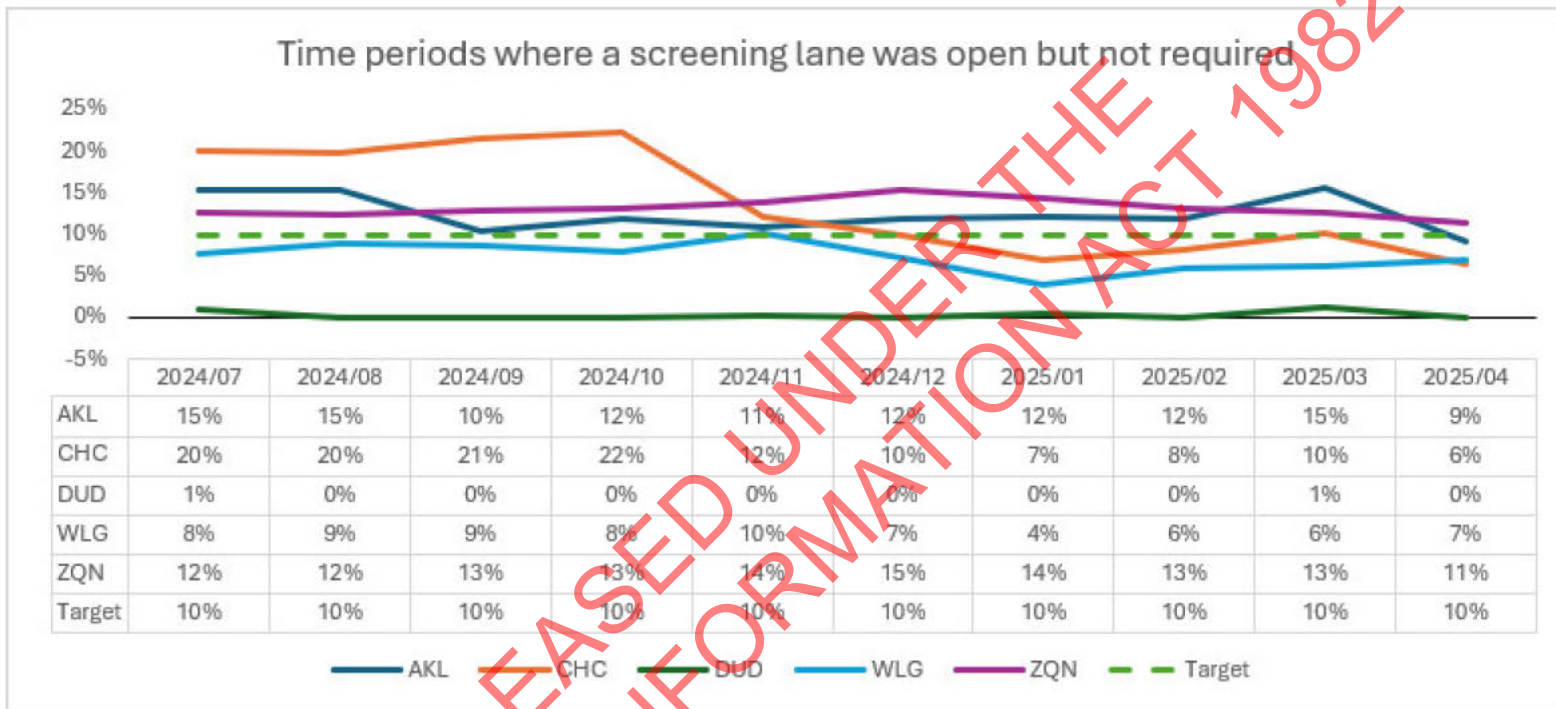


Output measure	EOY target	YTD result	RAG	Analysis
5.1.2 Time periods where average wait time exceeds 10 minutes	<5%	2.0%		Performance against this measure is tracked using data from LiDAR equipment installation at Wellington Southern Domestic and Dunedin.



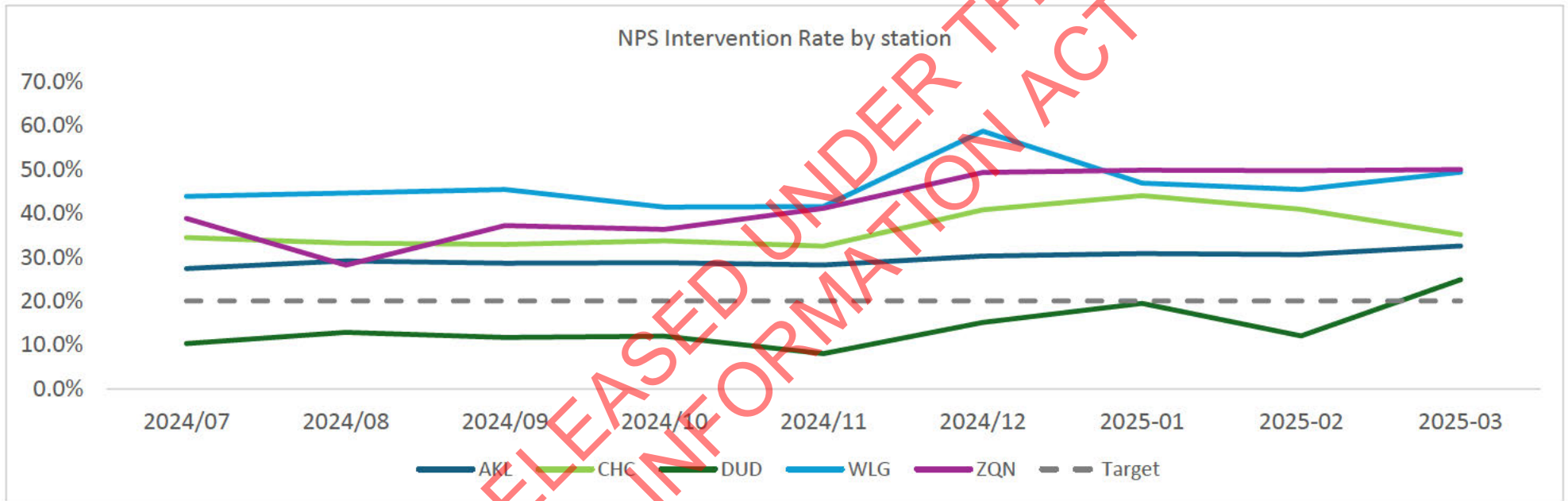
There is data available for Wellington Southern Domestic and Dunedin from March 2025 (the orange dot, as March 2025 was the first full month surveyed). Other locations will be added as they become available.

Output measure	EOY target	YTD result	RAG	Analysis
5.1.3 Time periods where a screening lane was open but not required	<10%	11.9%		This number is affected by locations where a minimum lane capacity must be maintained regardless of requirements, in order to facilitate passenger lounge access



Output measure	EOY target	YTD result	RAG	Analysis
5.1.4 Number of complaints upheld against the Aviation Security Service per 50,000 screened	Target < 2 complaints	0.59		
Auckland – 0.41 Wellington – 0.69 Christchurch – 1.04			Queenstown – 0.46 Dunedin – 1.45 Invercargill – 1.75	

Output measure	EOY target	YTD result	RAG	Analysis
5.2.1 Security monitoring of restricted areas against regulated standards	100% of requirements met for non-passenger screening (NPS)	100%		



Output measure	EOY target	YTD result	RAG	Analysis
5.2.2 Regular non-passenger security risk assessments performed and mitigation actions implemented	100%	100%		The 100% YTD result records stations with a risk assessment performed in the last 6 months.



## Year-to-date Finance Report – CAA to 31 March 2025

	Actual ytd	Budget ytd	Variance	(Act-Bud)	Budget fy
	\$000	\$000	\$000	%	
<b>Income:</b>					
Levies revenue	24,280	24,455	(175)	(0.7%)	32,151
Fees & charges revenue	4,085	3,795	290	7.6%	4,966
Crown funding revenue	26,623	25,758	865	3.4%	34,344
Ministry contract revenue	1,525	1,596	(71)	(4.4%)	2,128
Other Income	523	360	163	45.3%	485
<b>Total Income</b>	<b>57,036</b>	<b>55,964</b>	<b>1,072</b>	<b>1.9%</b>	<b>74,074</b>
<b>Expenditure:</b>					
Personnel Costs	50,453	51,064	611	1.2%	68,576
Depreciation	2,300	2,542	242	9.5%	3,680
Other costs of services	53	2,988	2,935	98.2%	5,498
<b>Total Expenditure</b>	<b>52,806</b>	<b>56,594</b>	<b>3,788</b>	<b>6.7%</b>	<b>77,754</b>
<b>Net Surplus /(Deficit)</b>	<b>4,230</b>	<b>(630)</b>	<b>4,860</b>	<b>(771.4%)</b>	<b>(3,680)</b>
<b>Total comprehensive income</b>	<b>4,230</b>	<b>(630)</b>	<b>4,860</b>	<b>(771.4%)</b>	<b>(3,680)</b>

### Revenue:

YTD international pax safety levies were \$0.07 million below budget from a slower than budgeted international passenger volume recovery (YTD actual of 92% of the pre-pandemic level, 0.9% below the budget rate modelled in June-2024 Border Executive Board (BEB) forecast (moderate scenario).

YTD domestic pax safety levies were \$0.15 million below budget, with YTD passenger volumes being at 89% of the pre-pandemic level, 0.8% lower than the budget assumption.

Offsetting that is the higher-than-expected revenue from fees and charges. The higher than budgeted Crown funding was due to an upfront drawdown of Q4 liquidity funding in late March, a timing difference (actual Crown liquidity funding for the full year is still forecast to be lower than the full year budget).

### Expenditure:

**Personnel costs** were 1.2% below budget mainly due to deliberate vacancy management as organisational change was underway. This was compounded by a higher than budgeted amount of leave taken, reducing leave balance accruals.

**Other costs of services**, comprised of operating costs of \$17.4 million, offset by the Shared Service Charge of \$17.3 million, were below budget, mainly due to lower digital costs following the delayed implementation of the Device as a Service project. Further savings were realised through ongoing operational efficiencies, particularly in consulting and travel

**Depreciation** is lower than budget due to a timing difference relating to the final capitalisation date of EMPIC/Kapua project.

## Year-to-date Finance Report – AvSec to 31 March 2025

	Actual ytd	Budget ytd	Variance	(Act-Bud)	Budget fy
<b>Income:</b>					
Levies revenue	102,284	102,761	(477)	(0.5%)	135,550
Fees & charges revenue	1,353	1,462	(109)	(7.5%)	1,948
Crown funding revenue	41,341	41,340	1	0.0%	55,120
Ministry contract revenue	-	-	-	-	-
Other Income	567	630	(63)	(10.0%)	840
<b>Total Income</b>	<b>145,545</b>	<b>146,193</b>	<b>(648)</b>	<b>(0.4%)</b>	<b>193,458</b>
<b>Expenditure:</b>					
Personnel Costs	111,016	113,711	2,695	2.4%	152,227
Depreciation	3,954	4,317	363	8.4%	5,897
Other costs of services	29,397	30,816	1,419	4.6%	41,231
<b>Total Expenditure</b>	<b>144,367</b>	<b>148,844</b>	<b>4,477</b>	<b>3.0%</b>	<b>199,355</b>
<b>Net Surplus /(Deficit)</b>	<b>1,178</b>	<b>(2,651)</b>	<b>3,829</b>	<b>(144.4%)</b>	<b>(5,897)</b>
<b>Total comprehensive income</b>	<b>716</b>	<b>(2,380)</b>	<b>3,096</b>	<b>(130.1%)</b>	<b>(5,897)</b>

### Revenue:

YTD international pax security levies were \$1.16 million below budget mainly due to slower than budgeted international passenger recovery (YTD actual of 92% of the pre-pandemic level, a 1.7% reduction compared to the recovery budgeted in line with June-2024 Border Executive Board (BEB) forecast (moderate scenario).

YTD domestic pax security levies were \$0.68 million above budget with YTD passenger volumes being at 92% of the pre-pandemic level, 1.9% higher than the budget. Domestic security levies only apply to aircraft with more than 90 seats (i.e. in practical terms, jet aircrafts).

### Expenditure:

**Personnel costs** were \$2.695 million (2.4%) below budget due to:

1. deliberate vacancy management as the organisational change was underway and lower passenger volumes, and
  2. early benefits from Lane Matrix and Remote Image screening initiatives
- 3). Savings on contractor spending and lower training and uniform costs.

**Other costs of services** were below budget due to ongoing cost control measures resulting in lower travel and consultancy costs.

**Depreciation costs** were below budget due to the later than budgeted capitalisation of passenger screening equipment.

## Performance against CAA Board and organisational priority areas

Priority	Commentary
Drive improved performance in the following areas:	
<ul style="list-style-type: none"> <li>Cost Base</li> <li>Cost efficiencies</li> </ul>	Identifying cost efficiencies is an ongoing priority for Management and the Board. As outlined in the cover letter to this report, CAA has been able to deliver savings on this budget by reducing personnel, travel and other discretionary costs. Ongoing work from the recent organisational changes are focused on embedding sustained and permanent efficiencies. The Board has commissioned PWC to complete a Cost Efficiency Review of the CAA. This work spans across several key areas including: cost analysis, staffing and remuneration, benchmarking and the identification of efficiency opportunities. The report is due to the Board in June 2025, to inform the Board's identification of opportunities for cost reductions and identify efficiency opportunities.
<ul style="list-style-type: none"> <li>Queue Management</li> </ul>	As outlined previously in this report, we are observing significant and sustained improvement in passenger facilitation and throughput. In May 2025, a trial of Hybrid Remote Image Screening (HRIS) occurred in Queenstown and the HRIS model in Auckland is scheduled to expand to international screening points. HRIS enables screening to be conducted simultaneously on the lane and off the lane in a Remote Image Screening (RIS) room providing a more flexible method for increasing throughput without opening a whole lane, improving cost-efficiencies.
<ul style="list-style-type: none"> <li>Certification Timeliness</li> </ul>	<p>A programme of work is being implemented to improve current processes, and maximise benefits from installing a new answering/forwarding phone system, which will make it easier and quicker for participants to reach the CAA staff member who can help them. We are also identifying managerial pressure points /issues when prioritising, planning and allocating work, to better understand how they can be addressed. Much of this work will be led by the newly-established Advice, Triage and Planning (ATP) team, but will involve teams across CAA.</p> <p>There are also several efficiency projects underway, including renewal policy and process tools development using intelligence-led and risk-based principles to develop work tools and guidance for inspectors assessing certification renewal applications. The main aims of this project are to enable inspectors to streamline their approach by using the tools and guides, and to bed in a more consistent approach to assessing certificate renewals. This is due to be completed in Q1 FY26.</p> <p>Richer data and intelligence is also being provided on higher risk or priority areas with the development of intelligence products to help embed a risk-based approach to renewals. These products help managers and inspectors focus their</p>



Priority	Commentary
	<p>resources on higher risk areas, spending more time analysing those applications and applying a more light-touch approach to operators that present less risk, for example operators with a very good safety record.</p> <p>There is also greater collaboration across teams to deliver certification activities in accordance with the new ways of working. A prioritisation framework is being developed for applications. This framework is anticipated to be in effect by end of Q4 FY25. It will take some time to realise the benefits from these changes, as a result of pre-existing backlog, and the time it will take to develop processes and embed new ways of working.</p> <p><b>Certification Backlog:</b> The drop of performance during Q3 can be attributed to the impact of the ICAO audit, final work to support implementation of the CA Act 2023, and the impact of the organisational change process. Another factor was the focus on prioritising the processing of amendments rather than initial applications. The backlog will likely increase further in Q4, while SME resource is diverted to the ICAO audit, and while the policy and is developed for inspectors to carry out consistent intelligence led, risk based approach to renewals. The results of this programme of work are due to be rolled out in Q1 FY26.</p> <p><b>Certification Renewals:</b> Renewal levels start increasing from August 2025, and continue through to July 2026, with some months being higher than the total renewals we have done each quarter (in Q1 41 renewals, Q2 49 renewals, Q3 15 renewals). As a result, renewal activity will likely see resource diverted from amendments and new issues.</p>
<ul style="list-style-type: none"> <li>• Innovation</li> </ul>	<p>A range of activities across CAA, many covered elsewhere, including:</p> <ul style="list-style-type: none"> <li>• technology to better manage queues at airports</li> <li>• changes to ways of working to standardise how applications are assessed and create tools and processes to streamline this process, and</li> <li>• progress on advanced aviation reform rules and the rules development process.</li> </ul>
<ul style="list-style-type: none"> <li>• Organisational change</li> </ul>	<p>The new structure was successfully stood up in Q3. A dedicated fixed term Implementation Team has been established to provide oversight and support for leaders and teams to implement the changes in the ways we work across our systems, practices, culture and structure. It will focus on supporting Management to ensure that the benefits of the organisational change programme are realised. The Board will monitor CAA's progress against the intended outcomes of the change programme. Many of the gains identified in this report will be accelerated by having the new structure and ways of working in place.</p>



Priority	Commentary
<ul style="list-style-type: none"> <li>• Bed in an effective culture</li> </ul>	<p>By Q3, we completed an independent assessment of culture, an employee engagement survey and a participant survey. The results from these activities have informed organisational changes to ensure we have the systems, practices and structures required to support our people and delivery of our activities. The results will be provided to you separately.</p> <p>We ran a staff engagement survey in Q3, completing the Board-commissioned activities to better understand our culture and create a baseline for measuring improvements (building on the culture review and external participant survey which were completed in Q2). The implementation of organisational change including to our systems and practices, has created the opportunity to bed in culture changes into the fabric of the organisation. The Executive Leadership Team is driving a 2-year programme to implement changes to how we work. The Executive sponsor for the implementation, working closely with the Chief Executive, is the DCE People and Capability to ensure a focus on culture. Work this quarter focussed on building capability, investment in leadership and accountability, and addressing findings from the culture review.</p>
<ul style="list-style-type: none"> <li>• Develop capability</li> </ul>	<p>Now that all people capability resources have been centralised into the People and Capability team, the team have progressed initiatives to help managers and staff to develop new ways of working. The first steps have been agreeing to a 360° feedback survey for Tier 2 and 3 managers and new training for AvSec frontline Team Leaders. Starting with leadership-focused programmes was a deliberate choice, to enable leadership to guide their teams in the mental shifts required to make the new structure work.</p>
<ul style="list-style-type: none"> <li>• Improve rules to accelerate emerging aviation technology regulation (and improve the overall rules framework)</li> </ul>	<p>Following your letter of 3 March 2025, CAA is working with the Ministry of Transport to progress work to finalise an initial two-year Rules programme.</p>
<ul style="list-style-type: none"> <li>• Effectively prepare for the ICAO Safety Audit</li> </ul>	<p>CAA is working with other governance agencies to ensure New Zealand is well prepared for the ICAO safety audit in July. This includes completing Protocol Questions, reviewing 12,000 Standards and Recommended Practices (SARPs), developing a Corrective Actions Plan to manage any findings or significant safety concerns arising from the audit, and to brief operators in advance of onsite visits from auditors.</p>
<ul style="list-style-type: none"> <li>• Recruit a new Director of Civil Aviation</li> </ul>	<p>Recruitment for the new Director is underway and on track.</p>
<ul style="list-style-type: none"> <li>• Support economic growth of New Zealand's aviation sector</li> </ul>	<p>Long-term engagement continues with aerospace operators Dawn, Kea Aerospace, Air New Zealand, Pyper Vision and Aerosearch, with six new innovators engaged with our Emerging Technologies Unit to establish regulatory pathways.</p>

Priority	Commentary
	Additionally, the special Use Airspace for Tāwhaki National Aerospace Centre (TNAC) is on track for airspace use (circa July 2025).
<ul style="list-style-type: none"> <li>Collaborate with the Ministry of Transport on potential changes to the delivery of aviation security model</li> </ul>	The Ministry has commenced The Aviation Security Work Programme. CAA is engaging on the Terms of Reference for this work, and the plan for its implementation to ensure expectations are clear in respect to the respective accountabilities and responsibilities of the Board, the Director and the Ministry.

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## Aviation Safety Information

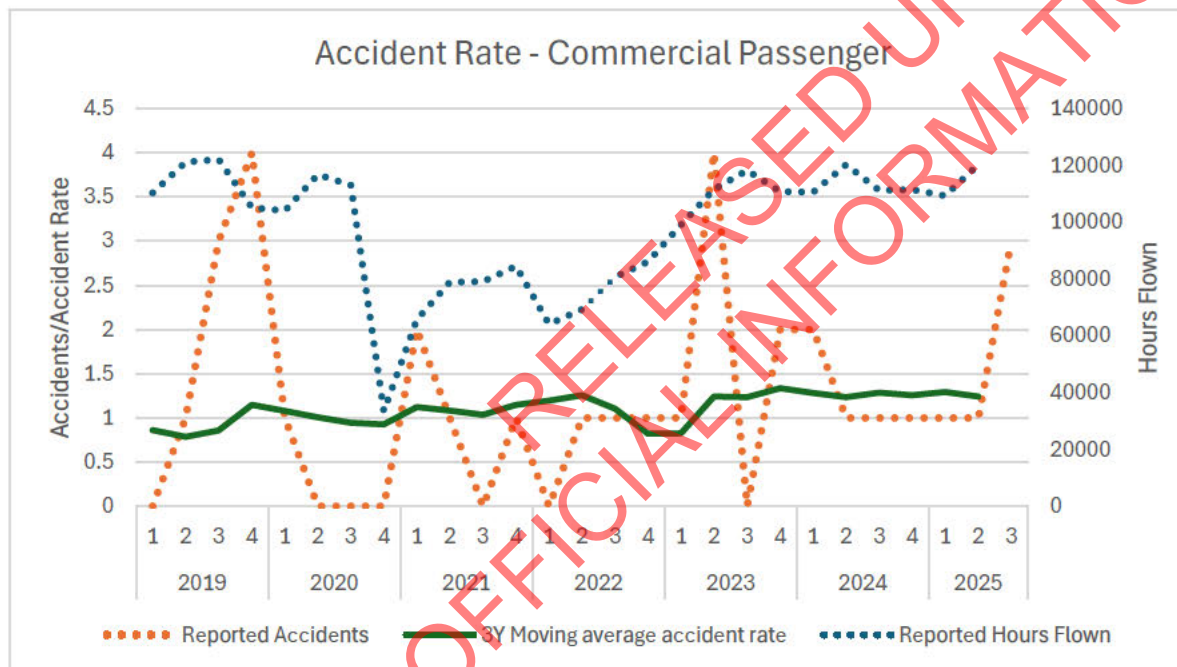
We measure accident rates to understand how safety performance is trending for sectors of the aviation system.

An accident rate is a ratio of the number of accidents to the amount of activity, measured in hours flown or flights taken. We express the rate as the number of accidents per 100,000 hours flown.

$$\text{Accident Rate} = \frac{\text{Number of Accidents}}{\text{Hours Flown}} \times 100,000$$

Or, for adventure aviation, the measure is based on the number of flights or descents, as the focus is mostly on parachuting and paragliding.

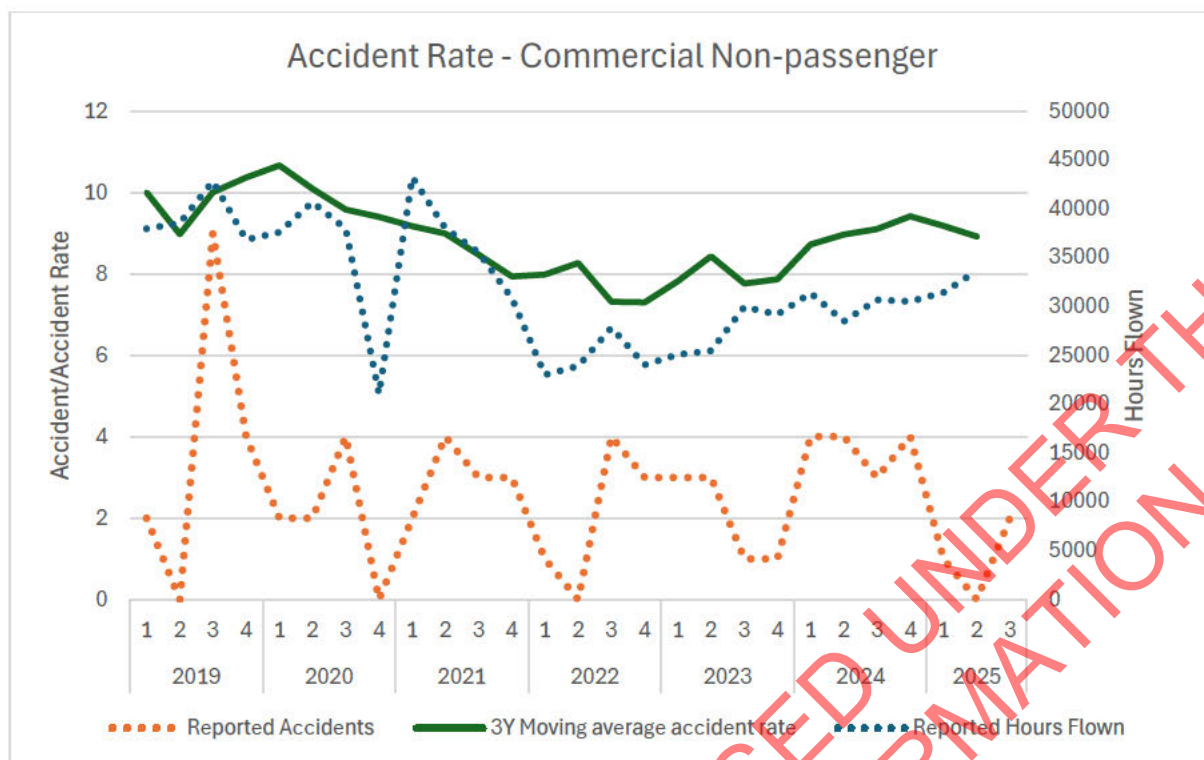
$$\text{Accident Rate} = \frac{\text{Number of Accidents}}{\text{Flights}} \times 100,000$$



The accident rate is low, but slowly on the rise, having gone from around 1.0 to 1.2 accidents per 100,000 hours flown.

In Q3 there were three accidents, all involving helicopters. A helicopter rolled when moving to another landing site, resulting in injury to the pilot and passenger. Another incurred damage to the helicopter when the helicopter dipped backwards after landing. The third accident involved a passenger who fell as she exited the helicopter, fracturing her wrist. Two of the accidents occurred in the Wanaka area, and the third was in Westland.

CAA's intervention function is prioritising analysis of these issues to identify any necessary systemic action.

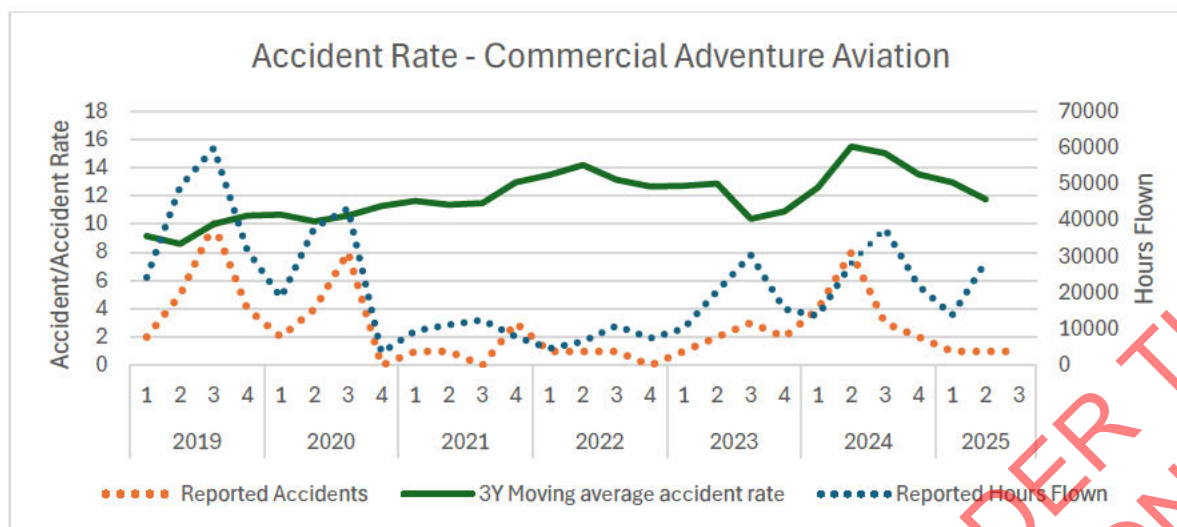


Flight training is a significant contributor to accidents in this sector. The accident rate for the commercial non-passenger sector fell in the wake of the COVID-19 pandemic. Flight training activity has declined since then, with one large flight school closing and moving out of New Zealand.

Additionally, CAA has recently instigated an intervention/investigation into runway incursions as there has been an uptick in occurrences in this area, particularly at Whanganui aerodrome, where there is a high proportion of flight school activity.

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Adventure aviation includes sky-diving and paragliding, where participants are subject to injuries such as dislocation, sprained and broken ankles, legs and knees. Activity in this sector is very much driven by tourism, and has yet to recover fully since the COVID-19 pandemic.

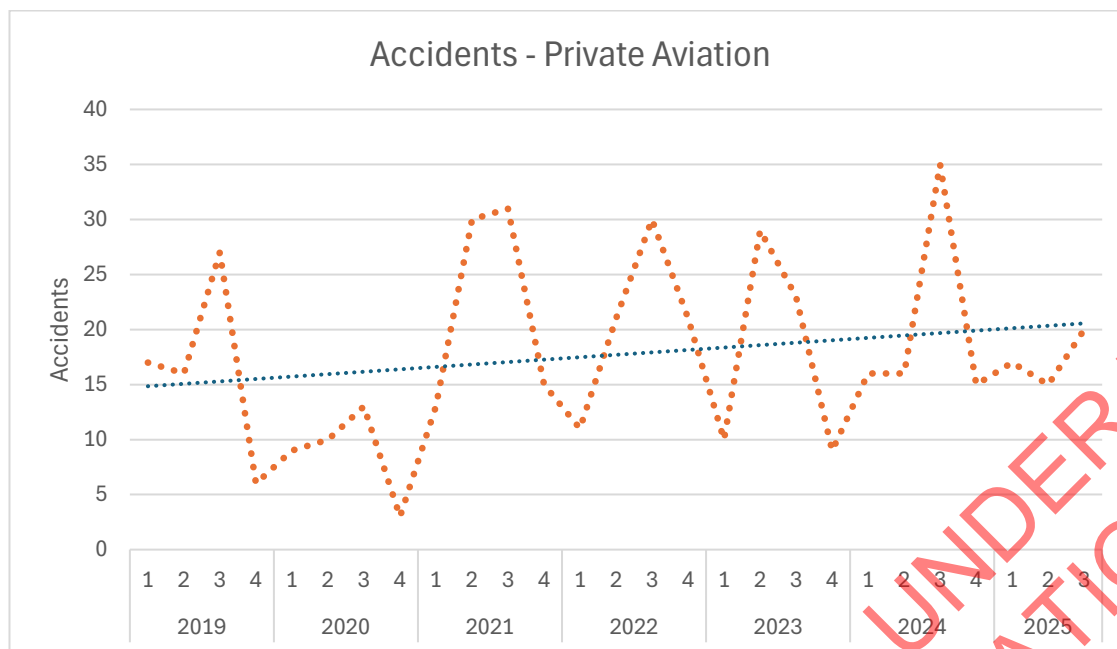
In Q3, there was one tandem parachute accident with a minor injury to the passenger on landing. This occurred in the Queenstown area.



The agricultural sector accident rate has been in decline (i.e. improving) for a number of years, with the adoption of Safety Management Systems, and the aging out of older aircraft in the fleet.

However, after five quarters with no accidents, there were six accidents in Q1, leading to a spike in the accident rate. There were three helicopter accidents and three aeroplane accidents. The three aeroplane and one of the helicopter accidents occurred in the central/lower North Island area, and the other two helicopter accidents occurred in the South Island (Blenheim and Canterbury).

There was no obvious trend/cause in the Q1 accidents, and there have been no accidents since then. Notably, Q1 is also the time of year when most agricultural fertiliser activity occurs, even though the total number of hours flown in this quarter does not always increase.



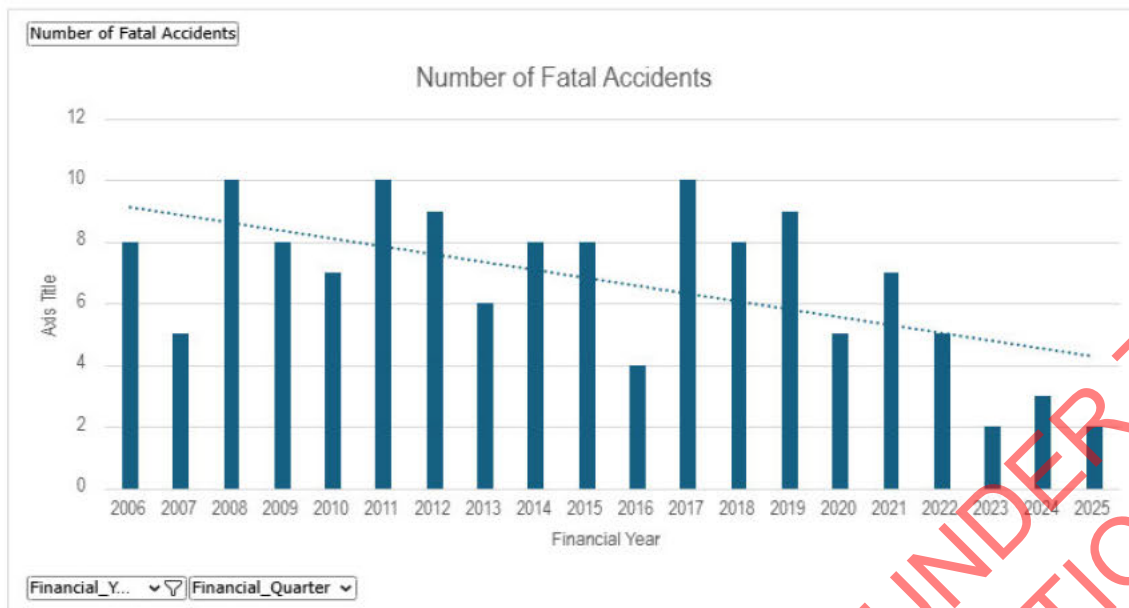
Since FY2019, there continues to be a gradual increase in accidents within the private sector. Accident numbers are very seasonal, with more people flying when the weather is good in the summer months. Our activity collection (flight hours) doesn't extend to the private sport aircraft in this sector: therefore it's not feasible to measure an accident rate.

Of the 20 accidents in Q3, 15 have been paraglider or hang glider accidents, four involved aeroplanes and one involved a gyrocopter. Two accidents were fatal (one paraglider and one light aeroplane), ending with flight into terrain.

Of the 15 paraglider/hang glider accidents, five occurred on take-off; three were too fast on landing; four lost height either due to wind or wing/front bar collapse and three hit terrain. Of the five aeroplane/gyrocopter accidents, four occurred on landing and one fatal aeroplane crash into terrain.

Sixteen of the accidents occurred in the South Island, with 12 of these being in the Otago region.

CAA has been working with New Zealand Hang Gliding and Paragliding Association on a joint online campaign to improve safety within the sector. The campaign went live on 9 March 2025 and ended on 1 May 2025, and was favourably received, with over 5.9 million online impressions and 12,376 clicks through to the campaign.



Fatal accidents continue to be on a downward trend. There were two fatal accidents in Q3. A paraglider flew into terrain (Arthurs Pass) and a light plane crashed while taking part in a flying event (Otago). Both accidents resulted in one fatality each.

Notably, before the two fatal accidents in Q3, the last fatal accident on New Zealand soil had been in February 2024.

To date, in Q4 there has been another fatality resulting from a glider crash (Hawkes Bay). This will be included in the next quarterly report.



The Ministry of Transport publishes values for Value of a Statistical Life (VSOL), and costings for serious and minor injuries.

Social cost has been trending down over time. Given the higher accident rate within the private sector, a large proportion of social cost is sourced from this sector.

**Note:** FY2025 includes social costs up to Q3.

The annual social costs value used, is that, for FY2023, this value is consistently applied to all years for comparability over time.



19 June 2025

OC250527

Hon Chris Bishop  
 Minister of Transport

## MEETING WITH THE BUS AND COACH ASSOCIATION, 24 JUNE 2025

### Snapshot

You are meeting with the Bus and Coach Association to discuss its priority policy issues related to public transport, and in particular public transport procurement. You also have an opportunity to clarify how the bus industry operates.

<b>Time and date</b>	3.15pm – 3:45pm, Tuesday 24 June 2025
<b>Venue</b>	Parliament EW 6.3
<b>Attendees</b>	Delaney Myers, Chief Executive, Bus and Coach Association Grant Lilly, Independent Chair, Bus and Coach Association
<b>Officials attending</b>	Marian Willberg, Manager – Maritime, Freight and Access
<b>Agenda</b>	Delaney and Grant specifically wish to discuss public transport contracting and provision, including bus and depot ownership arrangements. We have also provided background on the state of the bus driver workforce and heavy electric vehicle Road User Charges exemption, as these are likely discussion topics based on our recent engagement with the Bus and Coach Association.

### Contacts

Name	Telephone	First contact
Marian Willberg, Manager - Maritime, Freight and Access	s 9(2)(a)	✓
Liam Fechny, Adviser - Maritime, Freight and Access		



## MEETING WITH THE BUS AND COACH ASSOCIATION, 24 JUNE 2025

### Key points

- In general, the Bus and Coach Association (BCA) has the view that Public Transport Authorities (PTAs) overly focus on price over quality when tendering bus contracts. In its view, this delivers lower value for money and contributes to workforce sustainability issues.
- The BCA's position highlights a common tension in contracted public transport services, as operators have a profit-making motivation while PTAs have a cost minimisation objective. Though the contracting process and oversight from regulators like the NZ Transport Agency (NZTA) should moderate these competing aims, it is likely that neither party will be completely satisfied with the outcomes (particularly over the nine-year life of most contracts).
- s 9(2)(ba)(i), s 9(2)(g)(i)  
[REDACTED]
- s 9(2)(f)(iv), s 9(2)(g)(i)  
[REDACTED]
- The BCA has previously expressed concern that the national bus driver shortage was only temporarily fixed in 2022/2023. In its view, the underlying recruitment and retention issues have not been resolved. s 9(2)(ba)(i)  
[REDACTED] NZTA recently updated its public transport cost indexation methodology to strengthen elements related to the treatment of bus driver labour and is working with sector stakeholders to improve procurement contracting provisions. \$15 million was also provided through Budget 2024 to support improved bus driver safety and working environments.<sup>1</sup>
- The BCA may ask for your views on extending or ending the heavy electric vehicle RUC exemption. We met with the BCA on 6 June 2025 where it expressed concerns from its members if the exemption ends as scheduled on 31 December 2025. While it supports the principle of zero emissions buses paying RUC, the BCA considers that less than six months is not sufficient time to resolve issues around contract variations with PTAs to account for new RUC costs and to plan for specific bus types that are facing high RUC costs. Some operators are aware of the previous Cabinet decision to extend the exemption to 2030 s 9(2)(b)(ii)  
[REDACTED]

<sup>1</sup> Projects that are or can be supported through this funding include retrofitting driver safety screens, live CCTV feeds from buses to operations centres, and on-network toilet and break facilities.

**The BCA is the peak industry body for buses and the supporting industry in New Zealand**

- 1 The BCA is the industry representative and advocacy group for all public transport bus operators along with 98 percent of school bus operators. It also represents most charter, tour, and long-distance operators, and domestic bus manufacturers.
- 2 The BCA's last ministerial meeting was on 25 July 2024 [OC240794 refers]. Due to scheduling conflicts on the day, it met with Minister Brown's advisor and officials rather than the Minister himself. Later in the year, Minister Brown was the keynote speaker at the BCA's annual conference on 3 October 2024 [OC241086 refers].

**The BCA's position is that competition should be enabled by the framework for planning and procuring public transport services**

- 3 It takes the view that the current framework allows (or at least does not prevent) PTAs from overly weighting the direct financial costs when evaluating tenders to operate public transport contracts. The BCA claims the trade-off of this over-weighting is that the system is neither cost effective nor efficient in the long term, and leads to PTAs being overly prescriptive in how services are delivered. To resolve these issues, the BCA wants to see more focus on what it terms "smarter and bundled" procurement, with procurement practices focused on desired outcomes rather than inputs. The BCA has presented evidence showing how costs have outgrown service kilometres and implied that this demonstrates growing inefficiencies. While there are likely to be inefficiencies in the system, general economic trends over the time period covered, such as high inflation, are highly likely to be driving the dynamic shown.
- 4 NZTA is currently updating its public transport procurement policy to give effect to the direction contained within the Government Policy Statement on land transport 2024-2034 and will have this in place by the end of 2025. The updated procurement policies will have a focus on improving value for money and cost effectiveness by creating and maintaining a competitive and efficient supplier market for public transport services.

- 5 

s 9(2)(b)(ii) s 9(2)(ba)(i)



**Control of public transport assets is one of the notable procurement decisions the BCA is concerned about**

- 6 The BCA is concerned about amendments made in 2023 to the Land Transport Management Act 2003 (LTMA) that made it easier for PTAs to control public transport assets such as bus depots. Prior to these legislative changes, PTAs were required to establish a Council Controlled Trading Organisation to control these public transport assets. Most PTAs found these requirements bureaucratically onerous as a Council Controlled Trading Organisation is required to be profit making, at least on paper.

- 7 s 9(2)(b)(ii), s 9(2)(ba)(i), s 9(2)(j)
- 8 Through the operational policy update, NZTA will require PTAs to demonstrate how any proposed asset control arrangements (including asset ownership) will enable competitive and efficient markets for the supply of services and maximise value for money spent on public transport. s 9(2)(g)(i)
- 9 s 9(2)(f)(iv), s 9(2)(g)(i)

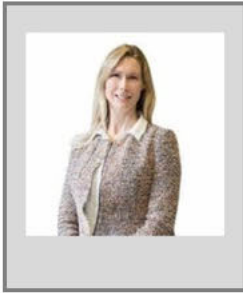
**The BCA advises the bus driver shortage has only eased temporarily**

- 10 The critical unreliability of bus services in 2022 due to driver shortages led to an approach in the short term that relied on overseas recruitment. These immigration pathways have now closed, and recruited drivers are approaching the expiry date of their visas. s 9(2)(g)(i)
- 11 There are central government initiatives led by NZTA for improving bus driver recruitment and retention. Officials will continue to monitor the situation and confirm if your attention or action is required.

**The BCA supports uptake of zero emissions buses, but is concerned that the speed of uptake may have unintended consequences**

- 12 The BCA supports the 2025 zero-emissions bus procurement mandate, which takes effect on 1 July 2025. This mandate means that every bus newly entering the public transport fleet from that date will be a zero emissions model.
- 13 The BCA is concerned that PTAs may not be doing a full life cycle emissions analysis before setting their bus procurement standards. It claims the outcome is lower quality and more frequently replaced buses. Examples include buses designed to last only the length of the contract rather than the maximum lifespan of around 20 years, and PTAs not modelling the emissions impact of increased road maintenance caused by heavier zero emissions buses.
- 14 Your intention to signal that the heavy electric vehicle road user charges exemption will be ending well within the expected lifespan of a new bus will help incentivise PTAs to procure buses with a lower impact on the roading network. NZTA has a broader work programme underway as part of the procurement policy updates to develop a sector action plan to improve bus procurement, ensuring value for money and network impacts are considered across the complete lifespan of a bus.

## Biographies



### **Delaney Myers, Chief Executive, Bus and Coach Association**

Delaney started as the Chief Executive of the BCA in July 2023.

Prior this, she worked at NZTA as the Manager for the Public Transport team from November 2020 to July 2023. She also previously worked at NZTA between 2005 and 2015 in a variety of infrastructure and policy roles. Between 2015 and 2020, she held senior management roles at the Ministry of Education, working on school transport.



### **Grant Lilly, Independent Chair, Bus and Coach Association**

Grant is an experienced chairperson, and is currently also a board member at Invercargill Airport, Hanmer Springs Pools, and Rainbow's End. He also worked in a variety of management roles for Air New Zealand between 1987 and 2001, and for Qantas between 2001 and 2011.

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## AIDE MEMOIRE

30 June 2025

OC250587

Hon Chris Bishop  
Minister of Transport

## AIDE MEMOIRE: MEETING WITH PETER LENSINK AND MATT MCINNES (TRANSDEV)

### Snapshot

You are meeting with Peter Lensink, Chief Executive of Transdev New Zealand and Australia, and Matt McInnes, Managing Director of Lynxx, to discuss their views on sustainable transport solutions, climate change mitigation, and improving mobility for New Zealanders.

Time and date	2.30pm – 3:00pm, Tuesday 1 July 2025
Venue	EW6.3
Attendees	Peter Lensink, Chief Executive, Transdev New Zealand and Australia Matt McInnes, Managing Director, Lynxx
Officials attending	Mark Hodge – Manager, Transport Financing
Agenda	<ul style="list-style-type: none"> <li>• Infrastructure as an enabler of economic growth, housing delivery, and service access</li> <li>• Whole-of-system design</li> <li>• Network performance and incentives</li> <li>• Funding and Independent Assurance</li> </ul>
Talking points	Talking points and questions are in Annex 1

### Contacts

Name	Telephone	First contact
Jedd Ugay, Senior Advisor, Transport Financing	s 9(2)(a)	✓
Mark Hodge, Manager, Transport Financing		

## AIDE MEMOIRE: MEETING WITH PETER LENSINK (TRANSDEV) AND MATT MCINNES (LYNXX)

### Background and meeting objectives

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1. Transdev is a French-based, privately owned mobility provider. It has operations in 19 countries and territories, specialising in delivering multimodal transport solutions including bus, rail, tram, ferry, and on-demand services.
2. Transdev has a well-established presence in New Zealand, with over 15 years of local experience operating both rail and bus services in Wellington and Auckland. It runs more than 3,000 weekly services under several brands, including Transdev Wellington, Howick & Eastern Buses, Mana Newlands Coaches, and MyMobigo. Transdev is partnering with Auckland Transport to deliver the country's first hydrogen fuel cell bus.
3. Transdev Auckland held the Auckland passenger rail contract from 2004 until March 2022. Auckland Transport noted that Transdev played a key role in establishing rail patronage around the region during that period. Transdev was part of the Aka Tangata consortium, which submitted an unsuccessful bid for the post-2022 Auckland rail contract.
4. Transdev is a stakeholder for the ongoing updates on the Metropolitan Rail Operating Model (MROM), which outlines the funding, governance, and planning framework for metro rail as a key part of the public transport network. The MROM was agreed by Cabinet in 2009 and is currently undergoing review where you have directed officials to stress test policy options. As part of this we are continuing to engage with key sector participants, but we have not yet engaged with Transdev.
5. Peter and Matt have identified a particular interest in supporting sustainable public transport options for New Zealanders. They have experience in delivering multi-modal public transport operations from work in New Zealand and overseas, and can provide insights around public transport system design and policies. They may also have views on how the Government can provide a more enabling environment for the transition to sustainable transport modes.

### Topic 1: Opening and Framing (3 mins)

6. This is an opportunity to hear about and discuss Peter and Matt's views on *"the case for treating infrastructure not as a cost, but as an enabler of economic growth, housing delivery, and service access."*
7. To support this part of the conversation, the following points may be useful:
  - a. Te Waihangā describes infrastructure as a foundation for the people, places and businesses of Aotearoa New Zealand to thrive. It is important to invest in the right infrastructure, at the right time, and making the most of available resources, to support the New Zealand's anticipated growth.
  - b. The Government has a significant work programme underway looking at the way it thinks about economic growth, housing delivery, and service access. This includes the proposed Resource Management Act changes, and the Te Waihangā's National Infrastructure Plan which noted *"well-designed and maintained infrastructure is important for long-term economic growth and development, and for raising living standards."*

**Topic 2: Whole-of-System Design (8 mins)**

8. This is an opportunity to hear about and discuss *“transport infrastructure [being] planned and delivered as part of an integrated growth strategy.”*
9. Transdev has previously noted that providing reliable public transport is critical to addressing climate change, including mode shift from private vehicles to reduce emissions and improve the liveability of cities. Transdev supports taking a faster approach towards zero emissions bus fleet procurement and technology. It notes that it is well-positioned to support this transition as it is currently investing both globally and in New Zealand in zero emissions bus technology and exploring critical bridging technologies to reduce carbon emissions from its vehicle fleets.
10. Even though Australia and other jurisdictions have a higher population density than New Zealand, Peter and Matt may also provide useful insights for delivering transport projects in New Zealand, for example on how to enable economic growth around City Rail Link stations and other possible future transit projects. Transdev may also have views on optimising whole-of-life costing for public transport such as rail and bus.
11. To support this part of the conversation, the following points may be useful:
  - a. Te Waihanga advocates for better integration of infrastructure with land use and environmental planning, supported by smarter financing mechanisms.
  - b. Government settings can play a role in the speed of fleet transition (e.g. reducing regulatory costs for zero emissions bus fleet procurement).
  - c. The Government is undertaking work as part of its Urban Growth Partnerships to develop long-term spatial planning frameworks, which highlight infrastructure priorities. Spatial planning will play an increasingly important role in ensuring future growth strategies for cities and regions are integrated with transport priorities.

**Topic 3: Network Performance and Incentives (8 mins)**

12. This is an opportunity to hear about and discuss *“well-performing transport networks support growth and justify further investment. Poor performance erodes value.”*
13. Well-performing assets can support growth in the places that we want to grow. A well-performing transport network encourages the improved travel decisions and housing behaviour—i.e. more sustainable and inclusive transport choices and housing locations.
14. Establishing appropriate incentives and safeguards can be an important component to promote operational efficiency and strengthen accountability among mobility operators. You may like to ask Peter about his views on existing contractual and procurement arrangements, and how they can be improved to better align operator behaviour with public goals (including better reliability, customer satisfaction, emissions reduction).
15. High quality public transport could support the Going for Housing Growth programme by supporting travel options for higher-density and mixed-use developments. You may wish to discuss Transdev’s views on policies and instruments that can enable high quality public transport.
16. There is potential opportunities for inter-regional services and passenger rail in fast-growing cities, including a coordinated approach to engaging with proposals for additional metropolitan and inter-regional rail services. You may wish to ask Matt to discuss his views on evidence-based spatial planning harmonising mass transit modes across jurisdictions.

17. To support this part of the conversation, the following points may be useful:
  - a. Te Waihanga recently released a draft National Infrastructure Plan that noted:
    - i. *"Poor transport pricing means we build costly peak capacity that isn't used at other times."*
    - ii. *"Land transport currently faces a misalignment between investment plans or expectations and the user revenue streams available to fund them."*
    - iii. *"Rising investment [in transport] has also coincided with a declining influence of cost-benefit analysis on transport project selection. Measured value for money from investment appears to have declined significantly since the 2000s..."*

#### Topic 4: Funding and Independent Assurance (8 mins)

18. This is an opportunity to hear about and discuss *"the infrastructure needed to enable housing growth does not need to rely on central capital — it needs credible, well-assured financing."*
19. Private capital and participation have been increasingly utilised to deliver infrastructure particularly in the transport and housing sectors. There are opportunities to work more closely with the private sector to identify win-win solutions that create credible, well-assured financing that also represent value for money for the Crown.
20. To support this part of the conversation, the following points may be useful:
  - a. There are a number of processes underway to look to financing as part of the solution for delivering infrastructure. This includes the use of a Public Private Partnership (PPP) for the Northland Corridor Stage 1 project, and the Market Sounding that the Ministry will be taking on the potential viability of concessions on our Toll Roads.
  - b. Transdev is a stakeholder for the MROM. As you know, the metropolitan rail systems in Auckland and Wellington are facing funding and affordability pressures. This includes significant investment for annual maintenance and renewals, alongside investment to address overdue renewals.
  - c. Auckland Transport and Greater Wellington Regional Council have identified potential network improvement projects that would require significant further investment. This includes to implement European Train Control Systems and a programme of level crossing removals in Auckland.
  - d. You could ask Matt and Peter whether they have any views on how to transition to a more sustainable funding model for our metro rail networks.

#### Talking points



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21. What do you think could be improved in the existing contractual and procurement arrangements for mobility operators in New Zealand to better align with public goals, particularly when considering risk allocation across greenfield and brownfield corridors?
22. What incentives should be in place to encourage good performance and quality service among mobility providers?
23. Do you have any views on how to transition to a more sustainable funding model for our metro rail networks?
24. What are your views on zero emissions fleet procurement, and how to better integrate this as part of the whole-of-system design?



25. Public transport positively impacts the land use, housing, and environment. However, a key constraint in New Zealand is our low population density across a big geographical area, making public transport infrastructure more expensive with less means to recover investment. How can we continue to maintain and expand our public transport networks (including railways) despite financial and affordability constraints?
26. Do you have any views on how changes could be made to enable greater inter-regional rail in New Zealand? Do you have any views on how changes could be made to enable greater use of bus and train in New Zealand?
27. What are the key risks and opportunities you typically look out for when investing in potential mass transit opportunities?
28. What characteristics define a financially viable mass transit corridor—either for bus or rail operations—from your company’s perspective?

## Biographies

	<p><b>Peter Lensink</b>, Chief Operating Officer, Transdev New Zealand &amp; Australia</p> <p>Peter is a seasoned transport executive with nearly 25 years of international experience in rail and bus operations. He has held senior leadership roles in various mobility service providers across the Netherlands, the UK, Australia, and New Zealand.</p> <p>Peter has been with Transdev since 2017, working in Auckland until 2022 and has been based in Sydney ever since.</p>
	<p><b>Matt McInnes</b>, Managing Director, Lynxx</p> <p>Matt brings nearly 25 years of experience with mobility service providers and consulting firms across the UK, Australia, and New Zealand—including leadership roles at Miro Rail (Christchurch) and Transport Sydney Trains. He has been with Lynxx since 2017, where he leads initiatives in advanced analytics and operations research.</p> <p>Matt brings cross-functional expertise in transport and logistics operations, public-private partnership (PPP) tenders, and behavioural economics. He combines advanced data science with high-tech systems consultancy—spanning transport economics, infrastructure modelling, and social sciences—to deliver robust, evidence-based insights in the transport sector.</p>

1 July 2025

OC250481

Hon Chris Bishop  
 Minister of Transport

## MEETING WITH ANTHONIE TONNON OF THE WHANGANUI CONNECTION, OPERATOR OF THE DURIE HILL ELEVATOR

### Snapshot

You are meeting with Anthonie Tonnon to discuss infrastructure, regional development, and public transport in Whanganui. Mr Tonnon will also give you a tour of the Durie Hill Elevator.

<b>Time and date</b>	10.00am, Friday 4 July 2025
<b>Venue</b>	The Durie Hill Elevator, 42 Anzac Parade, Whanganui
<b>Attendees</b>	Anthonie Tonnon, Operator of the Durie Hill Elevator
<b>Officials attending</b>	None
<b>Agenda</b>	There is no specific agenda. Mr Tonnon wishes to discuss infrastructure, regional development, and public transport in Whanganui.

### Contacts

Name	Telephone	First contact
Marian Willberg, Manager, Maritime, Freight, and Access	s 9(2)(a)	✓
Kathleen Wong, Adviser, Maritime, Freight, and Access		

## MEETING WITH ANTHONIE TONNON OF THE WHANGANUI CONNECTION, OPERATOR OF THE DURIE HILL ELEVATOR

### Key points

- Mr Tonnon has been a long-time public transport advocate. He has been a representative on Horizon's Transport Committee since 2020. He describes himself as an urbanist and advocates for better public transport and housing integration for better outcomes for our communities (e.g. travel time savings, improved health, wellbeing, and community connection).
- Mr Tonnon wishes to discuss infrastructure, regional development, and public transport in Whanganui, and what the Whanganui District Council and Horizons Regional Council (Horizons) are doing to achieve good outcomes in these areas. No specific agenda has been provided.
- Horizons has committed to increasing public transport patronage in Whanganui and across the Manawātū-Whanganui region. To do this, Horizons will create more bus services and undertake significant bus shelter upgrades.
- The Government is investing \$1.6 billion over the next three years through the 2024-27 National Land Transport Programme (NLTP) in the Manawātū-Whanganui region to support economic and population growth. \$63 million is forecast to be invested to improve public transport infrastructure and services.

### Mr Tonnon would like to discuss public transport, and housing and urban development in Whanganui

*One of Horizons' priorities is to increase patronage for public transport and better connect people to places in the Manawātū-Whanganui region*

- 1 Horizons' Regional Public Transport Plan 2022-2032 (RTP) has committed to further improvements for public transport services and infrastructure in the region. This includes improved bus networks in Whanganui and Palmerston North.
- 2 During hearings on Whanganui District Council's annual plan, 89 percent of the 320 submissions to Horizons' annual plan favoured more investment into public transport to provide more bus services, even if this has rates implications. The 2024-34 Long Term Plan does state the Council has set a limit on rates increases.
- 3 Horizons and Whanganui District Council successfully secured \$1.1 million from the Transport Choices Package to upgrade 19 bus shelters at key locations around the Whanganui public transport network. The upgrade work involves installing bus shelters with accessibility and lighting improvements, as well as real-time digital information boards. This also included bike racks at a range of these locations and tactile ground surface coverings to ensure services are accessible for everyone.

*Te Ngaru the Tide high frequency bus trial has been instrumental in reversing a long-standing patronage decline in Whanganui*

- 4 The current Whanganui bus network contract has been in place since 2019. The network was designed to deliver coverage rather than patronage outcomes with a frequency of service of at most hourly on each route. Horizons believe these factors have contributed to poor uptake over time. The Whanganui bus network contract is due to expire in October 2028.
- 5 In February 2023, Horizons implemented the first high frequency bus route in Whanganui – Te Ngaru the Tide. The route was a trial, operating every 20 minutes from 7am to 7pm (based around achieving patronage outcomes rather than coverage). Horizons reports the trial has been a major success, increasing patronage by 86 per cent between March 2022– March 2023, and has been instrumental in reversing a long-standing patronage decline in Whanganui.
- 6 The success of the Tide route over the last two years has shaped planning for the future Whanganui network. A new network has been designed and while Horizons was unsuccessful in attracting NLTF share in the 2024/27 NLTP round for the new network, it voted to maintain the local share portion that it had budgeted as part of its Long Term Plan. This means that improvements could still be made, and then built on if more funding becomes available.

*The Government Policy Statement on land transport 2024 (GPS) sets an expectation for public transport authorities (PTAs) to increase private share of public transport revenue*

- 7 To improve private share, Horizons will need to focus more of its efforts on patronage oriented routes that travel across busier areas of Whanganui.
- 8 For Horizons, the private share targets agreed between it and the NZTA Board are as follows:
  - 2024/25 Interim Target: 9.7%
  - 2025/26 Interim Target: 11.2%
  - 2026/27 Indicative Target: 14.3% (to be finalised by 31 March 2026).

*The One Plan, Whanganui's resource management planning document for the Horizons Region, highlights the connection between urban form and public transport services*

- 9 The One Plan 2024 (the Plan) outlines how Horizons will manage using natural resources for economic and social wellbeing while considering the Resource Management Act 1991 (RMA) over the course of 10 years.
- 10 The Plan calls for two key urban form and function objectives, where the intensification and expansion of urban environments:
  - 10.1 contribute to well-functioning urban environments that are, or planned to be, well connected by a choice of transport modes including public transport, and
  - 10.2 enable more people to live in, and more businesses and community services to be located in, areas of an urban environment where it is able to be, or is, well-served by existing or planning public transport and active transport.
- 11 Intensification that enables people to live closer to existing and/or future public transport services will further improve the uptake of Whanganui public transport as there are more



people to support bus services. It is likely that Mr Tonnon wants to discuss the relationship between public transport and housing with you.

*The Durie Hill Elevator is one of New Zealand's oldest forms of public transport*

- 12 Opened in 1919, The Durie Hill Elevator (the Elevator) is New Zealand's only public transport underground elevator and is still used daily by locals and visitors. Pedestrians walk through a 213-metre tunnel before reaching the entrance of the Elevator, which provides a 66-metre ride to the top of the hill. Its purpose at the time was to provide a public transport solution to better connect the suburb of Durie Hill with Whanganui.
- 13 In 2021 the Whanganui Connection, a company established by Mr Tonnon, won a contract to operate the Durie Hill Elevator. The company currently operates the Durie Hill Elevator which was originally a one-year contract with an option for renewal.
- 14 Mr Tonnon invited you to attend the Durie Hill Elevator's 105<sup>th</sup> birthday in early August 2024. The event celebrated the history of the Elevator, as well as then-recent enhancements such as upgraded interior design of the Elevator, new signage, an underground plant wall, and projection-based displays throughout the tunnel. These enhancements were supported by Manatū Taonga Ministry for Culture and Heritage.
- 15 We anticipate Mr Tonnon will highlight the benefits of the Durie Hill Elevator as it has remained a valued form of transport in Whanganui for over a century. It is also likely he will want to discuss how public transport can be better integrated into housing and general urban and regional developments in Whanganui.

## Biography



### Anthonie Tonnon

Mr Tonnon is a representative on the Horizons' Transport Committee, public transport advocate, and operator of Whanganui's historic Durie Hill Elevator through his company the Whanganui Connection.

He is also a notable New Zealand songwriter and musician, and his music is available on [Spotify](#). In 2022 he won the Taite Music Prize for his album *Leave Love Out of This*.