


OC241291

5 December 2024



Tēnā koe 

I refer to your email dated 4 November 2024, requesting copies of the following briefings under the Official Information Act 1982 (the Act):

*“Brown OC240872 7/08/2024 Aide Memoire: Cook Strait Ferry Capacity
Brown OC240835 9/08/2024 Meeting with National Road Carriers
Brown OC240805 15/08/2024 Site Visit to Bluebridge Terminal and the Connemara
Doocey OC240894 15/08/2024 Meeting with the Maritime NZ Chair - 20 August 2024
Doocey OC240918 22/08/2024 Meeting with MetService Board Chair and CEO
Brown OC241028 10/09/2024 Meeting with New Zealand Trucking Association
Doocey OC241054 16/09/2024 Aide Memoire: Meeting with TAIC Officials and TAIC's Half-Year Report to 30 June 2024
Doocey OC241083 18/09/2024 Meeting with the Maritime NZ Chair - 19 September 2024
Doocey Brown OC241062 19/09/2024 Maritime New Zealand Authority: Longlist Following the Advertisement Period
Brown Willis cc Collins OC241017 24/09/2024 Letter of Comfort to the Civil Aviation Authority
Brown OC241118 30/09/2024 Meeting with ASP Ships”*

On 29 November 2024, 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 search and consultations.

Of the eleven briefings requested, nine are released with some information withheld or refused 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:

- | | |
|-------------|---|
| 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
- 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

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 | OC240872 | 7/08/2024 | Aide Memoire: Cook Strait Ferry Capacity | Withheld in full under section 9(2)(f)(iv). |
| 2 | OC240835 | 9/08/2024 | Meeting with National Road Carriers | Released with some information withheld under sections 9(2)(a), 9(2)(ba)(i) and 9(2)(f)(iv). |
| 3 | OC240805 | 15/08/2024 | Site Visit to Bluebridge Terminal and the Connemara | Released with some information withheld under sections 9(2)(a), 9(2)(b)(ii) and 9(2)(f)(iv). |
| 4 | OC240894 | 15/08/2024 | Meeting with the Maritime NZ Chair - 20 August 2024 | Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv). |
| 5 | OC240918 | 22/08/2024 | Meeting with MetService Board Chair and CEO | Released with some information withheld under section 9(2)(a). |
| 6 | OC241028 | 10/09/2024 | Meeting with New Zealand Trucking Association | Released with some information withheld under section 9(2)(a). |
| 7 | OC241054 | 16/09/2024 | Aide memoire: Meeting with TAIC officials and TAIC's Half-Year Report to 30 June 2024 | Released with some information withheld under section 9(2)(a). |
| 8 | OC241083 | 18/09/2024 | Meeting with the Maritime NZ Chair - 19 September 2024 | Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv). |
| 9 | OC241062 | 19/09/2024 | Maritime New Zealand Authority: Longlist Following the Advertisement Period | Withheld in full under section 9(2)(f)(iv). |
| 10 | OC241017 | 24/09/2024 | Letter of Comfort to the Civil Aviation Authority | Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv). |
| 11 | OC241118 | 30/09/2024 | Meeting with ASP Ships | Released with some information withheld under sections 9(2)(a) 9(2)(b)(ii), and 9(2)(f)(iv). |



9 August 2024

OC240835

Hon Simeon Brown
Minister of Transport

MEETING WITH NATIONAL ROAD CARRIERS

Snapshot

This is your first stand-alone meeting with National Road Carriers (NRC), a national industry association for road freight operators. NRC would like to discuss matters related to freight data, productivity, regulatory reform and funding options.

| | |
|-----------------------|---|
| Time and date | 2.30-3.00pm, 14 August 2024 |
| Venue | Auckland Policy Office |
| Attendees | Justin Tighe-Umbers, Chief Executive James Smith, GM Policy and Advocacy |
| Agenda | Freight Data, Productivity, Regulatory Reform and Funding |
| Talking points | Talking points are provided in Annex 1. |

Contacts

| Name | Telephone | First contact |
|---|-----------|---------------|
| Ruth Fairhall, Deputy Chief Executive | s 9(2)(a) | |
| Marian Willberg, Manager Maritime and Freight | | ✓ |

MEETING WITH NATIONAL ROAD CARRIERS

Key points

- National Road Carriers (NRC) represents 1,500 supply chain company members, who collectively operate over 16,000 trucks throughout New Zealand. NRC advocates on behalf of members and works with central and local government on road transport infrastructure and regulations.
- Justin Tighe Umbers attended your 20 June 2024 meeting with multiple road transport industry stakeholders, but this is your first stand-alone meeting with NRC.
- NRC is looking to discuss matters related to freight data, productivity, regulatory reform and funding options. Officials understand that NRC has a particular interest in how the use of GPS and on-board vehicle data (referred to as telematics) could drive improvements across all these areas.
- s 9(2)(ba)(i) [REDACTED]
[REDACTED] Ministry and NZTA officials see value in exploring ways to improve the quality of freight data available to transport agencies, including via the use of telematics.
- NRC also see opportunities to improve freight transport productivity via regulatory reform. This includes, in the longer term, the use of telematics to manage roading infrastructure. Officials will continue to work with industry on the regulatory changes it is seeking.

s 9(2)(ba)(i) [REDACTED]

1

2

3

4

5

s 9(2)(ba)(i)

6

Ministry officials see value in exploring ways to improve the quality of freight data available to transport agencies. New Zealand has no aggregated view of the transported freight network, making it difficult to determine what is travelling on our transport corridors, when, and where, and to determine what level of investment is required. Better freight data would improve our understanding of the productivity and efficiency of the freight system, as well as providing opportunities for freight businesses to maximise efficiencies.

NRC also sees opportunities to improve freight transport productivity with regulatory reform and use of data

7

The Road Transport Policy Group (the Group) has been set up with industry representatives to explore a range of changes to some Land Transport Rules (Rules), including the Vehicle Dimension and Mass Rule 2016 (VDAM Rule). The Group is led by officials from NZTA and involves the Ministry and industry representation, including NRC (NZTA's briefing BRI-3-21 refers).

8

The Group is taking a focussed approach for each rule discussed and is looking into potential operational changes where possible in the first instance. The Group is aware of the time and detail required to progress potential legislative changes.

9

s 9(2)(f)(iv)

he VDAM Rule sets weight and dimension tolerances for vehicles travelling on New Zealand roads, as well as processes for vehicles that exceed these tolerances (such as the permitting and exemptions system). The VDAM Rule settings require striking a balance between productivity and efficiency, safety, and the current and future state of our infrastructure.

10

In the longer term, NRC sees opportunities to use GPS data to manage restrictions on where vehicles that exceed the VDAM Rule dimensions can be used on our road network (as not all parts of the network can accommodate increases in size and weight). For example, this could involve using GPS monitoring to alert operators to roads that 50MAX vehicles can or cannot use, and to monitor these trips. This could offer wider benefits such as using data to share network information with NZTA (useful for maintenance and investment planning).

11

s 9(2)(f)(iv)

- 12 Ministry and NZTA officials will continue to work with the Road Transport Policy Group. Officials agree that increased industry uptake of technological solutions, and data sharing such as onboard telematics / real-time weight information, are worthy of exploration as options in the longer term. Any policy changes would need to be considered against wider policy priorities and work programmes.

NRC is also interested in Road User Charges and time of use charging

- 13 NRC may also wish to hear from you about road user charging and time of use charging. There are connections between the use of telematics for regulatory purposes, such as under the VDAM Rule, and in the revenue system where telematics is currently used to administer eRUC.

RELEASED UNDER
THE OFFICIAL INFORMATION ACT 1982

Biographies

Justin Tighe-Umbers, Chief Executive

Justin has been Chief Executive of NRC since August 2022. Prior to joining NRC he was Executive Director at the Board of Airline Representatives NZ.



James Smith, GM Policy and Advocacy

James started his career in transport as a management cadet for New Zealand Government Railways in 1982 and spent until 1995 working in a variety of roles within their freight division through the transition to State Owned Enterprise and privatisation in 1993.

Departing rail in 1995, James moved into road transport. First joining the NRC team in 1998 until leaving in 2011 to take up leadership roles at Toll and Halls, James returned to NRC in 2021.



RELEASED UNDER
THE OFFICIAL INFORMATION ACT 1982

Annex 1: Talking Points

MEETING WITH NATIONAL ROAD CARRIERS

Data sharing

- **Question:** What aspects of a data sharing arrangement would be most important for freight operators?
- **Question:** What benefits for freight operators do you see from data sharing arrangements? What benefits do you see for transport agencies?

Regulatory reform

- We will need to make sure that our policies and rules enable the industry to innovate and invest in new technologies.
- I understand that discussions are underway with officials on how we can improve productivity via the Land Transport Rules through operational changes in the first instance. I encourage you to continue these discussions with officials.
- The Government Policy Statement on Land Transport includes my commitment to review the vehicle regulatory system to ensure our domestic rules are fit for purpose. I expect to give an update later this year on this work.

Road user charging and time of use charging

- I plan to take a step-by-step approach to reforming the revenue system, making gradual improvements to reform and redesign the system rather than trying to create a perfect, pre-defined future system. As technology advances, the current system will evolve and change over time.

15 August 2024

OC240805

Hon Simeon Brown
Minister of Transport

SITE VISIT TO BLUEBRIDGE TERMINAL AND THE CONNEMARA

Snapshot

To provide some background information that Shane McMahon may raise with you while you visit the Bluebridge terminal at Centreport and you go onboard the Connemara.

| | |
|----------------------------|---|
| Time and date | 7:00-7:45AM, Tuesday 20 August 2024 |
| Venue | Bluebridge Terminal at Centreport, 50 Waterloo Quay, Pipitea, Wellington 6011 |
| Attendees | Shane McMahon, CEO StraitNZ |
| Officials attending | None |
| Agenda | Site visit of Bluebridge terminal and the Connemara |
| Talking points | None provided |

Contacts


| Name | Telephone | First contact |
|--|-----------|---------------|
| Marian Willberg, Manager Maritime & Freight | s 9(2)(a) | ✓ |
| Callum Gill, Senior Adviser Maritime & Freight | | |

Site Visit to Bluebridge Terminal and the Connemara

Key points

- You are meeting with Shane McMahon, who will show you Bluebridge's terminal at Centreport and invite you onto the *Connemara*, one of Bluebridge's two ferries. Maritime NZ and Ministry officials have a good relationship with Strait NZ. Strait NZ was cooperative and supportive in relation to ensuring passengers and freight were not interrupted when the *Aratere* was out of action and supported Ministry officials during its Cook Strait resilience work programme.
- Shane is particularly interested in showing you the construction of a premium lounge onboard which will be finished by Christmas. The Interislander services offer a premium lounge, and we suspect this is Bluebridge's attempt to begin attracting more of the passenger market. It has historically targeted more of the freight market. Bluebridge claims approximately 56% of the commercial vehicle market (increasing from 47% in the last decade) and 31% of passengers (increasing from 24%).

Kings Wharf

- The Bluebridge terminal, Kings Wharf, is fairly simple with just a fixed linkspan for the Roll-on Roll-off ferries. Significant strengthening works were undertaken by Centreport following the Kaikōura earthquake and Centreport has advised that Kings Wharf should have at least 20-30 years of useable life with the correct maintenance regime going forward.
- Bluebridge leases use of the wharf, linkspan and marshalling space from Centreport and does not own the land (unlike KiwiRail, which owns its land) ^{s 9(2)(b)(ii)}


Connemara and maintenance

- In November 2022, StraitNZ bought the 187-metre 2007-built ferry *Connemara* for \$109.6 million. The purchase was funded by debt. The ferry suffered some engine problems shortly after starting services in January 2023, leading to several cancelled sailings.
- Bluebridge's other vessel, the *Strait Feronia*, lost power and propulsion on 25 May 2024, reportedly due to an electrical fault in its power management system. The ferry resumed sailing the day after following inspection.
- Maritime NZ notes that Bluebridge generally has a good safety record; from time to time it identifies deficiencies but these are quickly rectified. Maritime NZ inspects the ships annually and remains vigilant over maintenance issues as the vessels are old. It has not seen significant issues overall.

Updates on the Interislander ferries

- Shane will likely be very interested in any updates you can provide regarding the future of KiwiRail's Interislander fleet. Given StraitNZ's position in the market, we recommend you only share what is already publicly available.

- You could note to Shane that Ministers are actively working their way through the options following advice from the Ministerial Advisory Group and the Ministry, but the primary goals will be to ^{s 9(2)(f)(iv)} [REDACTED]

Emergency Ocean Response Capabilities

- Maritime NZ is developing a business case for an Emergency Ocean Response Capability (EORC) for the Cook Strait, designed to improve the resilience and safety of our national surface transport network. Strait NZ was one of the sector stakeholders Maritime NZ engaged with last year when exploring the feasibility of an EORC and was supportive of the work.

Workforce issues

- Strait NZ has identified issues with workforce and certification rules and processes in the past. Strait NZ is supportive of accessing skilled workers via training and immigration by having roles added to the Green List of in demand roles. We are aware that the Cook Strait operators have sometimes been challenged with sourcing the right types of labour, and the Ministry would be supportive of seafaring roles being included in Green List of in demand roles by Immigration New Zealand.
- It has also been supportive of vocational education reform. It is interested in Government developing a multi-year review of the rules for certification of seafarers. The complexity of these rules is seen to be creating unnecessary cost and contributing to workforce issues in the sector.

Shore power and green fuels

- Strait NZ is progressive in thinking about green fuels. It is interested in both shore power (cold ironing) at CentrePort, as well as access to other fuels like biofuels and methanol. It is also keen to ensure the regulatory regime enables new technologies.

Biography



Shane has a broad background in general management, operations, sales and marketing. Shane has held several senior positions across the transport sector, including at NZ Bus and Airwork NZ. Shane has been CEO of StraitNZ since February 2023.

15 August 2024

OC240894

Hon Matt Doocey
Associate Minister of Transport

MEETING WITH THE MARITIME NZ CHAIR – 20 AUGUST 2024

Snapshot

You are meeting with the Maritime New Zealand (Maritime NZ) Chair, Dame Jo Brosnahan, on 20 August 2024. To support you in your meeting, Ministry of Transport Te Manatū Waka (the Ministry) has provided suggested talking points in **Annex One**.

| | |
|----------------------------|---|
| Time and date | 3.15pm – 3.45pm, 20 August 2024 |
| Venue | Microsoft Teams |
| Attendees | Dame Jo Brosnahan, Chair, Maritime NZ Authority Kirstie Hewlett, Chief Executive, Maritime NZ |
| Officials attending | Tim Herbert, Acting Manager, Crown Entity Monitoring Johnny Crawford, Senior Adviser, Crown Entity Monitoring |
| Agenda | <ol style="list-style-type: none"> Chair update on top-of-mind issues for Maritime NZ Dialogue with Minister on future reporting, including any feedback on reports Budget 2025 Board appointments (Chair only) |
| Talking points | Suggested talking points are in Annex One |

Contacts

| Name | Telephone | First contact |
|---|-----------|---------------|
| David Wood, Deputy Chief Executive, Investment & Monitoring | s 9(2)(a) | |
| Tim Herbert, Acting Manager, Crown Entity Monitoring | | ✓ |
| Johnny Crawford, Senior Adviser, Crown Entity Monitoring | | |

Meeting with the Maritime NZ Chair – 20 August 2024

Key points

- You are meeting with Dame Jo Brosnahan, Chair and Kirstie Hewlett, Chief Executive of Maritime NZ on 20 August 2024. This will be your third meeting with the Maritime NZ Chair. Your last was on 21 May 2024 (OC240470 refers).
- Maritime NZ has suggested the following agenda items for discussion:
 - 1) Chair update on top-of-mind issues for Maritime NZ
 - 2) Dialogue with Minister on future reporting, including any feedback on recent reports like its 2024/25 Statement of Performance Expectations (SPE) and Quarterly Performance Report for the third quarter 2023/24
 - 3) Board appointments (the Chief Executive will leave for this discussion)
- s 9(2)(f)(iv) 
- Talking points are attached as **Annex One**.

Item one: Chair update

- 1 Maritime NZ has indicated that the Chair wishes to provide a verbal update on issues that are top of mind for her. We have not received detail on the specific issues she intends to discuss but will advise if Maritime NZ provides any more information on this item ahead of the meeting.

Item two: Future reporting

- 2 Maritime NZ has asked for any feedback on its recent reports such as its 2024/25 SPE and its Quarterly Performance Report for the third quarter of 2023/24 that could help the Authority improve its future performance reporting.
- 3 You provided feedback to the Chair on the non-financial section of the SPE on 21 May 2024 and the financial section on 17 June 2024 following advice from us (OC240458 refers). Since then, Maritime NZ published its final SPE at the end of June and provided you with hard copies along with its Statement of Intent.
- 4 Maritime NZ sent you its most recent Quarterly Report (for the quarter ending 31 March 2024) on 21 May 2024. We provided you high-level feedback on this via your weekly report for the week ending 14 June 2024. As Maritime NZ does not provide Quarterly Reports for year-end, the next report you can expect will be for the Quarter ending 30 September 2024.
- 5 Although the Ministry does not have any major areas of concern with the final version of either report, this meeting will still be an opportunity to reiterate expectations that you, and your Ministerial colleagues, have previously signalled to continue to improve future reports.

- 6 The expectation that Crown Entity Boards prioritise fiscal sustainability has been expressed in your Letter of Expectations (LOE), Minister Willis' Enduring LOE and your feedback to the Chair on Maritime NZ's draft SPE. The need for disciplined financial management is particularly important as there are ongoing uncertainties about the likely revenue from foreign vessels, especially Cruise Ships during 2024/25.
- 7 The need for improved performance reporting is also an area that you and your colleagues have emphasised in your communications. In its Quarterly Report, Maritime NZ identified two areas of under-performance that are likely to be reflected in unmet performance measures in its Annual Report. These are the number of Maritime Incident Response Team exercises and workshops and the number of guidance documents, both of which are expected to be below target for 2023/24.
- 8 You indicated a need for a keen focus on core business in your LOE to Maritime NZ which covers areas like these unmet measures. This focus is crucial as Maritime NZ's core work programme adapts to new activities and the implementation of funding review proposals.
- 9 In the coming months, you will receive Maritime NZ's 2023/24 Annual and 2024/25 Quarterly Reports. We would expect these to be provided in a timely manner and to reflect your expectations around fiscal responsibility and performance reporting. If there are any areas where performance measures are unlikely to be met or major impacts to Maritime NZ's financial situation (for example, due to updated cruise forecasts), we would expect them to operate on a no-surprises basis and keep you and the Ministry informed *prior* to formal performance reporting.

Item three: Budget 2025

10 s 9(2)(f)(iv)


11

12

13

14

15



Item four: Board appointments (Chair only)

16 The Chair has indicated that she wishes to discuss the ongoing Board appointment process for the Maritime NZ Authority.

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

18 The Ministry has asked all Board members to continue in their roles under the provisions of section 32(3) of the Crown Entities Act 2004 until decisions are made.

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

RELEASED UNDER
THE OFFICIAL INFORMATION ACT 1982

Annex One: Talking Points

Dialogue with Minister on future reporting, including any feedback on reports

- If you have any additional feedback on Maritime NZ's final Statement of Performance Expectations or Statement of Intent, this meeting would be an opportunity to raise this.
- You may also wish to confirm the expected timing of Maritime NZ's upcoming performance reporting (especially its Quarterly Performance Report for the first quarter and Annual Report) and whether there is anything you should be aware of in advance (such as performance measures they are anticipated to miss).
- You could also reiterate that the main points that Maritime NZ should be reflecting in its performance reporting are those expectations that you have already raised (e.g. in the LOE).
- More specifically, Maritime NZ should:
 - operate in a fiscally sustainable way;
 - focus on improving performance in areas of core business;
 - continue to develop performance measures that reflect its activity when core business changes; and
 - adopt a 'no surprises' approach and inform you and the Ministry as soon as practicable when anything changes.

Budget 2025

• s 9(2)(f)(iv)

•

•

•

Board appointments (Chair only)

- We suggest that you thank Dame Jo for working closely with the Ministry on the appointment process and acknowledge that the process involves an element of uncertainty.
- You could also let Dame Jo that while joint Ministers have a strong interest in Crown Entity Governance, you have been advised that the Maritime NZ Authority is performing solidly. ^{s 9(2)(f)(iv)}

•

- Finally, if it needs clarifying, you could reiterate that, while delegation lies with Minister Brown, you have asked to be involved in decision-making and copied into advice from the Ministry.

RELEASED UNDER
THE OFFICIAL INFORMATION ACT 1982

22 August 2024

OC240918

Hon Matt Doocey
Associate Minister of Transport

MEETING WITH METSERVICE BOARD CHAIR AND CEO

Snapshot

You will be meeting with the MetService Board Chair, Chief Executive Officer, and Chief of Science and Innovation on 28 August 2024. To support you in your meeting, we provide the following background information.

| | |
|----------------------------|--|
| Time and date | 12:30pm-1pm, 28 August 2024 |
| Venue | Microsoft Teams |
| Attendees | Paula Jackson, Board Chair Stephen Hunt, Chief Executive Officer Norm Henry, Chief of Science and Innovation |
| Officials attending | Bryan Field, Manager, Programme Monitoring and Investment Management Lakeshia Livapulu, Adviser, Programme Monitoring and Investment Management |
| Agenda | Item 1: Weather Forecasting System Review Item 2: MetService business plan initiatives |

Contacts

| Name | Telephone | First contact |
|--|-----------|---------------|
| Bryan Field, Manager, Programme Monitoring and Investment Management | s 9(2)(a) | ✓ |
| Lakeshia Livapulu, Adviser, Programme Monitoring and Investment Management | | |

MEETING WITH METSERVICE BOARD CHAIR AND CEO

Agenda

1. The Meteorological Service of New Zealand (MetService) has provided the following agenda items which they would like to discuss with you:
 - Weather Forecasting System Review
 - MetService business plan initiatives.

Ministry of Transport update

2. In July 2024, the Ministry of Transport (the Ministry) provided you with a summary of the MetService Quarterly Report: April – June 2024 (Appendix 1).

Weather Forecasting System Review

3. The Weather Forecasting System Review report was completed in April/May 2024 in accordance with the Terms of Reference. MBIE and Treasury officials provided the final report and advice to Ministers on 31 May 2024. The following information can be shared with the MetService officials in this meeting.
4. Shareholding Ministers have agreed with the in-principle recommendation for National Institute of Water and Atmospheric Research (NIWA) to acquire MetService as a wholly-owned subsidiary and to take a paper to Cabinet to that end in September 2024.
5. NIWA and MetService are working constructively with officials but will not be in a position to advise their staff until Cabinet has agreed in-principle to progress the work programme.
6. There will be no public announcement until after Cabinet. They expect to release the final report following Cabinet decision.
7. Ministers have received the report on the Weather Forecasting System Review Cabinet Paper and are currently considering the recommendations. An announcement will be made after the report is considered by Cabinet.
8. The Ministry were consulted and endorsed the Weather Forecasting System Review Cabinet Paper seeking to proceed with the recommendations.

MetService business plan initiatives

9. MetService will be presenting information to you on this agenda item.
10. MetService may also provide you with an update on their regional/Council engagement work and provide you with an update on the Radar replacement projects in Canterbury and Auckland. There is a brief summary of these two points in Appendix 1.
11. You may wish to ask:
 - Are there any themes or risks that were raised during your engagement with Regional Councils?

Biographies

Paula Jackson – Chair of the MetService Board



Paula's career spans 25 years in marketing and channel management. Paula has held several directorships since starting her leadership career in 2013, including Quotable Value, Airways and Marsello. She actively advises and invests in technology start-ups. Paula is currently on the board at Mercer NZ. Paula is a member of Global Women and the Institute of Directors and was selected for the IOD Mentoring for Diversity program in 2017.

Stephen Hunt – Chief Executive Officer of MetService



Stephen is Chief Executive Officer of MetService and known for delivering commercial success across public and private sectors. He has a reputation for leading at the forefront of industry through effective strategy, inclusive leadership, empathetic change, culture, and relationship management. Extensive background in the Defence Force especially in the aviation sector.

Norm Henry – Chief of Science and Innovation at MetService



Norm has been involved in meteorology for over 30 years, including 10 years' experience as an operational forecaster with Environment Canada, the Canadian Armed Forces, and MetService. He is responsible for programmes that support MetService's forecasting team, including observing, modelling, forecasting systems development, meteorological research, and New Zealand's representation with World Meteorological organisation (WMO).

Annex 1: Associate Ministers weekly report entry: MetService update

MetService update

Weather Forecasting System Review

Officials at MBIE are preparing the Cabinet paper seeking endorsement to proceed with the recommendations of the Sapere Weather Forecasting System Review. The paper is yet to be circulated for feedback; however, the Ministry supports the recommendations from the final report of the review.

MetService Quarterly Report (April – June 2024)

The Ministry has received the MetService’s quarterly report for the period of 1 April to 30 June 2024. The report highlights performance over the quarter against key performance indicators (KPIs) and provides an update on significant projects and developments.

Performance against MetService’s KPIs

Warning performance was generally good across the 16 severe weather events recorded this quarter with MetService achieving its KPI for this quarter and the reporting year.

| Heavy Rain | Jul 2023 – Jun 2024 | Target |
|--------------------------|---------------------|--------|
| Probability of Detection | 92.9 % | > 90 % |
| False Alarm Ratio | 13.9 % | < 15 % |

Update on radar upgrade projects

The report notes that there are two out of the three radars left to install. The project to deliver a new Canterbury radar is on track. The new radar is currently being prepared for shipping from Helsinki to Lyttelton where it is expected to arrive in October and be operational by the end of the year. Work on the tower has commenced and is expected to be delivered by early November. All other equipment being ordered is on track to arrive on time.

As the Auckland radar is scheduled for replacement in the summer of 2025/26, MetService is working with Auckland Council and other stakeholders to identify options that will reduce downtime of the radar during the upgrade. This early planning and consultation will help them better understand the project risks and mitigation options along with implications on the project’s budget and timeline.

Highlights from the quarter

There has been a user enhancement on the MetService app to severe weather Warnings and Watches in collaboration with NEMA.

MetService is regularly engaging with regional councils and civil defence to better understand their needs and ensure they are receiving the information needed to help their communities become weather ready.

MetService update

As part of an MFAT-led programme to contribute to the Weather Ready Pacific Initiative, MetService is running a Pacific weather radar capability pilot in Tonga.

Over the quarter, MetService attended important World Metrological Organisation (WMO) meetings in Geneva, Switzerland. The meetings were the WMO Commission on Observations, Infrastructure and Information Systems meeting and the 78th session of the WMO Executive Council.

RELEASED UNDER
THE OFFICIAL INFORMATION ACT 1982

10 September 2024

OC241028

Hon Simeon Brown
Minister of Transport

MEETING WITH NEW ZEALAND TRUCKING ASSOCIATION

Snapshot

You are meeting with the New Zealand Trucking Association. This briefing includes information to support your attendance.

| | |
|----------------------|--|
| Time and date | 5.30pm – 6.00pm, 12 September 2024 |
| Venue | EW 5.1 |
| Attendees | David Boyce, Chief Executive, New Zealand Trucking Association |
| Agenda | How the road freight industry can lead safety and compliance in the freight sector |

Contacts

| Name | Telephone | First contact |
|--|-----------|---------------|
| Ruth Fairhall, Deputy Chief Executive, Policy | s 9(2)(a) | |
| Marian Willberg, Manager, Maritime and Freight | | ✓ |

MEETING WITH NEW ZEALAND TRUCKING ASSOCIATION

Key points

- The New Zealand Trucking Association (NTA) is a not-for-profit organisation that was established in 1988 to represent and support trucking-related businesses. Its stated role is to influence its members to “succeed in both business and in their engagement with the wider community”.¹
- You are to meet with David Boyce, Chief Executive of the NTA. Mr Boyce will have attended your quarterly meeting with road transport industry bodies that morning.
- The key agenda item Mr Boyce wishes to discuss is how the road freight industry can lead safety and compliance in the freight sector. We have provided background information on the Road Freight Safety Group convened by the New Zealand Transport Agency (NZTA), which may support this discussion.

The NTA provides support, advocacy, advice, assistance and information to its members

- 1 The NTA works with local councils, government agencies including NZTA and WorkSafe, and other industry stakeholders on a range of transport issues.
- 2 The NTA has undertaken industry initiatives that focus on showcasing the industry, road safety, careers, and driver health and wellbeing. It developed the Safety MAN Road Safety Truck and Trucking Careers Hubs, and supports the Trucking Industry Show, Trucking Industry Summit and Trucking New Zealand Club.
- 3 The NTA previously signed a memorandum of understanding with the National Road Carriers to work together to address common road transport issues and goals. Together the two organisations represent more than 3,000 members, collectively operating 30,000 trucks nationwide.

Safety MAN Road Safety Truck

- 4 The NTA delivers an Education Engagement Programme around New Zealand from the Safety MAN Road Safety Truck (pictured below). The intention of this programme is to connect communities and foster a culture of responsible driving behaviour on the road. It is an interactive programme that utilises presentations, multimedia resources, and hands-on activities. Over 40,000 participants have gone through the programme.²

¹ [Who We Are](#), NZ Trucking Association.

² [Road Safety Truck](#), NZ Trucking Association.



The NTA participates in the Road Freight Safety Group, which is working to improve safety and compliance in the freight sector

- 5 Your proposed road safety objectives currently include initiatives relevant to road freight safety, such as:
- the NZTA/Police objective to build more commercial vehicle safety centres, and
 - the NZTA/ACC objective to work together to identify options to increase the use of ACC injury prevention funding for road safety initiatives.
- 6 The NZTA convenes the Road Freight Safety Group (the Group)³ to facilitate open, collaborative discussion on commercial road transport safety and compliance matters impacting industry and government. As well as observing road rules, private freight operators have responsibilities under the Health and Safety at Work Act 2015.
- 7 The Group is focussed on improving the freight sector contribution to government and industry initiatives around road safety, productivity and efficiency. Members have expressed that safety standards should be seen as the bottom line, not the target, while balancing the need to improve safety with commercial implications.
- 8 You were previously briefed on the activities of the Group (BRI-3026, OC240612 refer). The Group is working through several strategic priorities, including:
- enabling fit-for-purpose safety data and information exchange
 - supporting industry to deliver better safety outcomes for their people, eg through heavy vehicle accreditation and supporting trials of alternative fatigue management schemes (AFMS)⁴
 - industry member advocacy for chain of responsibility rules, and
 - operational improvements to the implementation of several Land Transport Rules – primarily the Vehicle Dimension and Mass Rule and Driver Licensing Rule.
- 9 The Group is taking a focussed approach to discussing the Rules and is looking into operational changes where possible in the first instance. It is also assisting in gathering evidence to support potential legislative change once operational avenues are exhausted. Any changes to the Rules would need to be considered against wider policy priorities and work programmes.

³ Membership includes NZTA, the Ministry of Transport, ACC, Ia Ara Aotearoa Transporting NZ, IAG New Zealand, National Road Carriers, NTA, ShopCare and WorkSafe.

⁴ The alternative fatigue management scheme is a risk management scheme that, once approved by NZTA, allows commercial transport operators greater flexibility in their operations. The AFMS was developed after consultation with industry and sleep management experts.

The Ministry of Transport's view is that the Group is making a positive contribution

- 10 We consider that the Group is working well within the scope of your priorities and that it is well-positioned to evolve. Discussions to date have signalled an interest among the industry participants to lead safety and compliance in their sector.
- 11 You may wish to ask how Mr Boyce feels the Group is operating and what could be improved. Officials are available to receive any feedback – we will communicate his views to NZTA as appropriate.

Biographies



David Boyce, Chief Executive, New Zealand Trucking Association

In 1988 David became the founding President of the NTA. David has been an integral part of the NTA since its inception including roles as President, Director, Life Member and now Chief Executive.

He has over 40 years' experience in the transport industry, as an Owner Driver through to a Fleet Operator, with skills in problem solving and issue resolution, cost modelling, staff training and mediation.

RELEASED UNDER FOIA ACT 1982
THE OFFICIAL INFORMATION ACT 1982

13 September 2024

OC241054

Hon Matt Doocey
Associate Minister of Transport

AIDE MEMOIRE: MEETING WITH TAIC OFFICIALS AND TAIC'S HALF-YEAR REPORT TO 30 JUNE 2024

Snapshot

This aide memoire provides you with advice on the Transport Accident Investigation Commission's (TAIC) Half-Year Report from 1 January 2024 to 30 June 2024, and for your regular quarterly meeting with TAIC officials at 9am on 19 September 2024.

| | |
|----------------------------|---|
| Time and date | 9:00am, 19 September 2024 |
| Venue | Teams meeting |
| Attendees | Jane Meares, Chief Commissioner, TAIC David Clarke, Commissioner, TAIC Martin Sawyers, Chief Executive, TAIC Naveen Kozhupakalam, Chief Investigator of Accidents, TAIC |
| Officials attending | Tim Herbert, Acting Manager, Crown Entity Monitoring Alan Collins, Senior Adviser, Crown Entity Monitoring |
| Agenda | The Ministry recommends the following items for discussion, including topics that TAIC would like to raise: <ul style="list-style-type: none"> • Discussion on the Half-Year Report January 2024 to June 2024 • Regulation of recreational boating • Aviation safety investigations • Notification of incidents and accidents • Mandate to investigate heavy road vehicle incidents. |

Contacts

| Name | Telephone | First contact |
|---|-----------|---------------|
| Tim Herbert, Acting Manager, Crown Entity Monitoring | s 9(2)(a) | ✓ |
| Alan Collins, Senior Adviser, Crown Entity Monitoring | | |

MEETING WITH TAIC OFFICIALS AND TAIC'S HALF-YEAR REPORT TO 30 JUNE 2024

Key points

- TAIC has indicated that they would like to use this opportunity to introduce you to David Clarke. [Appointments in Confidence] Ministers have signalled their intention to appoint Mr Clarke, and your office has received advice to progress this matter (OC241065 refers).

TAIC Half-Year Report from 1 January 2024 to 30 June 2024

- TAIC's Half-Year Report for 1 January 2024 to 30 June 2024 was delivered to your office on 22 August.
- TAIC has generally performed well against its performance targets and during the reporting period:
 - TAIC has published 16 reports into domestic inquiries for the year ending 30 June 2024, one below its target of 17-27 for the number of reports published. This also included a final report for a complex and long-running aviation investigation from 2018. The rolling average of open inquiries remains at 26.
 - TAIC has made good progress in the timeliness of its investigations and reports. The average age of open inquiries is down to 219 working days from 266 working days at the same time last year and the proportion of inquiries completed within 440 working days (two years) was 82 percent for the year to date, above the target of 70 percent.
 - Average cost of domestic inquiries closed remains above TAIC's target of \$400,000 to \$450,000 at \$499,000 for this period, but a reduction from \$572,000 for the six months to 31 December 2023. The higher than forecast costs reflect several long-running inquiries that TAIC has completed during both reporting periods and average costs may start coming back down to the target range. You may want to enquire as to whether TAIC expects average costs to start reducing in the future.
 - TAIC is in the process of recruiting new investigators following confirmation of its funding increase in Budget 2024 and you may want to ask for an update on the recruitment process.

TAIC has signalled that it would like to discuss the following:

Regulation of recreational boating

- TAIC supports greater regulation of recreational boating. TAIC has previously recommended that the Ministry considers skipper licensing and undertake research on the merits of a system for regulating recreational boating.
- The Ministry of Transport is currently undertaking research to determine the merits of a regulatory system for the recreational maritime sector. Maritime NZ will explore, as time and resources permit, the merits of initiatives such as skipper education and a licensing regime as potential mechanisms for achieving public safety objectives.

- There is currently no timeframe associated with this work and the Ministry will continue to monitor the effectiveness of the current regime. If new evidence suggests that introducing skipper licensing, in addition to educational campaigns, would make a material difference to recreational boating safety, the Ministry will work with Maritime NZ and consider potential changes to the regime.¹

Aviation safety investigations

- On 16 June 2019, a fatal collision between two aircraft occurred at Hood Aerodrome in Masterton. Following this, the Heron Report was commissioned by the Civil Aviation Authority (the Authority). One of its findings was that the Authority had undertaken aviation safety investigations that were the remit of TAIC under International Civil Aviation Organization (ICAO) Annex 13.²
- Following the recommendations of the Heron Report, the Authority has ceased to undertake these aviation safety investigations.
- TAIC has concerns about the potential impacts on both transport safety and TAIC's operations in terms of safety inquiries not being picked up by either the Authority or TAIC and TAIC not having the resources to pick up any increased or transferred responsibilities. Any staffing increase to TAIC would have to be funded by the Crown to maintain independence of inquiries and be subject to a Budget bid.
- The Ministry recommends that TAIC work with the Authority and the Ministry to gain a better understanding about what responsibilities would shift to TAIC, whether there are current funding arrangements that sit with the Authority that cover these types of inquiries, and what funding or resources TAIC may require if it is required to undertake more aviation inquiries.

Notification of incidents and accidents

- TAIC is concerned that not all incidents in aviation and other industry and transport modes such as in the fishing industry, are being notified to regulators.
- TAIC is concerned that this underreporting means key safety findings are being lost, and there are fewer opportunities to identify if smaller issues are symptomatic of a wider issue that could be prevented.
- TAIC does not prosecute as its role is to determine the circumstances and causes of transport incidents with a view to avoid similar occurrences in the future, rather than to ascribe blame to any person. The lack of prosecution means that conversations have a strong safety outcomes focus, and participants feel safer airing concerns.
- The Ministry expects TAIC will advocate for a greater role in the notifications space, and you may wish to discuss this further with TAIC.

¹ The Ministry would lead the policy advice on potential changes to the regime and Maritime NZ would lead any changes to Maritime Rules as required.

² The International Civil Aviation Organization (ICAO) is a specialized agency of the United Nations that coordinates the principles and techniques of international air navigation and Annex 13 outlines the requirements for notification and investigation of air incidents. Annex 13 sets out that no-blame investigations must be done by an agency independent of Government and the modal regulator, which is the purpose of TAIC.

Mandate to investigate heavy road vehicle incidents (item 2.3 in your work programme A3).

- TAIC is interested in increasing the scope of its mandate, especially in the area of heavy road vehicles incidents.
- It is a good idea to review the TAIC Act to ensure it is fit for purpose, but there are a range of issues that would have to be considered if TAIC's mandate was to change.
- Any review of the TAIC Act and TAIC's mandate would also require agreement of the Minister of Transport and Cabinet to proceed and is dependant on the Government's other priorities.
- If TAIC is interested in pursuing this issue, you may want to invite TAIC to write to you and the Minister of Transport outlining these proposals for your consideration.

Retirement of Jane Meares

- This will be your last meeting with the outgoing Chief Commissioner, Jane Meares, as her retirement takes effect on 30 September 2024. We recommend you use this time to thank Jane for her work as Chief Commissioner. She has provided nearly 10 years of dedicated service to the Commission and has offered thoughtful leadership throughout her tenure. There have been significant performance gains for which she should be recognised.
- You may want to acknowledge Jane's retirement by noting:
 - Her work as Chief Commissioner, particularly her role in building a strong Board of follow Commissioners who are well placed to continue to lead TAIC into the future.
 - Her hard work and contribution in building a well-performing organisation as evidenced by the increasing number of investigations completed within targeted timeframes.

Annexes

Annex I: Biographies

Annex II: Advice on the TAIC Half-Year Report from 1 January 2024 to 30 June 2024

Annex I: Biographies

Jane Meares (Chief Commissioner)



Jane Meares is a commercial barrister based in Wellington. She is a leading legal adviser with an extensive range of advisory experience in both the public sector and the corporate world.

Alongside her legal practice, Jane has a number of significant governance roles including deputy chair of the Electoral Commission, chair of Financial Services Complaints Limited, and chair of the Royal New Zealand Ballet Foundation. She is also a board member of the New Zealand Film Commission and a member of Land Information New Zealand's risk and assurance committee.

Jane was first appointed as a Commissioner in February 2015, and was then appointed as the Chief Commissioner in November 2016. Jane has recently announced her retirement effective from 30 September 2024.

David Clarke (Commissioner)



David brings over 20 years' experience in governance roles in the commercial, public and charitable sectors, including in Chair, finance and audit and risk roles. His 27 years of legal professional experience includes litigation, and corporate and commercial advice for private and listed company boards and public entities.

David was appointed to the Commission in December 2022. His term expires in November 2025.

Martin Sawyers (Chief Executive)



Martin leads the organisation to support the Commissioners in the delivery of their statutory purpose, which is to help improve transport safety. Martin has extensive legal and senior management experience in the private and public sectors. He comes to TAIC from being Chief Executive and Registrar of the Plumbers, Gasfitters and Drainlayers Board. Prior to that he was General Counsel and Manager of Corporate Services for the Real Estate Agents Authority and also previously managed legal operations at the Department of Corrections.

Martin also brings significant governance experience from his years as Mayor of Buller District Council, Chair of an Electricity Lines Company and Deputy Chair of a State Owned Enterprise.

Naveen Mathew Kozhupakalam (Chief Investigator of Accidents, General Manager Investigation Services)



As the Chief Investigator of Accidents, Naveen leads the conduct of aviation, rail and marine inquiries opened by the Commission and leads TAIC's investigation team. Prior to this position, Naveen managed rail and maritime investigations. He joined TAIC as a marine investigator in 2011.

Before TAIC, Naveen's worked in shipyards across Japan and the Philippines overseeing the sea trials and delivery of car carrier ships and Cape size and Handymax bulk carriers, and nearly 10 years as a senior marine engineering officer on board commercial vessels plying international trade.

Naveen is a Chartered Engineer; he also holds a Master's degree in naval architecture from the University of Southampton.

THE OFFICIAL INFORMATION ACT 1982

ANNEX II: TAIC HALF-YEAR REPORT FROM 1 JANUARY 2024 TO 30 JUNE 2024

- 1 TAIC continues to deliver its core statutory function of determining the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person.
- 2 TAIC's output measures generally relate to the timeliness, volume and average cost of inquiries they respond to. Performance against those measures can be variable due to the unpredictability of accidents, and the associated complexities of each inquiry. Therefore, TAIC's output measures and performance should be measured against the specific context and nature of TAIC's work at this time.
- 3 Table One on page 29 of the Report summarises TAIC's performance against its expectations. This information from the Report has been extracted and compared to TAIC's reporting for the 12 months from June 2023 to June 2024, as well as the six-month period June 2023 to December 2023, and the 12 months June 2022 to June 2023 (TAIC's most recent Annual Report) in *Table 1* below.

Table One: Summary of TAIC's performance against SPE output measures for the period June 2023 to June 2024

| | 2023/24 SPE | Jun-23 to June-24 | Jan-24 to Jun-24* | Jun-23 to Dec-23 | Jun-22 to Jun-23** |
|--|--------------------------|----------------------|----------------------|---------------------|-----------------------|
| Financial | | | | | |
| Average cost of domestic inquiries completed | Target \$400- 450K | \$543k | \$499k | \$572k | \$467K |
| Volume | | | | | |
| Number of reports published for domestic inquiries (incl. interim reports) | Expected 17-27 | 16*** | 6 | 10 | 16 |
| Number of domestic inquiries in progress, monthly rolling average | Expected 30 | 26 | 26 | 26.6 | 26 |
| Timeliness | | | | | |
| Proportion of completed domestic inquiries completed within 440 working days | Target 70% | 82% | 86% | 80% | 73% |

*Period of the Half-Year Report January 2024 to June 2024

**Reporting from TAIC Annual Report 2022-2023

***Includes one interim report in relation to the Kaitaki [MO-2023-201](#) | TAIC and does not include one inquiry closed by resolution in relation to the missing crewmember of the Pacific off Waimarama coast in April 2024.

Analysis of performance

Domestic inquiry costs

- 4 The cost of an inquiry includes staff time, direct costs (such as travel and technical consultant fees), and a proportion of general overheads. TAIC has previously noted that the time taken to complete an inquiry is the main driver of total costs.³
- 5 TAIC has maintained a target band of \$400,000 to \$450,000 for the average cost of completed domestic inquiries. Average costs have remained above this band since June 2022, going from \$467,000 to \$572,000 in December 2023, but reducing to \$499,000 in June 2024 with an average of \$543,000 for the 12-month period.
- 6 TAIC reports that the average costs of inquiries have been driven up by aviation inquiries, which tend to be more complex and technical. Costs have also been higher with TAIC completing several long-running inquiries that had built up due to either complexity or staffing shortages. In particular, the average cost for six months to June 2024 were driven up by the publication of the final report into a fatal helicopter accident in Wanaka in October 2018.⁴ This report took a long time due to significant new evidence being presented in 2022, and staff changes and high workloads. The average costs in prior six months to December 2023 were also driven up by another lengthy aviation inquiry.⁵
- 7 The Ministry will monitor whether the completion of these complex inquiries begin to bring down average costs in future reporting. If average costs do not start moving towards TAIC's target band, this may indicate that this target needs to be revised.

Volume and timeliness

- 8 In total for the 12-month period TAIC has published 16 reports, one below its 17-27 target for the number of published reports as set out in its Statement of Performance Expectations for 2023-2024. However, the rolling monthly average number of open domestic inquiries in progress has remained consistent at 26.
- 9 Looking at previous years, TAIC has performed consistently, with a five-year average within its target as noted in the table below:

Table Two: TAIC completed domestic inquiries

| Year | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| Number of inquiries completed | 21 | 12 | 10 | 15* | 16** | 16 |
| Five-year average | 18 | 17 | 16 | 18 | 18 | 15 |

*Target had been until this point 15-25 reports completed annually.

**Target changed to 17-27 reports completed annually.

³ TAIC Annual Report 2022/23 p.44.

⁴ AO-2018-009: MDI (Hughes) 369D, registration ZK-HOJ, Wanaka 18 October 2018.

⁵ AO-2020-002 Glider, Schleicher ASK21, ZK-GTG, Taupo 31 May 2020.

- 10 TAIC has made good progress in meeting its targets for timeliness, with the average age of open inquiries reducing and TAIC exceeding its target of 70 per cent of domestic inquiries being completed within 440 working days with 82 per cent completed within this time frame in the 12 months to 30 June 2024.
- 11 The average age of closed inquiries has also fallen, indicating that TAIC is completing inquiries faster and is improving its capabilities as noted in the table below:

Table Three: time taken to close inquires

| Inquiries closed 30 June | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---------|---------|---------|---------|---------|
| Proportion closed within 330 working days | 59% | 33% | 35% | 50% | 58% |
| 12-month rolling average age | 341 | 449 | 413 | 412 | 375 |

Summary of open inquiries and notable themes

- 12 On 30 June 2024, TAIC had 26 open inquires, comprising of:

Table Four: number of open inquiries by mode and theme

| Mode | No. of open inquiries on 30 Jun-24 | Theme identified by TAIC |
|----------|------------------------------------|--|
| Aviation | 9 | Four related to close proximity events |
| Maritime | 10 | Four related to groundings |
| Rail | 7 | Two related to derailments |

Safety of rail workers was added to the Watchlist 2024

- 13 TAIC has added the safety of workers in the rail corridor to its *Watchlist 2024* due to three incidents where trains have entered rail corridors where they were not permitted, such as where workers were carrying out maintenance, putting the safety of rail workers at risk.

TAIC Business management activity and updates

Health and safety audit work programme is underway

- 14 TAIC is working to implement the recommendations from a recent health and safety audit and has recruited a fixed-term health and safety officer. While the report found that there is a high level of engagement in health, safety and well-being in TAIC, improvements could be made to ensure systems and processes are best practice.

TAIC has greatly increased the number of qualified investigators

- 15 TAIC now has 11 qualified Investigators-in-Charge (IIC) out of 16 investigators on 30 June 2024. This is a good improvement from 2020/21 when TAIC had only five IICs as it takes two to three years for an investigator to qualify as an IIC. Investigators

required training overseas at Cranfield University in the United Kingdom.⁶ COVID-19 impacted on both staff and TAIC's ability to train investigators fully.

- 16 TAIC's target in its SPE for 2023-2024 and 2024-2025 is to have 80 per cent of investigators designated IIC or senior investigator, and this target is a strategic intention listed in their 2024-2028 SOI. Currently, approximately 70 percent of TAIC's investigators are IIC qualified and TAIC is making good progress against its target.

TAIC's project to implement the new case management system is in its final stages

- 17 Delivery of its Knowledge Transfer System (KTS) Programme incorporating new systems and processes for how TAIC operates has been one of TAIC's core strategic objectives over the last three years. This project includes the implementation of Hubstream as the standard case management tool. Full implementation of the KTS was expected to be completed by 30 June 2024.
- 18 TAIC reports most of the KTS programme has been implemented and investigators are now using Hubstream for all aspects of the investigation process and regular monthly reporting using the new system has also begun. This is a significant milestone against TAIC's strategic intentions for the last few years.
- 19 TAIC reports full implementation of KTS is now expected by the end of October 2024. TAIC notes that the change in date reflects when it expects the benefits of the new system to start to be realised as it will take time to accumulate enough data for meaningful analysis, such as trends. TAIC notes that further work to the system is expected to be minor.

Emerging Risks

- 20 TAIC has identified the recruitment and training of new specialist investigators as a risk. This is because of a tight labour market for the specialists required and the stretching of resources to accommodate these extra recruitment and training activities. As a small organisation, these types of resourcing pressures will continue to be a risk for TAIC.

Financial overview

- 21 TAIC ended the year ending 30 June 2024 with a surplus of \$1.346 million against a budgeted surplus of \$0.498 million. The net surplus is mainly due to the hold on recruitment of the five investigators pending the Government's Budget 2024 decisions and interest earned on its surplus. TAIC has used the opportunity to build up its cash reserves in line with TAIC's cash reserve guidelines.
- 22 TAIC's financial forecast for 2024/25 is to break even. Break even would be a good result for an organisation of TAIC's size and would indicate that it is fully utilising its resources.

⁶ Cranfield University is the primary university for transport accident investigators worldwide. TAIC and the Australian Transport Safety Bureau have been working on developing equivalent credentials at the Royal Melbourne Institute of Technology.

18 September 2024

OC241083

Hon Matt Dooney
Associate Minister of Transport

MEETING WITH THE MARITIME NZ CHAIR – 19 SEPTEMBER 2024

Snapshot

You are meeting with the Maritime New Zealand (Maritime NZ) Chair, Dame Jo Brosnahan, on 19 September 2024. To support you in your meeting, the Ministry of Transport Te Manatū Waka (the Ministry) has incorporated talking points within this Briefing.

| | |
|----------------------------|---|
| Time and date | 8:00 – 8:30am, 19 September 2024 |
| Venue | Microsoft Teams |
| Attendees | Dame Jo Brosnahan, Chair, Maritime NZ Authority Kirstie Hewlett, Chief Executive, Maritime NZ |
| Officials attending | David Wood, Deputy Chief Executive, Investment and Monitoring Tim Herbert, Acting Manager, Crown Entity Monitoring Marcus Schutenko, Senior Adviser, Crown Entity Monitoring |
| Agenda | <ol style="list-style-type: none"> 1. Chair update on top-of-mind issues for Maritime NZ 2. Performance Plan, including Section 9 Funding 3. TAIC Maritime Matters 4. Dialogue with Minister on future reporting, including any feedback on reports 5. Board appointments (Chair only) |

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 Adviser, Crown Entity Monitoring | | |

Meeting with the Maritime NZ Chair – 19 September 2024

Key points

- You are meeting with Dame Jo Brosnahan and Kirstie Hewlett, Chief Executive of Maritime NZ, on 19 September 2024. Your last meeting was on 21 May 2024 (OC240470 refers). The meeting scheduled for 20 August 2024 was postponed.
- Maritime NZ has suggested the following agenda items for discussion: a Chair update, Performance Plan and key themes for Maritime NZ funding over the next four years (including Section 9 funding), future reporting requirements, and Board appointments (Chair and Ministry only).
- The Ministry also recommends raising matters that will also be raised when you meet the Transport Accident Investigation Commission.
- Talking points are incorporated within this briefing.

Item one: Chair update

- 1 Maritime NZ has indicated that the Chair wishes to provide a verbal update on issues that are top of mind for her. We have not received details on what she intends to discuss.

Item two: Performance Plan,

- 2 The Ministry has been directed to develop a Performance Plan (the Plan) on behalf of the Vote. The intent of the Plan is to outline how we will manage within baselines and highlight any performance challenges for Cabinet's consideration. The Plan itself is based on a perspective template issued by Treasury.
- 3 The final Plan must be agreed by Minister Brown (as the responsible Minister for the Ministry of Transport) and submitted by 7 November 2024. Two check-ins occur before this deadline: a submission on fiscal pressures within the Vote by 12 September, and submission of a draft Plan by 17 October.
- 4 Maritime NZ is not required to develop its own performance plan but has provided information to the Ministry to support development of the Vote Transport Performance Plan. Maritime NZ's response to the first tranche of requests (cost pressure and new spending information) has been received and their response to the second tranche (key impact areas and FTE information) is due to the Ministry by 20 September 2024.

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



RELEASED UNDER
THE OFFICIAL INFORMATION ACT 1982

Item three: TAIC Maritime Matters

- 11 You are meeting with the Transport Accident Investigation Commission (TAIC) at 9:00am on 19 September 2024, soon after the Maritime NZ meeting. TAIC intend to raise two topics, which cover maritime matters, and you may wish to seek an opinion from Maritime NZ to support your conversation with TAIC.

Regulation of recreational boating

- 12 TAIC intends to call for greater regulation of recreational boating following a recent accident. Strengthening the recreational boating environment is one of TAIC six *Watchlist* items, and they previously recommended that the Ministry considers skipper licensing and undertake research on the merits of a system for regulating recreational boating, incorporating licensing, registration, and boat design standards. The Ministry is the recipient of these recommendations as they are policy related, but Maritime NZ would lead the development of any changes to Maritime Rules associated with policy decisions.
- 13 The Ministry is currently working with Maritime NZ to explore the merits of initiatives such as skipper education and a licensing regime. There is currently no timeframe associated with this work. We continue to monitor the effectiveness of the current regime and would work with Maritime NZ on potential future changes.

Notifications of accidents and incidents

- 14 In New Zealand, notifications on accidents and incidents are first required to be notified to the regulator and then to TAIC. TAIC is concerned that not all accident and incidents are being notified to the regulator and there are significant levels of underreporting overall. They have cited the fishing industry as an example. The risks arising from this are that key safety findings are being lost, and there are fewer opportunities to identify if smaller issues are symptomatic of a wider issue that could be prevented.
- 15 The reasons for underreporting are likely to be nuanced. One possible factor is fear of prosecution by the regulators. You may wish to seek Maritime NZ's views on this matter, including how they encourage reporting from participants.

Item four: Future reporting

- 16 Maritime NZ has asked for any feedback on its recent reports such as its 2024/25 SPE and its Quarterly Performance Report for the third quarter of 2023/24 that could help the Authority improve its future performance reporting.
- 17 Key themes from prior feedback, which you could reiterate, relate to the need to adopt a plain-English approach. You could also reiterate the expectations you raised in your Letter of Expectations, which are for Maritime NZ to:
- 17.1 operate in a fiscally sustainable way;
 - 17.2 focus on improving performance in areas of core business;
 - 17.3 continue to develop performance measures that reflect its activity when core business changes; and

17.4 adopt a 'no surprises' approach and inform you and the Ministry as soon as practicable when anything changes.

18 You could also note that the Government expects continuous improvements from the public sector in terms of performance, and Maritime NZ may wish to consider how they give effect to that for future reporting.

19 In the coming months, you will receive Maritime NZ's 2023/24 Annual and 2024/25 Quarter One reports. We expect these to reflect expectations already issued. If there are any areas where performance measures are unlikely to be met, or major impacts to Maritime NZ's financial situation (for example, due to updated cruise visit forecasts), we would expect them to operate on a no-surprises basis and keep you and the Ministry informed *prior* to formal performance reporting.

Item five: Board appointments (Chair only)

20 The Chair has indicated that she wishes to discuss the ongoing Board appointment process for the Maritime NZ Authority. You can expect to receive a briefing recommending candidates for interview this week (OC241062 refers).

21 s 9(2)(f)(iv)

22

23

24 We suggest that you thank Dame Jo for working closely with the Ministry on the appointment process. You may also wish to discuss any early thoughts about possible candidates in advance of receiving the briefing.

25 We expect all appointment and reappointment decisions to be made in November 2024.

24 September 2024

OC241017

Hon Simeon Brown
Minister of Transportcc Hon Nicola Willis
Minister of Financecc Hon Judith Collins KC
Minister for Space

LETTER OF COMFORT TO THE CIVIL AVIATION AUTHORITY

Purpose

Seeks your approval and the approval of the Minister of Finance for a Letter of Comfort (attached as **Appendix One**) to the Civil Aviation Authority (the Authority) Board, to provide assurance that the entity can operate as a going concern for the 2025/26 financial year.

Key points

- In accordance with the financial recommendations for Budget 2024, it was agreed that Joint Ministers (Transport, Finance) would issue a Letter of Comfort to the Board to provide comfort to the Authority that it could operate as a going concern for 2025/26. The financial recommendations were provided to the previous Chair as part of the Budget 2024 Outcome letter attached as **Appendix Two**.
- Since 2021/22, Letters of Comfort (previously known as Letters of Support) have been provided to the Authority's Board to enable it to operate in a financially responsible manner as required by section 51 of the Crown Entities Act 2004. They had also previously been provided to the Maritime New Zealand Board when it was reliant on Crown funding.
- The Authority will be dependent on Crown funding to support delivery of its core functions until it returns to a cost-recovery led funding model. The Board will therefore need to ensure that the Authority acts as a successful going concern i.e. an assumption that the entity will remain in business for the foreseeable future.
- On 9 August 2024, Cabinet agreed to release the consultation document *Civil Aviation Authority of New Zealand Pricing Review*. Public consultation at this time means that the Authority is still expected to complete the review by 30 June 2025 (ECO-24-MIN-0159 refers).
- A Letter of Comfort will respond to Audit New Zealand's request for assurance that the Authority will continue to operate as a going concern enabling it to approve its Annual Report for the 2023/24 financial year. Ministers have made it clear that the pricing review must be completed by 1 July 2025, and the review is still on track to meet this timeframe.

- A letter of comfort covering the period up to 30 June 2026 will provide further assurance of the Crown’s support to the Authority’s Board in meeting its going concern obligation under the Crown Entities Act 2004.

- s 9(2)(f)(iv) [Redacted]

gradually from 1 July 2025.

- s 9(2)(f)(iv) [Redacted]

- The Ministry of Transport has consulted the Treasury on the draft letter and this briefing. It is supportive of our approach.

Potential risks

We do not believe there is a significant risk in issuing this letter, but for completeness the table below lists potential risks.

| Risk | Suggested mitigation from Ministry of Transport |
|--|--|
| <p>If the Letter of Comfort is not provided, the Authority is of the view that it is unlikely to meet the going concern test for the 2025/26 period and will be unable to approve the annual financial statements for 2023/24.</p> | <p>The 24 July 2023 Letter of Comfort enables the Authority to be treated as a going concern until 30 June 2025. An extension to the 2025/26 period would enable the Authority to meet its requirements under the Crown Entities Act 2004, and to have its 2023/24 Annual Report approved by Audit NZ.</p> <p>Providing the letter to the Board now provides certainty of financial support while the Authority undertakes its current pricing review.</p> |

s 9(2)(f)(iv) [Redacted]


| Risk | Suggested mitigation from Ministry of Transport |
|---------------|---|
| s 9(2)(f)(iv) | |

Recommendations

We recommend you:

1. **sign** the draft Letter of Comfort for the Civil Aviation Authority Board **attached at Appendix One** in accordance with the financial recommendations for Budget 2024 Yes / No
2. **agree** to refer this to Hon Nicola Willis, Minister of Finance Yes / No
3. **agree** to refer this to Hon Judith Collins KC, Minister for Space Yes / No

Hon Simeon Brown
Minister of Transport
 /



David Wood
**Deputy Chief Executive,
 Investment and Monitoring**

BUDGET SENSITIVE

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 and Monitoring | s 9(2)(a) | |
| Tim Herbert, Acting Manager, Crown Entity Monitoring | | ✓ |
| Emma Petrenas, Senior Advisor, Crown Entity Monitoring | | |

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

**APPENDIX ONE: LETTER OF COMFORT TO THE CIVIL AVIATION AUTHORITY
CHAIR FOR THE 2025/26 FINANCIAL YEAR**

RELEASED UNDER
THE OFFICIAL INFORMATION ACT 1982

Hon Simeon Brown

Minister for Energy
Minister of Local Government
Minister of Transport
Minister for Auckland
Deputy Leader of the House



Mark Darrow
Chair
Civil Aviation Authority

s 9(2)(a)

Dear Mark

Letter of Comfort for the 2025/26 Financial Year

This Letter of Comfort is provided to enable the Board of the Civil Aviation Authority (the Authority) to continue to operate on a going concern basis until 30 June 2026.

The Government acknowledges that support may be required until the Authority returns to financial sustainability and remains committed to working with the Board in its endeavour to return the Authority to financial sustainability.

We expect the Authority to work collaboratively with the Ministry of Transport to complete the current funding review with any changes coming into effect by 1 July 2025.

Budget 2024 outcomes

As part of Budget 2024, Cabinet agreed to provide funding during the 2024/25 financial year to maintain the Authority's core statutory, regulatory, compliance and response functions, via the "Civil Aviation Authority and Aviation Security Service – Cost Pressure" appropriation (known as the 'liquidity facility').

The actual liquidity facility funding provided to the Authority in 2024/25, will be the difference between forecast expenditure for its core functions and revenue forecast to be received in 2024/25. In response to the financial recommendations for Budget 2024, the Minister of Transport has agreed that the Authority's expenditure in 2024/25 (the specified amount) be set at \$253.873m. This amount excludes \$5 million which will be held in reserve to respond to unexpected shocks, or until the Minister of Transport is satisfied that the Authority has done everything it can to keep costs under control.

We expect ongoing transparency and discipline around this financial support. The Board has a critical role in monitoring financial performance, which includes continuing to identify opportunities to find cost savings and maximise available capability to meet core statutory and regulatory commitments.

Potential for reserves restoration in 2025/26

We expect this letter is sufficient for the Authority to satisfy obligations under section 51 of the Crown Entities Act, to remain a going concern, and that this will enable you to satisfy Audit New Zealand requirements that the Authority remains a going concern.

This letter is provided for the above purposes only, it is not a guarantee or indemnity and is not otherwise intended to create any legal liability on the part of the Crown or any other person.

Yours sincerely



Hon Nicola Willis
Minister of Finance



Hon Simeon Brown
Minister of Transport

Copy to: Keith Manch, Chief Executive, Civil Aviation Authority
Audrey Sonerson, Chief Executive, Ministry of Transport

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

APPENDIX TWO: CIVIL AVIATION AUTHORITY BUDGET 2024 OUTCOME LETTER

RELEASED UNDER
THE OFFICIAL INFORMATION ACT 1982

8 May 2024

Janice Fredric
 Chair
 Civil Aviation Authority I

By email: s 9(2)(a)

Tēnā koe Janice

Outcome of Budget 2024

I am writing to inform you of the outcome of Budget 2024 with respect to initiatives submitted by the Civil Aviation Authority (the Authority). While Cabinet has made final decisions on initiatives that constitute the Budget 2024 package, this information must be kept strictly confidential until it is formally announced on Budget Day, Thursday 30 May 2024.

The focus of Budget 2024 has been taking the first steps towards embedding fiscal discipline within the public service. As part of the Initial Baseline Exercise, Vote Transport was asked to find baseline savings of 7.5% per annum from 2024/25. I thank you for working with the Ministry of Transport to identify opportunities for CAA to contribute to this target. It is important to remember that this is not a one-off exercise and, in line with the letter of expectations which you would have received on 5 March 2024, there is an expectation that further work on achieving value for money will be undertaken ahead of Budget 2025.

Alongside finding opportunities to reduce expenditure, Budget 2024 is also focused on funding critical cost pressures and addressing fiscal cliffs. Please see below for details on initiatives relevant to the Authority that have been agreed by Cabinet for Budget 2024.

Baseline savings initiatives

Cabinet has agreed to the following baseline savings initiatives for the Authority:

| Initiative title | Operating funding approved by Cabinet (\$m) | | | | |
|---|---|---------|---------|---------|--------------------|
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 & Outyears |
| <i>Civil Aviation Authority Policy Functions - Reduction in Funding</i> | - | (0.158) | (0.118) | (0.096) | (0.096) |

As you work through the detailed planning necessary to give effect to these savings, difficult trade-offs or unanticipated impacts may need to be considered and managed. Where trade-offs are likely to have a material impact on Government priorities, please engage with Ministry of Transport

officials in the first instance and ensure that the Minister of Transport is kept informed on a “no surprises” basis.

Additional savings

Cabinet also agreed to return the following tagged contingency:

| Initiative title | Operating funding approved by Cabinet (\$m) | | | | |
|--|---|---------|---------|---------|--------------------|
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 & outyears |
| <i>Transforming the Economic and Research and Development Potential of Our Aerospace Sector Tagged Contingency - Return of Funding</i> | (3.845) | (1.635) | (1.637) | - | - |

| Initiative title | Capital funding approved by Cabinet (\$m) | | | | |
|--|---|---------|---------|---------|--------------------|
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 & outyears |
| <i>Transforming the Economic and Research and Development Potential of Our Aerospace Sector Tagged Contingency - Return of Funding</i> | (1.500) | (0.250) | - | - | - |

The above tagged contingency was originally provided to enable the Authority and the Ministry of Transport to deliver actions identified in the Enabling Drone Integration package. Cabinet agreed to return the tagged contingency in full while further work is undertaken on options to progress the enabling drone integration package ^{s 9(2)(f)(iv)}

he Ministry will be in touch with you as this work progresses.

New funding decisions

I am pleased to inform you that beyond the savings outlined above, Cabinet has also agreed to provide the Authority with new Crown funding for the following initiatives:

| Initiative title | Operating funding approved by Cabinet (\$m) | | | | |
|---|---|---------|---------|---------|--------------------|
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 & outyears |
| <i>Civil Aviation Authority and Aviation Security Service – Cost Pressure</i> | (45.013) | 88.970 | - | - | - |
| <i>Civil Aviation Authority Health and Safety at Work Act Delegations</i> | | 2.800* | | | |

* Note that this is funded from the Working Safer Levy rather than the Crown.

Further detail on 'Civil Aviation Authority and Aviation Security Service – Cost Pressure'

Cabinet has agreed to provide further funding to enable the Authority to undertake its core functions during 2024/25 whilst work on the funding review progresses. In respect of this funding the following additional recommendations were agreed:

- 1 **note** that the Civil Aviation Authority (including the Aviation Security Service) (CAA including AvSec) is usually predominantly funded through levies and charges but, since the COVID-19 pandemic, has been reliant on Crown funding to deliver their core functions and will remain so until the implementation of updated revenue settings;
- 2 **agree** that the actual funding provided to the Civil Aviation Authority (including the Aviation Security Service) will be the difference between:
 - 2.1 the actual expenditure for core functions (up to a specified amount); and
 - 2.2 the actual revenue received in 2024/25 up to the total of appropriated funding available within the "Civil Aviation Authority – Core Functions" appropriation (including any funding transferred from the "Protection of Transport Sector Agency Core Functions Multi Year Appropriation");
- 3 **agree**, prior to the finalisation of the CAA's Statement of Performance Expectation 2024/25, the Minister of Transport will set the specified amount referenced in recommendation (2) above;
- 4 **authorise** the Minister of Transport and Minister of Finance (Joint Ministers) to subsequently adjust the specified amount referenced in recommendation (3) above;
- 5 **agree** that Joint Ministers will issue a Letter of Comfort to the Board of CAA to provide comfort to the Civil Aviation Authority to operate as a going concern for 2025/26.

s 9(2)(f)(iv)

I appreciate that decisions to return, scale and / or not fund initiatives will have implications for the Authority's business and future work programme. In particular, I am aware that while the decision to reduce funding for 2023/24 now, in anticipation of expected surplus funding, gives the Authority funding certainty for 2024/25, it does raise funding risks in the current year which will require careful management.

The Ministry will work with you in the first instance to identify and manage these implications. If you have any questions or comments about matters raised in this letter, I am available to discuss these with you or to meet with your Board.

Please also ensure your financial forecasts in the 2024/25 Statement of Performance Expectations are updated as appropriate to reflect the decisions outlined in this letter.

Thank you for the work that your staff have put into the Budget 2024 process, and in particular your collaboration with the Ministry on the Initial Baseline Exercise. I look forward to working with you as

we seek further opportunities to enhance the value of Crown investment, including through the work on your funding review.

Nāku noa, nā

[insert electronic signature image here or delete 'text entry field']

Audrey Sonerson (she / her / Ms)

Hēkeretari o te Manatū Waka | Secretary for Transport
Te Manatū Waka | Ministry of Transport

Copy to Keth Manch, Director of Aviation and Chief Executive, Civil Aviation Authority
|

RELEASED UNDER
THE OFFICIAL INFORMATION ACT 1982

30 September 2024

OC241118

Hon Simeon Brown
Minister of Transport

MEETING WITH ASP SHIPS

Snapshot

You are meeting with ASP Ships. This briefing includes information to support your attendance.

| | |
|----------------------------|---|
| Time and date | 2.30pm – 3.00pm, 1 October 2024 |
| Venue | EW 5.1 |
| Attendees | David Borcoski – Group Managing Director and Chief Executive of ASP Ships and President of the New Zealand Shipping Federation |
| Officials attending | N/A |
| Agenda | <ul style="list-style-type: none"> ASP Ships' proposal s 9(2)(b)(ii) The Coastal Shipping Resilience Fund |

Contacts

| Name | Telephone | First contact |
|--|-----------|---------------|
| Ruth Fairhall, Deputy Chief Executive, Policy | s 9(2)(a) | |
| Marian Willberg, Manager, Maritime and Freight | | ✓ |

MEETING WITH ASP SHIPS

Key points

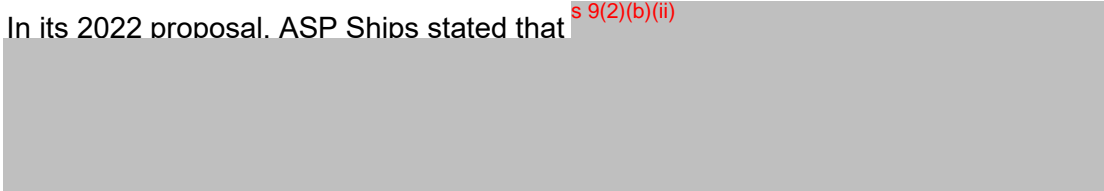
- You are to meet with David Borcoski, Group Managing Director and Chief Executive of ASP Ships. Mr Borcoski is also the President of the New Zealand Shipping Federation (NZSF).
- The key item for discussion is ASP Ships' proposal ^{s 9(2)(b)(ii)} [REDACTED]. [REDACTED] ASP Ships' original proposal was presented to Ministers in 2022 following the closure of the Marsden Point oil refinery, but it did not proceed further.
- Mr Borcoski met with Hon Shane Jones in May 2024 to discuss ASP Ships' proposal and its potential to strengthen fuel security and shipping resilience in New Zealand. We also understand that he has a strong interest in the Coastal Shipping Resilience Fund. To support this discussion, we have provided background information on:
 - ASP Ships and NZSF
 - ASP Ships' proposal ^{s 9(2)(b)(ii)} [REDACTED]
 - The Coastal Shipping Resilience Fund.

Background information on ASP Ships and NZSF

- 1 ASP Ships provides services to the global maritime industry including ship management, technical support for purchasing or upgrading ships and crew management.
- 2 ASP Ships emerged from the Australian maritime sector around 60 years ago. Its global business is managed from Singapore with the Melbourne office coordinating activities in Australia, New Zealand, Papua New Guinea and the Pacific Islands.
- 3 NZSF was established in 1906 and is a major representative body for New Zealand's coastal ship operators. In addition to the Interislander and Bluebridge ferries, members include Chatham Island Shipping, Coastal Bulk Shipping, Holcim Cement, Pacifica Shipping and Silver Fern Shipping (a subsidiary of ASP Ships).
- 4 NZSF recently presented its proposals for coastal shipping reform to Hon Matt Doocey, which were discussed on 4 September 2024. NZSF's proposals covered three broad areas: legislative reform, regulatory reform and training and workforce reform.

ASP Ships presented a proposal in 2022 ^{s 9(2)(b)(ii)} [REDACTED]

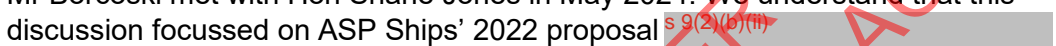

- 5 In March 2022 ASP Ships wrote to the previous Minister of Transport regarding impacts from the closure of the Marsden Point oil refinery on the coastal tankers MT Matuku and MT Kokako. At the time, the tankers were operated by Silver Fern Shipping and time chartered to Coastal Oil Logistics – a joint venture company owned by Z Energy, Mobil Oil and BP. They were utilised by oil companies to distribute refined oil products from the Marsden Point oil refinery to oil terminals at ports south of Auckland. This ceased with the refinery's closure in April 2022.

6 In its 2022 proposal. ASP Ships stated that ^{s 9(2)(b)(ii)}


7 ASP Ships proposed that ^{s 9(2)(b)(ii)}


8 The proposal was subsequently discussed with other Ministers, who decided not to proceed further.

ASP Ships is looking to discuss ^{s 9(2)(b)(ii)}


9 Mr Borcoski met with Hon Shane Jones in May 2024. We understand that this discussion focussed on ASP Ships' 2022 proposal ^{s 9(2)(b)(ii)}

 We also understand there were no agreed actions resulting from the meeting.

10 Mr Borcoski wishes to discuss this proposal with you. You may wish to ask for his views on how to strengthen fuel security and supply chain resilience in New Zealand.

11 You may also wish to note that the government is undertaking a comprehensive work programme to bolster New Zealand's fuel security, which includes commissioning a study into New Zealand's fuel security requirements. The Ministry of Business, Innovation and Employment will also seek the public's views on what the level of cover should be for New Zealand's diesel stock, and options for achieving that, through a discussion paper later this year.

ASP Ships has a particular interest in the Coastal Shipping Resilience Fund

12 We understand that Mr Borcoski has a particular interest in the Coastal Shipping Resilience Fund (the Fund) announced as part of the final Government Policy Statement on Land Transport 2024.

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


14

15

Biographies



David Borcoski – Group Managing Director and Chief Executive of ASP Ships

David has spent the past 30 years working in senior commercial, executive and board roles within the international shipping and marine Logistics industry.

David is the majority owner of the ASP Ships Group of companies. He built it into a global shipping and marine logistics business, with a mix of marine commercial and service businesses positioned across Asia, Europe, Australia and New Zealand. He is also the President of the New Zealand Shipping Federation (since June 2022).

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982