

OC241414

23 January 2025

Tēnā koe

I refer to your email dated 3 December 2024, requesting the following briefings under the Official Information Act 1982 (the Act):

*“Doocey OC241046 4/10/2024 Maritime New Zealand and TAIC Monitoring Plans  
Brown OC241124 7/10/2024 Meeting with the Chief Executive and Board Members of Auckland Airport  
Brown OC241185 9/10/2024 Meeting with the Icelandic Minister of Finance and Economic Affairs  
Brown OC241188 9/10/2024 Aide Memoire: NIWE Funding Approach  
Brown OC241155 11/10/2024 Aide Memoire: Appropriateness of Current Maritime Offences and Penalties Regime  
Brown OC241262 30/10/2024 Meeting with Martin Kearney - Chief Executive Officer, Auckland One Rail  
Brown OC241248 30/10/2024 Submission of the Initial Performance Plan for Transport  
Brown OC241198 31/10/2024 NZTA’s Rail Safety Regulatory Function”*

On 22 January 2025, we advised you of an extension to the time period for responding to your request. The extension was due to consultations necessary to make a decision on your request being such that a proper response could not reasonably be made within the original time limit. We have now completed the necessary consultations.

Of the eight briefings requested, six are released with some information withheld and two are withheld in full.

The document schedule at Annex 1 details how the briefings have been treated. The following sections of the Act have been used:

- |             |  |
|-------------|--|
| 6(a)        | as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government  |
| 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)(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

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, Accountability and Correspondence**

## Annex 1: Document Schedule

Doc #	Reference number	Date	Title of Document	Decision on request
1	OC241046	4/10/2024	Maritime New Zealand and TAIC Monitoring Plans	Released with some information withheld under sections 6(a), 9(2)(a), 9(2)(f)(iv) and 9(2)(g)(i).
2	OC241124	7/10/2024	Meeting with the Chief Executive and Board Members of Auckland Airport	Released with some information withheld under sections 9(2)(a), 9(2)(b)(ii) and 9(2)(g)(i).
3	OC241185	9/10/2024	Meeting with the Icelandic Minister of Finance and Economic Affairs	Released with some information withheld under sections 9(2)(a) and 9(2)(g)(i).
4	OC241188	9/10/2024	Aide Memoire: NIWE Funding Approach	Released with some information withheld under sections 9(2)(a), 9(2)(f)(iv) and 9(2)(g)(i).
5	OC241155	11/10/2024	Aide Memoire: Appropriateness of Current Maritime Offences and Penalties Regime	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).
6	OC241262	30/10/2024	Meeting with Martin Kearney - Chief Executive Officer, Auckland One Rail	Released with some information withheld under sections 9(2)(a), 9(2)(b)(ii), 9(2)(f)(iv) and 9(2)(g)(i).
7	OC241248	30/10/2024	Submission of the Initial Performance Plan for Transport	Withheld under section 9(2)(f)(iv).
8	OC241198	31/10/2024	NZTA's Rail Safety Regulatory Function	Withheld under section 9(2)(f)(iv).

3 October 2024

OC241046

**Hon Matt Dooney**

**Associate Minister of Transport**

## **MARITIME NEW ZEALAND AND TAIC MONITORING PLANS**

### **Purpose**

The Ministry of Transport Te Manatū Waka (the Ministry) is developing monitoring plans for each of the Crown Entities in Vote Transport. The draft monitoring plans for Maritime New Zealand (Maritime NZ) and the Transport Accident Investigation Commission (TAIC) are attached as **Appendix One** and **Appendix Two** respectively for your review and feedback.

### **Key points**

- We are seeking your feedback, prior to consulting with Maritime NZ and TAIC, on the attached monitoring plans which aim to:
  - Develop a shared understanding of the entities' current performance, and what 'good' looks like
  - Confirm our monitoring priorities for the next 18 months to support improved performance from the entities
  - Confirm our monitoring deliverables/outputs for the entities.
- This follows the template and purpose of monitoring plans that have been shared with the Minister of Transport in recent weeks for the Civil Aviation Authority and New Zealand Transport Agency.
- The plan for the entities provides an assessment of its current performance across five key performance dimensions from the Public Service Commission's "The Foundations of Good Practice: Guidelines for Crown Entity Monitoring"<sup>1</sup>.
- For Maritime NZ, it outlines four monitoring priorities that will require keen focus from the monitoring function during the period:
  1. Supporting improvements to the quality and timeliness of performance information (including an SPE with new metrics, reflecting strengthened performance metrics and improved fiscal sustainability)

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<sup>1</sup> <https://www.publicservice.govt.nz/assets/DirectoryFile/Guidelines-for-Crown-Entity-monitoring.pdf>

2. Establishing a stronger relationship with the refreshed board (including supporting you to have structured quarterly performance conversations with the Board Chair)
  3. Taking a more joined up approach when providing advice to Ministers and identifying policy priorities
  4. Support Maritime NZ to take a longer-term view of its financial sustainability considering volatile levies and uncertainty around traditional funding sources
- For TAIC, it outlines the following monitoring priorities:
    1. Supporting ongoing improvements to performance information (including an SPE with updated metrics that reflect the increased funding TAIC is receiving for additional investigators)
    2. Establishing a strong relationship with the new Chief Commissioner
  - The plan also identifies steps that the Ministry can take to improve its monitoring methodology and includes a timeline of key outputs and deliverables for the period. A key part of this is establishing quarterly, structured performance discussions between you and the Maritime NZ Board Chair and TAIC Chief Commissioner. The Ministry would support you in these discussions with a briefing each quarter drawing together information from a range of sources to provide a picture of how the entities are tracking against the monitoring plan, and any issues or areas of concern.
  - We are seeking your feedback on the plan. Once you have agreed to the plan, we propose discussing it with the respective Boards.

## Recommendations

We recommend you:

- 1 **provide** any feedback on the attached Maritime New Zealand Monitoring Plan Yes / No
- 2 **agree** to the Ministry sharing the attached monitoring plan with the Board of Maritime New Zealand. Yes / No
- 3 **agree** to establish quarterly, structured performance discussions with the Maritime New Zealand Board Chair, beginning in November 2024 Yes / No
- 4 **provide** any feedback on the attached TAIC Monitoring Plan Yes / No
- 5 **agree** to the Ministry sharing the attached monitoring plan with the Board of TAIC. Yes / No
- 6 **agree** to establish quarterly, structured performance discussions with the TAIC Chief Commissioner, beginning in November 2024 Yes / No



Richard Cross  
**Acting Deputy Chief Executive,  
 Investment and Monitoring**

03 / 10 / 2024

Hon Matt Doocey  
**Associate Minister of Transport**

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- Minister's office to complete:**
- Approved                       Declined  
 Seen by Minister                       Not seen by Minister  
 Overtaken by events

### Comments

### Contacts

Name	Telephone	First contact
David Wood, Deputy Chief Executive, Investment & Monitoring	s 9(2)(a)	
Tim Herbert, Acting Manager, Crown Entity Monitoring		✓
Marcus Schutenko, Senior Advisor, Crown Entity Monitoring		



TE MANATŪ WAKA  
MINISTRY OF TRANSPORT

# Monitoring Plan for Maritime NZ

1 July 2024 – 31 Dec 2025

RELEASED UNDER  
THE OFFICIAL INFORMATION ACT 1982

# Purpose of the monitoring plan

This monitoring plan is intended to set out how we will go about supporting Maritime NZ to succeed.

Its purpose is to:

- Develop a shared understanding of Maritime NZ's current performance, and what 'good' would look like
- Confirm our monitoring priorities for the next 18 months to support improved performance from Maritime NZ
- Confirm our monitoring approach, and our key monitoring deliverables/outputs



# Assessing Maritime NZ's current performance

The following slides provide an assessment of Maritime NZ's current performance across the five key performance dimensions from the PSC's *Foundations of Good Practice for Crown Entity Monitoring*

Performance dimension	Key Considerations for Maritime NZ
<p><b>Alignment:</b> <i>Is the Crown Entity aligned to the priorities, strategic direction and policies of the Minister and Government?</i></p>	<ul style="list-style-type: none"> <li>Does Maritime NZ understand the shifts the Government is looking for?</li> </ul>
<p><b>Results:</b> <i>Is the Crown Entity delivering outputs and outcomes in accordance with expectations, managing resourcing effectively, and meeting legal requirements?</i></p>	<ul style="list-style-type: none"> <li>Are 'safe, secure, clean' outcomes and value for money improving over time?</li> <li>Is Maritime NZ operating effectively and efficiently?</li> <li>Are fee and levy payers satisfied with the level of service?</li> <li>Is Maritime NZ meeting its statutory obligations?</li> </ul>
<p><b>Risk management (and assurance):</b> <i>Does the Crown Entity understand its key risks, and have effective risk identification and management frameworks in place?</i></p>	<ul style="list-style-type: none"> <li>Does Maritime NZ have a mature approach to monitoring and mitigating risks?</li> <li>Is Maritime NZ effectively monitoring delivery of key projects, for example the Emergency Ocean Response Capability for the Cook Strait?</li> </ul>
<p><b>Organisational capability:</b> <i>Does the culture of the Crown Entity support a healthy, safe, inclusive work environment, and is the agency well placed to have the capacity and skills necessary for success now and in the future?</i></p>	<ul style="list-style-type: none"> <li>Does Maritime NZ have a clear view of the skills/expertise it requires, and what it needs to do to build its capability?</li> </ul>
<p><b>Governance performance:</b> <i>Is the Board working effectively to provide effective Crown Entity Governance including holding the executive to account?</i></p>	<ul style="list-style-type: none"> <li>Is the Board operating effectively, getting to the right level of detail at the right time, and asking the right questions of the Executive?</li> </ul>

# Alignment: Government priorities & expectations

## Current State: What are we observing?

Maritime NZ is working to ensure efficiency and effectiveness of current spend while ensuring regulatory outcomes improve.

s 9(2)(g)(i)

Maritime NZ has been engaging with the Government's baseline savings expectations but there are concerns about future sustainability.

s 9(2)(g)(i)

Maritime NZ is responsive to feedback on its non-financial performance measures and amenable to an approach of continuous improvement. There is an opportunity to work with it on improving measures relating to core functions (not just new activities) to emphasise efficiency and effectiveness.



## Future State: What would we like to see?

Current funding sources are being used well so that even if avenues for additional funding are limited, Maritime NZ retains a focus on core business rather than discretionary activities.

Maritime NZ should begin early work on a first-principles funding review to ensure that the organisation is well-placed to respond to future events while treating bids for new funding as a last resort.

Maritime NZ takes an approach of continuous improvement to ensure sustainability. This means ongoing revision of measures to ensure efficiency and effectiveness are at the fore and accountability documents reflect Government strategy & direction. Maritime NZ has a culture of innovation and is actively looking for opportunities for improvement across all its operations. Where appropriate, it replicates approaches that have worked well in other jurisdictions.

# Results: Outcomes, value for money and customer experience

## Current State: What are we observing?

Funding review proposals are being embedded. This means we would expect to see an improvement in areas where additional expenditure has been allocated like the percentage of certification and registration applications processed on time, the overall quality of ships in New Zealand waters and corresponding improvements in safety outcomes.

s 6(a)

s 9(2)(g)(i)



## Future State: What would we like to see?

Participants can see that steps are being taken to improve services and reduce costs. They understand why decisions are made, and what is required to get a positive outcome. Wait times return to acceptable levels, the overall quality of ships improves, and this is reflected in safety outcomes.

While operating within an evolving legislative framework (as the MTA review progresses) and retaining its focus on core activities, Maritime NZ avoids unnecessary barriers and costs on applicants, while maintaining our international standing and reduces regulatory burden. It retains a focus on co-ordination with the wider sector. This should be supported by appropriate stakeholder satisfaction measures.

Maritime NZ considers the overall funding model of its search and rescue operations to ensure it focuses on core activities and is resilient in the face of future uncertainties.

# Risk Management, including delivery of key projects

## Current State: What are we observing?

Maritime NZ's risk maturity and approach to risk management is not always communicated in a straightforward way in its accountability documents and there is a need for greater transparency and an understanding of how risks are quantified

s 9(2)(g)(i)



## Future State: What would we like to see?

Maritime NZ's 'risk based-intelligence led' regulatory approach is fit for purpose for a maritime sector where there are serious strategic risks. The Ministry and Maritime NZ have a mutual understanding of the key risks at Maritime NZ and how the Board is identifying, prioritising and managing risks including the delivery of its key projects. This should be supported by appropriate documents like Board Papers and Risk Matrices.

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# Organisational capability: Leadership, culture & skills

## Current State: What are we observing?

Maritime NZ is continuing to improve its approach to fiscal discipline and aligning with Government expectations around baseline savings. However, its growth in expenditure has significantly outpaced inflation since 2017, nearly doubling. For example, its personnel expenditure for 2024/25 is budgeted to be \$57m, roughly in line with 2023/24 but compared to \$23m in 2016/17. The link between this increased expenditure and outcomes need to be more apparent

s 9(2)(g)(i)

The Ministry is not aware of any systemic issues or concerns related to workplace culture at Maritime NZ.



## Future State: What would we like to see?

The Board and Executive are setting and driving the budgets from the top to keep costs as low as possible and focus on funding they are currently receiving rather than seeking additional funding to address problems. We would expect to see this focus reflected in outcomes and benefits.

An agreed-upon set of relationship principles that include a greater level of transparency between Maritime NZ and the Ministry. While recognising our respective roles, this would enable greater feedback between Maritime NZ and the Ministry and ensure the Minister is getting the best-quality, most relevant advice.

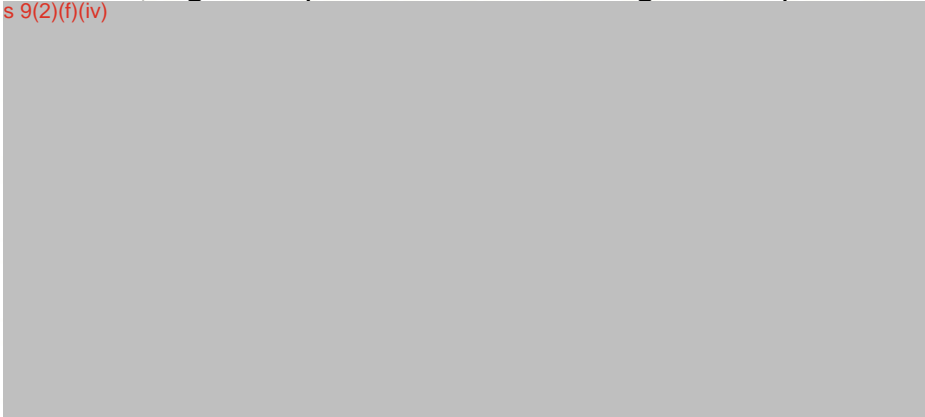
As the Board is refreshed, it retains an interest in workplace culture and operates on a 'no surprises' basis. Early warning signs of issues are identified, and any concerns are appropriately responded to.

# Governance performance

## Current State: What are we observing?

Maritime NZ has a good mix of governance, regulatory, financial, legal and public sector knowledge and experience.

s 9(2)(f)(iv)



## Future State: What would we like to see?

New members are appointed and come up to speed as quick as possible, and the Board works effectively in its leadership of Maritime NZ. They should contribute to a high-performing Board and retain what works in the current state, particularly after the current Chair retires with:

- continued trust and confidence from the Government of the day
- a governance culture that speaks externally with one voice, but also draws on individual experiences and encourages healthy and robust conversation internally and with the executive
- a deep understanding of the organisation, the operating environment, and an ability to strategically position the organisation to meet the needs of today and the future
- effective management of delivery, risk and budgets within the organisation, and seeking reporting to inform board decision-making;
- the ability to identify issues early and proactively
- continued credibility within the sector.

s 9(2)(g)(i)



OPAC operates with an agreed-upon terms of reference with a high-level of continuity, representation from industry organisations and the ability to effectively and quickly respond to oil pollution incidents.

# How will we know if Maritime NZ is heading in the right direction?

We will determine whether Maritime NZ is heading in the right direction through performance reporting, regular engagements with the Board Chair, feedback from the Maritime sector, and reviews of key accountability documents. Key things we will look for include:

## Performance reporting

- A process of continuous improvement for performance measures, including those related to core business
- Declining certification wait times and increasing quality of ships
- Evidence of satisfaction and positive engagement with industry
- Robust monitoring of outcomes related to the safety, security and cleanliness of the maritime sector
- Reduced costs and activities funded through current sources before seeking more funding
- Benchmarking against other comparable jurisdictions

## Board engagement

- The Board supports a culture of innovation and challenges the executive while actively monitoring and managing its key risks
- Information is shared and issues raised early on 'no surprises' basis including Board papers and risk matrices
- the Board understands its cost drivers and closely monitors budget and cost metrics
- the Board maintains ongoing focus on organisational culture
- OPAC is operating with clear terms of reference and a full contingent of members

## Sector feedback

- Stakeholder expectations are reflected in funding allocation including Maritime NZ's first principles funding review
- When appropriate, Maritime NZ replicates approaches that have worked well in other jurisdictions.
- Ongoing positive feedback from stakeholders (through stakeholder surveys, informal conversations, ministerial engagements)
- Relevant sector feedback is shared proactively with the Ministry to inform the MTA review

## Accountability documents

- Written narrative aligns with Government priorities and strategic direction and is clear and concise
- Expenditure tracking below current forecasts & evidence that savings are being sought and realised
- Compliance with legislation
- Active risk management – ongoing evidence of limiting, managing, or eliminating risks
- Drafts are shared with the Ministry as early as practicable so that our advice can be fully-informed.

## Our monitoring priorities

The key areas of focus for our monitoring function for the period 1 July 2024 – 31 December 2025 are:

1. Supporting improvements to the quality and timeliness of performance information (including a SPE with new metrics, reflecting strengthened performance metrics and improved fiscal sustainability)
2. Establishing a stronger relationship with the refreshed board (including supporting you to have structured quarterly performance conversations with the Board Chair)
3. Taking a more joined up approach when providing advice to Ministers and identifying policy priorities
4. Support Maritime NZ to take a longer-term view of its financial sustainability considering volatile levies and uncertainty around traditional funding sources



## Enhancing our monitoring methodology

The Ministry recognises the need to improve our monitoring methodology for Maritime NZ. We propose some changes to our current approach. This includes:

- Establishing quarterly, structured performance discussions between you and the Chair, supported with robust advice from the Ministry
- Strengthening our capacity to support the Board to improve its performance metrics
- Taking a more active approach to our monitoring, including through:
  - receiving Board agendas in advance and papers after they have been considered
  - Regular engagements with the sector to gain feedback and insights
- Developing an agreed set of relationship principles to guide the relationship between the Ministry and Maritime NZ

The purpose of our monitoring is not to second-guess the Board, but to ensure that we are well positioned to provide you with good second-opinion advice on how issues and risks are being managed, and to enable us to support the Board to meet your expectations.

# Monitoring plan: Key outputs & deliverables

	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Quarterly performance report from Maritime NZ			Q1			Q2			Q3			Q4			Q1	
Quarterly performance meeting with Chair			Q1			Q2			Q3			Q4			Q1	
Annual reports	23/24 Draft	23/24 Final											24/25 Draft	24/25 Final		
Letter of Expectations							25/26 LOE									
Statement of Performance Expectations								25/26 Draft		25/26 Final						

Additional monitoring outputs will be agreed with you as required, e.g. where there is a need to undertake additional assurance on key risks or areas of concern



TE MANATŪ WAKA  
MINISTRY OF TRANSPORT

# Monitoring Plan for The Transport Accident Investigation Commission

1 July 2024 – 31 Dec 2025

THE OFFICIAL INFORMATION ACT 1982

# Purpose of the monitoring plan

The Transport Accident Investigation Commission (TAIC) is a standing commission of inquiry with a specific purpose under the Transport Accident Investigation Commission Act 1990 (the TAIC Act) to determine 'the circumstances and causes of transport accidents and incidents with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person'. As a small organisation almost totally funded by the Crown that is reactive in nature, TAIC is distinct from other Crown Entities. This monitoring plan reflects TAIC's unique status and specific purpose and differs from other monitoring plans with a more focused set of expectations.

This monitoring plan is intended to set out how we will go about supporting TAIC to continue to fulfil its statutory purpose and succeed. The purpose of this plan is to:

- Develop a shared understanding of the TAIC's current performance, and what 'good' looks like
- Confirm our monitoring priorities for the next 18 months that will support TAIC's performance of its statutory purpose
- Confirm our monitoring approach, and our key monitoring deliverables/outputs

Once this plan has been confirmed with you, we intend to discuss it with the Chief Commissioner.

# Assessing the TAIC's current performance

The following slides provide an assessment of TAIC's current performance across the five key performance dimensions from the PSC's *Foundations of Good Practice for Crown Entity Monitoring*

Performance dimension	Key Considerations for TAIC
<p><b>Alignment:</b> <i>Is the Crown Entity aligned to the priorities, strategic direction and policies of the Minister and Government?</i></p>	<ul style="list-style-type: none"> <li>• Are there further opportunities for the Commission to influence a safer transport system in New Zealand, which supports wider Government priorities?</li> </ul>
<p><b>Results:</b> <i>Is the Crown Entity delivering outputs and outcomes in accordance with expectations, managing resourcing effectively, and meeting legal requirements?</i></p>	<ul style="list-style-type: none"> <li>• Are there further opportunities available to more effectively achieve TAIC's statutory purpose, as well as Government objectives?</li> <li>• Is TAIC issuing credible findings and practical recommendations that seek to prevent repeat accidents?</li> <li>• Is TAIC continuing to make the best use of its funding and resourcing?</li> </ul>
<p><b>Risk management (and assurance):</b> <i>Does the Crown Entity understand its key risks, and have effective risk identification and management frameworks in place?</i></p>	<ul style="list-style-type: none"> <li>• Does TAIC have a mature approach to monitoring and mitigating its risks?</li> <li>• What contingency planning does TAIC have in place for a large-scale incident or incidents?</li> </ul>
<p><b>Organisational capability:</b> <i>Does the culture of the Crown Entity support a healthy, safe, inclusive work environment, and is the agency well placed to have the capacity and skills necessary for success now and in the future?</i></p>	<ul style="list-style-type: none"> <li>• Does the Commission continue to have the skills/expertise it requires, and have appropriate measures in place to maintain capability and organisational resilience?</li> <li>• Is TAIC meeting its obligations to be a good employer?</li> </ul>
<p><b>Governance performance:</b> <i>Is the Board working effectively to provide effective Crown Entity Governance including holding the executive to account?</i></p>	<ul style="list-style-type: none"> <li>• Are Commissioners, operating effectively, getting to the right level of detail at the right time, and asking the right questions of the Executive?</li> </ul>

# Current state

## What are we observing?

1. TAIC is fulfilling its principal statutory purpose and is delivering against its metrics for investigations and reports but there is an opportunity to review TAIC's performance outputs to ensure they are up-to-date and reflect potential changes in costs of investigations and the increased funding to TAIC. Recruitment had been on hold while funding decisions were confirmed in Budget 2024. It will take time for TAIC to recruit more investigators and boost capabilities and for the impacts to flow through to TAIC's performance outcomes.
2. TAIC is a small organisation with a small budget and limited resources. It can take two to three years before an investigator has the necessary qualifications and experience to lead investigations. Capability risks can arise if it loses experienced investigators or has its resources stretched.
3. Stakeholder survey results have indicated that while most respondents thought TAIC did well getting to the bottom of what happened in an occurrence, they thought TAIC could do better at identifying the most pressing risks in the transport system.
4. TAIC has been implementing its new case management system. TAIC has been reporting on the implementation and it is important that TAIC continues to manage the risks of embedding the new system to ensure it delivers on its benefits.
5. A new Chief Commissioner is in the process of being appointed. This will be a key period of change for the Commission, and it is important that the transition occurs well.

# Future state

## What would we like to see?

1. TAIC continues to fulfil its core statutory purpose, delivers against its performance metrics, operates effectively and efficiently and contributes to a safer transport system.
2. TAIC reviews its performance measures and updates its outputs and targets as necessary.
3. TAIC continues to issue credible findings, based on evidence with practical recommendations, that seek to prevent repeat incidents.
4. TAIC continues to monitor the acceptance of its recommendations, including long-term trends, and address stakeholder feedback where appropriate.
5. The Ministry and TAIC have a mutual understanding of key TAIC risks and how the Board is identifying, prioritising and managing risks including the delivery of key projects and investigations. TAIC has contingency planning in place for how it will respond to a large-scale event and manage high caseloads.
6. TAIC is a resilient organisation that invests in the right training and resources to support its specialist investigators and staff. It has people with the right skills and experience to perform its statutory role.
7. TAIC maintains the professional standards of its people, fosters relationships with peer organisations and is adaptable to new ways of working and technology to support productivity.
8. We expect the Commission to continue to be well run, and to effectively deliver on its mandate. Key characteristics of a high performing board are:
  - maintains the trust and confidence of the Government of the day
  - having a governance culture that speaks externally with one voice, but also draws on individual experiences and encourages healthy and robust conversation internally and with the executive.
  - having a deep understanding of the organisation, the operating environment, and an ability to strategically position the organisation to meet the needs of today and the future
  - effectively managing delivery, risk and budgets within the organisation, and seeks reporting that best informs board decision-making;
  - has credibility within the sector.

# How will we know if TAIC is heading in the right direction?

We will determine whether TAIC is heading in the right direction through performance reporting, regular engagements with the Chief Commissioner, feedback from stakeholders, and reviews of key accountability documents.

Key things we will look for include:

## Performance reporting

- TAIC is meeting its performance targets and outputs as set out in its SPE and SOI. These outputs include the number of reports published, average time to complete inquires and average costs.
- TAIC has updated performance measures that better reflect Government priorities and the increased funding.

## Board engagement

- The Board understands its role, what is needed to deliver and key risks to TAIC, which are actively monitored and managed.
- Information is shared with the responsible Minister and the Ministry of Transport and issues are raised early on a 'no surprises' basis.
- The Board understands cost drivers and closely monitors budget and cost metrics.
- The Board maintains ongoing focus on organisational culture.

## Sector feedback and action

- Stakeholders view TAIC's recommendations about transport safety as credible and influential.
- Stakeholders are better able to find the information they need about transport safety issues.
- TAIC supports a safer transport system, including working with the Ministry to identify system improvements.
- No successful challenges or reviews of TAIC inquiries or recommendations.

## Accountability documents

- Objectives align with Government priorities and strategic direction.
- Budget is kept within forecasts and is well-managed.
- Active risk management – ongoing evidence of limiting, managing, or eliminating risks.



## Our monitoring priorities

The key areas of focus for our monitoring function for the period 1 July 2024 – 31 December 2025 are:

1. Supporting any ongoing improvements to performance information.
2. Establishing a strong relationship with the new Chief Commissioner.
3. Continuing to work on improvements around transport safety, and the wider system.
4. The Commission's monitoring of responses to its recommendations.

7 October 2024

OC241124

**Hon Simeon Brown**  
**Minister of Transport**

## MEETING WITH THE CHIEF EXECUTIVE AND BOARD MEMBERS OF AUCKLAND AIRPORT

### Snapshot

You are meeting with Carrie Hurihanganui, Chief Executive Auckland Airport, Dr Patrick Strange, outgoing Chair, and Julia Hoare, incoming Chair of Auckland Airport. They have indicated that they wish to talk to you about ground transport in and around the airport, and the Aviation Security Services review.

<b>Time and date</b>	9.30am – 10:00 am, 11 October 2024
<b>Venue</b>	4 Leonard Isitt Drive, Auckland
<b>Attendees</b>	Carrie Hurihanganui, Chief Executive, Dr Patrick Strange, outgoing Chair, and Julia Hoare, incoming Chair of Auckland Airport.
<b>Officials attending</b>	To be confirmed.
<b>Agenda</b>	Auckland Airport have indicated they are interested in talking to you about their ground transport programme, congestion across the airport precinct and the Aviation Security Services review.
<b>Talking points</b>	Talking points are included in annex one.

### Contacts

Name	Telephone	First contact
Karen Lyons, Director Auckland	s 9(2)(a)	✓
Breanna Hawthorne, Adviser Auckland		

## MEETING WITH THE CHIEF EXECUTIVE AND BOARD MEMBERS OF AUCKLAND AIRPORT

### Key points

- The Chief Executive and Board members have indicated key items for discussion are Auckland Airport's capital investment, working with the New Zealand Transport Agency (NZTA) and Auckland Transport, congestion across the airport precinct, and alternative delivery arrangements for aviation security.
- Auckland Airport has been working with NZTA and Auckland Transport on key issues across the transport network in and around the airport. They have agreed with NZTA and Auckland Transport to reestablish the Transport Collaborative Operations Group (COG) to manage the upcoming summer peak.
- Going forward, they are wanting to re-establish governance arrangements across the Southwest Gateway Programme to enable the three Road Controlling Authorities to coordinate in the airport area.
- Auckland Airport have identified three key current issues with regards to ground transport. These are load on the network in and around the airport, limited public transport to and from the airport and congestion on State Highway 20.
- Consultation is currently open on a discussion document on the delivery of aviation security services. Auckland Airport has requested further information from the Aviation Security Service (AvSec) on the detail of their work in Auckland to determine their interest.

### Auckland Airport

#### *Auckland Airport passenger numbers are approaching pre-COVID levels*

- 1 Auckland Airport passenger numbers are beginning to return to pre-pandemic numbers, with 18.5 million passengers reported in the 12 months to 30 June 2024, compared to the record setting 2019 financial year, with overall passenger numbers of 21.1 million. Summer peak numbers reached one million international passengers in January 2024, representing a monthly level not experienced since January 2020.
- 2 In the 2024 financial year, Auckland Airport handled 158 thousand tonnes of international cargo valued at \$26.4 billion, accounting for 89 per cent of New Zealand's international air cargo. More than 20,000 people, across more than 50 businesses, work in and around the airport.
- 3 Auckland Airport has undertaken a \$300 million land transport investment programme over the past five years to improve the resilience and reliability of the network within and surrounding the airport. This programme includes new transit and bus priority lanes on Laurence Stevens Drive, a new 3,000 space Park and Ride, additional lanes and the removal of roundabouts. They have also been rebuilding their terminal road network to provide a one-way system to improve the ease at which people can access and depart from the international terminal.

*There are medium term challenges across the airport precinct*

- 4 Auckland Airport has identified that increasing throughfare on the airport's road network is adding to congestion and increasing journey times for those who use the precinct.
- 5 State Highway 20 congestion is a key constraint for people accessing the airport, particularly at peak times. Auckland Transport has identified that a southbound ramp connecting State Highway 20A and State Highway 20 would help address this constraint.
- 6 In September 2024, Auckland Airport opened Mānawa Bay, a new outlet mall on the airport precinct. This, alongside other development around Puhinui and around State Highway 20B has increased traffic and congestion towards the eastern end of the precinct.

*Auckland Airport is seeking continued collaboration with both NZTA and Auckland Transport*

- 7 NZTA is working with the airport on short, medium and long-term interventions. This ranges from signal optimisation, changes to the transit lanes and enforcement as well as exploring options for new or upgraded infrastructure.
- 8 Historically, the airport has worked with NZTA and Auckland Transport on a summer transport programme to mitigate impacts on the network. This includes prioritising traffic to the terminals and providing additional remote carparking.
- 9 Auckland Airport have developed a Surface Access Network Operations Plan for summer 2024/2025 to support the operation of the transport network through the air traffic peak. They have suggested a number of immediate steps that can be taken, including around better use of T3 lanes and more efficient use of the state highway system. These will be discussed with NZTA and Auckland Transport.
- 10 T3 lanes are currently in place along State Highway 20B, but as there are no enforcement cameras, compliance has been affected. NZTA are discussing with Auckland Transport the potential to use the existing Auckland Transport enforcement system and applying it to parts of the NZTA network rather than needing to invest in new cameras.

*This includes collaboration through governance of the Southwest Gateway Programme*

- 11 The Southwest Gateway Programme dates from 2018 when NZTA, Auckland Transport and Auckland Airport began working together to look at options to reduce congestion and improve travel options and journey-time reliability for customers travelling to Auckland Airport. The Programme is a series of transport projects, some of which have already been completed such as improvements to State Highway 20B, the Puhinui interchange and Auckland Airport's precinct improvements.
- 12 Joined up governance between Auckland Transport, NZTA and Auckland Airport on the Southwest Gateway Programme was initiated by Auckland Transport as a way to coordinate across the three Road Controlling Authorities operating in the area. Membership also includes Te Ākitai Waiohua as mana whenua.

- 13 s 9(2)(g)(i)
- 14 All parties have expressed a desire to reset the Programme and to resume their collaboration. Auckland Airport have suggested that the focus is on small-to-medium investments in infrastructure and public transport services to better facilitate access to the airport and surrounding areas.
- 15 In June 2024, a Memorandum of Understanding (MOU) was signed which articulates how the organisations will operate and work together. This MOU indicates implementation funding is to be discussed.

### **Aviation Security Services Review**

*Consultation is under way on alternative delivery arrangements for aviation security services*

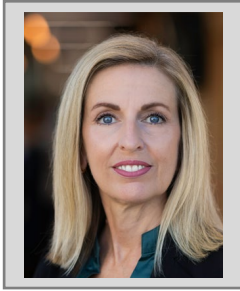
- 16 On 27 August 2024, a discussion document was released to a targeted group of stakeholders, seeking views from airports and airline operators on the delivery of aviation security services. The focus of the discussion document was on options for outsourcing aviation security services to the airlines and airports, either in full or in part, to gauge the interest of airports and/or airlines to deliver specific aviation security services. Outsourcing of aviation security services is allowed for under the Civil Aviation Act 2023.
- 17 AvSec is currently the sole provider of aviation security services at aerodromes and airports where security services are needed. Concerns have been raised around whether the model has inefficiencies and additional costs through the lack of competition, the inability to tailor the delivery of services to specific situations, and a limited focus on customer experience.
- 18 Consultation closes on 22 October 2024. Feedback received through this consultation will help determine the direction of any next steps for this work.

*Auckland Airport requested information*

- 19 During consultation, industry members signalled that additional information was needed around functions and costs, in order develop a clear position on whether they have an interest or ability to provide aviation security services.

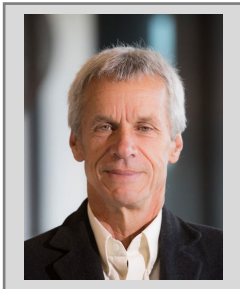
20 s 9(2)(b)(ii)

## Biographies



### **Carrie Hurihanganui, Chief Executive, Auckland Airport**

Carrie Hurihanganui has been Chief Executive of Auckland Airport since February 2022. Prior to joining Auckland Airport, Carrie was Chief Operating Officer at Air New Zealand.

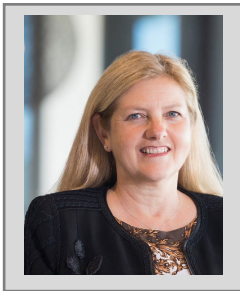


### **Dr Patrick Strange, Outgoing Chair, Auckland Airport**

Patrick Strange was appointed a director of Auckland Airport in 2015 and became Chair in 2018.

He has spent 35 years working principally in the New Zealand and international electricity and infrastructure sectors.

Patrick retired in 2014 as Chief Executive of Transpower, New Zealand's transmission owner and operator. During his tenure, Transpower successfully completed a major, multi-billion-dollar reinvestment in the grid.



### **Julia Hoare, Incoming Chair, Auckland Airport**

Julia Hoare was appointed a director of Auckland Airport in 2017.

Prior to her governance career, Julia had extensive chartered accounting experience in Australia, the United Kingdom and New Zealand and was a partner with PwC New Zealand for 20 years until 2012. Her expertise spans finance, commercial, tax, regulatory, sustainability and climate change.

Julia is also the Chair of Port of Tauranga Limited, a Director of Meridian Energy Limited and a Director of Comvita Limited. Julia is also a member of the Chapter Zero New Zealand Steering Committee.

## Annex 1: Talking Points

### MEETING WITH THE CHIEF EXECUTIVE AND BOARD MEMBERS OF AUCKLAND AIRPORT

#### *Auckland Airport*

- Acknowledge Auckland Airport's \$300 million capital investment programme including creating additional lanes, installing bus and transit lanes, and a new 3,000 car Park and Ride.
- Support collaboration with NZTA and Auckland Transport on the Southwest Gateway Programme. You may wish to explore the key priorities for Auckland Airport in this programme and reinforce the Government's commitment to the Airport to Botany busway in the next three years.
- Discuss the Airport's plans for managing congestion over the summer period, and any areas where NZTA could provide support.
- Discuss the impact of the opening of the Mānawa Bay Mall and how traffic flow will be managed in the upcoming months, particularly the summer peak.

#### *Time of Use Charging*

- Update Auckland Airport that legislation will be introduced later this year and note that any scheme will be developed in partnership with NZTA to ensure integration across the State Highway and local network.
- Encourage their participation in the submissions process and note that local authorities are expected to engage with the local community and stakeholders before a scheme is considered.

#### *Aviation Security Services Review*

- Note that the current consultation on the delivery of aviation security services is the first step in ensuring a more efficient aviation security service, that enables airlines and travellers to get where they want to go, quickly and safely.
- Discuss Auckland Airport's views on fulfilling the aviation security role.

9 October 2024

OC241185

**Hon Simeon Brown**  
**Minister of Transport**

## MEETING WITH THE ICELANDIC MINISTER OF FINANCE AND ECONOMIC AFFAIRS

### Snapshot

Both Iceland and New Zealand have recently introduced distance-based road user charges (RUC) for light electric vehicles. Iceland plans to expand RUC to all vehicles next year, while New Zealand is also working towards implementing RUC across its entire vehicle fleet beginning in 2027.

<b>Time and date</b>	9.30 to 10 pm, 9 October 2024
<b>Venue</b>	Virtual meeting
<b>Attendees</b>	Sigurour Ingi Jóhannsson, Minister of Finance and Economic Affairs
<b>Officials attending</b>	Chris Nees, Acting Chief of Staff Andrew de Montalk, Senior Adviser Revenue
<b>Agenda</b>	Network outcomes contracts Transition to road user charges
<b>Talking points</b>	Annex 2

### Contacts

Name	Telephone	First contact
Daniel Cruden, Acting Manager, Revenue	s 9(2)(a)	✓
Andrew de Montalk, Senior Adviser, Revenue		



## MEETING WITH THE ICELANDIC MINISTER OF FINANCE

### Key points

- You are meeting Sigurour Ingi Jóhannsson (pronounced “Sig-ur-dur”), Iceland’s Minister of Finance and Economic Affairs. He previously served as the country’s Prime Minister (2016-17) and has had a range of portfolios, including serving previously as the Minister of Infrastructure, Transport and Local Government (2017-2021). **Annex 1** is a short biography.
- You initially requested this meeting to discuss Iceland’s transition to road user charges (RUC). Minister Jóhannsson has previously expressed an interest in New Zealand’s approach to contracting roading activities (‘network outcomes contracts’, or NOCs).
- In New Zealand, the private sector is involved in constructing transport projects through competitive contracting. The Government sets high-level objectives for value for money, competition, and efficiency. NZTA has created a NOC model, which means that instead of specific task-based contracts, NZTA enters broad regional contracts for various activities.
- To address lost fuel tax revenue from the increased adoption of electric vehicles, Iceland implemented a distance-based RUC system. Iceland has modelled its RUC system on New Zealand’s, explicitly setting the charge for light electric vehicles based on New Zealand’s RUC rate for light vehicles (\$76 per 1,000km). However, Iceland’s system has some aspects of innovation (not seen in New Zealand), such as monthly billing based on estimated distance travelled.
- **Annex 2** provides talking points to support your meeting. **Annex 3** compares key facts between New Zealand and Iceland.

### Iceland has implemented distance-based road user charges for electric vehicles and is working to transition the rest of the fleet to road user charges

- 1 Iceland has a road reform agenda focused on revenue. The reform, titled “Our Roads to the Future”, includes:
  - 1.1 **Step 1: as of January 2024**, a distance-based charge for electric vehicles (battery electric, plug-in hybrids) and courier vehicles
  - 1.2 **Step 2: by 2025**, distance- and weight-based charges for other remaining vehicles.
- 2 The implementation of distance- and weight-based charges is to reform or replace a variety of existing charges, including an excise duty. In Iceland, excise duty on petrol equates (in NZD) to around 86 cents per litre (the New Zealand excise rate is 70 cents per litre).
- 3 Iceland has a higher proportion of electric vehicles in its fleet than New Zealand. Before the introduction of RUC, the uptake of EVs in Iceland posed a threat to fuel tax revenue (around 14% of the vehicle fleet). **Annex 3** provides some additional comparative statistics between the two countries.

*Step 1 - Iceland has applied RUC to electric vehicles*

- 4 Between 97–98 percent of electric vehicles entered Iceland's road user charges system on time in January 2024. The system charges:
  - 4.1 **battery electric vehicles (BEVs)** 6 Icelandic Króna (ISK) per kilometre, equivalent to approximately 0.072 New Zealand Dollars (NZD) per kilometre, similar to New Zealand's light vehicle RUC rate
  - 4.2 **plug-in hybrid electric vehicles (PHEVs)** 2 ISK per kilometre, about 0.024 NZD per kilometre, lower than New Zealand's PHEV rate of 0.036 NZD per kilometre.
- 5 Key aspects of Iceland's RUC reform include:
  - 5.1 **clear communication:** The Iceland government emphasised that paying for road usage should be as simple as "paying the electric bill." Road users will receive a monthly bill based on an estimated annual mileage. This estimate will be based on the national average in the first year and the individual vehicle's mileage from the previous year. A yearly reconciliation will adjust for any difference between the estimated and actual distance travelled.
  - 5.2 **streamlined online platform:** All RUC transactions, including payments and annual odometer readings, are managed through a single, established government portal. This portal is a central hub for accessing various government services, such as healthcare, tax, parental leave, and passport/immigration services. It is a familiar and convenient platform for users.

*Step 2 - The rest of the fleet is planned to transition in 2025 to RUC*

- 6 The rest of the fleet, including heavy vehicles, will transition into RUC next year. The system will include weight-based charges to reflect the wear and tear costs of heavy vehicles on the road. These have proven challenging because they are quite high. We have provided Icelandic officials with information and support, including our RUC cost allocation model, to help them develop an evidence-based approach for calculating RUC rates.
- 7 Like New Zealand, Iceland has the issue of non-plug-in hybrid vehicles underpaying in terms of excise duty, so transitioning the rest of the fleet to RUC could address variances in the system.
- 8 We inquired about Icelandic officials' interest in implementing a system that uses electronic devices to record and report distance, for example, using GPS-based technology. This is part of their long-term vision and included in their communications approach, but is not an immediate part of their transition. Vehicle odometer readings will be used in Iceland for the foreseeable future.

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

**Iceland has expressed an interest in New Zealand's 'network outcome contracting' model for transport expenditure**

- 10 Iceland also outsources road maintenance to the private sector through competitive contracts. Iceland does not have a centralised department responsible for road construction. Instead, like in New Zealand, the role of government is focused on planning and contract management.
- 11 New Zealand's approach to procurement enables the New Zealand Transport Agency (NZTA) to set procurement procedures to ensure best value for money. In deciding on procurement procedures, NZTA must:
  - 11.1 ensure fair competition among all parties, and
  - 11.2 foster competitive and efficient markets.
- 12 Over time, the NZTA has transitioned to an outcome-focused contracting model for the State highway network. This means that rather than contracting for specific tasks or pieces of work, it now enters broadly defined, regionally focused contracts that encompass a package of works. This approach has simplified contract management (reduced the need for ongoing contract variations). It has allowed the agency to shift its focus from the administrative aspects of contract management to monitoring performance and delivery.
- 13 As NOCs is a contracting model of NZTA, you might consider proposing to your counterpart that if they wish to understand the details or workings of the model, a meeting can be arranged at an official level.

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THE OFFICIAL INFORMATION ACT

**Annex 1: Biography: Sigurour Ingi Jóhannsson, Minister of Finance and Economic Affairs**



Sigurður Ingi Jóhannsson (**pronounced “Sig-ur-dur”**) has been a member of the Icelandic Parliament for the South Constituency since 2000. The Icelandic Parliament is composed of 63 members.

He is the Leader (known as the Chairperson) of the Progressive Party, which has governed since 2017 in coalition with the Independent Party. The Progressive Party is predominantly concerned with issues related to farmers. He is a trained livestock veterinarian by trade.

He has served in various ministerial roles, including Prime Minister from April 2016 to January 2017. He has held multiple other ministerial positions, including Minister of Fisheries and Agriculture and Minister for the Environment and Natural Resources.

## **Annex 2: Talking Points for your meeting with the Icelandic Minister of Finance**

You are meeting with Sigurður Ingi Jóhannsson (**pronounced “Sig-ur-dur”**). At the time of the meeting, it will be Wednesday morning (8.30 am) in Iceland.

### **Introduction**

- Iceland has had some challenges with volcanic activity near Reykjavik in the past two months, and MFAT advises that it would be appropriate to express sympathy for the people affected.

### **General comments on RUC:**

- New Zealand has had a distance and weight-based RUC system for over 45 years applying to light diesel and all heavy vehicles. Light electric vehicles joined this system in April 2024.
- As a next step, we are looking to transition the entire light vehicle fleet (mainly petrol vehicles) into RUC. We see this as a fairer and more effective long-term system. We are investigating what changes are needed to the existing system to enable this transition.
- Our officials have been working together, and are happy to offer further support to help you develop your RUC system.

### **Questions on RUC:**

- What are your thoughts on effective ways to build public support for the shift to RUC?
- What was the primary objective in moving to RUC? Was it to ensure electric vehicle owners pay, to increase overall revenue, ensuring fairness, or is it a strategic move to shift towards a more sophisticated road pricing system?
- What do you see as the long-term role of RUC, including using technology (GPS tracking) rather than odometer readings?
- What were the key challenges in applying RUC to electric vehicles in Iceland? What potential challenges could arise when transitioning the remaining vehicles to RUC?

### **Network Outcome Contracts:**

- New Zealand’s approach to procurement seeks to foster value for money and competitive and efficient markets. It is used on our national state highway network, but local councils use their procurement approaches for local roads.
- Our Auditor General did a review a few years ago and generally agreed NOCs are working efficiently. A big challenge for us is understanding the right level of investment in road maintenance to optimise long-term investment.
- Our officials would be happy to discuss the contracting model in more detail with your staff.

**Annex 3: Comparison of New Zealand and Iceland**

	<b>New Zealand</b>	<b>Iceland</b>
<b>Population</b>	5.1 million	376,000
<b>GDP per capita (USD)</b>	\$52,000	\$75,000
<b>Highest value exports</b>	Dairy then red meat	Aluminium then fish
<b>Gini coefficient</b>	0.33	0.26
<b>Number of light vehicles</b>	4.4 million vehicles	315,000 vehicles
<b>Percentage of light vehicle fleet that is electric</b>	2.7 percent	14 percent
<b>VKT per year (per vehicle)</b>	11,500 km	10,400 km
<b>Vehicles per person</b>	1.08	0.72

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## AIDE MEMOIRE: NIWE FUNDING APPROACH

**To:** Hon Simeon Brown, Minister of Transport

**From:** Bryan Field, Manager, Programme Monitoring and Investment Management

**Date:** 9 October 2024

**OC Number:** OC241188

### Purpose

- 1 This Aide Memoire provides you with advice on delivery of North Island Weather Events (NIWE) projects and on alternative approaches to funding councils, including the potential impacts and risks of any change in approach.

### Context

- 2 You recently received a progress update on NIWE activity [NZTA BRI-3180 refers]. This advice noted that \$187 million (67%) of the \$280 million NIWE Crown funding allocated to NZTA from Budget 2024 for *local road recovery* in 2024/25 has been allocated to councils, with an additional \$30 million in *local road response* funding (already allocated) carrying over into 2024/25.
- 3 The following table summarises appropriated funding (subject to the IPET).

Phase	2024/25	2025/26
Response (all allocated)	\$30 m (subject to IPET)	
Recovery	\$280 m (\$187 m, 67% allocated)	\$139 m (subject to IPET)
<b>Total</b>	<b>\$310 m</b> <b>(\$217 m, 70% allocated)</b>	<b>\$139 m</b>

- 4 As the table above demonstrates, the situation has changed since the briefing, and as of 8 October 2024, almost all current funding requests received from councils have been approved.<sup>1</sup> All recovery applications have been approved on the normal Funding Assistance Rate (FAR) +20%. Some councils have applied for a bespoke FAR and the NZTA Board will consider this at its next meeting (17 October 2024). Further 2024/25

<sup>1</sup> Except for requests from two councils (that were submitted at the end of September) for \$8 million.

funding requests are in the pipeline to be assessed, or are expected by mid-October, totalling approximately \$75 million.

5

s 9(2)(g)(i)

Most councils have their total recovery programme approved and are expected to complete works in 2024/25

6

s 9(2)(g)(i)

Generally, funding has been set on the maximum likely to be achieved by a council this financial year.

7

Most councils now have their total recovery programmes approved and are expected to complete works in 2024/25. Councils with recovery works needed for 2025/26 and beyond are:

- Central Hawkes Bay District Council
- Gisborne District Council
- Hastings District Council
- Napier City Council
- Tararua District Council (this work programme has already been verified by NZTA)
- Wairoa District Council (this work programme has already been verified by NZTA).

8

To date all but \$30 million of the response work has been completed (a total of \$445 million has been claimed since February 2023).

**Slower than anticipated spend is not a result of the funding approach**

9

NZTA has advised the following reasons for the slower than anticipated spend in 2024/25:

9.1 Recovery works are funded at normal FAR +20%. Even with only 5–30% of local share needed, in districts with a large recovery programme this is still a significant amount of local funding that they need to free up and get approved by their councils, along with other competing demands for funding (such as Water Services investments).

9.2 The planning and design of recovery works is taking longer than some councils originally forecast, particularly for bridge works.

9.3 The robustness of the initial project proposals from councils and timeliness of responses to subsequent information requests from NZTA, impacts the time taken to complete assessments and agree funding – s 9(2)(g)(i)



s 9(2)(g)(i)

10

s 9(2)(f)(iv)

*The status quo option is preferable*

- 14 This existing approach requires a council to submit an application with information about the scope of work, costs (pre-tender), and timeframe for delivery. NZTA then assesses the programme to ensure the work is eligible recovery work, could be achieved in the funding period, and represents value for money (no frills). Once this assessment has been completed, NZTA authorises the funding to be released. This option is preferred because:
- 14.1 NZTA can be confident about the scope of what will be delivered and that it represents value for money for the Crown (and council).
  - 14.2 The council has confidence on the cost of the programme and understands it must manage delivery of the whole programme within the funded amount.

- 14.3 The risk of councils using funding to improve the level of service beyond necessary recovery is reduced due to capped funding.
- 14.4 Most of the \$280 million available and a significant portion of the proposed IPET is ready to be approved on this basis.
- 14.5 Experience has shown that initial estimates for recovery works can be over-inflated and working with councils to assess recovery works programmes results in more realistic estimates

14.6 s 9(2)(f)(iv)

14.7

**NIWE In-Principle Expense Transfer**

- 15 NZTA has requested a transfer of \$139 million from 2024/25 to 2025/26 through the 2024 October Baseline Update (OBU) which is the majority of the underspend in local road recovery and response in 2023/24. s 9(2)(g)(i)

16

17

**Next steps**

- 18 [BUDGET SENSITIVE] You will receive an updated OBU letter to submit to the Minister of Finance which includes the NIWE transfers.

19 s 9(2)(f)(iv)

**Contacts**

Name	Telephone	First contact
Bryan Field, Manager, Programme Monitoring & Investment Management	<span style="color: red;">s 9(2)(a)</span>	✓
Andrew Hicks, Principal Advisor, Programme Monitoring & Investment Management		

**Annex One: Alternative funding approaches**

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Annex one is withheld under section 9(2)(f)(iv).

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11 October 2024

Hon Simeon Brown

**Minister of Transport**

## **AIDE MEMOIRE: APPROPRIATENESS OF CURRENT MARITIME OFFENCES AND PENALTIES REGIME**

**To:** Hon Simeon Brown, Minister of Transport

**From:** Ruth Fairhall, Deputy Chief Executive, Policy Group

**Date:** Friday 11 October 2024

**OC Number:** OC241155

### **Purpose**

- 1 This paper provides you with a detailed overview of the current maritime offences and penalties regime, and its appropriateness. You requested this advice on 23 September 2024 at your regular transport officials meeting, in the context of discussion about emergency ocean response capability and Cook Strait ferry incidents.

### **Overview**

- 2 A range of legislation (transport and non-transport) places responsibilities on vessel owners and operators, and prescribes varying offences and penalties for breaching these responsibilities. When a vessel experiences an adverse incident, an investigation may be undertaken to identify the cause. If an investigation identifies a breach of applicable rules, the regulator(s) may seek to prosecute under the relevant legislation.
- 3 Applicable charges and a decision to prosecute against these will be assessed on a case-by-case basis by the person(s) charged with the ability to prosecute under relevant legislation. Any decision to prosecute is made in accordance with relevant prosecutorial guidelines, including the guidelines issued by the solicitor-general.
- 4 In the case of maritime legislation, many penalties have not been updated since the 1990's. In 2022, the Ministry of Transport and Maritime New Zealand completed a review of the offences and penalties which identified several anomalies affecting their coherence. Policy proposals to address these anomalies were approved by Cabinet but have not been implemented.

### **Contacts**

Name	Telephone	First contact
Ruth Fairhall, Deputy Chief Executive, Policy Group	s 9(2)(a)	
Natasha Rave, Manager, Resilience and Security		✓

## AIDE MEMOIRE: APPROPRIATENESS OF CURRENT MARITIME OFFENCES AND PENALTIES REGIME

### Maritime New Zealand regulates under a number of statutes

- 1 Maritime New Zealand (Maritime NZ) regulates the maritime sector – for safety, security, and environmental protection – through various legislation, including the:
  - 1.1 Maritime Transport Act (MTA) 1994
  - 1.2 Health and Safety and Work Act (HSWA) 2015
  - 1.3 Hazardous Substances and New Organisms (HSNO) Act 1996
  - 1.4 Maritime Security Act (MSA) 2004
- 2 You have delegated responsibility for the MTA and the MSA to the Associate Minister of Transport. These Acts are administered by the Ministry of Transport (the Ministry).

### Offences and penalties under the Maritime Transport Act operate at two levels

*Serious offences and penalties are often set in primary legislation rather than regulations*

- 3 Serious offences and penalties are set in primary legislation, reflecting the potential for multiple deaths or serious injuries that warrants significant penalty levels.
- 4 The safety offences in Part 6 of the MTA address acts or omissions that can cause unnecessary danger or risk to people and property, or that have caused actual harm or damage. These offences are:
  - 4.1 unnecessary danger caused by holder of maritime document (s64),
  - 4.2 dangerous activity involving ships or maritime products (s65),
  - 4.3 proceeding without pilot contrary to Maritime Rules or direction given under section 60A (s65A),
  - 4.4 communicating false information affecting safety (s67),
  - 4.5 offences for submerged load lines (s67A), and
  - 4.6 other offences (s67B) such as:
    - 4.6.1 operating a ship without the prescribed number of seafarers or qualified personnel,
    - 4.6.2 operating a ship outside its prescribed operating limits, and
    - 4.6.3 knowingly breaching any requirement in the MTA or in regulations or Rules made under the MTA for carrying dangerous goods.
- 5 The current penalty level for an individual is imprisonment for a term not exceeding 12 months or a maximum fine of \$10,000 and for a body corporate a maximum fine of \$100,000.

- 6 In addition, the court may order a person to pay an amount not exceeding three times the value of any commercial gain resulting from the commission of the offence if the court is satisfied that the offence was committed in the course of producing a commercial gain.

*Regulations set out the offences and subsequent penalties for breaching maritime rules*

- 7 The MTA stipulates broad principles of maritime law, while maritime rules, which are secondary legislation made by the Minister of Transport under the MTA, contain detailed technical standards and procedures. Maritime rules relate to the safety of ships and people, requirements for ship design, construction, equipment, crewing, operation and tonnage measurement, and the carriage of passengers and cargo.<sup>1</sup>
- 8 The MTA enables regulations to be made to prescribe breaches of maritime rules constituting an offence and/or infringement offence against the MTA, and to:
- 8.1 Prescribe penalties for each offence which in the case of:
- 8.1.1 An individual, shall be a fine not exceeding \$10,000, and
- 8.1.2 A body corporate, shall be a fine not exceeding \$50,000.
- 8.2 Prescribe infringement fees for each infringement offence which in the case of:
- 8.2.1 An individual, must not exceed \$2,000, and
- 8.2.2 A body corporate, must not exceed \$12,000.
- 9 The Maritime (Offences) Regulations 1998 (the Regulations) set out the offences and subsequent penalties for breaching requirements in select maritime rules.

**Offences and penalties under the Maritime Transport Act are out of date**

*Penalties for safety offences differ across legislation*

- 10 In the case of the MTA and the Regulations, penalties have not been updated since the 1990's. In 2022, the Ministry and Maritime NZ completed a review of the offences and penalties which identified several anomalies affecting their coherence:
- 10.1 Penalties not reflecting the potential or actual severity and likelihood of harm that could or has occurred (for example, a serious injury or death),
- 10.2 Some penalty levels being well below levels applied for similar offending in more modern legislation such as the HSWA,
- 10.3 Offences creating inequities between domestic commercial ships and domestic recreational ships,
- 10.4 Some offences not providing for infringements when infringement offences would be a suitable enforcement tool, and

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<sup>1</sup> A list of all maritime and marine protection rules parts 19 to 300 are available on Maritime NZ's website. [https://www.maritimenz.govt.nz/rules/all-rules/#maritime\\_rules](https://www.maritimenz.govt.nz/rules/all-rules/#maritime_rules)

- 10.5 Some requirements in Rules have no corresponding offence, making enforcement difficult.
- 11 Examples of inequitable penalties being imposed on domestic commercial ships where the HSWA can be used, compared to domestic recreational ships and foreign ships where only the MTA can be used, include:
- 11.1 Section 65 of the MTA makes it an offence to operate a ship (or maritime product) in a manner that causes unnecessary danger or risk to any other person or to any property. The maximum financial penalty under this section for a body corporate is \$100,000. The equivalent offence in HSWA (s48) has a maximum penalty of \$1.5 million,
- 11.2 In 2020 an overseas shipping company was fined \$24,000 under the MTA for poor maintenance and safety communication leading to the severe injury of a stevedore; the stevedore's domestic employer offered a \$425,000 enforceable undertaking to avoid prosecution under the HSWA for the same incident.<sup>2</sup>,
- 11.3 In 2024, KiwiRail was fined \$412,500 under the HSWA and ordered to pay \$20,000 in costs for significant failings, including poorly managed maintenance and processes, which contributed to the 2023 Kaitiaki ferry loss of power incident.<sup>3</sup> In their investigation, Maritime NZ also identified possible breaches of the MTA, however, charges cannot be filed under both sections simultaneously and Maritime NZ chose to file a prosecution under the HSWA.

Maritime NZ chose the HSWA due to the specific nature of the breach identifiable on the available evidence, being a failing of plant, fixtures and fittings rather than a more general failing that might warrant a broader HSWA or MTA charge. However, it is also relevant to the public interest that the MTA charge would have had a different maximum penalty of only \$100,000 (plus potentially forfeiture of an amount associated with commercial gain, if any could be proven per section 409 of the MTA).

*Policy proposals were developed to address anomalies in maritime legislation*

- 12 As part of the work for the Regulatory Systems (Transport) Amendment Bill No 2 (the RSTA 2), the Ministry and Maritime NZ identified a range of proposals to improve the current legislation relating to offences and penalties. These proposals were organised under five key objectives and underwent public consultation<sup>4</sup>.
- 13 One objective was to modernise transport legislation to ensure it is fit-for-purpose. This objective is particularly relevant to the maritime offences and penalties. The Effective

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<sup>2</sup> Maritime New Zealand (2020). *Stevedoring company spends \$425,000 in first-ever maritime Enforceable Undertaking*. Retrieved from: <https://www.maritimenz.govt.nz/public/news/2020/october/stevedoring-company-spends-425-000-in-first-ever-maritime-enforceable-undertaking/>

<sup>3</sup> Maritime New Zealand (2024). *KiwiRail sentenced for Interislander ferry Kaitaki's 2023 loss of propulsion south of Wellington*. Retrieved from: <https://www.maritimenz.govt.nz/public/news/2024/september/kiwirail-sentenced-for-interislander-ferry-kaitaki-s-2023-loss-of-propulsion-south-of-wellington/>

<sup>4</sup> Ministry of Transport. (2022). *Te Whakahōunga o Te Pire Tiaki Ture (Tūnuku) | Regulatory Systems (Transport) Amendment Bill*. Retrieved from: [https://consult.transport.govt.nz/policy/te-whakahounga-o-te-pire-tiaki-ture-t-nuku-maritim/supporting\\_documents/MOT%204238%20RSTA%20Maritime%20proposal\\_P6\\_V1.pdf](https://consult.transport.govt.nz/policy/te-whakahounga-o-te-pire-tiaki-ture-t-nuku-maritim/supporting_documents/MOT%204238%20RSTA%20Maritime%20proposal_P6_V1.pdf)

Transport Financial Penalties Framework and Tool (the Framework)<sup>5</sup> was used to develop the proposals under this objective, including:

- 13.1 **Proposal 5.2, Modernise the penalties for the safety offences in the MTA:** Align the financial penalty levels of the MTA with modern legislation like HSWA to reduce the risk of the inequitable imposition of penalties for the same severity of offending depending on whether the MTA or HSWA is used. This would enable equal treatment of foreign flagged and domestic ships and crew.
- 13.2 **Proposal 5.3, Amend the Maritime (Offences) Regulations 1998 and Marine Protection (Offences) Regulations 1998:** Make five types of changes to the offences and penalties in the regulations. These include creating new offences; merging offences; removing offences; adding infringement penalties; and setting new financial penalties.

- 14 The proposal included increases to the maximum financial penalties possible for the safety offences in Part 6 of the MTA (refer paragraph 4), as set out in the table below (current amounts ~~in turquoise~~).

Section	Title	Maximum fine for individual	Maximum fine for body corporate
64	Unnecessary danger caused by holder of maritime document (this includes all masters and ship owners)	\$150,000* <del>\$10,000</del>	\$1,500,000 <del>\$100,000</del>
65	Dangerous activity involving ships or maritime products	\$50,000 <del>\$10,000</del>	\$1,500,000 <del>\$100,000</del>
65A	Proceeding without pilot contrary to Maritime Rules or direction given under section 60A	\$150,000* <del>\$10,000</del>	\$1,500,000 <del>\$100,000</del>
67	Communicating false information affecting safety	\$50,000 <del>\$10,000</del>	\$1,500,000 <del>\$100,000</del>
67A	Offence for submerged load lines	\$150,000* <del>\$10,000</del>	\$1,500,000 <del>\$100,000</del>
67B	Other offences	\$50,000 <del>\$10,000</del>	\$1,500,000 <del>\$100,000</del>

- 15 The maximum financial penalties proposed for individuals in sections 64, 65A and 67A above are significantly higher than the remaining offences as these offences apply to people acting in professional capacities involving large vessels. In terms of the Framework, these offences apply to individuals we consider to be 'special regulated individuals'.

**There may be legislative vehicles to modernise maritime offences and penalties**

*Proposals were agreed by Cabinet in 2022, but implementation stalled*

- 16 In 2022, the Economic Development Committee (DEV) agreed to proposals to modernise maritime offences and penalties and to issue drafting instructions to the Parliamentary Counsel Office (PCO) (refer DEV-22-MIN-0284 and CAB-22-MIN-0532).
- 17 Progress on the RSTA 2 maritime proposals stalled because resources were redirected to other priority work.

<sup>5</sup> This framework aligns transport penalties with the equivalent penalties in the Health and Safety at Work Act



- 18 If you wish to progress the RSTA 2 maritime proposals, officials can provide you with advice on potential legislative vehicles to progress the proposed amendments.

*A review of high priority elements of the MTA and MSA will soon begin*

- 19 In September 2024, the Associate Minister of Transport agreed that officials should progress a review of high priority elements of the MTA and MSA (refer OC240993). The Maritime Legislation Bill has a priority 7 rating on the 2024 Legislation programme and the indicative timetable has introduction in Q1 2027. This review could be an appropriate vehicle to progress the RSTA 2 maritime proposals that are not being progressed elsewhere. Officials will advise on this in the December update to Minister Doocey.

*There may be opportunities to progress these RSTA 2 maritime proposals at a faster pace*

- 20 In September 2024, Maritime NZ advised you and Minister Doocey of changes needed to maritime legislation to address issues arising from the exercise of local navigation safety regulatory powers (refer MNZ 24-035). <sup>s 9(2)(f)(iv)</sup>

[Redacted]

You agreed to support the Ministry and Maritime NZ to identify any suitable legislative vehicle that may arise across your portfolios, and others connected, to amend the Maritime Transport Act early and urgently.

- 21 <sup>s 9(2)(f)(iv)</sup>

[Redacted]

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30 October 2024

OC241262

Hon Simeon Brown  
Minister of Transport

## MEETING WITH MARTIN KEARNEY - CHIEF EXECUTIVE OFFICER, AUCKLAND ONE RAIL

### Snapshot

You are meeting with Martin Kearney, Chief Executive Officer (CEO), Auckland One Rail (AOR). The meeting is to discuss rail in Auckland, specifically metro rail investment, public transport safety and the Metropolitan Rail Operating Model (MROM). <sup>s 9(2)(b)(ii)</sup>

<b>Time and date</b>	3.15 - 4.45 pm, 1 November 2024
<b>Venue</b>	Britomart Train Station (front entrance)
<b>Attendees</b>	Martin Kearney, CEO, Auckland One Rail
<b>Officials attending</b>	N/A
<b>Agenda</b>	Rail in Auckland
<b>Talking points</b>	talking points are attached

### Contacts

Name	Telephone	First contact
Lou Lennane, Auckland Strategic Programme Lead	<sup>s 9(2)(a)</sup>	✓
Karen Lyons, Director Auckland		

## MEETING WITH MARTIN KEARNEY - CHIEF EXECUTIVE OFFICER, AUCKLAND ONE RAIL

### Key points

- Mr Kearney has requested to meet with you to discuss rail in Auckland. Your discussion will take place while you are on a train on the Auckland network.
- AOR is responsible for train operations, rolling stock maintenance, station operations and maintenance, safety, security and customer experience
- Auckland One Rail (AOR) is playing a significant role in the integration of the City Rail Link (CRL) services into the wider network. AOR is also a key player in mitigating the effects of disruption to rail passengers, as the rail network rebuild is finalised and work on the wider network continues.
- Rail passenger and crew safety will be a key area for discussion for this meeting, resulting from recent incidents in Auckland on the public transport network.
- Mr Kearney has indicated he also wishes to discuss rail funding and the MROM review.

s 9(2)(b)(ii)

### Rail Safety

- 1 As you and the Minister of Police announced on 26 October, there will be an increased police presence on and around public transport services in Auckland in the short term, in response to the fatal attack aboard a bus in Onehunga. This is to increase safety and provide reassurance to public transport workers and users.
- 2 Warranted Transport Officers (WTOs) are employed by Auckland Transport and have the power to issue fines for non-payment of fares, and otherwise act as a visual deterrent and sign of authority.
- 3 Auckland Transport employs around 60 WTOs, and also contracts private security guards to further increase presence around known hotspot areas. WTOs and security guards must rely on police to enforce the restraint, removal, and/or arrest of people engaging in violent or anti-social behaviour on and around public transport.

s 9(2)(f)(iv)

4

5

### Rail Investment in Auckland

- 6 Budget 2024 included \$159 million to complete Auckland's rail network rebuild and an additional investment of \$48.8 million to support KiwiRail to carry out further critical work on rail assets on the network in Auckland. This includes upgrading retaining walls, points equipment, sleepers and tunnels, replacing culverts, strengthening bridges and improving drainage.
- 7 The combined investment will ensure the network has improved reliability and efficiency and will also help ready the network in time for the opening of the CRL.
- 8 As part of MROM, s 9(2)(f)(iv) [REDACTED]

### Metropolitan Rail Operating Model

- 9 s 9(2)(f)(iv) [REDACTED]
- 10 [REDACTED]
- 11 [REDACTED]

### One Rail Report

- 12 s 9(2)(b)(ii) [REDACTED]

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s 9(2)(b)(ii)

## Rail Service Disruption

13

s 9(2)(b)(ii)

14 Declining levels of customer satisfaction of rail users reflect the increased disruptions from ongoing renewals and upgrades of the network.

15 You have been regularly meeting with the Mayor and Deputy Mayor of Auckland and senior officials from KiwiRail and Auckland Transport to discuss upcoming service disruptions relating to the integration of the CRL and the wider network rebuild.

16 At the 11 October meeting, an approach was agreed that would result in the least disruption on the network. This includes:

- Single line running for seven weeks total
- Extended Christmas block of lines (six weeks passenger, four weeks freight)
- 16-day Easter school holidays block of line (passenger and freight)
- King's Birthday, Matariki and Labour weekends four-day block of lines
- June or September school holidays single line running contingency.

## City Rail Link and AOR

17 The CRL project is making good progress as it continues to advance into the complex testing and commissioning phase. This phase involves testing and integrating a range of systems on the CRL before Day 1 operations, from signalling to ensuring station air conditioning is fully operational.

18

s 9(2)(f)(iv)

19 Following practical completion (November 2025), the CRL project and associated assets, including stations and tunnels, will be vested to Auckland Transport and

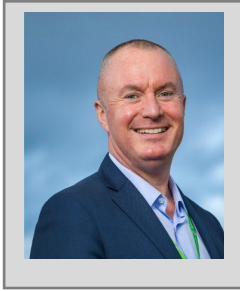
KiwiRail, who will then undertake the testing, commissioning, and training work required before CRL can open to the public. s 9(2)(b)(ii)

20 Assuming the testing and commissioning process proceeds smoothly, the public operational date is likely to be 2026, which aligns with the current timeframe being communicated to the public. The exact opening date will ultimately be determined by Auckland Transport and AOR, once Auckland Transport and KiwiRail have completed the activities that need to occur prior to Day 1 operations.

21 s 9(2)(b)(ii)

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## Biographies



### **Martin Kearney**

Mr Martin Kearney was appointed CEO of Auckland One Rail (AOR) on 16 October 2023.

Originally from the UK, Martin has more than 30 years' experience in the transport sector in the UK, Australia and New Zealand.

Martin has previously overseen the introduction of the fleet of three-car EMUs onto Auckland's rail network which included implementing a new high frequency timetable.

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**Annex 1: Talking Points**

**MEETING WITH MARTIN KEARNEY - CHIEF EXECUTIVE OFFICER, AUCKLAND ONE RAIL**

- Thank-you for your time today and for the trip on the rail network.

*Safety*

- I know safety of customers and staff on public transport is front of mind for you currently. Aucklanders will see a greater police presence on public transport services to boost safety and reassure public transport workers and passengers
- We are committed to delivering practical, long-term improvements to ensure safer and more secure conditions for public transport workers and passengers.
- Whether it's tougher sentencing or immediate safety upgrades, we are working to ensure that everyone who uses or works in public transport can do so with confidence.
- The Ministry of Transport and NZTA are also working together to ensure there is a consistent policy across New Zealand for how public transport workers can address anti-social or violent behaviour aboard public transport services.
- Discussions will continue with the NZ Police and Public Transport Authorities about other measures that may be needed for Kiwis to have greater assurance to use public transport.

*Rail disruption and CRL integration*

- I am interested to hear your view on the readiness of the network for CRL day one. Are there any risks or areas of concern associated with the timetable development, crewing or safety assurance (areas which Auckland One Rail is responsible for)?

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

*MROM*

- s 9(2)(b)(ii)

- s 9(2)(f)(iv)

- The bottom line is that commuters need a service they can rely on – one that turns up on time and gets them where they need to be.

- s 9(2)(f)(iv)